



# BODHI

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## FROM THE EDITORIAL PERSPECTIVE

With the bountiful Grace of God Almighty. We have immense pleasure to pen a message in the editorial desk. The mission of our department of Commerce publishes successfully another International Journal to our credit. Various authors from different institutions contributed their original research work participated with great enthusiasm and presented papers on the “Emerging Trend in Financial Market”.

We acknowledge our thankfulness and appreciation to the various authors and hope will be useful for their career advancement. We also extend our heartfelt thanks to all our department staff who tirelessly worked to make this work fruitful one. We confide that are sincere efforts towards this endeavor will bring out a successful impact on the advancement and fulfillment of the obligations of the scholars as well. We do affirm that it will bring out a healthy round of applause on the part of the society and public at large. This piece of work will certainly joint the doors of all concerned with the aspects of capital market and investors. This contribution will be a fruit of great taste to read.



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**Dr. R. Rathiha**, is working as Associate Professor and Head, Department of Commerce, Women's Christian College, Nagercoil. She has 35 years of teaching experience. She has published more than 150 articles in National and International journals and books. She has also published 3 books. She has presented more than 200 research papers in National and International conferences.

She is a recognize guide of Manonmaniam Sundaranar University, Tirunelveli and under her guidance 33 candidates were awarded Ph.D in Commerce. She has also completed a minor project and a major project sponsored by University Grant Commission.



**Dr. Chithra James** is working as Assistant Professor in the department of Commerce, Women's Christian College, Nagercoil. She has 26 years of teaching experience. She has presented many papers in National and International conferences. She is a recognized Ph.D research guide of Manonmaniam Sundaranar University, Tirunelveli and have published one Book.

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Academic Excellence in research is continued promoting in research support for young Scholars. Humanities, Arts and Science of research is motivating all aspects of encounters across disciplines and research fields in an multidisciplinary views, by assembling research groups and consequently projects, supporting publications with this inclination and organizing programmes. Internationalization of research work is the unit seeks to develop its scholarly profile in research through quality of publications. And visibility of research is creating sustainable platforms for research and publication, such as series of Books; motivating dissemination of research results for people and society.

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# A STUDY ON INVESTMENT BEHAVIOUR OF EQUITY INVESTORS IN CAPITAL MARKET WITH SPECIAL REFERENCE TO KANNIYAKUMARI DISTRICT

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## Abstract

*Capital market is a market for long term securities. It is a medium through which securities having a maturity period exceeding one year traded. The financial intermediation between the supplier and borrowers of capital is the major function of capital. A share of company believed by an individual (or) group, companies raise capital by distributing stocks and enable the stock owners to partial ownership of the corporation. Securities are any financial instrument that has a core value including equity, bonds, debentures. The investment choices are generally based upon the following factors, Liquidity, Return on investment, Safety, Management active involvement. The main purpose of this paper is to find the factors influencing the investment decision making in capital market.*

**Keywords:** Investors decision making, Indian stock market, Factors influencing, Accounting Information.

## Introduction

Capital market is an important component of the financial system. It is a medium through which small savings of investors scattered across the country are collected and invested in productive activities. It provides liquidity, safety and profitability to the investors. The stock market is one of the most key bases for companies to raise money. Stock market is a place where the securities can be sold and purchased at a decided price. Financial regulators, such as Securities and Exchange Board of India (SEBI)/Reserve Bank of India (RBI) have an eye on the activities of the stock markets in their selected jurisdictions so as to ensure that investors are protected against fraudulent activities. Stock markets may be classified into primary markets and secondary markets. In primary markets, new stocks or bond issues are sold to investors through public offer. On the other side, in secondary markets, liquidity to securities allotted in primary market are provided which means existing securities can be traded and subscribed among investors or traders through a recognized stock exchange.

## Investment Behaviour

Investment behaviours are defined as how the investor's judge, predict, analyse and review the

procedures for decision making, which includes investment psychology, information gathering, defining and understanding, research analysis.

## Capital Market

A capital market is a financial market in which long – term debt or equity backed securities are bought and sold. Capital market channel the wealth of savers to those who can put it to long – term productive use, such as companies or government making long term investments.

## Market Risk

The market risk defines the total risk involved in the stock market investments. The stock market rises and falls conditional on a number of issues. The collective view of the investors to invest in a specific stock or bond plays a important role in the stock market rise and fall.

## Industry Risk

The industry risk upsets all the companies of a certain industry. Hence the stocks within an industry fall under the industry risk. The regulatory risk may affect the investors if the investor's company comes under the compulsion of government implemented new principles and laws.

## Business Risk

The business risk may upset the investors if the company goes over some fit depending on management, strategies, market share and labour force.

## Market Modules

### Regulators

- Ministry of Finance (Stock Exchange Division)
- Securities Exchange Board of India (SEBI) and
- Stock Exchanges.

### Intermediaries

Affiliates in the Indian capital market are required to register with SEBI to bring out their businesses, these includes Stockbrokers, sub-brokers, share transfer agents, bankers to an issue, trustees of a trust deed, registrars to an issue, merchant bankers, underwriters, portfolio managers, investment advisers, and other such intermediaries who may be associated with the securities market in any manner.

## Stock

A Stock is a type of security that signifies ownership in corporation and represents a claim on part of corporation assets and earnings. A share of a company held by an individual or group. Firms raise capital by issuing stocks and entitle the stock owners to partial ownership of the corporation

## Security

A Security is a financial instrument that represents an ownership in publically such as bond, debentures and stocks.

## Behavioural Finance

The Behavioural Finance is defined by Shleifer. A (1999) as "a rapidly growing area that deals with the influence of Psychology on the behaviour of financial practitioners." The stock selection process measured very vital behavioural finance. The factors that influence on stock selection decision are return on equity, quality of management, and return on investment. (E. Bennet, Dr. M. Selvam, Eva Ebenezer, 2011)

## Stock Market

The main function of the stock market is to allow trade in the shares of public companies, which in turn return the performance of the companies whose shares are traded in the stock market (Koti, 2014). Stock Markets have qualities because investors have emotions.

Markets are ultimately driven by people and stock prices are what persons make them out to be. People have a leaning to see their own actions and decisions as totally rational, when the truth is they may not be (Brahmabhatt, P.S Raghu Kumari, Dr. Shamira Malekar, 2012).

Going public means to the process by which companies make their shares accessible to the public. In doing so, a company sells part ownership of its business to each investor, or "shareholder." This method of raising money is called "equity financing." There are further ways that companies can raise capital, such as selling debt through bonds and related securities (Kukreja, 2012).

A stock market is a place in which long term capital is upraised by industry and commerce, the government and local authorities and it is regarded as capital market. The money derives from private investors, insurance companies, pension funds and banks and is regularly arranged by issuing houses and merchant banks. Stock exchanges are also portion of the capital market which provides a market for the shares and loan that denote the capital once it has been raised. Stock market is a place where the securities can be sold and purchased at an agreed price (M Rakesh, 2014).

The stock market is one of the most important sources for companies to raise money. This allows business to be publicly traded, or raise additional capital for increase by selling shares of ownership of the company in a public market. The liquidity that an argument provides affords investors the ability to sell securities quickly and easily. It plays a vital role in the financial system. . It is measured as one of the best ways to increase funds (Akhter, 2013).

## Objectives of the Study

1. To find the investment pattern of equity investors
2. To analyze the various factors influencing the investment behavior of equity investors
3. To offer suggestion and conclusion to the equity investors in capital Market.



## Hypothesis

**HO1** = there is no dependency relationship between age and preference of investment.

**HO2** = there is no dependency relationship between preference of investment and satisfaction level.

## Methodology of the Study

This study aims to know the investment behaviour of equity investors in capital market. Primary data collected by using questionnaire. The secondary data such as journals, books and websites were accessed to understand the underlying concept behind the study.

## Sample Size

The researcher has adopted simple random sampling techniques for data collection. 50 respondents have been interviewed and data have been restricted only Kanniyakumari district.

## Tools for Analysis

For analysis of data we used percentage analysis, chi-square test and weighted average method.

## Limitations of the Study

1. Due to busy schedule of investor they were reluctant to reply.
2. Due to lack of time and personal consideration the number of sample are limited to 50 respondents.

## Data Analysis

**Table No 1**  
**Age of Respondents**

Age	No of Respondents	Percentage
Below 35 yrs	22	44
35 yrs – 55yrs	18	36
Above 55 yrs	10	20
Total	50	100

**Source:** Primary data

## Interpretation

The above table 1 shows that 44 percent of respondents are below 35 years, 36 percent are belongs to 35-55 years and 20 percent of respondents are above 55years.

**Table No 2**  
**Preference Investment**

Preference investment	No of Respondents	Percentage
Shares	14	28
Fixed income securities	12	24
Real estate	8	16
Gold	6	12
Mutual Funds	10	20
Total	50	100

**Source:** Primary data

## Interpretation

The above table 2 represent 28 percent of respondents are preference invested in shares, 24 percents are fixed income securities and 20 percent are preferred to mutual fund investment.

## Relationship between Age and Preference of Investment

**HO1** = There is no dependency relationship between age and preference of investment.

**Table No 3**  
**Relationship between Age and Preference of Investment**

Age	Shares	Fixed income securities	Real estate	Gold	Mutual funds	Total
Below 35 yrs	6	4	3	3	6	22
35 yrs – 55yrs	5	5	3	2	3	18
Above 55 yrs	3	3	2	1	1	10
Total	14	12	8	6	10	50

**Source:** Primary Data

## Interpretation

Calculated Value : 4.5690

Table Value : 26.3 (5% Chi- Square Table Value)

C.V (4.569) < T.V (26.3)

Hence the null hypothesis is accepted so there is no dependency between age and preference of investment.

**Table No 4**  
**Relationship between Preference of Investment and Satisfaction Level**

Ho2 = There is no dependency relationship between preference of investment and satisfaction level.

Satisfaction level	Shares	Fixed income securities	Real estate	Gold	Mutual funds	Total
Highly satisfied	1	2	1	1	5	10
Satisfied	9	7	4	2	2	24
Moderate	1	1	1	1	1	5
Dissatisfied	2	1	1	1	1	6
Highly dissatisfied	1	1	1	1	1	5
Total	14	12	8	6	10	50

Source: Primary Data

#### Interpretation

Calculated Value : 39.567

Table value : 26.3 (5% Chi- Square Table Value)

C.V (39.567) > T.V (26.3)

Hence the null hypothesis is rejected. So there is dependency between satisfaction level and preference of investment.

**Table No 5**  
**Factors Determining Investor Behaviour of the Respondents (Weighted Average Method)**

Sl. No	Factors	Mean Score	Rank
1	Confident to select financial instrument	3.64	III
2	Responsibility for the result	3.8	I
3	Confident to manage investment	3.6	IV
4	Knowledge of financial instrument	3	IX
5	Online trading	3.68	II
6	Demand holding and transparent transactions	3.4	VI
7	Careless	2.16	XI
8	Willing to take risk	3.04	VIII
9	Can take calculated risk	3.32	VII
10	Low risk taking capabilities	2.96	X
11	Actively involved in trade	3.44	V
12	Broker's advice	3.32	VII
13	Consider Past Experience	3.04	VIII
14	Determination of Technical Analysis	3.6	IV

Source: Primary Data

#### Interpretation

The above table 5 shows responsibility for the result of investment decision ranks first with weighted average mean score of 3.8, online trading ranks second score and last mean score 2.16 taken as careless.

**Table No 6**  
**Factors Influencing Investment Decision in Capital Market of the Respondents**

Sl. No	Factors	Mean Score	Rank
1	Past performance of co's stock	3.92	I
2	Dividend Policy	3.6	IV
3	Expected earnings	3.44	VII
4	Get Rich quickly	3.28	VIII
5	Marketability	3.64	III
6	Diversification of investment	3.52	VI
7	Recommendation of financial advisors and brokers	2.48	X
8	Recent price movements in Company's Stock	3.56	V
9	Credit Availability	3.04	IX
10	Low level risk	3.76	II

Source: Primary Data

#### Interpretation

The table 6 depict past performance of company's stock as first rank score 3.92 and recommendation of financial advisors and brokers had tenth rank score of 2.48.

#### Findings

- 44 percent of respondents are below 35 years
- 28 percent of respondents are preference invested in shares
- In chi- square analysis null hypothesis is accepted so there is no dependency between age and preference of investment.
- In chi - square analysis the null hypothesis is rejected. So there is dependency between satisfaction level and preference of investment.
- In weighted average method the result of investment deision ranks first with weighted average mean score of 3.8
- In weighted average method past performance of company's stock as first rank score 3.92

### Suggestions

1. Investors are the hub of the capital market. Their satisfaction is the most important. So it should be done by providing safety, return and liquidity for their investment.
2. Investors must monitor the variation in stock market indices regularly for making investment decisions.
3. Due to inadequate computer literacy the investors have to depend on brokers making transactions. so the computer literacy of investors must be increased.
4. Proper study must be made in the factors like technical analysis, industry analysis and company analysis before making investment in capital market.
5. As far as the capital market is concerned research carried out is very less. So, SEBI and other agencies should provide assistance to carryout advance research in this area.

### Conclusion

This study conducted to understand investment behaviour, investment pattern, satisfaction level and factors affecting investment decision of equity investors in capital market. it is also evident that the investors are investing their money to get a regular income than capital appreciation.

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## A STUDY ON THE SCOPE OF GREEN BANKING IN INDIA

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### Abstract

India's Banking sector has witnessed tremendous changes in terms of Banking reforms, technological developments and customer services. Now the banks are focussing towards an innovative concept known as "Green Banking". Green Banking is an ethical way of banking operation which incorporates environment friendly operations in its functioning. It aims at upgrading the performance by giving due attention to social and environmental objectives. This involves Internet Banking, Mobile Banking, Card Based Transactions, Electronic Fund Transfer and Green Financing. Green Banking is a relatively new concept in India's Banking Sector and it has the potential to transform and revolutionise the traditional banking activity in an environmentally responsible manner. Considering the significance of Green Banking various public and private sector banks have already started taking Green Banking Initiatives. The present study analyses the concept of green banking and its scope. It also analyses the Green Banking initiatives implemented by some of the leading Banks in India.

**Keywords:** Green Banking, Internet Banking, Mobile Banking, Electronic Fund Transfer, Green Financing.

### Introduction

Banks are vital for the economic development and progress of a nation. Any economic activity requires the supply of finance. The banks are the lifelines of the country that supply financial resources required to set the economic activities in motion. Banking Sector plays a pivotal role in India's Economy. Over the years, India's Banking sector has witnessed tremendous changes in terms of Banking reforms, technological developments and customer services. Now the banks are focussing towards an innovative concept known as "Green Banking".

Today, the world is confronted with increasing environmental problems like pollution, global warming, climatic change, resource depletion, natural hazards and these issues have raised serious concerns all over the world. As a result, the need of environmental protection and environment sustainability has been realised by the countries all over the world. This concern has given rise to the trend in adoption of eco - friendly practices. The adoption of environment friendly approach in banking is termed as Green Banking.

Green Banking is an ethical way of banking which incorporates environment friendly operations in functioning. It aims at upgrading the performance by giving due attention to social and environmental objectives. This involves making the conventional banking procedures of

customers to follow more environmentally responsible manner. The idea of green banking is to minimise the "Carbon Foot Print" as much as possible. Green Banking concept helps to transform the conventional banking activity by directing the basic operations of the banks for the welfare and well - being of the environment . (Mosab, 2015)<sup>1</sup>. The present study analyses the concept of Green Banking and its scope and the Green Banking Initiatives of Banks in India.

### Review of Literature

- Sahoo and Nayak (2007)<sup>2</sup> in their study emphasized that the conservation of the environment is not the sole responsibility of the government but it is the responsibility of various stake holders including financial institutions like banks. They also pointed out that Green Banking should encourage eco - friendly investments and financing environment friendly industries and projects.
- Janakiraman and Karthikeyan (2016)<sup>3</sup> in their study pointed out that RBI and government should take measures to promote and increase Green Banking initiatives of Banks through policies and guidelines.
- Ragupathi and Sujatha (2015)<sup>4</sup> highlighted some of the green banking measures such as using online banking for paying bills, making deposits, fund

transfers, checking Statements. They also emphasized that the banks should provide green loans, use power saving equipments and renewable energy sources of energy like solar power for power consumption.

### Objectives

- To examine the concept of Green Banking and its scope in India.
- To study the Green Banking Initiatives of Banks in India.

### Methodology

The present study is descriptive and conceptual in nature. Secondary Data has been used for the study and they have been collected from various articles and websites.

### Green Banking – An Overview

Green Banking is an approach or way of banking practice intended to reduce the carbon emissions externally and carbon footprints internally also. The external carbon emissions can be reduced by financing projects that cause less damage and pollution to the environment and those which adopt green technologies in their operations and working. On the other hand, carbon foot prints can be reduced through adopting innovation in services and products. (Vadrle, 2016)<sup>5</sup>.

Banks can contribute to Green Banking by acting as an intermediary between the twin goals of economic development and environment protection. This means banks should promote and finance environmentally sustainable projects and investments. The idea of green banking was conceived initially in the western countries. The first green bank was established in 2009 in Florida, under the ownership of the US government. The main agenda was to reduce the use of paper for the banking operations and increase in the demand and use of paper leading to increase in the cutting of trees as raw material for paper production.

Green Banks are the banks which encourages online banking operations online fund transfer, internet banking, mobile banking, providing green finance like green -house loans, green - car loans and also ensure environment friendly internal operations through low energy consumption, minimising the use of paper and taking

efforts to reduce carbon footprints (Menon, Sreelakshmi & Shivdas, 2017)<sup>6</sup>.

### Green Banking Approaches

#### 1. Online Banking

Online Banking has revolutionised the banking experience for the customers. It helps in saving time, energy and paper work. It is very convenient as compared to branch banking.

It involves a range of services like:

- **Internet Banking:** it involves conducting the banking activities through the website of the banks. The use of internet banking requires a user ID and a password.
- **Mobile Banking:** involves conducting banking operations like account transfer, checking balances and other operations through mobile phones.
- **NEFT, RTGS, IMPS :** New Technologies like NEFT (National Electronic Fund Transfer), RTGS (Real Time Gross Settlement) and IMPS (Immediate Payment System) which enables the electronic transfer of funds are gaining popularity and preference as they are hassle free and less time – consuming.

#### 2. Card Based Transactions

It involves the use of plastic money like ATM cards, credit cards, debit cards, smart cards, gift cards for making without the use of paper money.

#### 3. Green Channel Counters

Green Channel counters enables the customers to deposit and withdraw money, facilitate account transfer by just swiping the ATM or debit card without the need for filling pay- in - slips, cheques, withdrawal forms or remittance forms. Thus they significantly helps to reduce the use of paper.

#### 4. Online Bill Payment

The customers can make payments (like telephone bills, water bills, credit card bill, and payment of services and products in online shopping to name a few) electronically.

#### 5. Green Financing

It involves providing funds for green projects like for green buildings which are solar powered, vehicle loans for low carbon emission vehicles, setting up solar power plants, Bio- Fertilizer Plants, Bio- Gas Plants.

## 6. Green Infrastructure

Banks should engage themselves act as a role models by establishing green buildings which use solar energy, installing solar powered ATMs, using LED Bulbs for low energy consumption.

### Scope of Green Banking in India

Now a days, people have realised the significance of computer literacy, and has started using the electronic medium for daily activities. The same is the case with the banking operations. Customers have started using the online mode of banking on an increasing scale as it is convenient, time saving and effortless. This is enabled through smart phones, computers .In addition to this there is an increase in the use of ATMs, smart cards and mobile applications of banks for making the payments. So The banks can easily ensure their Green Banking operations will not go in vain. Adoption of Green Banking Initiatives also helps the banks to increase their good will.

### Green Banking Initiatives of Banks in India

#### State Bank of India (SBI)

As a part of the Green Banking initiatives, SBI launched Green Channel Counters on 1st July 2010. It facilitates the deposits, withdrawal and remittance without the use of paper.SBI installed 10 wind mills with a 15MW capacity in the states of Tamil Nadu, Maharashtra and Gujarat . It is the first bank in India to venture into such an initiative. It Introduced “Green Homes Scheme” under which loans with low rate of interest and zero processing charges are given for the environment friendly residential projects which has the rating and certification of Indian Green Building Councils. It launched a new type of loan called “Carbon Credit Plus” intended for financing Clean Development Mechanism (CDM) projects of the coming years.SBI has installed solar powered ATMs. SBI has also undertaken various other initiatives like the Rain Water Harvesting systems in its office buildings, Construction of Green Building, Awareness programs on Green Banking for its employees are also same ways.

#### ICICI Bank

Green Banking initiatives of ICICI Bank include “Insta - banking services” which enables the customers to do the banking operations from anywhere and at any via internet and smart phones. This helps to ensure paperless

transactions and saves time and cost. The bank also encourages the application of e- statements. It also provides finance to green technology projects.

#### Bank of India

Bank of India's Green Banking Initiatives includes promotion of Internet banking, Mobile Banking, usage of E – Cards. It also conducts awareness campaigns about green banking and undertakes the distribution of tree saplings.

#### Punjab National Bank

PNB takes steps to ensure low energy consumption through energy efficient lights and reduce carbon emissions and also undertakes Electricity Audit to analyse the energy consumption in their banks. Moreover they also steps are also taken for the construction of Green Buildings.

#### Canara Bank

Green Banking practices of the bank include online banking services, tele- banking, solar powered bio metric systems, setting up of e- lounges for online trading, internet banking and ATM.

#### Axis Bank Ltd

The bank takes several green Banking initiatives including electronic banking, sending e – statements and Annual reports through e-mail, car-pooling to reduce carbon footprint, promotion of green building.

### Conclusion

Green Banking is indeed a necessity for the future and it has the potential to transform and revolutionise the traditional banking activity in an environmentally responsible manner. Green banking initiatives of the banks is beneficial not only to the customers, industries and economy but also to the banks as it helps to raise their reputation in the society. Customers must be encouraged to switch completely to online banking. Awareness programmes and campaigns about the significance of Green Banking for the society and the environment must be aware through advertisements in print medium and online medium. Banks should provide loans for environment friendly projects and investments. As compared to their counter parts in developed countries,

Indian Banks are far behind in achieving Green Banking objectives. This situation has to change. For this, RBI must take steps to make sure that Green Banking initiatives are implemented by every banks.

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# CUSTOMER SATISFACTION TOWARDS DIGITAL BANKING

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## Abstract

*Digital banking is a widely used concept in digital technology and it had substantially changed the way the customers transact and interact with the bank. Digital banking performs all the traditional banking activities without having to go to bank branch. In India, more and more people are connected with Digital banking Platform because of thriving technology and financial economy. Hence this present study is carried out to find out the purpose of using Digital banking, Satisfaction of Customers towards Digital banking and the problems faced by the customers in Digital banking. The present study was based on primary and secondary data. Convenient Sampling Technique has been used for this study.*

**Keywords:** Digital Banking Platform, Thriving Technology, Digital Technology.

## Introduction

Digital banking means availability of all banking activities in online. It is offered through different channels which include Online Banking, Mobile Banking, Telephone Banking, ATM, CDM and Contact Centre IVR. The earliest form of technology traces back to the origin of ATM cards launched in 1960. Broadband digital networks began to fasten customers to develop needs for online catalogues and Inventory Software Systems by 1990. Then Internet becomes apparent and Online Banking started becoming normal. The proliferation of smart phones opened the door for transaction. Over 60% of the customers now use their smart phones as the preferred method of Digital banking. With the initiation of Mobile banking, customers can perform banking transaction conveniently. Hence, the researcher is interested to study about the customer's satisfaction towards digital banking, Purpose of using digital banking and the problems faced by the customers.

## Review of Literature

**Amutha. D (2016)** made a study on "Consumer's perception towards e- banking systems related to consumer awareness towards e-banking systems with special reference to Tuticorin district of Tamil Nadu". The study revealed the opinion of customers on future

expectations. The study also concluded that most of the customers are aware about all the e-banking services in Tuticorin district.

**Dr. Pinki Insan and Sapna Kumari (2015)** conducted a study on "Consumer's perception towards Internet Banking". The major objectives of this study are to identify the consumer's perception towards Internet Banking. The researcher mentioned that all the respondents are satisfied with the internet banking services.

**Divya Singhal and Padhmanabhan. V (2008)** explores in his paper that the major factors responsible for Internet banking was based on respondent's perceptions on various internet applications.

## Statement of the Problem

India is stepping a giant leap towards digital banking. All the banking activities are easily done with the help of digital banking without waiting for anyone. Through the speedy development, advancement in technology and changing demographic styles, digital banking is increasing popularly and customers have adopted the digital system. Lack of knowledge, security and technical issues are considered as the major problem faced by the customers. Hence, the present study has been conducted in order to



delve about the customer's satisfaction level and the problems faced by the customers.

### Objectives of the Study

1. To find out the purpose of using Digital Banking.
2. To delve about the satisfaction level of customers in Digital Banking.
3. To encounter the problems faced by the customers in Digital Banking.

### Research Methodology

The present paper is based on primary and secondary data. Primary data has been collected from 100 respondents who use digital banking in Nagercoil Town. Secondary data has been collected from journals, articles and websites. In this study, Convenient Sampling Technique has been used for selecting the respondents.

### Data Analysis and Interpretation

**Table 1**  
**Demographic Factors of the Respondents**

Sl. No	Demographic Factors	No. of Respondents	%
1.	<b>Gender</b>		
	Male	56	56
	Female	44	44
	<b>Total</b>	<b>100</b>	<b>100</b>
2.	<b>Age</b>		
	Below 25 Years	12	12
	26-40 Years	40	40
	<b>Above 40 Years</b>	<b>48</b>	<b>48</b>
	<b>Total</b>	<b>100</b>	<b>100</b>
3.	<b>Educational Qualification</b>		
	Up To Higher Secondary	12	12
	Diploma	8	8
	<b>Under Graduate</b>	<b>28</b>	<b>28</b>
	Post Graduate	20	20
	Professional	24	24
	Others	8	8
	<b>Total</b>	<b>100</b>	<b>100</b>
4.	<b>Marital Status</b>		
	<b>Married</b>	<b>72</b>	<b>72</b>
	Unmarried	28	28
	<b>Total</b>	<b>100</b>	<b>100</b>
	<b>Occupation</b>		

5.	Professional	12	12
	Business	22	22
	Public Employee	12	12
	<b>Private Employee</b>	<b>24</b>	<b>24</b>
	Self Employee	12	12
	Others	18	18
	<b>Total</b>	<b>100</b>	<b>100</b>
6.	<b>Monthly Income</b>		
	<b>Less Than Rs. 30,000</b>	<b>36</b>	<b>36</b>
	Rs. 30,001- Rs. 50,000	28	28
	<b>Above Rs. 50,000</b>	<b>36</b>	<b>36</b>
	<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

The above table depicts the demographic factors of the respondents. While considering the Gender, 56 percent of the respondents are male. 48 percent of the respondents belong to the Age group of above 40 years. In terms of Education Qualification, 28 percent of the respondents are Under Graduate and 24 percent of the respondents were Professionals. Regarding Marital Status 72 percent of the respondents were married. In terms of Occupation 24 percent of the respondents were Private Employees. 22 percent of the respondents belong to the Occupation of Business. With regards to the Monthly Income 36 percent of the respondents were less than 30,000 and above 50,000.

**Table 2**  
**Usage of Digital Banking**

Sl. No	Usage of Digital Banking	No. of Respondents	%
1.	<b>Daily</b>	<b>36</b>	<b>36</b>
2.	Weekly	32	32
3.	Fortnightly	24	24
4.	Monthly	8	8
	<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

From the above table, it is clear that, 36 percent of the respondents use digital banking daily, 32 percent of the respondents use weekly, 24 percent of the respondent use fortnightly and 8 percent of the respondents use monthly.

**Table 3**  
**Channels of Digital Banking**

Sl. No	Channels of Digital Banking	No. of Respondents	%
1.	Online Banking	32	32
2.	Mobile Banking	52	52
3.	ATM	8	8
4.	CDM	8	8
	<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

From the above table, it depicts the fact that, 52 percent of the respondents use Mobile Banking channel, 32 percent of the respondents use Online Banking and 8 percent of the respondents use ATM and CDM.

**Table 4**  
**Source of Awareness**

Sl. No	Source of Awareness	No. of Respondents	%
1.	Friends / Relatives	32	32
2.	Online Advertisements	52	52
3.	Television Advertisements	8	8
4.	Bank Officials	8	8
	<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

From the above table, it reveals that, 52 percent of the respondents were aware through online advertisements, 32 percent of the respondents were aware through Friends / Relatives and 8 percent of the respondents were aware of Bank Officials and Television advertisements.

**Table 5**  
**Association Between Age and Purpose of using Digital Banking**

Age	Purpose of using Digital Banking											x <sup>2</sup>	p-value
	Recent Transactions	Periodic Statements	Ordering Cheque Books	Funds Transfer	Loan Application	Third Party Transactions	Debit / Credit Card request	Bills Payments	EMI Payments	Online Investments	Total		
Below 25 yrs	4	0	0	0	0	2	2	2	2	0	12	67.515	.000*
26-40 yrs	0	0	2	2	2	6	0	16	8	4	40		
Above 40 yrs	2	4	2	16	10	2	4	2	4	2	48		
<b>Total</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>18</b>	<b>12</b>	<b>10</b>	<b>6</b>	<b>20</b>	<b>14</b>	<b>6</b>	<b>100</b>		

Source: Primary Data

**\*Significant @ 5% level**

The above table clearly shows that, the p value is lesser than 0.05, hence, the null hypothesis is rejected. It shows that there is significant association between Age and the purpose of using Digital Banking.

The eleven variables related to satisfaction level of customers towards Digital Banking were analyzed with the help of factor analysis and the results are shown in the table below.

**Table 6**  
**Satisfaction Level of Customers Towards Digital Banking**

Sl. No	Satisfaction level	Automation	Easier	Convenient	Services
1.	Enhanced customer service	.869			
2.	Reduces human errors	.834			
3.	Speed	.616			
4.	24x7 accessible	.602			
5.	Convenience		.874		
6.	Time saving		.807		
7.	Safe and Easier process			.815	
8.	Saves costs			.811	
9.	Privacy			.617	
10	Paperless transactions				.845
11	Eco-friendly				.817

**Extraction Method: Principal Component Analysis.**

**Rotation Method: Varimax with Kaiser Normalization.**

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.552
Bartlett's Test of Sphericity Approx. Chi-Square	497.429
df	55
Sig.	.000

**Source: computed data**

The KMO of sampling adequacy and Bartlett's test of sphericity have been conducted to test the validity of data. The KMO measure is greater than 0.5 (.552) and the chi-square value is 497.429 at 55 degrees of freedom.

**Factor Loadings for Satisfaction Level**

Sl. No	Satisfaction level	No. of variables	Eigen Value	Percentage of Variance Explained	Cumulative Percentage of Variance Explained
1.	<b>Automation</b>	4	3.138	28.523	28.523
2.	<b>Easier</b>	2	2.650	24.091	52.614
3.	<b>Convenient</b>	3	1.335	12.135	64.748
4.	<b>Services</b>	2	1.068	9.713	<b>74.462</b>

The variables 'Enhanced customer service' (.869), 'Reduces human errors' (.834), 'Speed' (.616), '24x7 accessible' (.602) with higher loadings are combined together and named as '**Automation**'. 'Convenience' (.874) 'Time savings' (.807) are joined together and named as '**Easier**'. 'Safe and Easier process' (.815) 'Saves Costs' (.811) 'Privacy' (.617) are combined together and named as '**Convenient**'. 'Paperless transactions' (.845), 'Eco Friendly' (.817) are joined together and named as '**Services**'

**Table 7**

**Problems Faced by the Customers in Digital Banking**

Hendry Garrett Ranking Technique has been used to identify the problems faced by the customers in Digital Banking and the results are shown in the table below.

Sl.No	Problems	Garrett Mean Score	Rank
1.	Technical issues	48.08	<b>IV</b>
2.	Security issues	50.92	<b>I</b>
3.	Lack of knowledge	48.48	<b>III</b>
4.	High bank charges	50.52	<b>II</b>

**Source: Primary Data**

The above table depicts that first rank goes to security issues, followed by High bank charges with second rank, Lack of knowledge secures third rank and last rank goes to Technical Issues.

**Conclusion**

Digital Banking had completely changed all the banking systems. Customer's outlooks are enlarging and digital banking is gaining more importance among the customers. In the modern world due to the technological development all the banks should adopt the digital banking. Without digitalization, banking activities are impossible. This platform improves interaction with customers and delivers the banking activities efficiently. At the same time customers satisfaction also plays a decisive role in digital banking. Thus, banks should maintain cordial relationship with customers in order to retain them. It leads the customers to get maximum satisfaction.

**Findings**

- 56 percent of the respondents are male.
- 48 percent of the respondents belong to the Age group of above 40 years.

- 28 percent of the respondents are Under Graduates.
- 72 percent of the respondents were married.
- 22 percent of the respondents belong to the Occupation of Business.
- 36 percent of the respondents were less than 30,000 and above 50,000.
- 36 percent of the respondents use digital banking daily.
- 52 percent of the respondents use Mobile Banking channels.
- 52 percent of the respondents were aware through online advertisements.
- There is significant association between Age and the purpose of using Digital Banking.
- Satisfaction level of customers towards Digital Banking was analyzed with the help of Factor Analysis. The eleven variables are reduced into four factors. Among the four factors the most important is Automation and Convenience.
- Majority of the respondents say that Security issues are the problem in digital banking.

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# ROLE OF MICRO FINANCE IN FINANCIAL INCLUSION

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## Introduction

Finance is basic to any economic activity. In India is seriously building a more inclusive financial system that works for the poor. Over the years, Indian banking has certainly become more inclusive. But the majority of the rural population still does not appear to have access to finance from the formal rural finance sector. Policies, institutions and markets will need to be transformed with an eye on improving the efficiency of the formal source. It compensate for the relative lack of access with which formal banks have been able to serve the poor, new microfinance approaches are being developed. Some of these, such as the linkage between Self Help Groups (SHGs) and bank championed by National Bank for Agriculture & Rural Development (NABARD), have received strong support from government. The main purpose of this study is to demonstrate the effect of micro finance as part of the financial inclusion in India.

## Financial Inclusion

India ranked 50<sup>th</sup> globally for inclusive growth. It cannot be achieved without financial inclusion. It is described as the method of offering banking and financial solutions and services to every individual in the society without any form of discrimination. It recognized for accelerating growth and reducing income disparities and poverty. India's poverty estimates range from 26 per cent to 80 per cent, out of these 87 per cent does not have access to credit. About 60 per cent of India's population is statistically unbanked. They are not aware of banks and their functions. They may not meet minimum eligibility criteria laid by banks such as minimum age, income, minimum years of working experience and credit score. A bank will provide a deposit or a loan to an individual only if they meet these criteria and hence, they will not be able to

secure a bank's services. Financial inclusion aims to eliminate these barriers, spread awareness about financial service of banks and wants to develop formal and systematic credit avenues for the poor people.

## Financial Inclusion through Microfinance

Indian microfinance has continued growing rapidly towards the main objective of financial inclusion. It is defined as the provision of thrift, credit and other financial services such as money transfer and micro-insurance products for the poor, to enable them to raise their income levels and improve living standards. The beginning of the microfinance movement in India could be traced to the SHG Bank Linkage Programme (SBLP). This programme not only proved to be very successful, but has also emerged as the most popular model of microfinance in India. Other approaches like Micro Finance Institutions (MFIs) also emerged subsequently in the country.

The banks are not uniformly geared up for financial inclusion. While the commercial banks have taken significant steps to facilitate inclusion, the Regional Rural Banks (RRBs) and the co-operative banks need to gear up their efforts in this area. The banking sector has been pro active in proliferating microfinance through the expansion of savings and credit linkages of SHGs. The SBLP is a strong intervention in economic enablement and financial inclusion for the bottom of the pyramid. The number of SHGs with savings bank accounts, amount of credit disbursed during the year, the bank loans outstanding as well as the quantum of savings had shown positive growth during the past three years. It is a proven method of financial inclusion. It has clearly shown in the following Table 1.

**Table 1**  
**Loan Disbursement and Loan Outstanding by MFIs (Amount ₹ crore)**

Particulars	2015-16		2016-17		2017-18	
	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
Loan disbursed by banks/FIs to MFLs/MFOs	647	20795.57	2314	19304.38	1922	25515.23
Loans outstanding against MFIs/MFOs as on 31 <sup>st</sup> March	2020	25580.84	5357	29225.45	5073	32305.92

Source: Reporting Banks

**Table 2**  
**Loans to MFIs by Banks/Financial Institutions**

Financing Agency	Period	Loans disbursed to MFIs during the year		Loan outstanding against MFIs as on 31 March	
		No. of accounts	Amount	No. of accounts	Amount
Commercial banks	2015-16	564	19324.14	1561	22682.85
	2016-17	1430	17091.33	3328	25089.18
	2017-18	641	22133.60	1962	26039.52
Regional Rural Banks	2015-16	31	52.42	344	210.23
	2016-17	13	37.83	250	78.75
	2017-18	13	55.93	358	64.16
Cooperative Banks	2015-16	3	6.00	17	11.76
	2016-17	3834	207.33	1682	261.54
	2017-18	1248	38.70	2653	68.51
SIDBI	2015-16	49	1413.01	98	2876.00
	2016-17	37	1967.90	97	3795.98
	2017-18	20	3287.00	100	6133.74
Total by all agencies	2015-16	647	20795.57	2020	25580.84
	2016-17	2314	19304.38	5357	29225.45
	2017-18	1922	25515.23	5073	32305.93

Source: Reporting Banks

Commercial banks accounted for two per cent of the savings outstanding of SHGs. A little more than 32 per cent SHGs maintain their savings linked with RRBs. The performance of co-operative banks under SBLP with 18 per cent SHGs and 11 per cent of savings outstanding of SHGs as on 31 March 2018.

#### Microfinance and SHGs

SHGs as an apex body play an effective role to spread the financial inclusion. The SBLP launched by NABARD in 1992 continues to be predominant micro finance model in the country. It represents the union of the banking system comprising the public & private sector commercial banks, RRBs and co-operative Banks with several organizations in the formal semi formal sectors to facilitate the provision of financial services to a large no. of poor clients. It is a proven method of financial inclusion. It has shown in the following Table3.

**Table 3**  
**Savings and Loan Outstanding (Amount ₹ lakhs)**

Category of agency	Total savings of SHGs with Banks as on 31 March 2018		Loans of disbursed to SHGs by Banks during 2017-18		Total outstanding Bank Loans against SHGs		NPAs	
	No. of SHGs	Savings amount	No. of SHGs	Loans disbursed	No. of SHGs	Loan outstanding	Amount of Gross NPA	NPA (96)
Commercial banks	4633712	1166422	1272885	2870762	2904086	4874808	310120	6.36
% share	52.99	59.54	56.29	60.84	57.85	84.48	66.00	
Regional Rural	2807744	580735	782663	1511934	1658221	2273864	121803	5.35
% Share	32.11	29.64	34.61	32.04	33.03	30.00	26.10	
Cooperative Banks	1302981	212054	205683	335892	468051	411176	31082	7.56
% Share	14.90	10.82	9.10	7.12	9.12	5.44	7.90	
<b>Total</b>	<b>8744437</b>	<b>1959211</b>	<b>2261132</b>	<b>4718588</b>	<b>50203580</b>	<b>7559845</b>	<b>462805</b>	<b>6.12</b>

Source: Reporting Banks

Commercial banks by virtue of this were network take the lead in SBLP Commercial banks accounted for two percent of the savings outstanding of SHGs. A little more

than 32 percent SHGs maintain their savings linked with RRBs and 30 percent of the total savings outstanding under SBLP. The performance cooperative of banks,

under SBLP with 15 percent SHGs and 11 Percent of savings outstanding of SHGs as on 31 March 2018.

Banks have opened 19.21 crore accounts under the government's ambitious financial inclusion scheme, Pradhan Mantri Jan Dhan Yojana (PMJDV) with deposits of more than Rs.26,819 crore till November. These zero balance bank accounts have been accompanied by 16.51 crore debit card, a life insurance cover of Rs. 30,000 and an accidental insurance cover of Rs. 1 lakh. More than Rs. 4,273 crore have been routed through these accounts towards payment of wages under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and transfer of cooking gas subsidy amounting to Rs.17,446 crore. The government is pushing financial inclusion through the banking sector.

The emerging role of MFIs as other than banks engaged in providing financial services to the poor is being recognized and the banking sector has been extending loans to MFIs for on lending to SHGs. As far as the savings is concerned, the number of SHGs maintaining savings bank accounts with the banking sector. In India, commercial banks had the maximum share of SHGs savings followed by RRBs and co-operative banks. Accordingly the government and Reserve Bank have taken several initiatives, from time to time, such as

nationalization of banks, prescription of priority sector lending norms and concessional interest rate for the weaker sections.

### Conclusion

The MFIs are an integral part of financial inclusion. Today the MFIs want the government to empower them for mobilizing savings and immense opportunities in the new avatar of micro credit in India. Financial services actively contribute to the human and economic development of the society. These lead to social safety and protect the people from economic shocks. Hence each and every should be provided with affordable institutional products and services popularly called "Financial Inclusion".

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# A STUDY ON ENTREPRENEUR AND VENTURE CAPITAL INVESTMENT

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## Abstract

*The Study helps to develop a knowledge of venture-capital investment based on the Entrepreneurial activity, The study focused on the importance of venture-capital markets, and its significance to develop the entrepreneurs skills among the educated youngsters in the society.*

## Introduction

It's a general thought that involvement in entrepreneurial activity contributes to the significant development for economic growth of the country and creating the employment opportunities for young youth in our nation. "Entrepreneur is a person, who buys the factors of production at certain price, with a view to sell them at uncertain prices in future", therefore the government should create awareness to conduct a programme, which encourages the youngsters to come up with good innovative idea as well as providing the opportunities for public to invest their valuable amount as venture capital investment.

An extreme challenge of financial feasibility is relatively based on venture capital, which receives a large amount of uncertainty, lack of equality and asset intangibility has made the entrepreneur to work on innovate idea with whole hearted spirit to bring success towards its work and by that contribute good things to the society for present as well as for future. This paper looks at the availability of information to fetch the venture capital investment to be a good beginning for the Entrepreneur.

## Meaning Entrepreneur

An entrepreneur is an individual other than employee, who runs a business small in nature, assuming the risks and rewards of the venture. In other terms entrepreneurs who prove themselves to the society in taking on the risks of startup are rewarded with profits, which show the growth opportunities.

"Entrepreneurs see possibilities and solutions where the average person only sees annoyance and problems" – Nicole Martins Ferreira

"The entrepreneur always searches for the change, responds to it and exploits it is an opportunity" – Peter F Drucker

## Venture Capital

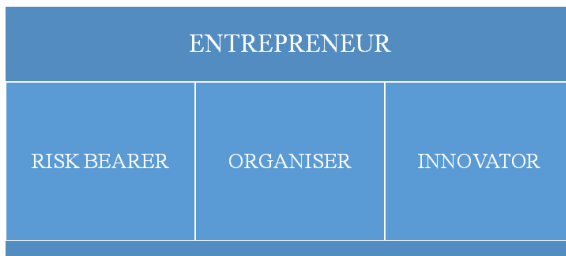
A Venture Capital is a type of funding contributing for the growth of new business entities. It is a startup or growth equity or loan capital contributed by the private investors or from financial institutions. It is usually funded to build in high risk financial portfolio. Venture Capital is an important form of investment which fosters the entrepreneurship, it turns and promotes the job creation and develop the growth of the economy at the point of investment level.

"Private equity or institutional funding for start-up companies considered to have strong growth prospects" – Financial Time Lexicon

## Characteristics of Entrepreneurs

Entrepreneurship is not about your idea or money, it is quite a nature to manage the situation and finding the path to success in their ventures. An entrepreneur is a person who should possess the important characteristics of **Risk Bearer, Organiser and Innovator.**





### Qualities of Entrepreneur

A Successful entrepreneur is a business people who have common traits. They are confident and optimistic persons open with new ideas which cross their path. Here the ten traits of the successful entrepreneurs are listed below.

1. **Disciplined:** They are individuals focused on bring their businesses and remove the hindrances on their goals. They have the clear strategies and tactics to complete the work in a successful manner.
2. **Confidence:** It is one of the good qualities for the entrepreneur does not ask questions about whether they can succeed are worthy of success. They are confident with the knowledge of the work they carry.
3. **Open Minded:** He realize the situation of the business of opportunity and develop with an idea constantly with efficiently and effectively to attend their goals.
4. **Self Starter:** Entrepreneur set the path and make sure boundary of their projects and proactively not waiting for other permission to start the work.
5. **Competitive:** He is otherwise called promoter of the company who knows the job better than other. They know the strategies to win the business he created.
6. **Creativity:** Creativity is the inborn quality of entrepreneur, being able to connect the events and situations to market their product.
7. **Determination:** They determined in all their endeavors succeed, Successful entrepreneur is a person who have belief on nothing is impossible.
8. **Communication:** He should be a person with strong communication to market their product and motivate the employees to capture the good place for their product. They are good at making the benefits of any situation by that coaching others to their success.
9. **Work Ethic:** He was very workaholic, the person who be the first to arrive at office and the last one to leave.

Periodically make sure that the outcome meets their expectations.

10. **Passion:** It is the most important trait of the successful entrepreneur. Genuinely love their work and put an extra hours to bring out the profit and by that so their joy of passion towards is business. The goods entrepreneur always researching to carry the business better.

### The Principal Guidance for Funding the Entrepreneurs

There are three principles which guide for raising fund for entrepreneurs ventures which are as follows:

1. As an entrepreneurs business grows by several rounds of stages by project appraisal, finding and testing the different feasibility applicable.
2. Raising the capital, by promoting the business idea among the public to invest their valuable part of their savings as risky capital investment.
3. Giving priority or planning the venture capital investment for upliftment of the entrepreneurial business.

### Sources of Funding

1. **Internal Funding:** The longer the entrepreneur is able to survive on personal funds, fetched through hard work, sweat equity generally generated through family and friends often called as "love money". Therefore the internal funding further named as below
  - 3 Fs – Founder, Family and Friends.
  - Bootstrapping
  - Business Alliances
2. **External Funding :** The external funds are named as
  - Angle
  - Venture Capitalists
  - Corporate investors
  - Banks

### Objectives of the Study

1. To identify the role of entrepreneur in the society.
2. To study the importance of venture capital towards entrepreneurial activity.

### Research Methodology

#### Type of Research

The types of research to be used for this study is descriptive and experimental.

### Method of Data Collection

1. Primary data: Where primary data by administering a detailed questionnaire and also by conducting a depth personal interviews.
2. Secondary data: For this study secondary data to be collected through various sources such as magazines, internet, and various financial service institute and business journals.

### Sample Size

105 Respondent using simple Random Sampling Method.

### Review and Literature

The literary framework of this study applies the major aspects of financial-contracting setting of entrepreneur may obtain funding from a venture capitalist, focusing on adverse selection and moral hazard, which seeks to capture the essence of relationship between the business founders (entrepreneur) and outside equity holders who is a venture capital investors.

- **Akerlof (1970)** analyses the hidden information, that capital market condition / situation which makes the entrepreneur to seek the success or failure of his business.
- **Spence (1973)** examined that one natural market response to adverse selection of signaling quality of product making mechanisms is based on involvement of venture capital investment.
- **David M. Flynn (1991)** In his study the researcher identified that Venture Capitals plays a important role in an administrative component of the new business start up, through either direct or indirect involvement of entrepreneurs and moves its life cycle as a technical core provides the continued innovation which is necessary for long term survival and growth the firm.
- **Barry (1994)** emphasized the information that entrepreneur has prior to contracting regarding his own abilities, optimistically create a bias toward funding through venture capital investment for his project.
- **Eltzur and Gavious (2003)** studies the creativeness of the entrepreneur and former successful

entrepreneurs of the same industry helps to bring up the similar new companies.

- **Li (2008)** deals the real options theory on venture capital suggestion in a world of uncertainty are a least partially irreversible.

### Findings

#### Demographic Profiles of the Respondents

Percentage analysis has been applied to understand the demographic profiles of the respondents such as gender, age, educational qualification, occupational status, annual income, area of living and followed by behavior pattern of investment towards entrepreneurial activity. and the results are shown in table 1.

**Table 1**  
**Demographic Profile of the Respondents**

Demographic Characteristics (N = 105)	Frequency (%)
<b>Gender</b>	
Male	54 (51)
Female	51 (49)
<b>Age (In Years)</b>	
20 – 30 Years	30 (29)
31 – 40 Years	24 (23)
41 - 50 Years	22 (21)
51 – 60 Years	20 (19)
Above 60 Years	9 (8)
<b>Educational Qualification</b>	
Below HSC	8 (8)
HSC	18 (17)
UG	40 (38)
PG	19 (18)
Professional	20 (19)
<b>Occupational Status</b>	
Employee	39 (37)
Business	22 (21)
Home Maker	31 (29)
Others	13 (13)
<b>Annual Income (In Rs.)</b>	
Below Rs. 1 lakh	12 (11)
Rs. 1 – Rs. 2 lakhs	36 (34)
Rs. 2 – Rs. 3 lakhs	23 (22)
Rs. 3 – Rs. 4 lakhs	21 (20)
Rs. 4 lakhs above	13 (12)
<b>Region</b>	
Urban	50 (48)
Sub Urban	55 (52)

The study figure-outs that male and female were more or less equal in this sampling and their opinion is similar on venture capital investment towards

entrepreneurial activity. Major respondents fall under the category of 20-30years of age group. Major respondents are located in sub urban area. The study highlights that irrespective of the respondent's nature of occupation, educational qualification and annual income are differing but their opinion on capital investment behavior for the growth of entrepreneurs. Most of the respondents reported that venture capitalists spend most of their time and effort to scrutinize the promising proposals in detail is commonly used to evaluate the potential investments. Meyer (2013).

## Factor Analysis

### Exploratory Factor Analysis

The factor analysis was applied for data reduction process and to identify predominant factors which influence the investment behavior of people in entrepreneurial activity as venture capital investment. Kaiser –Meyer – Olkin Measure of sampling Adequacy test revealed 84.8% of adequacy of data and initial Eigen values extraction on loading factors is 69% of the total variance. The factor analysis identified four factors that influence venture capital investment towards entrepreneurial activity. The factors were High quality product, flexibility, exit aspiration and fund viability and liquidity. The Cronbach's reliability test also has been applied to identify the reliability of the data. The test acknowledged 88% of reliability of the data.

## Conclusion

The study investigated the venture capitalists decision process from venture capitalists and entrepreneur's. The study examines venture capital as the base for the entrepreneurial growth. The major findings include the following: First, entrepreneurs are common in nature, and most of them started the entrepreneurial activity as a view to buy the factors of production at certain cost with the view to sell them at uncertain price. Secondly to a great extent, technology knowledge plays a major role to serve long. . A number of factors influenced the venture capital investment towards are presented, such as high quality concept, flexibility, exit aspirations, fund viability and liquidity. On the other hand Entrepreneurs should

financially be able to discriminate between investor types, do not take just the first offer, but rather the most appropriate to see if it fits for the firm. Thus, we can conclude that venture capitalists and entrepreneur's share some perception regarding investment decision process but they are not always confined to same determinant.

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## CONSUMER ATTITUDE TOWARDS ATM SERVICES

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### Introduction

Banking is considered as the counter of trade, commerce and business in a country. It plays a vital role in distributing the technological development in banking sector like information technology, security systems and description models. IT has brought significant changes in modern banking services in India. Many value added services in banking sector have been introduced to the customer's satisfaction in this competitive field. This long run will have the way for the significant growth in service sector.

Modern World Bank is fully based on computerization has provided new opportunities for banks to expand their markets and services into world level. The e-banking has made the customer say goodbye to huge account registers and large paper bank accounts. The e-banks offer many services like E-Cheque, D-Mat A/c, smart banking, and Home banking, clearing House Automated system, Electronic Fund Transferred at point of Scale and Automated Teller Machine to its customer.

The banking sector in India has undergone a massive restructuring during recent years as a result of developments. New technologies have added to the competition. The IT revolution has made it possible to provide easy and flexibility in operations to customers. Thus making banking simpler and easier. Rapid strides in information technology has redefined the role and structure of banking in India. Further, due to exposure to global trends after the information explosion led by internet, customer's both individuals and corporate are now demanding better services with more products from their banks.

Now new customers are being handled with care and caution by providing advanced technology based services

without sacrificing the concepts of secrecy and reasonable care.

In earlier days' people have to spend three to four hours to go and do bank transactions. Some times the cost of transaction was more than that of the money deposited or withdrawn. But nowadays modern marvels of technology were well received by consumers because they made it possible for them to access money from their credit cards or debit cards 24 hours per day with a quick and simple system.

ATM's made it possible for consumers travel in a safer manner because they no longer hour to carry large amount of cash with the help of ATM. The banking has undergone a major change the adoption of E-banking. One of the latest channels of distribution to be used in the financial services organizations is electronic banking, this method was established in the mid 1990's. The most widely used instrument is the ATM (Automatic Teller Machine).

The Reserve Bank of India regulates banks in India. The Banking Regulation Act was passed in the year 1949. It defines a banking company and banking as under.

The origin of modern banks is traced to three important sources. They are

- The gold smiths
- The money lenders and
- The merchant bankers

### Objectives of the Study

The study has been under taken with the following objectives

1. To study about the banking networks available in Nagercoil city.
2. To identify the major reasons for utilizing ATM card.

3. To reveal the various positive impact towards ATM services.

### Statement of the Problem

Most of the banks are computerized because of the development in technology. Due to the rapid growth in technology and new scientific inventions the banking fields is developing every day. Banking being a service industry has lot of stake in customer satisfaction. An automatic teller machine can hardly comprehend the customers' needs and wants. This problem leads to some questions.

### Methodology

The present study has been under taken in Nagercoil city. This study is based on both primary and secondary data. The primary data is collected by using interview schedule and secondary data is obtained from books and journals. Convenient sampling technique is used while selecting the sample. Fifty sample respondents were selected from the Nagercoil city.

### Frequency of using ATM Card

It is important to note how many times using e-banking services are used by customers.

**Table 1.1**  
**Frequency of using ATM Services**

Sl. No	Using ATM cards	Respondents	Percentage
1	Daily	4	10
2	Weekly once	9	22
3	Weekly twice	6	15
4	Once in fore night	10	26
5	Once in a month	4	10
6	Occasionally	6	15
7	Never	4	10
	<b>Total</b>	<b>50</b>	<b>100</b>

Source: primary data

Table 1.1 shows the distribution of the respondents based on their frequency of the e-banking by the customers. Majority of the customer using e-banking services daily is 2 percent, 22 percent are using the services weekly once, 15 percent are using the banking services weekly twice, 10 percent are using the services once in fortnight and 15 percent were using the services occasionally.

### Satisfaction of Mini-Statement

Mini statement facility which is usually available in the ATM centers helps the customers to know their bank balance. The following table 1.2 shows the satisfaction of the customers.

**Table 1.2**  
**Satisfaction of Mini-Statement**

Sl. No	Satisfaction of mini statement	No. of respondents	%
1	High	7	17
2	Medium	30	75
3	Low	3	8
	<b>Total</b>	<b>40</b>	<b>100</b>

Source: primary data

The above table shows that the satisfaction mini statement of the 40 respondents, out of 17 percent is high, 75 percent is medium and, 8 percent is low.

### Major Reasons for using ATM Card

The present study confines the reason for using ATM card to total quick withdrawal, statement of the account, it avoid a long queue in regular banking hours, convenience, any time using and limited risk.

As this study relates to the reason for using ATM card respondents are asked to rank the reason for using ATM card six reasons are given. "Henry's Garrett Ranking principle " has been applied to find out the reasons for using ATM card. The order of merit thus given by the respondents for the six reasons is converted into ranks by using the formula;

$$\text{Percent Position} = 100(R_{ij} - 0.05)/N_j$$

Where  $R_{ij}$  rank given by the  $j^{\text{th}}$  individual for the  $i^{\text{th}}$  factor and  $N_j$ : Number of factor ranked by the  $j^{\text{th}}$  individual i.e.

The ranks thus obtained are converted into scores with the help of Garrett's table. For each reason, the scores of individual respondents are added together and divided by the total number respondents. The mean scores for all the reasons are arranged in the ascending order and ranks given in the order of importance.

**Table 1.3**  
**Major Reason for using ATM Card**

Sl. No	Variables	Score	Rank
1	Quick with drawl	51.43	III
2	Statement of the account	49.12	IV
3	Avoid long queue in regular banking hours	63.22	I
4	Convenience	57.12	II
5	Anytime using	49	V
6	Limited risk	45.45	VI

**Source: Primary data**

The first reason for using ATM card is avoiding long queue in regular banking hours with the score of 63.22. The second reason for using ATM card is convenience. The third reason being quick withdrawal, statement of the account, ranks IV any time using ranks V and limited risk ranks VI.

### Findings

- The highly major reason for using ATM card among the customers is avoid long queue in regular banking hours with the score 63.22, followed by convenience 57.12 and quick withdrawal 51.43. The least reason for using ATM card is limited risk.
- Majority of the customer use e-banking services daily 10 percent, 22 percent were using the services weekly once, 15 percent were using the banking services weekly twice, 10 percent were using the services once in fortnight and 15 percent were using the services occasionally.
- The satisfaction the 50 respondents are 17 percent high, 75 percent medium, 8 percent low.

### Suggestions

- Banks should arrange meetings with the customers at least once in a month, for customer's clarification and feedback from the customers about ATM services.

- The ATM centers can avoid practices and fraudulent activities by fixing error detecting electronic devices.
- The respondents selected for study are holding Indian banks ATM card. Therefore, it is suggested that, the other banks also motive their customers to use ATM.
- Instead of having concentration of more number of ATM access point at one place, the ATM counters may be opened, at least in important places to avoid the long queue during peak hours.
- Alternate machine should be installed if the machine is out of order, because majority of the customers selected for study availed ATM services, due to any time banking.

### Conclusion

As, the banks banking sector is one of the largest service in India, the banks developed their services by using the latest technologies. The customer are satisfied with the over are performance of ATM services. Holders are feels that card issuer should take steps to reduce the transaction fees and to introduce modern feature in the ATM services. So in order to sustain in the market the banks should always try to find out the attitude of the customer and should they are necessary steps to retain the customers and attract, new customers also.

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# A STUDY ON FINANCIAL PERFORMANCE OF KANYAKUMARI DISTRICT CENTRAL CO-OPERATIVE BANK, NAGERCOIL

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## Abstracts

*Co-operative Banking Sector, though the oldest in the Banking Sector, it is one of the weakest segments of Indian Banking System. Both the Reserve Bank of India and the National Bank for Agricultural and Rural Development have taken various policy measures in respect of Urban Co-operative Banks and Rural Credit Co-operatives during the recent years to transform them into financially sound entities.*

## Introduction

The co-operatives in Kanyakumari District play a vital role in the credit scene, particularly, in rural areas. The cooperative department has to oversee the functioning of these micro-level bodies and ensure that they are following the lending norms uniformly. With the cooperatives also being drawn into the service area concept, the department has to ensure that their plans are properly presented and implementation monitored in the Block level meetings. Their role in the development of agriculture is of much useful to the people concerned. Except the year 2000-01 in which the Cooperative suffers loss, the rest of the years under study the cooperative society are able to earn profit. The credit facilities extended by KDCC are high for services, medium for Industries and low for agriculture. With regards to the debt recovery position of KDCC, it is quite satisfactory. The overall performance of cooperative banks in granting agriculture loans is highly fluctuating.

## Objective of the Study

- To study the progressive trend of various performance indicators.

- To study the financial performance of the KDCC Bank.

## Methodology

The data used for the purpose of analysis will be taken from the secondary sources. The annual reports of the Kanyakumari District Central Cooperative Bank will be used as the main source and for the purpose of analysis, reviews and the related theoretical information the relevant books and journals will be used. Further, the interview with the concerned officials also will help for the completion of the study.

## Data Analysis and Interpretation

### Performance of KDCCB

The co-operative banks in Kanyakumari district play a vital role in the credit scene, particularly, in rural areas. The cooperative department has to oversee the functioning of these micro-level bodies and ensure that they are following the lending norms uniformly.

**Table 1**

**Trend Analysis of Performance Indicators of KDCCB**

Year	Share Capital	Deposits	Borrowings	Reserve Fund	Investment	Working Capital	Loans and Advances	Overdues
2000-01	100	100	100	100	100	100	100	100
2001-02	108	119	90	100	105	110	111	186
2002-03	116	143	80	100	118	123	127	168
2003-04	127	142	169	100	127	148	154	244
2004-05	132	149	166	100	123	155	165	234

2005-06	139	147	210	350	135	170	180	479
2006-07	181	151	141	350	146	159	166	213
2007-08	223	170	161	363	150	174	199	257
2008-09	292	215	134	397	186	197	222	299
<b>Average</b>	<b>158</b>	<b>148</b>	<b>139</b>	<b>218</b>	<b>132</b>	<b>148</b>	<b>158</b>	<b>242</b>

**Source:** Annual Reports of KDCCB

The performance indicator of KDCCB reveals that there is an increase in the share capital to the extent of 58 per cent, deposits 48 per cent, borrowings 39 per cent, reserve fund 118 per cent, investment 32percent, working capital 48percent, loans and advances 58 per cent, and overdue of principal amount by 142 per cent. Hence, care should be taken to reduce overdue.

### Comparative and Common Size Balance Sheet

Financial data becomes more meaningful when compared with similar data for a previous period or a number of prior periods. Statements prepared in a form that reflect financial data for two or more periods are known as comparative statements. Such statements are very helpful in measuring the effects of the conduct of a business during the period under consideration.

**Table 2**  
**Comparative Balance Sheet**

Liabilities	2016	2017	Increase/ Decrease	
			Amount	Per cent
Capital	1222.16	1361.53	139.37	11.40
Govt. Share Capital Assistance	690.75	1140.67	449.92	65.13
Reserve Fund and other Reserves	2061.76	2107.86	46.1	2.24
Other Funds	799.27	542.04	-257.23	-32.18
Fixed Deposits	15560.84	20210.31	4649.47	29.88
Savings Bank Account	2751.47	3104.65	353.18	12.84
Current Deposits	754.28	710.35	-43.93	-5.82
Borrowings	8438.03	7021.89	-1416.14	-16.78
Bills Collection	.37	.12	-0.25	-67.57
Interest payable	791.78	1835.06	1043.28	131.76
Other liabilities	1055.13	866.77	-188.36	-17.85
Provision for Standard assets	700.00	700.00	0	0.00
Net Profit	52.65	5.08	-47.57	-90.35
<b>Total</b>	<b>34878.49</b>	<b>39606.33</b>		
<b>Assets</b>				
Cash	949.43	806.78	-142.65	-15.02
Investments	5253.69	6503.77	1250.08	23.79
Loans - Short Term Loan	20921.49	22927.12	2005.63	9.59
Medium Term Loan	6079.53	7330.81	1251.28	20.58
Blocked Loan	1323.32	1323.32	0	0.00
Long Term Loans	9.28	6.13	-3.15	-33.94
Interest Receivable	31.00	44.15	13.15	42.42
Bills Collection	.37	.12	-0.25	-67.57
Premises	197.94	195.30	-2.64	-1.33
Furniture	1.45	1.77	0.32	22.07
Bank Vehicles	.005	.005	0	0.00
Other Assets	85.545	440.875	355.33	415.37
Misappropriation	25.44	26.18	0.74	2.91
<b>Total</b>	<b>34878.49</b>	<b>39606.33</b>	<b>4727.84</b>	<b>13.56</b>

**Source:** Annual Reports of KDCCB



As per the common size statement, loans and deposits from members and from KDCC form the major portion and the other liabilities are scattered over all the other liabilities. As far as the assets are concerned, the other assets dominate over other types of assets.

### Comparative Profit and Loss account

The profit and loss account summarizes the results of operations of a business concern transacted during a

definite period and conveys the amount of profit/loss earned/incurred by the concern. A comparative study of profit and loss account for more than one period may enable us to have definite knowledge about the progress of the business concern. Here each item of profit and loss account is converted into percentages.

**Table 3**  
**Comparative Profit and Loss account**

Income	2015-16	2016-17	Increase/Decrease (amount)	Increase/Decrease (percent)
Interest & discount	3075.75	3632.16	556.41	18.09
Commission earned	23.20	25.84	2.64	11.38
Income from NPA	23.70	.99	-22.71	-95.82
Other Receipts	70.58	81.59	11.01	15.60
Reserve	1750.31	.005	-1750.31	-100
<b>Total</b>	<b>4943.55</b>	<b>3740.59</b>	<b>-1202.96</b>	<b>-24.33</b>
Interest	3718.22	3324.07	-394.14	-10.60
Salary & Allowances	215.65	247.66	32.01	14.84
Rent, Rate and Taxes	303.09	28.97	-274.12	-90.44
Law Charges	0.65	1.44	0.79	121.54
Postage & Telegram	7.15	6.59	-0.56	-7.83
FR Cost and audit fees	10.76	9.99	-0.77	-7.16
Depreciation and Repairs	22.63	5.21	-17.42	-76.98
Stationary & Printing	11.3	18.5	7.2	63.72
Other Expenses	31.05	77.87	46.82	150.79
Creation of Reserves	308.72	14.59	-294.13	-95.27
Provision of standard assets	261.68	0.62	-261.06	-99.76
Net Profit	52.65	5.08	-47.57	-90.35
<b>Total</b>	<b>4943.55</b>	<b>3740.59</b>	<b>-1202.96</b>	<b>-24.33</b>

**Source:** Annual Reports of KDCCB

The comparative profit and loss account reveals the fact that the major changes taken place between the two periods are in the Law Charges (121.54%) and in case of other expenses to the extent of 150.79 percent. With regards to the income, it is positively felt in case of Interest & discount to the extent of 18.09 percent. The items income from NPA and other receipts have negative changes only. The expenditure aspect shows that the common expenses have major changes.

### Findings

The performance indicator of KDCCB reveals that there is an increase in the share capital to the extent of 58

percent, deposits 48 percent, borrowings 39 percent, reserve fund 118 per cent, investment 32percent, working capital 48percent, loans and advances 58 per cent, and overdue of principal amount by 142 per cent. Hence, care should be taken to reduce overdue.

The study expresses that as per the common size statement, loans and deposits from members and from KDCC form the major portion and the other liabilities are scattered over all the other liabilities. As far as the assets are concerned, the other assets dominate over other types of assets.

The comparative profit and loss account reveals the fact that the major changes taken place between the two

periods are in the Law Charges (121.54%) and in case of other expenses to the extent of 150.79 per cent. With regards to the income, it is positively felt in case of Interest & discount to the extent of 18.09 per cent. The items income from NPA and other receipts have negative changes only. The expenditure aspect shows that the common expenses have major changes.

## Suggestions

### Absence of Professionalism

In case of Co-operative Banks structure, management style of Board of Directors is mainly based on political influences involving presence of inefficiency in management decisions and lack of effective corporate governance. Recently, Reserve Bank India has put a new condition of appointing two directors with suitable banking experience of relevant professional background. If this condition is properly implemented, one can witness massive structural changes in the Cooperatives.

### Marketing Strategy

Urban comparatively have poor marketing strategy. Co-operative banks generally do not have strong advertisements to attract deposits. On the contrary, commercial banks are found to be using professional marketing strategies. Hence, it is imperative for the co-operatives to improve their marketing strategies to cope up with the competitive mood.

### Human Resources

Private sector or public sector commercial banks can easily appoint talented human professionals while urban co-operative banks because of their functioning restricted to local areas alone these banks cannot provide higher salaries and appoint talented cream persons, they have access only to low or medium standards which directly affect the functioning of the banking activities.

### Technology

Urban co-operative banks use only orthodox or conservative methods and are unwilling to switch over to higher technology methods of banking operations and remain away from introducing latest techniques in banks like ATMs, anywhere banking, internet banking, venture capital funding, factoring etc.

## Administrative Reforms

Mobilization of more deposits, Improvement in granting loans, Speedy Recovery of overdues, Maintenance of adequate and limited resources, Keeping an adequate margin between borrowing and lending rates so as to build a strong reserve fund, Making proper scrutiny and provision for bad and doubtful reserves Confining separate record for long term loans and overdue of principal and interest, Appointing properly qualified and trained personals, Creating adequate investment depending on reserve to cover the gap between the market value and the face value of securities in which bank has invested their funds and making of adequate provision out of profit for bad and doubtful debts are some of the reforms to be taken and implemented by the cooperative banks.

## Recovery of Debts

It is known from the analysis that lot of amount has been kept idle as debts. To get rid of this factor and also for the development of banking activates, it is advisable to have a speedy recovery of loans by taking concrete measures. Government support can also be sought in this regard in seeking subsidies and the like so that the farmers can settle their debts without any burden.

## Conclusion

The study which has been conducted to know the financial performance of the Kanyakumari District Central Co-Operative Bank Ltd shows that the bank is able to increase its position on deposits, share capital, investments and the like key factors but have failed in the creation of profits. It is concluded from the analysis that the loss suffered in the year 2005-06 by the KDCCB affects not only the profitability position of the bank but also affect the entire functioning of the bank as well. The main reasons for the loss are heavy operating expenditure and the creation of heavy reserves. It has invested both in fixed assets and current assets. Its debt recovery position is not good. But the bank is not able to increase its profit position and is able to have positive turnover ratios and solvency ratios over the periods under study, which shows the efficiency of the bank. If it concentrates more on the mobilization of memberships coupled with more deposit mobilization, and in the speedy recovery of debts, it has a good future both in increasing its own profitability and also

can serve the rural mass some more efficiently. Hence, the overall performance of the KDCCB is good. If the benefits are properly toiled and utilized, it can serve more vividly both to the community and to the nation.

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# ONLINE SHARE TRADING PRACTICES IN KANYAKUMARI DISTRICT

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## Abstract

Internet share trading sites are been set up by stock broking organization and by new entrants to the market. Method of trading in securities where by information about securities, brokers, dealers, prices etc., are communicated through the official websites of concerned stock exchanges so as to facilitate buying and selling of securities is known as "Internet Share Trading." The study was guided by the following objectives are to examine the investors attitude towards online share trading practices and to analyze the preferential attributes of investors in online share trading. From the findings the researcher has concluded that online trading, predicts bright future of the investors will get opportunity to buy new integrated financial products.

**Keywords:** Internet share trading, Information, Securities, Brokers, Investors Attitude, Buying and Selling.

## Introduction

In recent years, the use of the internet has spread among investors in stock and shares the internet can make up-to-the-minute information available to a large number of investors that until recently had only been available to those working in financial institutions. The Indian stock market is the latest to be bitten by the internet bug. Worldwide e-broking acknowledged more frequently as internet broking has radically transformed by the way people trade in stocks. Since internet is the fastest medium to get stock quotes, no other medium can beat the net, its speedy dissemination of information and therefore, net-based trading has the enormous potential of the Indian stock market, to exploit as it comprise of 3 January 2019, there was a total of 26 stock exchanges in India so far, out of which only 7 exchanges are currently active in India and remaining 19 exchanges have been granted exit by SEBI. Out of 7 recognized stock exchanges in India, 4 exchanges are registered permanently.

## Statement of the Problem

In fifteen years of its existence in India, online broking has grown to account for a tenth of the total trading volumes. If the numbers are considered for only the retail segments, the growth is starter. The growth in online share trading is the result of the share market boom. To understand this better it is essential to know the perception and attitude of investors towards online share trading. This

has intended the researcher to analyze the attitude of investors towards online share trading practices in Kanyakumari District.

## Objectives

- To examine the investors attitude towards online share trading practices.
- To analyze the preferential attributes of investors in online share trading.

## Operational Definitions

- **Internet Trading:** Internet trading is buying and selling of securities through the internet. It is called 'on-line-trading.'
- **E-broking:** An electronic market is an attempt to use information and communication technologies to provide geographically dispersed traders with the information necessary for the fair operation of the market. The electronic market is, in effect, a brokering service to bring together suppliers and customers in a specific market segment.
- **E-trading:** E-trading in stock stands for trading in the equity or debt instruments on the stock exchanges through an Electronic Communication Network.
- **Investor:** Investor is a person or an organization that invests money. It may be small investors (private people) and institutional investors.

## Methodology

### Collection of Data

The primary data has been collected personally by approaching the online share traders who are engaged in share market.

The secondary data has been collected from the books, journals and websites which deals with online share trading.

### Sampling Design

The investigators have selected the convenience sampling techniques to collect data from the 90 respondents. The researcher has personally questioned all the respondents.

### Tools of Analysis

The data obtained from the investors will be analyzed with the help of statistical tools. The proposed statistical tools are:

- F test has been applied to analyze the attitude of investors towards online share trading practices
- Chi-square test has been applied to analyze the relationship between profile variables and their attitudes towards online share trading.
- Weighted average rank has been applied to analyze preference attributes and benefits for online share trading practices.

### Attitude of Investors towards Online Share Trading Practices

In this study there was eight statements identified for measuring the level of attitude. As there is no readymade scale to measure the level of attitude, a scale namely "The Attitude Scale" was developed by awarding scores to the eight statements. These statements were administered to the sample online share traders on Likert's five point scale.

**Table 1**  
**Attitude of Investors towards Online Share Trading Practices**

Sl.No	Attitudes	Age		Family Income		Profession		Overall		F Statistics
		Mean score	Rank	Mean score	Rank	Mean score	Rank	Mean score	Rank	
1	Captured more investors	3.5263	VIII	3.3421	VII	3.0651	VIII	3.3112	VIII	.293
2	Efficient	3.9737	III	3.4631	VI	3.6590	VI	3.6986	V	2.734
3	Upward trend in stock market is correlated	3.5368	VII	3.0671	VIII	3.4598	VII	3.3546	VII	2.453
4	Reducing the role of broker's	3.9316	V	3.6846	IV	3.7586	IV	3.7916	IV	4.543*
5	Process more transparent	3.9368	IV	3.8389	III	3.9310	III	3.9022	III	5.306*
6	Bright future	4.3000	II	4.2148	I	6.8084	I	5.1077	I	11.802*
7	Reduced chances of fraud	3.5526	VI	3.6577	V	3.6858	V	3.6320	VI	2.397*
8	More return on investment	4.2632	I	4.0134	II	4.0498	II	4.1088	II	15.297*

Source: Primary data

\*Significant at 5% level

Table 1 shows that the attitude of Investors towards Online Share Trading Practices are high, for the variable 'bright future' with the mean score of 5.1077 followed by 'more return on investment' with the mean score of 4.1088. 'Captured more investors' were the least mean score of 3.3112. Regarding the rate of implementation of online share trading practices, the significant differences among the age, family income, and profession have been noticed in the case of eight attitudes since their respective "F" statistics are significant at five per cent level.

### The Relationship between Demographic factors and their Attitudes towards Online Share Trading

An analysis was made to find out whether demographic factors have influence over online share trading practices. Hypothesis was framed and was tested using the Chi-square test.

**Table 2**  
**Relationship between Demographic factors and their Attitudes towards Online Share Trading**

Sl. No	Demographic factors	Calculated Value	Table Value	Degrees of freedom	Inference
1	Age	6.9661	9.49	4	Insignificant
2	Sex	2.3164	5.99	2	Insignificant
3	Education	5.5029	9.49	4	Insignificant
4	Religion	10.3532	9.49	4	Significant
5	Marital Status	2.4043	5.99	2	Insignificant
6	Monthly Family Income	6.9586	12.592	6	Insignificant
7	Family Size	3.6093	5.99	2	Insignificant
8	Profession	3.3520	12.592	6	Insignificant
9	Types of Share	6.6303	5.99	2	Significant

**Source: Primary data**

From the above table it shows that, demographic factors have greater influence on age, sex, education, marital status, monthly family income, family size, and profession are no relationship between and their attitudes towards Online Share Trading. Hypothesis framed indicated that there exists high relationship between the

religion and type of shares of the respondents and their attitudes towards online share trading. Apart from this the nature of share preferred by them has also strong relationship with their attitude towards online share trading.

### **Preferential Attributes of Investors in Online Share Trading**

Many factors that influence the decision of the investors is to prefer online share trading, such as low cost, convenience, low time consumption, enhanced professional management, increased transparency, enhanced market quality through improved liquidity, reduced settlement risks, providing management information system, protection for investors creation of a fair and efficient market and reduction of the systematic risk. An analysis was made to find out, from the 11 preferential attributes which is the most preferred attribute for adopting online share trading practices.

**Table 3**  
**Preferential Attributes of Investors in Online Share Trading**

Sl.No.	Variables	SA	A	N	DA	SDA	Total Score	Mean Score	Rank
1.	Low cost	35(175)	35(140)	8(24)	7(14)	5(5)	358	3.98	I
2.	Convenience	17(85)	50(200)	10(30)	12(24)	1(1)	340	3.78	V
3.	Low time consumption	32(160)	35(140)	12(36)	9(18)	2(2)	356	3.96	II
4.	Professional management	22(110)	30(120)	15(30)	18(36)	5(5)	301	3.34	XI
5.	Increased transparency	17(85)	40(160)	11(33)	17(34)	5(5)	317	3.52	X
6.	Enhanced market quality	25(25)	28(112)	17(51)	12(24)	8(8)	320	3.56	IX
7.	Reduced settlement risk	32(160)	32(128)	6(18)	12(24)	8(8)	338	3.76	VI
8.	Providing MIS	22(110)	36(144)	14(42)	12(24)	6(6)	326	3.62	VIII
9.	Protection to investors	28(140)	34(136)	11(33)	8(16)	9(9)	334	3.71	VII
10.	Creation of a fair and efficient market	23(115)	45(180)	8(24)	10(20)	4(4)	343	3.81	IV
11.	Reduction of the systematic risk	18(90)	55(220)	12(36)	2(4)	3(3)	353	3.92	III

**Source: Primary data**

Table 3 depicts that, low cost is the main reason for preferring online share trading, which has the highest mean score of 3.98. The second reason for preferring online share trading is low time consumption with 3.96 as mean score. Increased transparency and Professional management were the least preferred attributes with 3.52 and 3.34 mean scores.

### **Policy Implications**

With the view to increase the effectiveness of online share trading, particular attention should be paid to the long-term strategy. The following suggestions can be a guided force in this regard.

- Since the online share trading business depends upon customer service, technological know-how, new innovations, efficient management etc., following few measures in these areas have to be taken on priority

basis to achieve success in online share trading business.

- New trading mechanism can be formed to allow the trading of stocks in the world's global companies. This will form a platform to allow companies with worldwide demand to experience 24 hours trading of their shares. This would be an innovative and a bold move and is expected to lead to a better price discovery on global basis.

### Conclusion

The internet will continue to produce opportunities for investors to communicate with their financial advisors and enact trades without incurring the cost of an office visit. Nevertheless, online trading has offered investors a platform with transparency in system. Although net trading at NSE is considered to be at its infancy stage but success trend of online trading, predicts bright future where

investors will get opportunity to buy new integrated financial products. Online trading empowers educated investors to make their own decision with close watch on market sensitivity by browsing through various sites. Besides, net trading assures achievement of twin objectives of securities regulation, which are creation of efficient market to meet global requirements and investor's protection. So, the growth of educated investors and support from SEBI, online trading is sure to grow at a faster pace.

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# THE GREAT MERGER OF STATE BANK OF INDIA (SBI): AN ANALYTICAL COMPARISON OF NON-PERFORMING ASSETS DURING PRE & POST MERGER

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## Abstract

Merger and Acquisition (M&A) is one of the most prominent corporate restructuring strategies used by companies either to diversify or to grow their businesses. Merger of State Bank of India (SBI) with its five associate banks and Bharatiya Mahila Bank which took place on 1st April 2017 is the ever largest merger in the history of Indian Banking sector. With this merger, SBI has entered into the league of top 50 global banks with a balance sheet size of 33 lakh crore. In the present dynamic scenario, one of the major issues faced by Indian banking industry is mounting of Non- Performing Assets (NPAs). NPA simply means an asset which ceases to generate income for the banks. The NPAs growth has a direct impact on profitability of banks. NPA is the best indicator for measuring the financial soundness of banks. The main objective of the present study is to analyse and compare the changes in the gross NPAs of SBI during pre merger (i.e. SBI stand alone) and post merger (SBI consolidated i.e. SBI +Associate banks + Bharatiya Mahila Bank) period. For this Non-Performing Assets of SBI from March 2016 to December 2018 were examined by using simple statistical calculations. The study is analytical and descriptive in nature. Present study is purely based on secondary data that are retrieved from quarterly and annual reports and publications of SBI. During the study various websites, newspapers, magazines, journals and books dealing with the current banking scenario are also referred.

**Keywords:** Merger and Acquisition (M&A), Indian banking sector, Non-Performing Assets (NPAs), State Bank of India (SBI) and its associate banks, Bharatiya Mahila Bank (BMB).

## Introduction

Merger and Acquisition is one of the most prominent corporate restructuring strategies used by companies either to diversify or to grow their businesses. M&A is the consolidation of two companies where one company is completely absorbed by another company and unite to form a single company with a new ownership and management structure, etc. M&A is very complicated and knotty financial term, but developing country like India has several experiences in this area. One of the recent and most sensational example in connection with M&A is the mega merger of India's largest bank State Bank of India, with its five associate banks i.e. State Bank of Bikaner and Jaipur (SBBJ), State Bank of Hyderabad (SBH), State Bank of Mysore (SBM), State Bank of Patiala (SBP) and State Bank of Travancore (SBT) and the Bharatiya Mahila Bank, which took place on 1st April 2017. This is considered as the ever largest merger in the history of Indian Banking Industry. Initially SBI had seven associate banks. In addition to above mentioned five associates, two banks i.e.

State Bank of Saurashtra and State Bank of Indore were associated with SBI and these two were merged earlier. State Bank of Saurashtra merged with SBI on 13th August 2008; this was the first step towards unification. Then another consolidation i.e. State Bank of Indore and SBI took place on 26th August 2010. The SBI group has an extensive network. With this merger, SBI has entered into the league of top 50 global banks with a balance sheet size of □ 33 lakh crore with over 24 thousand branches in India and 199 offices in 37 other countries across the world in all time zones. SBI has a network of more than 59,000 group ATMs and caters to a customer base of more than 50 crore. In the present scenario, Indian banking sector confronted with several challenges; of which mounting of Non- Performing Assets (NPAs) is the most pressing issue. NPA simply means an asset which ceases to generate income for the banks. While considering entire banks in India, State Bank of India (SBI) the largest lender of the nation, which tops the NPA chart, has logged an increase of Rs 24,286 crore in bad loans in the March



2018 quarter to Rs 2.23 lakh crore. As on March 31, 2018, the gross NPAs of SBI increased to Rs 2,23,427 crore (10.91 per cent of the gross advances), from Rs 1,77,866 crore (9.11 per cent) by end-March 2017. The NPAs growth has a direct impact on profitability of banks. The upward trend of NPAs indicates huge chance of credit defaults that inversely affect the profitability and net-worth of banks and also results downward trend in the value of the asset. Thus, NPA is the best indicator for measuring the financial soundness of banks. The main objective of the present study is to analyse and compare the changes in the gross NPAs of SBI during pre merger and post merger period. For this Non-Performing Assets of SBI from 2016 March to 2018 December (quarterly data) were examined. Concept of Merging & Acquisition and Non-Performing Assets

### Mergers & Acquisition (M&A)

M&A is a method by which companies legally unify ownership of assets formerly subject to separate controls. Merger can be defined as a means of unification of two players into single entity. Merger is a process of combining two business entities under common ownership.

According to Oxford Dictionary the expression merger means "combining two commercial companies into one". 'Merger' and 'acquisition' is more or less same meaning but little bit differences are glimpses merger is the combination of two companies to form a single company, while acquisition is one company taken over by the other. The reasoning behind M&A generally given is that two separate companies together create more value compared to being on an individual stand. This will enhance company's total performance, market share, profitability, goodwill and competitiveness. It also ensures broader market access, strategic realignment and technological changes, tax considerations and diversification of risk. The process is challenging and very costly.

### Non-Performing Assets (NPAs)

According to the "Narasimham Committee Report (1991), those assets (overdraft/ cash credit) for which the interest remains due for a period of 180 days should be considered as NPAs". After, this period had reduced and from March 1995 onwards assets for which interest and principle remains unpaid for a period of 90 days were considered as NPAs.

### Literature Review

**Aharon David Y et al., (2010)** in their research paper "Stock Market Bubble Effects on Mergers and Acquisitions", analyzed the stock market bubble effect on Merger and Acquisitions and followed by the reduction of pre bubble and subsequent, the bursting of bubble seems to have led to further consciousness by the investors and provide evidence which suggests that during the euphoric bubble period investor take more risk. Researchers emphasized that merger of banks through consolidation is the significant force of change took place in the Indian Banking sector.

**Devarajappa (2012)** in his article "Mergers in Indian banks: a study on mergers of HDFC bank Ltd and Centurion bank of Punjab Ltd" made a comparison between pre and post merger performance examined in terms of Gross Profit margin, Net Profit margin, Operating Profit margin, Return on Capital employed, Return on Equity and Debt equity ratio. He applied t-test for analyzing the pre and post merger performance of HDFC bank and Centurion bank of Punjab banks and suggested that after the merger the financial performance of the banks were increased.

**Jayashree Dr., Kotna R (2016)** the authors highlighted in their research paper entitled "The economic impact of merger and acquisition on profitability of SBI" mergers and acquisition is a useful tool for the growth and expansion in any Industry and the Indian Banking Sector is no exception. M&A ensures survival of the weak banks by merging into the larger bank. Here authors take into consider pre and post-merger performance of SBI in terms of Net Profit Margin, Return on Assets, Return on Equity, Earning per Share, Debt Equity Ratio. Finally they concluded that the banks have been positively affected by the event of merger.

### Research Gap

From the above literature review it was found that no study has been concentrated on the NPAs of SBI during pre and post merger period. Most of the studies focused on pre and post-merger performance of SBI in terms of Net Profit Margin, Return on Assets, Return on Equity, and Earning per Share.

### Objectives of the Study

To analyse and compare the changes in the gross NPAs of SBI during pre (i.e. SBI stand alone) and post

merger (SBI consolidated i.e. SBI +Associate banks + Bharatiya Mahila Bank) period.

### Research Methodology

The study is analytical and descriptive in nature. Information needed for the present study is to obtained from various secondary sources. The present study is mainly based on secondary data obtained from the quarterly and annual reports and various publications of SBI. During the study various websites, magazines, journals, newspapers and books dealing with the current banking scenario are also referred. The data used in the present analysis is confined from 2016 March to 2018

December. The obtained data has been analysed using simple statistical calculations.

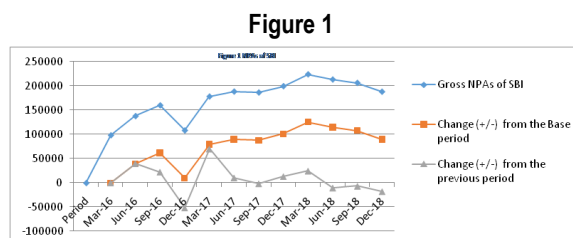
### Result and Discussion

The present study mainly focus on the critical analysis of changes in the pre and post merger trend in the growth of gross NPAs of SBI. For this, last few years Non-Performing Assets of SBI were collected from quarterly, annual reports and Balance Sheets of SBI. With the help of these genuine periodical data, a true comparison between gross NPAs of SBI from 2016 March to 2018 December was made.

**Table 1**  
**Gross NPAs of SBI**

Period	Gross NPAs of SBI (Rs. In Crore)	Change (+/-) from the Base period	Change (+/-) from the previous period	Percentage Change (+/-) from the Base period
March 2016	98,173	--	--	--
June 2016	1,37,662	39,489	39,489	40.22
September 2016	1,59,806	61,633	22,144	62.78
December 2016	1,08,172	9,999	-51,634	10.19
March 2017	1,77,866	79,693	69,694	81.18
June 2017	1,88,068	89,895	10,202	91.57
September 2017	1,86,115	87,942	-1,953	89.58
December 2017	1,99,141	1,00,968	13,026	102.85
March 2018	2,23,427	1,25,254	24,286	127.58
June 2018	2,12,840	1,14,667	-10,587	116.80
September 2018	2,05,864	1,07,691	-6,976	109.70
December 2018	1,87,765	89,592	-18,099	91.26

Sources: Quarterly results and Balance Sheets of SBI.



The Gross NPA and time (year) dataset are plotted on vertical axis & horizontal axis respectively.

While considering entire banks in India, State Bank of India (SBI), country's largest public sector lender, which tops the NPA chart. On March 31, 2018 i.e. nearly one year after consolidation of SBI with its associates banks

and BMB, recorded its highest gross NPAs at Rs 2, 23,427crore from Rs 1, 77,866 crore by end-March 2017 (Pre-merger).Compared to December 2017, it showed an increase of Rs. 24,286 crore. But while comparing March 2018 gross NPAs of SBI with base period i.e. March 2016 (Rs 98,173 crore) there was an increase of at Rs. 1,25,254 crore; which indicates a drastic change in the growth of NPAs from pre merger period to post merger period. At the same time the recent post merger period i.e. from March 2018 to December 2018, there glimpses a continuous decrease in the gross NPAs of SBI. When compared to previous periods there visible a negative or downward trend of NPAs of SBI. This trend will ensure great positivity and great financial soundness to SBI. NPAs growth has a direct impact on profitability of banks. During the end of

December 2018 there come into sight Rs.1,87,765 crore NPA, i.e. compared to March 2016, there has been only 89,592 crore rupees increase of NPAs of SBI; that means the percentage increase of at Rs.91.26 crore.

While comparing pre merger periods NPAs of SBI with post merger period, there found several up and down movements in the growth trend of gross NPAs of SBI. From the above figure it is very clear that during September- December 2016 there registered one more notable slippages of gross NPA i.e. from Rs. 1, 59,806 crore to Rs. 1, 08,172. From the base period there have been only Rs. 9,999 crore increases, which means the percentage increase of at Rs. 10.19 crore. But from the beginning of the 2017, there found a negative trend of NPA then it started to move upward. Similarly during September 2017, there visible a small dip as well as immediate surge in the growth trend of NPAs of SBI. From the above figure 1, it is clear that when comparing pre merger (March 2016 to March 2017) periods' growth trend of gross NPAs of SBI with its post merger period (1<sup>st</sup> April 2017 - December 2018) there found a great surge in the growth of gross NPAs of SBI. But at the same time, comparing pre merger (March 2016 to March 2017) period with recent post merger period (i.e. from March 2018–December 2018) there glimpses a continuous decrease or downward trend in the growth of gross NPAs of SBI. Compared to the previous years, this recent negative trend of NPA is assuredly good news for SBI.

### Conclusion

The mega merger move comes at a time when the most important issue facing Indian banks and the Indian economy-growing pile of bad loans within the banking system. Emergence of NPAs, Pros and cons of Mega merger of SBI with its associate banks are the hottest debating banking issues in recent days. It is just not only problem for the banks but for the economy too. The money locked up in NPAs has a direct impact on profitability of the bank. The upward trend of NPAs indicates huge chance of credit defaults that inversely affect the profitability and net-worth of bank and also results downward trend in the value of the asset. Thus, NPA is the best indicator for measuring the financial soundness of banks. The present study focused on changes in the gross NPAs of SBI during pre merger and post merger period. From the above analysis it is clear that when comparing pre merger periods' growth

trend of gross NPAs of SBI with its post merger period, there found a great surge in the growth of gross NPAs of SBI. Merging took place on 1<sup>st</sup> April 2017. During this period there was a sudden growth in NPA as lot of stress accounts of Associate Banks and BMB turned Non Performing Assets. But after this surge, again there glimpse a continuous decrease or downward trend in the growth of gross NPAs of SBI. Compared to the previous years, this recent negative trend of NPA is assuredly good news for SBI. This mega merger seems to be a smart step. It has strengthened the position of SBI in list of top 50 banks in the world. Hope, this move will give viable opportunities and long term financial strength and stability to Nations largest lender SBI. At the same time, it is advisable to bank as well as government to prepare proper planned strategy to recover NPAs and make more provisions for faster settlement of pending cases. Surge in NPA is undoubtedly a serious issue, so it is very essential to trim down the growth NPA; otherwise NPAs will shattering not only the profitability of banks but also the rapidly flourishing Indian economy.

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# PERFORMANCE OF OPEN-ENDED EQUITY MUTUAL FUND SCHEMES OF SBI

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## Abstract

In today's world concept of "Mutual Funds" is considered to be one of the most beneficial forms of investment since it provides cheap access with expensive stocks. The return through such investment is to fulfill basic needs in life and can help a person to meet long term life goals. This paper aims to study and to analyze few Open-ended Equity Schemes of SBI with the help of report of SBI Mutual Fund 2018. Various financial tools like Beta, Sharpe ratio, Portfolio Turnover, and standard deviation are used for this study. Based on risk & return factors, we found the scheme that is more suitable for investment.

**Keywords:** Mutual Fund, Investment, Open-ended Equity Schemes, Portfolio.

## Introduction

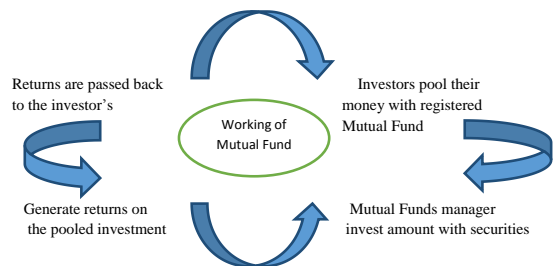
India forms a considerable portion of world economy through forming the capital markets or share markets. It designates India's share in the world economy. Financial system is indebted with the vitality of capital markets and provides ample supports to the country's capitalism. For regulating the Indian securities market securities and exchange board of India (SEBI) and reserve bank of India has formulated set of rules which will be beneficial to protect the interest of investors and hence to reform the structure of capital markets in India.

Bank deposits, debentures and bonds, post office saving schemes constitutes the available investment avenues in the financial market for an investor. The risk factor is high in the investment in stock of companies where the returns often proportionately high. A mutual fund is a viable investment alternative since there is a lack of time and expertise for retail investors to analyze and invest in the stock.

## Concept of Mutual Fund

A mutual fund raise fund from the savings of people who are willing to invest in share market, and invest in diversified securities. The return from these stocks is shared among investors on pro rata basis. SEBI regulation 1996 defines mutual fund as a fund instituted in trust to increase money by means of the sale of units to public or a

category of public based on various schemes for investing safely constituting money market instruments.



Among this SBI Mutual Fund is a Bank-sponsored Fund house with its corporate headquarters in Mumbai, India that is growing day by day by the satisfactory service. Structure and investment objective are the two parameters of classifying Mutual Fund schemes.

## SBI Mutual Fund Equity Schemes

In this study, we have concentrated on open-ended equity schemes which do not have any limit on the quantity of share the fund can issue. The majority of Mutual Funds are the open end, providing investors with a useful and convenient investing vehicle. These do not have a fixed maturity. The vital feature of open-ended schemes is liquidity. The following are the ten open-ended equity mutual fund schemes of SBI:

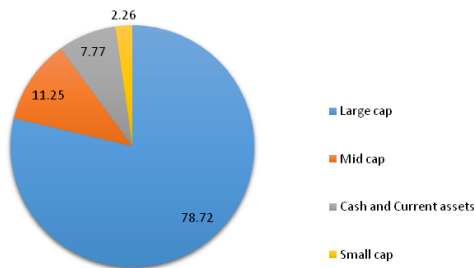
- SBI Blue Chip Fund
- SBI Magnum Multicap Fund

- SBI Contra Fund
- SBI Focused Equity Fund
- SBI Infrastructure Fund
- SBI Magnum Equity ESG Fund
- SBI Large and Midcap fund
- SBI Magnum Midcap Fund
- SBI Magnum Global Fund
- SBI Small Cap Fund

**SBI Blue Chip Fund**

SBI Blue Chip Fund is equity open-ended fund which the main object is to provide investors with long term capital appreciation by investing in large-cap equity stocks. This scheme is best suited for investors who want to gain long term return and has a high-risk appetite.

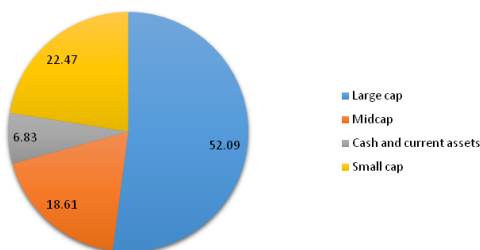
**Portfolio Classification by Asset Allocation (%)**



**SBI Magnum Multicap Fund**

It is an open-ended equity scheme in which equities and equity related instruments are the two main options available for the investors. Almost half of the money is invested in large-cap fund, whereas 10-40% in the mid-cap fund. SBI Magnum Multicap Fund is beneficial for an investor who wants to create a balance between related investment risk and potentially high growth.

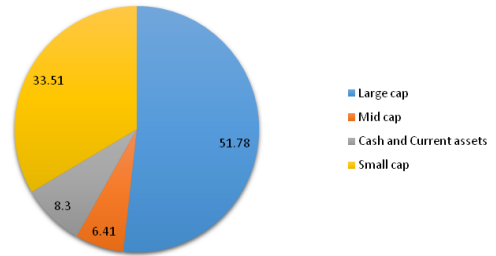
**Portfolio Classification by Asset Allocation (%)**



**SBI Contra Fund**

It is an open-ended equity scheme which the main objective is to provide the investors with long term capital gain through providing facility to invest in diverse portfolio of equity related instruments. This scheme is beneficial for the investors who seek steady return over a long term period.

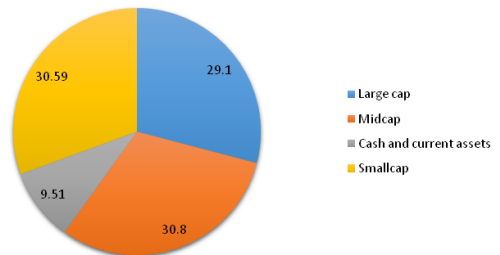
**Portfolio Classification by Asset Allocation (%)**



**SBI Focused Equity Fund**

These fund option majorly aims to invest in startup business themes, majorly based on outsourcing, export, and global opportunities.

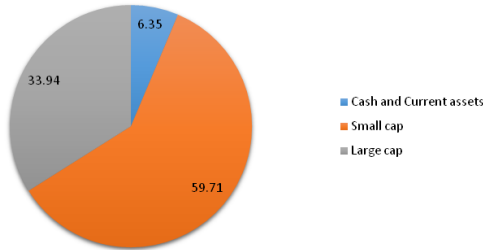
**Portfolio Classification by Asset Allocation (%)**



**SBI Infrastructure Fund**

SBI Infrastructure fund aims to provide long term gain to the investors by investing in equity securities of those companies which indirectly or directly contribute to the infrastructure development in the country. It has moderate risk and carried a 1% exit load.

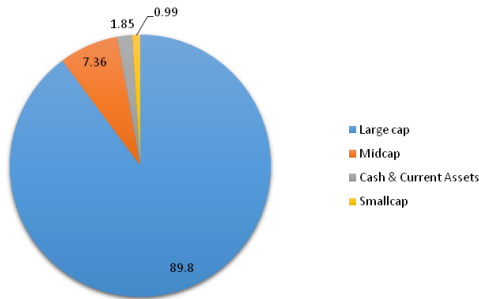
**Portfolio Classification by Asset Allocation (%)**



**SBI Magnum Equity ESG Fund**

There is a collective account for this scheme through the parameters from Governance, Social & Environmental aspects of a company’s management affairs. It ensures the investment of funds in those companies following Environmental, Social and Governance (ESG) criteria.

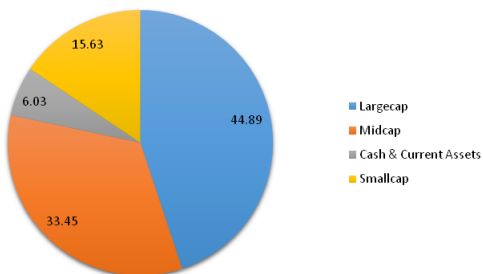
**Portfolio Classification by Asset Allocation (%)**



**SBI Large & Midcap Fund**

The scheme possess a blend of top-down and bottom-up approach to stock picking and choose companies across sectors. Largecap means 1st -100th company in terms of full market capitalization and midcap means 101st to 250th company .

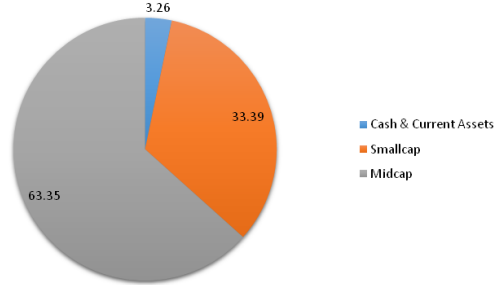
**Portfolio Classification by Asset Allocation (%)**



**SBI Magnum Midcap Fund**

This will help the investors to attain a long term capital growth using the liquidity of open-ended scheme.

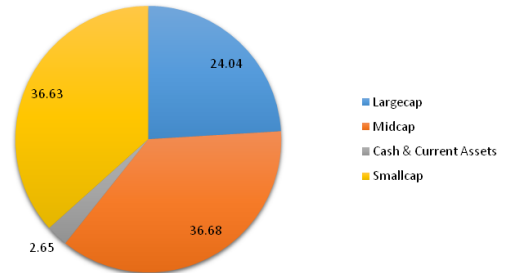
**Portfolio Classification by Asset Allocation (%)**



**SBI Magnum Global Fund**

The scheme provides the investor with the opportunity of investing in the portfolio of multinational companies with long term benefits.

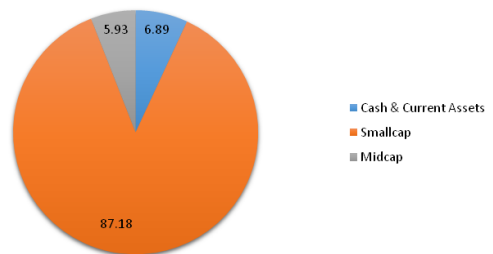
**Portfolio Classification by Asset Allocation (%)**



**SBI Small Cap Fund**

This scheme provides the opportunity for long term progress in capital gain along with the liquidity of an open-ended structure by investing in a diversified portfolio of equity stocks of small-cap companies.

**Portfolio Classification by Asset Allocation (%)**



**Objectives of the Study**

- To study and compare the performance of SBI Mutual Fund Equity s schemes in terms of return and risk associated with it.

- To give valuable suggestions regarding the growth of schemes.

### Methodology

The secondary data is the basis of present study and the data was provided from the Report of SBI Mutual fund 2018. We have considered the Mutual Fund Equity schemes for analysis. Beta, Standard Deviation, Sharpe ratio, Portfolio Turnover are the financial tools used.

### Standard Deviation

It is used to quantify dispersion of a set of data values. If the value of standard deviation is small then the data points tend to the mean of the group by a high standard deviation indicates that the data points are spread out over a range of values. ' $\sigma$ ' represents standard deviation.

### Beta

The Beta coefficient is a measure of systematic risk, of an individual stock in comparison to the unsystematic risk of the entire market. A security's Beta is calculated by dividing the difference between excess returns of asset and marketable securities with the excess in market returns of a specified period. The market's Beta is at 1, above which considered to be more unstable than the market, whereas below, which is less unbalanced.

### Sharpe Ratio

It is a way to analyze the performance of an investment scheme by measuring the excess return per unit deviation. The high and positive sharp ratio shows superior risk-adjusted performance, whereas low and negative shows unfavorable performance.

### Portfolio Turnover

It is a measure of how frequently assets within a fund are bought and sold by the managers. Higher turnover rates indicates increased expenses to raise funds, which can reduce its performance.

### Limitation of the Study

- Limited time was a constrain.
- Limited information through secondary data can result in variation from the results of the performance of each scheme.

- By limiting the schemes of mutual funds to open-ended equity schemes, we cannot generalize the preference of the investors.

### Analysis

The table below presents the collected data for analysis.

**Table 1**  
**Performance of SBI Mutual Fund Equity Scheme**

		Beta	Sharpe Ratio	Portfolio Turnover
SBI Blue Chip Fund	12.56%	0.86	0.40	0.92
SBI Magnum Multicap Fund	14.37%	0.96	0.54	0.62
SBI Contra Fund	14.70%	0.98	0.28	0.43
SBI Focused Equity Fund	13.24%	0.78	0.70	0.46
SBI Infrastructure Fund	16.87%	0.82	0.35	0.82
SBI Magnum Equity ESG Fund	13.36%	0.91	0.29	0.80
SBI Large & Midcap Fund	14.50%	0.97	0.37	0.88
SBI Magnum Midcap Fund	15.29%	0.83	0.25	0.39
SBI Magnum Global Fund	13.15%	0.64	0.21	0.83
SBI Small Cap Fund	18.70%	0.86	0.89	0.79

### Findings

The above table shows the comparison between five open-ended equity schemes of SBI Mutual Funds.

- Beta values of SBI Magnum Multicap Fund and SBI Contra Fund have 0.96, 0.98 as highest among the ten, which means these funds are more sensitive and will give more returns. whereas SBI Focused Equity Fund has 0.78 as a lowest Beta value, which shows that this fund is less effective.
- Sharpe value of SBI Small Cap Fund is 0.89, which is the highest that shows it has superior risk-adjusted performance as compared to the other four schemes. Here unfavorable performance indicated by SBI Magnum Global Fund since it has 0.21 as Sharpe ratio.
- Portfolio turnover measures the extent to which the fund is active in terms of its dealings in the markets. However, high turnover also implies that high transaction cost is charged to fund. It is visible from the table that SBI Magnum MidCap Fund has a lower

ratio (0.39) and SBI Blue Chip Fund has higher ratio (0.92), hence the Portfolio was changed least number of time which again rated in efficiency.

- Since Standard Deviation is the measure which shows variability in the returns from the mean return, therefore it is considered to be a direct and primary measure of risk. In the case of Blue Chip Fund, it has the lowest Standard Deviation (12.56), which means that the fund has not much risky portfolio.

### Conclusion

The SBI mutual fund equity schemes are equally competing with each other. The investment in these funds is more reliable and gives maximum return to the investors at minimum risk. However, Blue Chip Fund outright in all aspects.

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## EMERGING TRENDS IN INDIAN CAPITAL MARKET

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### Abstract

*The banking sector plays an important role within the development of 1 country's economy. the expansion of banking sector depends upon the services provided by them to the shoppers in numerous aspects. The growing trend of banking services is found important when the new economic reforms in Bharat. Today, Bharat contains a fairly well developed industry with totally different categories of banks – public sector banks, foreign banks, non-public sector banks – each recent and new generation, regional rural banks and co-operative banks with the bank of Bharat because the fountain Head of the system. today banking sector acts as a backbone of Indian economy that reflects as a supporter throughout the amount of boom and recession. From 1991 numerous trends and developments in banking sector area unit attributable. It additionally reflects the assorted reforms were caused to enhance their services to satisfy the shoppers.*

**Keywords:** Banking sector, recent trends and developments.

### Introduction

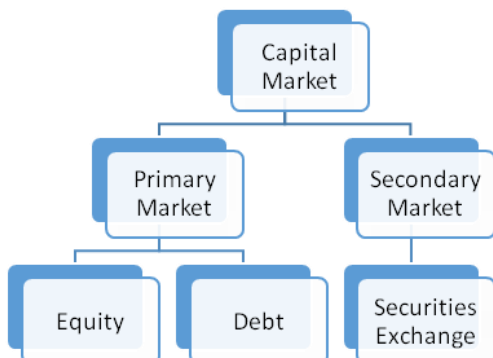
Capital Market plays an important and effective role within the economic development of a nation. It provides the money resources required for the long run and property development of the various sectors of the economy. The Zone of the activities within the capital market depends part on the savings and investment within the economy and part on the performance of the business and therefore the economic normally. Throughout pre-seventies the common Bharatn capitalist accustomed place all his/her savings in bank and investment firm of India solely the made and therefore the daring invested with within the market. Capital market were quite inactive in sixties and seventies and therefore the non-public company sector obsessed with their maintained earnings and loan funds from the govt. in hand money and investment establishments for his or her enlargement and growth. Within the early freelance era, the capital market just about remained passive players within the method of economic development and was unable to mobilize the money resources of the state in needed volume. It absolutely was within the late Nineteen Seventies that the common Indian thought of risking his cash within the

exchange. The recent years witnessed important reforms within the capital market. It does acknowledge that commerce platform has become automatic, electronic, anonymous, order driven, nation widened screen based mostly. Uniform settlement cycle of weekday to Friday area unit on all stock exchanges that was counseled by the SEBI associated additionally inform listing procedures were adopted and coordinated by an all Indian Listing Authority since 2004.

### Capital Market

The Indian exchange consists of primary (new issues) moreover as secondary (stock) market in each equity and debt. The first market provides the channel available of recent securities, whereas the secondary market deals in commerce of securities antecedently issued. The issuers of securities issue (create and sell) new securities within the primary market to lift funds for investment. They are doing thus either through public problems or non-public placement. There are unit 2 major sorts of issuers WHO issue securities. The company entities issue principally debt and equity instruments (shares, debentures, etc.), whereas the governments (central and state governments)

issue debt securities (dated securities, treasury bills). The secondary market allows participants WHO hold securities to regulate their holdings in response to changes in their assessment of risk and come back. A variant of secondary market is that the commodities market, wherever securities area unit listed for future delivery and payment within the type of futures and choices. The futures and choices may be on individual stocks or basket of stocks like index. 2 exchanges, specifically National stock market (NSE) and therefore the stock market, Bombay (BSE) offer commerce of derivatives in single stock futures, index futures, single stock choices and index choices. Derivatives commerce commenced in Bharat in June 2000 A capital market may be a marketplace for securities (debt or equity), wherever business enterprises (companies) and governments will raise long funds. it's outlined as a market within which cash is provided for periods longer than a year, because the raising of short funds takes place on alternative markets (e.g., the cash market). The capital market includes the exchange (equity securities) and therefore the bond market (debt). Capital markets could also be classified as primary markets and secondary markets. In primary markets, new stock or bond problems area unit sold to investors via a mechanism referred to as underwriting. Within the secondary markets, existing securities area unit sold and purchased among investors or traders, sometimes on a securities exchange, over-the-counter, or elsewhere. The capital market has 2 mutualist and indivisible segments the new issue market (primary market) and therefore the exchange (secondary market). the first market provides the channel for creation and sale of recent securities whereas the secondary market deals in securities antecedently issued.



The securities issued within the primary market area unit issued by public restricted corporations or by government agencies. The resources during this quite market area unit mobilized either through the general public issue or through non-public placement route. It's a public issue if anybody and everyone will subscribe for it whereas if the problem is formed offered to pick cluster of persons it's termed as non-public placement. There are unit 2 sorts of major establishment of securities the company entities WHO issue principally debt and equity instrument and therefore the government (central moreover as state) WHO issue debt securities and treasury bills. The secondary market or the stock market allows participants WHO hold securities to regulate their holding in response to changes in their assessment of risk and returns. Once the new securities area unit issued within the primary market they're listed within the exchange or the secondary market. The secondary markets operates through 2 mediums specifically the over the counter (OTC) market and therefore the exchange listed markets. Most of the trades within the government securities area unit within the over-the-counter markets. All the spot trades wherever securities area unit listed for immediate delivery and payment surface within the stock exchange. The opposite choice is to trade victimisation the infrastructure provided by the stock market.

### **The market has basically 3 classes of participant's viz. the establishment of securities, the capitalist within the securities and therefore the intermediaries**

1. The establishment is that the borrowers WHO issue securities to lift funds.
2. The investors WHO area unit surplus savers deploy their savings by subscribing to those securities.
3. The intermediaries area unit the agents WHO match the wants of users and suppliers of funds for a commission.

There are units an outsized selection and variety of intermediaries providing numerous services within the Indian exchange. This method of mobilization of resources is administrated below the superintendence and over read of the regulators.

### **Recent Trends in Capital Market**

The recent years witnessed important reforms within the capital market. It does acknowledge that commerce

platform has become automatic, electronic, anonymous, order driven, nationwide and screen based mostly. Shouting and gesticulations have yielded place to punching & clicking. Speed area unit the hallmark of this system. Weekly settlement system was enforced on all stock exchanges uniformly that was followed by Daily change System in elect scrips from 1999. Trade guarantee fund and capitalist protection fund were maintained in several stock exchanges. Social control of a code of company governments, quarterly publications of results and higher disclosures were insisted upon the listed corporations. Uniform settlement cycle of weekday to Friday area unit on all stock exchanges was additionally counseled by the SEBI associated inform listing procedures were adopted and coordinated by an all Indian Listing Authority since 2004. Bovine spongiform encephalitis went over to electronic commerce system in Gregorian calendar month 1995, known as BOLT, BOLT System was enlarged and additional centers in Bharat got connected for web commerce. NSE has additionally planned for overseas centers for commerce functions. Badla system was efficient and reinforced with higher police work in elect scrips. Volumes of commerce and liquidity had increased because of electronic commerce. This trend was expedited by Demat type holding shares, faster weekly settlements and clearing supported by a robust regulative system, operated by SEBI. There are important changes within the exchange in Bharat moreover because the international arena throughout the last one year, this is often principally because of the reforms/initiative taken by the govt. and therefore the regulators, within the arena of clearing and settlement reforms within the payment system are initiated by tally viz. real time gross settlement (RTGS) has been introduce by tally to settle interbank transactions on-line at real time mode. The event within the exchange provides the required imputes for growth and development and thereby strengthens the rising laissez-faire economy in Bharat. The target of recent trends within the exchange is as follows:

1. To improve market potency.
2. To enhance transparency.
3. To prevent unfair trade practices.
4. To bring the New Delhi market up to the international commonplace.

**The recent trends that have taken place within the New Delhi market throughout the recent years may be summarized as follows:**

#### **Repeal of Capital Issue Management Act**

Capital problems management act 1947 was repealed and therefore the workplace of controller of capital issue (CCI) was abolished with impact from could twenty nine, 1992. Corporations area unit currently unengaged to approach to capital market when clearance by SEBI. Nowadays SEBI's main stress is to supply self regulative systems in capital markets. It's issued pointers for gratis evaluation of securities sure as shooting classes of company by virtue of that corporation will invite any quantity of premium.

SEBI pointers shall offer solely direction and sure necessities with respect to revelation and capitalist protection. SEBI has suggested that premium supported CCI formulate ought to run within the prospectus. The philosophy of free evaluation pointers of SEBI is that the problems will worth their shares in line with their would like. However they need to present a justification on the value and provides decent revelation within the prospectus. With the termination of CCI act in could 1992, government's management over issue of capital, evaluation of the problem, fixing of premium and rates of interest on debentures etc.

#### **Rolling Settlement System**

The recent reform of SEBI with regards to exchange includes interalia, the strengthening of the rolling settlement system that was done throughout 2000-01. Bulk of reforms throughout 1996 to 2000 encompasses the electronic commerce system, clearance and settlement system. Uniform commerce cycle, clearance and settlement through Demat system, while not the necessity for physical certificates, weekly settlement and T+2 settlement, fitting of trade guarantee funds for guaranteeing settlements, client protection funds, faster settlements, web commerce, broker web site commerce, etc. area unit a number of the samples of the recent exchange reforms, suffering from SEBI.

#### **Trading Cycle**

A capitalist nowadays needn't wait, together with his fingers crossed, for a period of time or additional, for obtaining crossed cheques or crisp notes for the sale yield

of his securities. The commerce cycle has been shortened increasingly from T+5 to T+2 days with impact from Gregorian calendar month one, 2003. This shortening of the cycle has been drained a phased manner however in a very fast succession – from T+5 to T+3 to T+2, dead a matter of 2 years.

### **CDSL: Central Depository Services Restricted**

The CDSL is promoted by Bombay stock market. The SEBI has mandated that the most important stock like NSE, Delhi, Ahmedabad and Calcutta ought to be connected to CDSL. The clearing member of this exchanges ought to open account with CDSL to facilitates settlement of trade DEMAT type. This is often additionally to NSDL, setup principally by NSE.

### **Demat type of Commerce (Demutualization)**

Majority of scrips area unit place in a very Demat type commerce in a very previous few months throughout 1999 to 2004. nearly ninetieth of the trade is already in Demat type, with nearly 600 scrips in obligatory Demat commerce as at finish could 2000. By two005 all scrips that area unit listed area unit in Demat type of commerce with T + 2 settlements. . Inconvenience of physical custody and transfer, medium of intimating modification of address and issues of dangerous delivery, late delivery, non delivery and therefore the risks of forgery and frauds have just about disappeared – or shall I say - are dematerialized. The profit is relished however not the price. We should always bear in mind the maxim – no value, no benefit. There's no gift during this world. Still, there's no denying the very fact that there may well be a break for reduction within the cost; such prospects area unit explored.

### **Globalization of the Capital Market**

Indian capital market is obtaining more and more integrated with the remainder of the globe .Indian corporations are allowable to lift resources from abroad through issue of (ADRS) yank installation Receipts, world installation Receipts (GDRS), and Foreign Currency bond (FCCBS). any foreign corporations area unit allowed to faucet the domestic stock market; Indian corporations area unit allowable to list their securities on foreign stock market by sponsoring ADR/GDR problems. NRIS and overseas company bodies (OCBS) area unit allowed to speculate in Indian corporations. The investment by foreign institutional

investors (FIIS) enjoys full capital account interchangeableness. Finally the commerce platform of Indian exchanges is currently accessed through the web from anyplace within the world.

### **Electronic type of Commerce**

Globalization of stock market is currently on method. The electronic age has come back to the exchange. Nearly 100 percent of all dealings is dead through electronic media on-line commerce system. There are a unit twenty three exchanges in Bharat and every one of them follows a scientific settlement amount. The amount of cities coated by NSE and bovine spongiform encephalitis network would have crossed one thousand marks, by finish 2000. Additional and additional brokers and sub- brokers are becoming into the web commerce system. Company bonds and Government Securities accustomed are listed via work. A starting has been created for his or her commerce on the stock market currently. As is natural, the exchange takes time.

### **Internet Commerce (e-trading)**

The SEBI have allowed e-trading and brokers would rush to the web-sites and commerce through websites would increase. On the web, one would be able to trade instantly and transparently from any a part of the globe. Today, a commerce member needn't go his thanks to the Tower in Dalal Street, Bombay or to any stock market building elsewhere; he will well sit at his laptop terminal and execute the order. Laptops, palmtops and hand mobiles, in fact, challenge the relevancy of the brick and mortar.

### **Electronic Funds Assortment**

Under this technique, the broker gets their fund directly attributable to their account and therefore the consumer will successively get their accounts attributable or debited for internet fund to flow across the country. This facilitates faster payments, improves the liquidity position of brokers and gets funds sooner or later when the payout day to obviate doable defaults or cash-out positions of brokers and sub-brokers.

The other facility embodies basket commerce, commerce in mutual fund, ballot and nonvoting share, huntsman share and portfolio huntsman. Huntsman shares ask the separate division shares of a corporation such I.T.

Divisions WIPRO or TATAs. Portfolio trackers for valuation web site, company analysis and M.I.S. on the businesses in one's portfolio area unit given through the web site. there'll be automatic borrowing and leading facilities, institutionalized security leading, automatic finance or margin shopping for and a number of alternative facilities on the stock exchanges.

### Preference for Fund

Many public sector banks, LIC & GIC came out with their mutual funds that have helped the new issue market moreover as secondary market. Additionally to the UTI this fund started mobilizing funds for investment within the capital market since 1987. It seems that additional individuals like fund as their investment vehicle. This transformation in capitalist behaviour is evoked by the evolution of a regulative framework for mutual funds, tax concession offered by government and preference of capitalist towards fund. SEBI has currently expedited dealings in fund through stock market for obtaining good thing about finance in fund through stock market.

### Initial Public giving (IPO)

Initial Public Offerings (IPOs) or Initial problems refers to Issue of shares for the primary time to the general public, either when incorporation or conversion of personal Ltd. to public Ltd. In alternative words, a suggestion by unlimited company to the general public for the primary time to urge listed its securities available exchange.

### Impact on Global Assets

The full fallout recession from the credit market volatility of 2007 remains to be seen. However over the long run, the degree of world money assets (the worth of all bank deposits, government debt securities, company debt securities, and equity securities) can still expand. Over the past twenty five years. This supply of growth was shaky by 2007.

### Conclusion

The recent years witnessed important reforms within the capital market. it's acknowledge that commerce platform has become automatic, electronic, anonymous, order driven, nationwide and screen based mostly. In terms of various parameters like operational and systematic risk management, settlement system, revelation norms and accounting standards the New Delhi market is at par with the most effective within the world. Following the implementation of reforms within the exchange throughout the last decade Indian exchange has stood move into the globe, ranking moreover as within the developed and rising markets. The event of the capital market continuous not to mention a good regulative framework and therefore the capital market has come back up to world standards.

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# PERCEPTION ABOUT MOBILE BANKING AMONG PROSPECTIVE CUSTOMERS

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## Abstract

Many banks around the world are offering banking services through mobile phones. Mobile banking is a system that aids the customers to carry out the financial transactions with the help of their mobile telecommunication devices. This technology helps us to save time and provide facilities to get the information about the details of account, transaction, and transfer the money from one account to another from anywhere and anytime. The main objective of this article is to find out the interested in using mobile banking in the future. An empirical study conducted through a questionnaire survey method. Data collected from 50 mobile banking non-users respondents. The findings indicate that gender, education, monthly income, religion, type of family, family members and locality of the nonusers who are interested in using mobile banking services in the future positively whereas their age, occupation, marital status, and community shows a negative impact. It is recommended that banks should demonstrate to their customers the advantage of mobile banking services they are bound to have by adopting and using mobile banking over using conservative banking methods.

**Keywords:** Prospective customers, interested for using mobile banking in future, perception.

## Introduction

In today's business technology, banking is the backbone of every business and technology plays an important role. The role of technology is changing rapidly from day to day, which is also promoting the bank and financial institutions. The Bank is one of the highest financial institutions which regularly explore the use and benefits of technology provided to customers through a number of services. Mobile banking is a service that helps the customer to handle financials transaction or operations with the help of a mobile device. Mobile devices include a smart phone, tablets, etc. Mobile banking introduces the use smart phone or other devices to operate online banking transactions while far away from your computer, laptop or any other device, such as transfer money from one account to another account, electricity bill payments, gas bill payments, recharge mobile, online shopping, etc. Mobile banking is service, which is added by the bank or financial institutions that allow its customers to operate financial or banking transactions by using smart phone or tablets. Mobile banking is available 24\*7 for customers for financial transactions. Mobile banking is an application of

mobile computing which provides customers with the support needed to be able to bank anywhere, anytime using a mobile handheld device and a mobile service such as Short Message Service (SMS). Mobile banking facility removes the space and time limitations from banking activities such as checking account balances or transferring money from one account to another and time saving when go to the bank and doing some banking activities. Mobile usage has seen an explosive growth in most of the Asian economies like India.

## Objectives of the Study

- To know the prospective customers of mobile banking.

## Methodology of the Study

The required data for the study is collected by way of primary and secondary sources. Primary data is collected through the questionnaire. The secondary data was collected by referring to books, journals, internet, etc. The study was conducted by administering the questionnaire among 50 mobile banking non-users by way of the convenient sampling method.

## Data Analysis and Interpretation

### Interested in using Mobile Banking in Future

Regression is a statistical tool used to explain the variation of one dependent based on the variation in one or more independent variables. If there are only one dependent variable and one independent variable used to explain the variation in it, then the model is known as a simple regression. If multiple independent variables are used to explain the variation in a dependent variable, it is called a Multiple Regression Model.

The general Multiple Linear Regression model is of the type

$$Y = a + b_1X_1 + b_2X_2 + \dots + b_nX_n$$

Where  $y$  is the dependent variable and  $x_1, x_2, x_3, \dots, x_n$  are the independent variables expected to be related to  $y$  and expected to explain or predict  $y$ .  $b_1, b_2, b_3, \dots, b_n$  are the co-efficient of the respective independent variables.

In this study, Multiple Linear Regression Analysis is used to explain the dependent variable of the respondents who are interested in using mobile banking services in the future by mobile banking nonusers based on the variation of eleven independent variables. Independent variables include demographic and socio-economic factors like

mobile banking nonusers' age, gender, educational qualification, occupation, marital status, monthly family income, religion, community, type of family, number of family members and locality.

The regression model is

$$Y = a + b_1X_1 + b_2X_2 + \dots + b_nX_n$$

Where

$y$  = Interested to use mobile banking services in the future

$x_1$  = Age of mobile banking non users

$x_2$  = Gender of mobile banking non users

$x_3$  = Education of mobile banking non users

$x_4$  = Occupation

$x_5$  = Marital Status

$x_6$  = Monthly Income

$x_7$  = Religion

$x_8$  = Community

$x_9$  = Family type

$x_{10}$  = Number of family members

$x_{11}$  = Locality

The result of Multiple Regression Analysis is shown below

### Multiple Regression Analysis

Sl. No.	Variables	Unstandardized Co-efficients		Standardised Co-efficients	t	Sig
		B	Std.Error			
1	Constant	0.383	0.625			
2	Age	-0.167	0.106	-0.252	-1.583	0.122
3	Gender	0.225	0.122	0.185	1.837	0.074
4	Education	0.022	0.054	0.043	.403	0.689
5	Occupation	-0.091	0.056	-0.252	-1.609	0.116
6	Marital Status	-0.047	0.145	-0.033	-.321	0.750
7	Monthly family income	0.120	0.064	0.310	1.881	0.068
8	Religion	0.312	0.118	0.374	2.650	0.012*
9	Community	-0.045	0.103	-0.056	-.437	0.665
10	Family type	0.228	0.255	0.189	.894	0.377
11	Family members	0.050	0.111	0.095	.445	0.659
12	Locality	0.176	0.139	0.144	1.264	0.214

R Value	R <sup>2</sup> Value	D.f v <sub>1</sub>	D.f v <sub>2</sub>	F Value	Significance
0.818	0.669	11	38	6.967	.000

From the table given above it can be inferred that the R<sup>2</sup> value is 0.699 and t-tests for the significance of individual independent variables indicates that at the significance level of 0.05, religion is statistically significant at 5% level. Mobile banking nonusers' age, gender,

education, occupation, marital status, monthly income, community, family type, family members, and locality are not statistically significant in each case. The regression equation inferred is

### Interested in using mobile banking services in future (Y)

$$= 0.383 - 0.167 (\text{age}) + 0.225 (\text{gender}) + 0.022 (\text{education}) - 0.091 (\text{occupation}) - 0.047 (\text{marital status}) + 0.120 (\text{monthly income}) + 0.312 (\text{religion}) - 0.045 (\text{community}) + 0.228 (\text{type of family}) + 0.050 (\text{family members}) + 0.176 (\text{locality})$$

The equation obtained above shows that gender, education, monthly income, religion, type of family, family members and locality of the nonusers who are interested in using mobile banking services in the future positively whereas their age, occupation, marital status, and community shows a negative impact.

The multiple regression components (dependent variable) are found statistically a good fit as  $R^2$  value is 0.669. It shows that seven independent variables contribute to the prediction that 66% are interested in using mobile banking in the future. Hence the seven variables of gender, education, monthly income, religion, type of family, family members, locality are the better predictors for the customers who are interested in using mobile banking in future.

### Findings

The findings indicated that gender, education, monthly income, religion, type of family, family members and locality of the nonusers who are interested in using mobile banking services in the future positively whereas their age, occupation, marital status, and community shows a negative impact. Hence the seven positive variables are the better predictors for the prospective customers.

### Suggestion

- Mobile banking non-user customers are adopted to traditional banking; they have a fear in mind over privacy and security. Banks should give assurance regarding the privacy & security.

- The prospective customers think that mobile banking is difficult to use and a lot of formalities should be adopted, which should be educated to the prospective respondents.

### Conclusion

Mobile Banking allows the user to access any time at anywhere. Customers can check balances, statement of information, transfer funds from one account to another. From the regression analysis gender, education, monthly income, religion, type of family, family members and locality of the nonusers who are interested in using mobile banking services in the future positively whereas their age, occupation, marital status, and community shows a negative impact. Hence the seven positive variables are the better predictors for the prospective customers.

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## EMERGING CAPITAL MARKET TRENDS: A DESCRIPTIVE STUDY

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### Abstract

Financial market means any area where financial transactions take place. It is a market which deals with buying and selling of financial assets. The main function of financial market is the creation and exchange of financial assets. The major component of financial market includes organized and unorganized market, money market and capital market, industrial securities market and Government securities market, primary market and secondary market, debt market and equity market, exchange-traded market and over-the counter market, cash or spot market and forward market, term loan market, mortgage market and Financial guarantee market. Among these components capital market and money market possess an essential role in the financial market. Money market is the market which deals with short term funds. Short term fund means the financial assets which are close substitute for money or near money claims. The maturity period of this fund is generally for a period of one year. It meets the liquidity needs of the lenders and borrowers. In other side capital market is a market which deals with long term funds. The main function of capital market is the transfer of money capital from investors to entrepreneurs. We all know that everything should be changing day by day. In order to sustain the market new and newer trends must be followed by each and every organization. For the success of capital market they also follow certain trends. This paper mainly focused towards the emerging trend of capital market. It is purely descriptive in nature.

**Keywords:** Financial market, Capital market and Money market.

### Introduction

Marketing is the branch of study and management is a branch of exchange relations. The important function of marketing is to choose the target markets through market analysis and market segmentation and also understand the consumer behavior. Financial market is a market where financial securities and derivatives are traded. Financial securities include stocks, bonds and precious metals. Derivatives include futures and options. The notable point is that trading is done at a lowest transaction cost. The major component of financial market includes organized and unorganized market, money market and capital market, industrial securities market and Government securities market, primary market and secondary market, debt market and equity market, exchange-traded market and over-the counter market, cash or spot market and forward market, term loan market, mortgage market and Financial guarantee market. In case of organized financial market financial dealings are done on the basis of certain standardized rules and regulations. In unorganized financial market there are no standardized rules and regulations. On the basis of maturity of finance financial market has two components that is Money market and capital market. Money market deals with short term

funds have a maturity period less than one year. Capital market deals with long term funds the maturity period of which is greater than a year. The market which deals with Government security is called Government security market and the market which deals with shares and debentures or bonds by industrial concerns for raising finance is called industrial security market. Primary market and secondary market is another important part of financial market. Primary market deals with new securities and secondary market deals with outstanding securities. Outstanding securities means second hand listed securities. On the basis of financial claims market is classified in to debt market and equity market. Debt market deals with fixed interest bearing securities such as debenture and bonds. Equity market deals only equity shares. Exchange traded market follow centralized organization with standardized procedure. But over the counter market follow decentralized market with customized procedure and it is screen based trading. Spot market claims occur immediately while forward claims occurs at a time in future. All these markets follow new trends for their success and ensure stableness. Trend means a development or change in the existing situation. Our economy is dynamic. So in order to compete with others new ideas and

technology is needed. Capital market follows innovative and emerging trends year by year in order to sustain the market.

### Objective

The main intention of the study is being to describe about capital market and also find out new trend followed by Indian capital market.

### Methodology

The methodology used for the study is purely descriptive in nature. Secondary data is only used for the study.

### Capital Market Trends-An Overview

Capital market is the part of financial system; it is mainly concerned with raising long term capital by dealing with long term securities such as shares, bonds, and other long term investments. The main function of capital market is to channelize the surplus fund from savers to institutions. The investors then invest it into productive use. Financial intermediation is the essence of capital market.

In the words of I.M. Pandey, "capital market deals in securities and it facilitates the allocation of funds between savers and borrowers."

The important constituents of capital market are stock exchanges, commercial banks, investment trust, co-operative banks and companies. Capital market is defined in other ways that is it is the collective name given to long term financing agencies. The agencies include investment institutions, stock exchanges and insurance companies. These agencies deal with stocks and bonds or collect money for long term investments and provide saving to those who need it. Capital market provides innovative investment avenues. Capital market consists of primary market and secondary market. Primary market is other ways known as new issue market and secondary market is other ways known as stock market. Capital market loans are like loans from non-bank financial intermediaries mainly allocate for the development needs of the country. Efficient and proper allocation of resources helps to the expansion of trade and industry in both public and private sectors. It leads to the promotion of balanced economic growth in the country.

### Primary Market

Primary market is the market for rising fresh capital. It is the market which deals with newly issued shares and debentures. The main objectives of fund raised by this market are to set up new project, extension, divergence, rejuvenation of existing project and mergers. The notable feature of primary market is that it has no physical existence. It facilitates the direct link between the issuing company and investing public. This market deals with fresh claims includes equity shares, deposits, debentures and right issue. It consist financial institutions involved in contributing and underwriting.

### Secondary Market

Secondary market or stock market is traded with existing securities. The main function of secondary market is to purchase and sale of shares issued by government and semi government bodies, and other public bodies, and also shares and debentures of joint stock companies. The government securities are traded in a separate component of the stock market that is called Gilt-edged market. A non-member is not permitted to enter the hall of the stock exchange and cannot carry on business transactions personally. The trading in the stock market is done with the help of a stock broker he is a licensed member of stock exchange.

### Recent Developments in the Capital Market

The Indian regulatory and supervisory frame work of security market in India has been adequately strengthened through the legislative and administrative measures in the recent past. International bench marks are included in the regulatory frame work of security markets. Capital market reforms were undertaken during the 1990s, which includes legislative, regulatory and institutional reforms. In 1992 statutory regulator becomes created. This appropriately empowered to regulate the collective investment schemes and plantation schemes through an amendment in 1999. The SEBI amendment Act 2002 strengthens the compliance and enforcement powers including search and seizure of SEBI. In 1997 dematerialization started. Electronic book keeping were introduced this leads to trading in dematerialized form.

In 2000 June derivative trading started in a gradual manner with stock index futures. It is the after effect of legal frame work for derivatives trading provided by the

amendment of SCRA. The remarkable change is that till 2001 India was the only sophisticated market having account period settlement along with the derivative products. Options and single stock futures were introduced in 2000-2001 and now India's derivative market turnover is more than the cash market. India is one of the largest single stock future market in the world. The derivative market turnover is Uniform rolling settlement and same settlement cycle helps to create a true spot market. It is happened in the period of mid-2001. The risk management system followed by India is very modern and effective. In the middle of 2001 VaR based management system was introduced and in May 2003 and May 2004 witnessed a great volatility experience in the risk management system. This contains real time exposure monitoring, disablement of broker terminals, VaR based margining etc.

In January 2003 Indian stock market started screen based trading of government securities. In June 2003 the interest rate futures contracts on the screen based trading platform were introduced. India is one of the few countries to have started the Straight Through Processing (STP), which will completely automate the process of stock exchange. Real Time Gross Settlement System was introduced by RBI in the year 2004 on an experimental basis. RTGS allow the real delivery and payment. Mandating of demutualization improves the governance mechanism of stock exchanges. In order to protect the interest of investors and corporatization of stock exchanges in the securities market the Securities Laws (Amendment) Ordinance was propagated on 12<sup>th</sup> October 2004. The ordinance has since been replaced by a bill.

### Recent Trend in Capital Market

Today's markets are highly competitive and recently evolving. In order to survive with other firms can attract more investors new trends must be followed. Trend helps the market to sustain and become competitive with others. Some of the important trends followed by capital markets are listed below.

#### 1. Machine Learning (ML) and Natural Language Processing (NLP) Gain Prominence

The application of ML and NLP technologies in the capital market is helping firms to reduce cost and increase efficiency.

#### 2. Robotic Process Automation Adoption Up

ROA gaining increased adoption in capital market firms helping enhance front and back operation adoption of this technology helps to reduce cost, effort and save time.

#### 3. Rise of FinTech, RegTech, and Adoption of Distributed Ledger Technology

Capital market can use DLT as platform for issuing and transferring securities. It eliminates the need for intermediaries and provides settlement and depository functions. It helps the capital market transactions become faster more secure and highly efficient.

#### 4. New Data Architecture Emerge

Regulatory mandates and need for data intensive analytics requires enhanced data management capabilities. While helping firms be future ready and stay ahead of the competition. It helps to use advanced analytical tools to process large quantity of high quality data.

#### 5. Capital Market Firms Open up to Public Based Applications

Hybrid cloud is the preferred model at present. Public cloud rapidly gaining more prominence.

#### 6. Major Financial Institutions Look to Combat Evolving Cyber Threats

Interconnected global market and adoption of new technologies necessitates continuous assessment of current and future cyber threats.

#### 7. Data Quality and Governance Evolve into a Strategic Function.

There is an increasing focus on data quality governance initiatives with capital market firms investing more in data management solution.

#### 8. Move Towards SaaS Solutions Gains Huge Acceptance

Need to execute strategic business initiatives in capital market firms is driving higher adoption of SaaS solution.

#### 9. Integrated Treasury Management System Witness Rapid Adoption

In the modern hyper regulated environment legacy systems are not equipped to handle real time feeds or providing real time data to customers.

## 10. Increasing Focus on Data Analytics and Visualization

It is imperative to enable the transformation of massive amount of data into useful and actionable information through analytics.

### Conclusion

Capital markets play an important role in the economy. Today's economy is highly competitive and evolving with regulations. In order to strive with other firms and attract more investors new trends must be followed. Trend helps the capital market to sustain and become compete with others. Through primary capital markets, businesses and entrepreneurs can issue stocks and bonds to raise financial capital to start or expand business.

Emerging capital market trend helps the firm to reduce cost, effort and save time.

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# GREEN FINANCE- SUSTAINABLE INVESTMENT IN INDIA

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## Abstract

*In order to enhance the harmonisation between economy and ecology green financing plays a dominant role for elaborating sustainability in economic sector. Green finance in financial sector comes under its moral and ethical behaviour that the business organisation should follow. Climatic finance is also included in green finance but not limited to it. Green financing is closely associated with programmes, policies, initiatives which encourage sustainable development. This study is an attempt to look in to the role of green finance in sustainable development.*

**Keywords:** *sustainable development, green finance, climatic finance, CSR.*

## Introduction

We are living in an era where corporates destroy environment and exploit the nature without considering the future generation with an aim of profit maximisation. In fact environmental protection and sustainable development have greater importance than their profit maximisation in the present scenario. Over exploitation of environment leads to many man- made disasters which will affect the world much higher than long lasting epidemics and nuclear bombs. High economic growth rate reduces poverty, generates employment, contribute national income, and maintain equality which in turn leads to purchasing power of people through high standard of living. But the way in which they are following for financial growth deploy nature and ecology is considered as one of the prime limitation of unethical development. India has adopted the 17 sustainable development goals and submitted the Intended Nationally Determined contribution (INDC) in Paris agreement, and to achieve those goals and targets huge amount of investment is required. At least USD 2.5 trillion (at 2014-15 prices) will be required for meeting India's climate change actions by 2030. Such huge finance cannot be taken over by government itself due to lack of fund availability, hence public participation along with private participation is essential for establishing green finance,

moreover it is not only for the obligation of the government it is an obligation of corporate too.

## Objectives of the Study

Major objectives of the study are

1. To study the role of green finance in sustainable development.
2. To study the constraints while implementing green finance.

## Statement of the Problem

In a contemporary world majority of the organisations focused on profit maximisation without considering negative impact on environment. Since it will be a tremendous issue that corporates are not bothered about the future, they are not bothered about the future generations. Corporates are trying to maximise their earnings through exploitation of resources and environment will destroy the future generation. In order to avoid the circumstances there should be proper planning and programmes for economic- ecology balance is become unavoidable one. Government can't afford all expenses itself for establishing green finance. Here there is a role of green finance since majority of its finance are met by private corporates along with public enterprises for establishing green finance. The present study is try to find

out the role and constraints of green financing in sustainable development.

### Significance of the Study

Keeping a pollution free environment is the most valuable gift that can be given to the future generations. Green financing helps to the certain extent to keep the environment from over exploitation of resources. Green financing enhances the proper balance between economy and environment for eliminating negative effects occurring in the organisation. It aims to achieve the goal of a low carbon economy through promotion of green industry, including environmental pollution controlling programmes and renewable energy development methods and rehabilitation projects etc. It is generally carried out with an active participation of private and public companies especially private companies with an effective programmes of government. However there are some constraints in building an effective green financing strategy were existed. The present study is tries to identify the various constraints and role of green financing in sustainable development.

### Methodology

The paper is descriptive in nature. Secondary data is used for sources of information. Government websites, newspapers, journals, articles published in both national and international journals including online journals, thesis, projects and any other information from websites etc. were used a source of data.

### Green Financing

There is refusal universal definition of green finance. Green Finance means finance only to those projects and businesses initiatives including new initiatives which protect or less deteriorates the environment. It considers all the ecological factors including both negative and positive environmental effects while financing the projects and business investment in the area such as resource efficiency/energy efficiency, clean energy, control of pollution, waste management, water sanitation renewable energy, carbon control, mitigation and adoption of remedial strategies of climate change, bio-diversity protection and development of green products for end user like cloth-cotton bag etc. for avoiding plastic and glass made products. Green finance refers to financing the business is intended for ecological development. It includes both

public and private finance. Green finance is considered as the financial support of green growth with a primary purpose of reducing the greenhouse gas emissions and pollutant omissions significantly for the sustainable development in all the sectors in the economy. Green finance can be achieved through green growth. Green growth is defined as growth generated through the harmony between the economy and the eco-system for finding the solution to three current threads to the world economy which are climatic change, energy constraints and financial crisis.

### Source of Finance

#### i. Domestic public finance by the government

Domestic public finance means to the direct investment by government

#### ii. International public finance

The term International public finance refers back to the investment from international or global businesses and multilateral improvement banks and any other financial agencies

#### iii. Private quarter finance

Private quarter is a method of finance consists of both residence and universal speculation resources used for green financing.

### Advantages of Green Financing

- Sustainable ecology and valued natural resources.
- Social development and standard of life.
- Sustainable and renewable use of resources.
- Clean energy and climate action.
- Implementation of Green investment strategies
- Generation of Green industry
- Green life
- Implementation of Green technologies
- Green energy
- Competitive knowledge of economy

### Green Finance Products



### Limitation of Green Finance

1. Stability in Policy and Regulatory Framework.
2. Gradual changes in government policies leads to misunderstanding among private organisations.
3. Lack of information regarding ecological performance of the government make green finance difficult.
4. Comparatively Low Profitability of Green Industries.
5. Lack of profitable projects.
6. There is no proper mechanism to choose commercially viable green projects due to investment in CSR.
7. Lack of effective leadership.
8. High cost and lack of awareness about the importance for green products people hardly buy green products.
9. Lack of clear idea among Investors about Green Finance.

### Government Policies for Environmental Protection in India

- Energy Conservation Act (ECA)
- State Action Plan on Climate Change (SAPCC)
- National Electricity Policy (NEP)
- National Action Plan on Climate Change (NAPCC)
- National Environment Policy (NEP) 2006
- Integrated Energy Policy (IEP)

### Conclusion

Green financing is an emerging trend in finance which give importance to the future generation also. Protecting nature and ecology along with development is essential for the sustainable development, there should be a proper balance between economy and ecology will generate a good corporate ethics and maintain sustainable development. Although Government of India has taken various steps for sustainable development in connection with green finance but the private sector participation for sustainability is in the nascent stage which are not enough for what actually need. Because of the limited public finance, private finance plays immense importance in the sustainable development. So, the development of green finance is essential. However, there are various constraints

in the growth path of green finance, but the removal of these will definitely lead to the development of green finance and can maintain ecological balance for securing the needs for future generation.

### Suggestions

Green finance is achieved through sustainable development. Green finance is essential for the sustainable development. Below are some suggestion which will facilitates the operations of green finance more effectively.

1. Government should actively participate in stable policy framework for green finance which encourages private sector to finance sustainable development programme.
2. Make a provision that there should be a need of green rating agencies in the country.
3. Government should intervene to make green finance as mandatory requirement of new ventures for registration.
4. Increase the profitability of green projects through incentives in various schemes.
5. There should be a proper mechanism to evaluate the projects, idea and business in terms of environmental, social and governance (ESG) risk. Objective should be to give more emphasis on environmental and ecological risk.
6. Conduct conferences, articles, newspaper report, journals, seminar etc for creating awareness among Investors and consumers about the green finance is essential for the sustainability of the economy can be useful tools for imparting the knowledge about the necessities of green products.

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# PERFORMANCE ANALYSIS OF SBI MUTUAL FUND DEBT SCHEMES

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## Abstract

The Indian Mutual Fund Industry has come a long way since its inception in 1963. The Mutual Funds are considered as one of the best available investment options as compare to others alternatives the debt Funds Scheme is ideal for investors who aim for regular income, by investing in Bonds, Corporate debentures and treasury bills. The data collected from the Secondary sources. The financial tools such as Average Yield, Yield to maturity and modified period are used for analysis. It is found that SBI liquid fund, SBI saving fund are the best schemes to invest for the investors who wants to invest in securities with minimum risk and average return.

**Keywords:** Mutual funds, corporate debentures, income, investment, Yield to Maturity, Average Yield, Modified Period.

## Introduction

The fast developing economy of India offers number of Investment avenues for the investors. Selecting the right investment opportunity that maximises return with minimum risk is the most challenging task. Mutual funds help the investors in choosing the right portfolio based on their convenience and the capacity to assume risk. They appoint specialist to manage funds in diversified portfolio. The vast development in the Indian capital market necessitated the growth of mutual funds in India, as such number of companies with more number of schemes were available for the investors

## Objectives of the Study

- To study about the mutual fund debt scheme in SBI.
- To analyse the performance of debt scheme of the SBI
- To offer suitable suggestion and recommendation

## The Concept of Mutual Fund

A mutual fund is a trust that's pools the saving of a number of investors who share a common financial goal. the money thus collected is then invested in capital market instrument such as shares debentures and other securities.

## Debt Fund

Debt funds are those which allocate unit holder's money in fixed income earning instruments like treasury

bills, corporate bonds, government securities, commercial paper, and other money market instruments. Gilt fund monthly income plans, short term plans, liquid funds and fixed maturity plans are some of the investment options in debt fund. Debt funds include various funds investing in, short term, medium term and long term bonds.

## Mutual Fund Debt Schemes of SBI

### SBI Magnum Income Fund

The SBI Magnum Income is an open ended debt mutual fund offering by SBI mutual funds AMC. It seeks to provide investors with the dual benefits of capital appreciation and monthly income provider there is a distributable surplus available with the fund. An opportunity to generate regular income through investment in debt and money market instrument such that the Macaulay duration of the portfolio is between 4 years and 7 years.

### SBI Liquid Fund

Liquid fund is a category of mutual fund which invests primarily in money market instrument life certificate of deposits, treasury bills, commercial papers and terms deposit. The schemes seeks to provide the investors an opportunity to invest in the entire range of debt and money market securities with residual maturity up to 91 days only.

### SBI Saving Fund

The saving fund is an Ultra short term debt fund which offers instant redemption. Ultra short term debt funds are



money market mutual fund schemes, which invest in very short term. Fixed income securities like commercial papers, certificate paper, certificate of deposit, treasury bills etc.

### SBI Dynamic Fund

The dynamic bond funds are debt mutual funds that alter allocations between short terms and long terms bonds. This helps them take advantages of changing interest rates.

### SBI Short Term Debt Fund

A short term debt fund refers to a mutual fund scheme for investments spanning about one to three years, through it may extend to four years as well. Short term funds do not attract penalty on their redemption before the maturity date, unless they are redeemed before the pre-determined period. Usually this term varies between 5 days to 6 months.

### Research Methodology

The study examines the performance of all the debt fund schemes of SBI mutual fund during the year 2018. It is based purely on secondary data. The data is collected from the annual report of SBI Mutual Fund.

To analyse the financial tools such as Average Yield, Yield to maturity and modified period are used.

### Limitations of the Study

1. Only the debt fund schemes are studied.
2. The data is confined to a period of one year.
3. No comparison with other company's debt schemes is made.

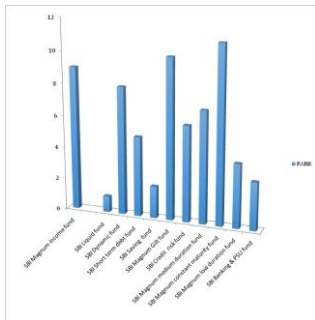
### Analysis and Findings

The performance of the various debt fund schemes are collected and presented in the below table.

**Table 1**  
**Performance Analysis of Debt Scheme of SBI (2018)**

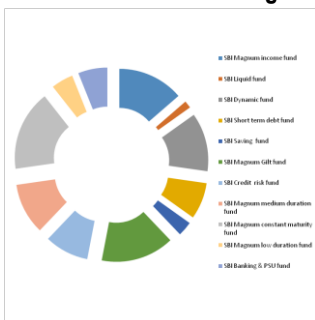
S.No	Debt Scheme	Modified Duration	Rank	Average Maturity	Rank	Yield To Maturity	Rank
1	SBI Magnum income fund	3.55 years	9	4.66 years	9	8.73 %	9
2	SBI Liquid fund	0.08years	1	29 days	1	7.27%	1
3	SBI Dynamic fund	3.32 years	8	4.38 years	8	7.58%	2
4	SBI Short term debt fund	1.49 years	5	1.76 years	5	8.39%	8
5	SBI Saving fund	0.24 years	2	0.27 years	2	7.83%	6
6	SBI Magnum Gilt fund	4.53 years	10	6.23 years	10	7.63%	3
7	SBI Credit risk fund	1.53 years	6	1.85 years	6	9.37%	11
8	SBI Magnum medium duration fund	2.55 years	7	3.82 years	7	8.92%	10
9	SBI Magnum constant maturity fund	6.63 years	11	9.87 years	11	7.79%	5
10	SBI Magnum low duration fund	0.48 years	4	5.53 years	3	7.93%	7
11	SBI Banking & PSU fund	0.47 years	3	0.84 years	4	7.69%	4

**Chart-I**  
**Low Risk Fund based on Modified Duration**



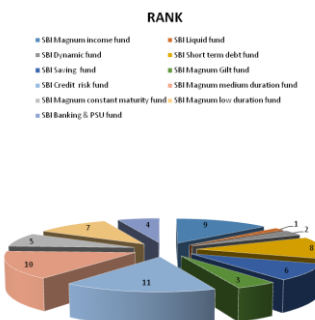
When we analyse the modified duration (0.08 years) the SBI Liquid fund is a best scheme because in this method the lowest year are given the best returns to the investors

**Chart-II**  
**Low Risk Fund Based on Average Maturity**



Average maturity (0.29 days), the SBI Liquid fund is a best scheme because in this method the lowest year are given the best returns to the investors

**Chart-III**  
**Low Risk Fund Based on Yield to Maturity**



The Yield of maturity (7.27%) SBI Liquid fund is a best scheme because, in this method the lowest year are given the best returns to the investors

**Limitation of Study**

- The study does not provide any Prediction of Forecast of the selected Scheme.
- It is restricted to Debt and Equity Schemes
- Technical Tools have some disadvantages which have impact on Debt and Equity schemes.
- Selection of the schemes for the Study is very difficult task because there are a wide variety of schemes in each selected category

**Conclusion**

Mutual Funds have emerged as Strong financial intermediary and are the fastest growing segment of the financial Services sector in India. The very presence of most significant international players in India demonstrates that they cannot afford to ignore the Indian market if they want to maintain their position internationally. This clearly shows that the debt funds are capable of giving the average returns with reasonable amount of risk in terms of return deviations. This research work evaluates the performance of debt mutual Fund Schemes of (be Indian Mutual Fund Industry

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# CUSTOMER SATISFACTION OF E-BANKING SERVICES OFFERED BY SBI WITH SPECIAL REFERENCE TO ATTINGAL MUNICIPALITY

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## Abstract

*The banking sector is the backbone of any modern economy. It is one of the most important factor of financial sector, which plays a vital role in the functioning of an economy. The rapid development of technology has created an extra ordinary effort upon our economy. It revolution in Indian banking industry gained momentum with the entry of new private sector banks, which come into existence as per the recommendation of the Narasimhan committee in 1991. Today banking sector facing tough competition among drastically been increased This study aims to find out the customer satisfaction level of e-banking services provided by SBI bank from Attingal Municipality. E-banking has facilitated bank customers by providing any time anywhere banking services.*

**Keywords:** *technology, banking, State bank of India E-banking, customers.*

## Introduction

Indian banking system has undergone tremendous transformation after liberalization and globalization process initiated from 1990's. In India after globalization, the number of banks have launched their business in India has really changed the banking industry. The rapid growth of IT in 1990's banks launched electronic banking system in India. The main objective of e- banking services is to provide the customers a much faster services with low cost. Over the last few years technology has changed everything around us including banking. Here the customers can do all the banking activities on internet without physically going to a bank or any human interaction. All the information is stored on servers. So the banks provides wide variety of services to the customers by online in real time. E-banking helps customers to know their account balance, transfer funds, apply for loans, and pay their bills and so on. In the banking sector, technology and competition have increased the choice of customers regarding products and services. As a result various electronic delivery channels increasingly used by banks for delivering their products and the services at the convenience of customers at low cost.

## Statement of the Problem

Now-a-days, internet banking plays a significant role in the Indian banking sector. Today all commercial banks offer their services through internet. E-banking has made transactions more convenient and less time consuming. But there are some problems occurred while banking through internet, many people who are not aware about computers and the internet, find it difficult to use this service. So this study will examine whether the people should be satisfied with e-banking services provided by SBI banks.

## Objectives of the Study

- To study various E-banking services offered by State Bank of India.
- To evaluate the satisfaction level of customers on E-banking services provided by SBI
- To evaluate the impact of E-banking on traditional banking services.

## Methodology

The methodology is based on descriptive and analytical in nature. Primary data collected through

interview schedule from SBI customers. Secondary data is collected through books, journals, magazines, SBI websites and other published documents.

### Sampling

The sample size is 50 from SBI a customer from Attingal Municipality has been taken for the present study. Purposive sampling technique has been used to collect the responses from the bank customers.

### Evaluation of State Bank of India

The roots of the state bank of India lie in the first decade of the 19th century, when the bank of Calcutta, later named the bank of Bengal was established on 2 June 1806. The three presidency banks were incorporated as joint stock companies and were the result of royal charters. The presidency banks amalgamated on 27<sup>th</sup> January 1921, and the re-organized banking entity took as its name imperial of India. The imperial bank of India renamed a joint stock company but without government participation. Pursuant to the provisions of the SBI act, 1955, the reserve bank of India, which is India's central bank, acquired a controlling interest in the imperial bank of India. On 1<sup>st</sup> July 1955, the imperial became the state bank of India. Later, the state bank of India act was passed in 1959, enabling the state bank of India to take over eight former state associated banks and its subsidiaries. On 1<sup>st</sup> April 2017, state bank of Travancore are merged with state bank of India. State bank of India is an Indian multinational, public sector bank and financial services of a company. It is a fully government owned corporation and its headquarters in Mumbai, Maharashtra.

### E-Banking Services

Traditional banks offer many services to their customers including accepting deposits and lending money and providing various banking services. E-banking is an electronic payment system that enables customers to conduct financial transactions through websites. Today majority of the people use e-banking services especially digital products like ATM, net banking, mobile banking, cross-selling etc. Banks offer different services to their existing customers and retain the customers.

### Real Time Gross Settlement (RTGS)

RTGS is an electronic payment system with in which payments between banks and customers are processed and settled individually and continuously on a real time

basis, throughout the day. Real time transaction means settled as soon as they are processed. It is the fastest mode of funds transfer available in India through e-banking channel.

### National Electronic Fund Transfer (NEFT)

NEFT is introduced in October 2005, is a nation-wide electronic payment system that uses a secure mode of transferring funds from one bank branch to another bank branch. It is a batch settlement mode. Funds are transferred to the credit account with the other participating bank using Reserve bank of India, NEFT service. There is no limitation either minimum or maximum on the amount of funds that could be transferred using NEFT.

### National Settlement System (NSS)

NSS is a system established by Reserve bank of India through which the clearing houses can settle the net position of the participating banks at the national level.

### Credit Cards and Debit Cards

Credit card is a card by which the card holder can make purchases without immediate cash payments. It enables the credit card holders to allow credit facilities from the issuing banks for a specified period of time without any security. Debit card can be used to access the money in the customer's bank account to pay for purchases. The payment amount transferred from the customer's account to the merchant's account the same day.

### Automated Teller Machine

ATM is a device used by bank customers to process account transaction. ATMs allow customers to do many branch banking functionalities like cash withdrawal, mini statement of transactions, application for cheque books etc. ATM cards are used on behalf of debit cards as well. HSBC was first bank to introduce ATM in India in 1987.

### Tele Banking

Tele banking is another form of technology enabled banking service which provides the facility of 24 hours banking to customers. Most of the banking functions except cash withdrawals or deposits could be carried out by a customer using telephone. Tele banking services function is based on a technology known as Interactive Voice Response system (IVRS) available with the bank computers.

## Mobile Banking

mobile banking or M-banking is a delivery channel which means the usage of mobile telecommunication devices for carrying out banking and financial transactions. It is used for performing balance checks, account transactions, payments etc. through mobile phones. For availing this service, mobile phone should either be short message service (SMS) or wireless protocol (WAP) enabled.

## Data Analysis and Interpretation

The present study entitled the customer satisfaction of E-banking, banking services offered by SBI with special reference to Attingal Municipality. E-banking is the modern trend in banking sector. It plays a significant role in the Indian banking sector. Today all the commercial banks offer their services through internet. In this study analysis various banking services and its satisfaction level of customers on it and also studied about the impact of E-banking on traditional banking system. The data collected from 50 respondents. The data analyzed by using graphs, diagrams etc. reveals the following.

### 1. Age and Gender Base Classification of the Respondents

Age	Male		Female		total	
	number	%	number	%	number	%
Below 20	6	18	6	27	11	
20-40	13	47	10	46	23	46
40-60	6	21	4	18	10	20
Above-60	3	14	2	9	6	12
<b>Total</b>	<b>28</b>	<b>100</b>	<b>22</b>	<b>100</b>	<b>50</b>	<b>100</b>

Source: primary data

This table reveals that the age group of 20-40 are prevalent in the usage of e-banking services. Senior citizens are very poor in online banking transactions, because they are not aware about the scope of online banking.

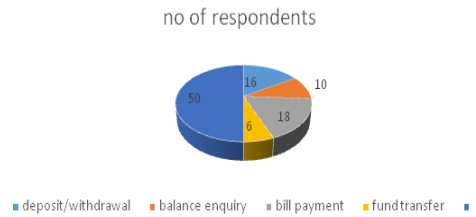
### 2. Sources of Information about E-Banking

Sources	No. of respondents	percentage
Friends	15	30
From bank	10	20
Advertisement	25	50
<b>Total</b>	<b>50</b>	<b>100</b>

Source: primary data

This table shows that sources of information about E-banking. Most of the respondents get information about E-banking banking from advertisement.

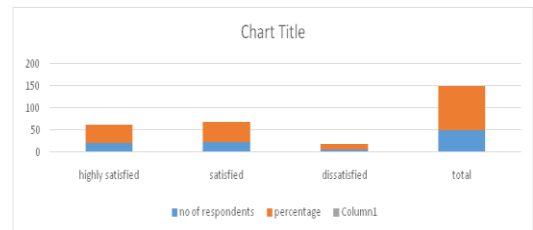
### 3. Preference to E-Banking Facilities



Source: primary data

State bank of India offers various services through internet for their customers. From the analysis pointed out that the majority of the customers using online banking facilities for bill payments.

### 4. Satisfaction of SBI's E-Banking Services



Source: primary data

From the data analysis reveals that most of the customers are satisfied with e-banking services. 12% customers are dissatisfied with online banking facility.

### Findings of the Study

The study entitled Customer Satisfaction of E-banking services offered by SBI with special reference to Attingal Municipality is conducted with the particular objectives that to identify various E-banking services offered by SBI and to evaluate the satisfaction level of customers, and to examine the impact of e-banking on traditional banking services. Most of the e-banking facility users are male customers. Majority of the customers are get information about E-banking banking services from advertisement and friends. Large portion of SBI customers are giving more preference to bill payments in online banking and also used for withdrawal and deposit purposes. Majority of SBI customers are satisfied with its online banking services

.Large portion of SBI customers are satisfied with the online banking procedure .Most of the SBI customers are highly satisfied in availability of services through internet.

### Suggestions

- State bank of India should give more advertisement and publicity regarding the online banking service for its promotion.
- To adopt promotional techniques for increasing the brand name through by offering its services in internet.
- SBI should conduct more awareness programs about e-banking facilities and its security.
- To develop more user friendly websites and mobile application for the customers with the help of experts.
- To improve the employees attitude towards the customers.
- To provide customer education through giving more knowledge about computer technology and online banking.

### Conclusions

E-banking is the modern trend in the banking sector it has very significant role in the overall performance of commercial banks. From the above findings, this study can conclude that majority of male customers have knowledge about various E-banking services. The large portion of

customers are using internet accounts because it is very easy to use and they have the traditional accounts. This study concludes that the customers are satisfied in E-banking services offered by SBI in Attingal Municipality.SBI provides various services through internet like deposits, withdrawals, fund transfer, bill payments, etc. for their customers.

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## PROBLEMS FACED BY WOMEN ENTREPRENEURS IN MSMEs

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### Abstract

*The emergence of women in the economic scenario as entrepreneurs is a significant development in the business world. Women entrepreneurs are those who think of a business enterprise, initiate it, organise and combine the factors of production, operate the enterprise and undertake risks and handle economic uncertainty involved in running a business enterprise. But they have to face several problems in entrepreneurship. The present study intends to analyse the problems faced by women entrepreneurs in MSMEs.*

### Introduction

Entrepreneurship is the key to the economic development of a nation. Women entrepreneur is any woman who organises and manages business enterprises. They are regarded as a person who accepts a challenging role to quench her personality needs and to become economically independent by making suitable adjustments in both family and social life. Women are vital development agents who can play a significant role in the economic development of a nation. They have the capability to establish and manage business enterprises of their own. Government of India defines Women Entrepreneurs as "an enterprise owned and controlled by a woman having a financial interest of 51 % of the capital and giving at least 51 % of the employment generated by the enterprise to women."

The Government of India has enacted the Micro, Small and Medium enterprises Development Act, 2006; in terms of which the definition of MSMEs is as under;

### In Manufacture and Processing Sector

A micro enterprise is an enterprise where investment in plant & machinery does not exceed Rs.25 lakh. A small enterprise is an enterprise where the investment in plant & machinery is more than Rs.25 lakh but does not exceed Rs.5 crore. A medium enterprise is an enterprise

where investment in plant & machinery is more than Rs.5 crore but does not exceed Rs.10 crore.

### In Service Sector

A micro enterprise is an enterprise where the investment in equipments does not exceed Rs.10 lakh. A small enterprise is an enterprise where the investment in equipments is more than Rs.10 lakh but does not exceed Rs.2 crore. A medium enterprise is an enterprise where the investment in equipment is more than Rs.2 crore but does not exceed Rs.5 crore.

### Review of Literature

**Singhal Sandeep, Balraj and Saxena Deepak (2000)** in their study on women entrepreneurs revealed that there are many factors for the emergence of women entrepreneurs in India like family background, motivation, ambition, attitudes of family and society, Government policy of funds, training programs etc.

**Singh, Surinder Pal, (2008)** in his study considered the reasons and influencing factors behind the entry and growth of women in entrepreneurship. He identified several hindrances in the growth of women entrepreneurs such as family responsibility, gender discrimination, lack of mobility, lack of training etc. He suggested some remedial measures like providing proper training, financial support from the Government, promoting micro enterprises etc.

Micro credit and Rural Women Entrepreneurship Development in Bangladesh; A multivariate model, **Sharfina Afrin (2010)** suggested that the micro credit programs do not help the borrowers to develop any entrepreneurial capabilities other than survival. The study identified the factors related to the development of entrepreneurs among rural women through the micro credit programs.

**Mohandass s (2014)** in his study revealed that MSMEs are providing maximum opportunities for both self employment and job outside agricultural sector.

**Sharma, Mukesh, Gayatri (2015)** have reported that MSMEs are the back bone of the Indian industry. MSMEs as compared with big enterprises are providing employment opportunities with minimum capital cost.

**Onukwuli (2014)** have suggested that with the growth and development of MSMEs the poverty will automatically remove.

### Objectives of the Study

1. To study the problems faced by women entrepreneurs in MSMEs.
2. To analyse the contribution of MSMEs on the economic development of women entrepreneurs.

### Methodology

The study is based on both primary and secondary data. Primary data has been collected from a sample of 50 women entrepreneurs in MSMEs. Secondary data has been collected from various sources like journals, magazines, books & websites.

### Analysis and Intrepretation

#### Age Group

**Table No 1**

Sl. No	Age Group	Respondents	
		Number	Percentage
1	Below 25	2	4
2	25-30	13	26
3	35-45	26	52
4	45-55	6	12
5	Above 55	3	6
<b>Total</b>		50	100

52% of the respondents come under the age group of 35-45 and 26% come under the age group of 25-35 only 4% are below 25.

### Motive for Starting Business

**Table No 2**

Sl. No	Motive	Respondents	
		Number	Percentage
1	Earn Income	31	62
2	Gain Independent Employment	8	16
3	Gain Social Prestige	3	6
4	Fulfil Self Desire	7	14
5	Others	1	2
<b>Total</b>		50	100

62% of the women entrepreneurs have started business for earning income. 14% of the respondents are of the opinion that they have started business to fulfil self desire.

### Gender Discrimination

**Table No 3**

Sl. No	Gender Discrimination	Respondents	
		Number	Percentage
1	Yes	14	28
2	No	36	72
<b>Total</b>		50	100

It is observed from the data that 72% of the respondents have not faced any gender discrimination

### Support from the Family

**Table No 4**

Sl.No	Support from family	Respondents	
		Number	Percentage
1	Highly satisfied	9	18
2	Satisfied	13	26
3	Neutral	8	16
4	Not satisfied	12	24
5	Highly not satisfied	8	16
<b>Total</b>		50	100

Though 26% of the total respondents are satisfied with the support provided from their family. 24% are not satisfied with the support from the family.

### Problems Faced by Women Entrepreneurs

**Table No 5**

Sl.No	Problems	Respondents	
		number	percentage
1	Financial	28	56
2	Marketing	12	24
3	Personal	8	16
4	Governmental	2	4
<b>Total</b>		50	100



Majority of the respondents opined that the most serious problem faced by them was financial problem .24% of respondents opined that marketing of the product was the serious issue. But, all are of the opinion that they are facing financial,marketing , personal, and other related problems

### Financial Problems

Table No 6

Sl.No	Financial Problems	number	%
1	Shortage of fund for initial capital	28	56
2	Lack of support from financial institutions	9	18
3	Inability to provide collateral security	5	10
4	High rate of interest	8	16
<b>Total</b>		50	100

Though all the respondents have financial problems, majority of the sample respondents (56%) are of the opinion that the shortage of the funds for initial capital or margin money is the serious issue.18% opined that the financial institutions are not supporting them by providing funds at the right time.16% consider high rate of the interest as the serious issue.

### Marketing Problems

Table No 7

Sl.No	Marketing problems	Respondents	
		number	%
1	Severe competition	14	28
2	Limited mobility	9	18
3	Inadequate publicity	9	18
4	Lack of information on change in demand	7	14
5	Exploitation from middlemen	11	22
<b>Total</b>		50	100

Out of the total respondents ,28% are of opinion that most serious marketing problem faced by them is severe competition (healthy and unhealthy).22% of the respondents are of the opinion that major marketing problem is the exploitation from the middle men

### Personal Problems

Table No 8

Sl.No	Personal Problems	Respondents	
		Number	Percentage
1	Resistance from family	9	18
2	Resistance from society	8	16
3	Dual responsibility	30	60
4	Lack of self confidence	3	6
<b>Total</b>		50	100

Majority (60%) of the respondents are of the opinion that, they feel stress while discharging the dual duties of an entrepreneur and a house wife .18% of the women entrepreneurs face resistance from husband and family members, while other group of 16% face resistance from the society.

### Special Schemes

Table No 9

Sl.No	Special Scheme	Respondents	
		Number	Percentage
1	Highly satisfied	5	10
2	Satisfied	10	20
3	Neutral	7	14
4	Not satisfied	26	52
5	Highly not satisfied	2	4
<b>Total</b>		50	100

Majority (52%) of the respondents are not satisfied with the special scheme provided by the government for assisting women entrepreneur .20% of the respondents are satisfied with the schemes while 14% are neutral .among the 50 respondents , 10% are highly satisfied with the schemes provided by the government.

### Satisfaction Level Regarding Rate of Success

Table No10

Sl. No	Satisfaction level	Respondents	
		Numbers	Percentage
1	Highly satisfied	4	8
2	Satisfied	12	24
3	Neutral	5	10
4	Not satisfied	26	52
5	Highly not satisfied	3	6
<b>Total</b>		50	100

It is clear that majority (52%)of the sample respondents are not satisfied with their individual rate of success rate . Again,8% are highly satisfied with the success rate.10% of the respondents are neither satisfied or dissatisfied.but,6% of the respondents are highly not satisfied with the success rate

### Role of Women Entrepreneurs in Nation Building

Table No 11

Sl. No	Opinion	Respondent	
		Numbers	Percentage
1	Highly agree	25	50
2	Agree	18	36
3	Neutral	2	4

4	Disagree	4	8
5	Highly disagree	1	2
<b>Total</b>		50	100

Half of the respondent highly agree with the statement that women entrepreneurs have a great role in nation building. 8% do not agree with the statement and 2% highly disagree with this statements.

### Findings

1. Majority of respondent (52%) belong to the age group of 35-45.
2. Most of the respondents (62%) have started business for earning income.
3. A higher majority of 72% is of the opinion that they have not faced any discrimination on the basis of gender.
4. Only 44% of sample respondents are satisfied with the support provided to them from by their family.
5. Though they are facing financial, marketing, personal and other related problems, the most serious issue is the financial problem.
6. Though all have financial problems, majority of the sample respondents (56%) are of the opinion that the shortage of funds for the initial capital or margin money is the serious issue.
7. 28% of the sample respondents are of the opinion that the most serious marketing problem faced by them is severe competition (both healthy and unhealthy).
8. Majority (60%) of the respondents are of the opinion that, they feel stress while discharging the duties of an entrepreneur and a house wife.
9. Half of the respondents highly agree with the statement that the women entrepreneurs have a great role in the nations building.
10. Majority (52%) of respondents are not satisfied with the special scheme provided by the government for assisting women entrepreneur.

11. Majority (52%) of the sample respondents are not satisfied with their individual rate of success

### Conclusion

In the modern era women are highly educated, talented and innovative. Unfortunately, their contributions are low in business as compared to men. Whole hearted support from the family, society and government is very important in order to emancipate the women in our society. To resolve the issues, Indian government has taken a number of initiatives to encourage innovativeness among women and bring them in entrepreneurial arena. Their efforts have met with success and women have increased in entrepreneurial sector; but the percentage of women in entrepreneurial segment is still subpar. The contributions of women entrepreneurs are a pre-requisite for nation building. When women become independent and self-reliant, they will definitely serve best to the nation.

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# TALENT MANAGEMENT PRACTICES FOR EMPLOYEES OF PUBLIC SECTOR BANKS IN KERALA

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## Abstract

*The present paper deals with the opinion of the officers regarding various talent management practices adopted by the nationalized banks in Kerala. In this study researcher have analyzed the views of the employees regarding talent management practices and how they respond to such talent management practices. The paper highlight current status of talent management practices and reforms needed in the prevailing talent management practices.*

**Keywords:** *Talent, Talent management, talent management practices, perception of officers regarding talent management practices.*

## Introduction

In the dynamic business world the role of banking services is changing at a faster than industry and agriculture. Demonitisation in all spheres gave added impetus to the banking services in recent years. There is a radical restructuring of the banking industries which has branched out in too many areas. Kerala has got an enviable history of banking. Kerala had to its credit a very conducive climate for banking development right from historical times Kerala is rich in its Banking tradition. Banking plays a rather remarkable role in Kerala Economy This is one of the smallest state in India which holds 6th position in the **number of Banks** as per the latest Reserve Bank of India records. There are 52 banks with about 6500 branches in Kerala which are NEFT enabled. The emergence of organized forms of banking activities was because of the growing demand for money and credit for productive activities. Efficiency and effectiveness of services is the major crux of sustainable development of banking sector. In this juncture the banking sectors in Kerala has to reorganize the current management practices to gain maximum profitability. The talent management one of the new management practices which becomes the significant part of the banking sector to

render wide varieties of services to the customers in the new economic Era. Every Banking organisation focuses employee with high caliber and capacity for improving their overall performance, enhancing the morale and productivity. Without developing adequate talent, the banking sector cannot utilize human resource properly. There is a rapid technological development brought in to banking sector on post demonetization in this juncture the banking sector needs to develop and enrich the employee's caliber and performance through developing the current talents of the Employees to the great extent. Talent management is a part of Human resource management. Identifying Employees talent, Innovative skills, productivity and became the principal task of every HR management department. The HRM of banking organisation has now changed significantly. Most of the banking organization focuses employees' talents and caliber during recruitment procedures. How the nationalized banks look at Talent Management and what are the practices adopted by banks to enrich talent and utilize it effectively to improve the organisation performance becomes subject matter of the study. The researcher identified to select nationalized banks as the study prevailing talent development practices in the banks.

Hence the current study focuses at analyzing utility and appropriateness of the talent development practices in selected nationalized banks

## Definition

### Talent Management

Talent management is a strategy adopted by business so that organizations will enable to retain their top talented employees and performers. It is the activity related with attracting top talent in competition with other employers. Talent management as a business strategy that will help you retains exceptional employees. For effective talent management, every aspect of recruiting, hiring, and developing employees is affected positively. The goal of talent management is a superior workforce.

Talent management includes the following activities and work processes:

- To bring a clear job descriptions, so as to develop the skills, abilities, and experience needed from a new employee.
- To select appropriate employees with superior potential and fit your organization's culture, with an appropriate selection process.
- To negotiate requirements and accomplishment-based performance standards, outcomes, and measures within a performance development planning system.
- To provide effective employee on boarding and ongoing training mechanism and development opportunities that reflect both the employee's and the organization's needs.
- To provide on-going coaching, mentoring, and feedback, so as to bring morale and productivity of employees
- To conduct performance evaluation for development planning discussions that focus on the employee's interests for career development.
- To Design effective compensation and recognition systems that reward people for their contributions. Even if all of the rest of your employment processes are employee-oriented, people still work for money. Employers of choice aim to pay above market for talented employees.

- To Provide promotional and career development opportunities for employees within a system that includes career paths, succession planning, and on-the-job training opportunities.
- To hold exit interviews to understand why a valued employee decided to leave the organization. If the reasons provide information about company systems that you can improve, make the changes that will better retain talented employees.

### Statement of the Problem

The fundamental responsibilities of HRM in banking sectors to implement effective customer relationship management in there line of services. No banking organisation can survive and sustain without improving the quality of Employees talents and efficiency. Developing HR is a continuous process. Organisation must make special efforts to enrich and enhance quality of man power. For this organisation must adopt systematic and planned approach for talent development. Whether the nationalized banks adopt such systematic approach and how they are enriching quality of manpower is the area of present research problem. Hence the title of the study selected as Talent Management practices of banking sector in Kerala.

### Objectives of the Study

The principal objectives of the study are as follows:

1. To study various talent management practices adopted by bank in kerala.
2. To examine utility and limitation of various talent management practices adopted by banks.

### Hypothesis of the Study

The principal hypothesis of the study is:

1. Employees exhibit willingness and support to various talent management practices presently adopted by nationalized banks.
2. Appropriate talent management practices are essential for bringing in the desired change in the function of the banks.

### Methodology

It indicates all the practices that are used by the banks to enhance quality, capacity and caliber of the employees. For the current study the researcher has selected branches from SBI, Canara bank at Trivandrum

city. Similarly, a set of 200 officers were contacted to know their opinion regarding the prevailing talent management practices and their perception regarding utility and appropriateness of talent management practices.

### Review of Literature

**Diwan V.L.**<sup>1</sup> studied the performance parameters in the banks. The author points out that the existing employee performance review form is trait-based than performance-based. The author believes promotional possibilities of officers should not be mentioned in the report since there are other norms of promotion.

**The National Institute of Bank Management**<sup>2</sup>, in their review, study of training system, found that the training activities in the Punjab National Bank are sufficiently well organized and well-established. Its coverage is high and is manned by a group of relatively more motivated and hard-working trainers. However, the study points out that there is lack of „learning culture“ in the organization.

**E.S.J. Abraham**<sup>3</sup>, in his article entitled “Human Resource Development Climate in Banks” surveyed 14 different banks and observed that there is a wide gap between the belief of top management and their practices about HRD. The belief and philosophy are of the ideal order, the practice of it falls way below expectations. The training practices are adopted in the bank for overall development of the employees. Besides, training the widely used mechanism in human resource

**Ms. SrividyaPrathiba.C.S and Dr. Lalitha Balakrishnan**<sup>4</sup>in their research „A Study On Talent Management Strategies In Private Sector Banks „aims at identifying the challenges faced by private sector banks with respect to talent management, and finding out the study also aims at identifying the means through which the banks face their challenge of filling the gaps and what are the strategies that need to be devised in order to reform their talent. This paper reviewed and discussed about existing employee engagement strategies adopted by private sector banks and the way in which they retain their core talent. It further aims to provide suggestions as to what should these banks focus on to ensure winning the war for talent.

**Swapna and Raja**<sup>5</sup> have stated that high-performing companies place management of organizational talent as a top priority. Strategic and talented management is the

corner stone for success in the new talent-based economy. There are numerous reasons as to why recognizing, developing and managing talent is becoming more popular within organizations:

1. Managing and developing strong HR strategies for talent management and retention is becoming an integral part of HR jobs.
2. New generation private sector banks and foreign banks are competing with each other which have triggered the need for banks to look afresh not only at their recruitment strategies but also in retaining their talent.
3. Investing in talents will encourage people to stay within the organisation and this will allow a more co-ordinate approach to developing leaders of the future.
4. It is imperative to identify and groom successors and have proper leadership development strategies and succession planning for all strategic and key roles in the bank. It is not only important to attract talent but also to develop the quality of the attracted talent and retain them.
5. In a business economy where knowledge is recognized as a prime asset, it is essential that organization“s improve leadership and personal development to ensure retention of valuable talent.
6. Many researchers have confirmed the importance of talent management in current era of competitiveness.

Talent management is a long term approach figuring out organization required work force and improving organization performance

**Prof. Sultan Singh and Pooja**<sup>6</sup>in their study on “Impact of Talent Management Practices on Employees” Performance “examined the impact of talent management practices on employees” performance in selected private sector banks. The finding indicates that talent management practices have direct impact on employee motivation, employee creativity and employee satisfaction and employee competency. The study recommends that there should be healthy and stress free working environment, career progression opportunity, regular training, welcome employees” innovative idea and transparent proper promotion policy for the management of talent in the organization.

**Hitu**<sup>7</sup>the research paper “Talent Management Scenario in the Private and Public Sector Banking

Industry” explored the talent management scenario in the private and customer oriented; identification and management of talented personnel become the biggest challenge. The study explores the thrust and initiative on talent management in selected private and public sector banks. Key findings suggest that talent management initiatives are well developed in private sector banks compared to public sector banks in terms of rewards, remuneration and selection procedures. Public sector banks compensates in terms of job stability due to life time employment with post employment pension.

### Analysis and Interpretation of Data

#### Talent Management Practices

The talent development building can be achieved through appropriate team building measures, talent cultivation and motivation. Team building is an essential task of every banking system. How the employees look at the process of talent building is a very important issue. Learning new techniques, encouraging caliber and talent, enhancing skills and talent, providing fair opportunity to exhibit the talent are certain essential activities. Developing a open, free and risk mitigating culture as well as effective integration of different system is also equally important. The employees views towards various aspects of technology deployment, talent utilization, work procedure and knowledge management is studied by the researcher. The responses of the representative employees are collected on 17 different statements. The data is presented here:

**Table 1**  
**The Organisation Encourages Employees to Learn through New Technology**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3 Can't Say	10	5	5	5
	4 Agree	110	55	55	60
	5 Strongly Agree	80	40	40	100.0
	<b>Total</b>	200	100.0	100.0	

In the opinion of the employees regarding appropriateness towards talent management practices the officers of the banks were asked to give their opinion as to how the employees are encouraged to acquire new

knowledge and enhance their talents. The data presented in above table indicate the officer of the opinion that (98%) the organisation encourages to employees learn and acquire new techniques and technology

**Table 2**  
**Special Programmes are given on the basis of Caliber and Talent**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3 Can't Say	10	5	5	5
	4 Agree	142	71	71	76
	5 Strongly Agree	48	24	24	100.0
	<b>Total</b>	200	100.0	100.0	

The organisation emphasizes on developing skills and caliber. For this purpose, organisation gives them appropriate assignments, consider their current position, caliber and talent.

Thus it is notice that banks are making efforts to acquire new knowledge.

#### Systematic approach taken by Banks towards Talent Development

Whether the banks have systematic approach towards talent management of existing employees, are the banks are ready with formal and defined approach for talent development. Definite policy toward talent management?in order to analyses these questions, the responses are collected from the officers and presented in table 3, 4 and 5.

**Table 3**  
**Organisation doesn't Have Policy of using Hidden Potential**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Strongly Disagree	5	2.7	2.7	2.7
	2 Disagree	15	8.1	8.1	10.8
	4 Agree	101	54.59	54.59	64.59
	5 Strongly Agree	64	34.59	34.59	100.0
	<b>Total</b>	200	100	100.0	

**Table 4**  
**Whether Banks Developed Database to Enlist the Skills of Employees**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3 Can't Say	24	12	12	12
	4 Agree	113	56.5	56.5	68.5
	5 Strongly Agree	63	31.5	31.5	100.0
	<b>Total</b>	200	100.0	100.0	

**Table 5**  
**whether Banks Follows Job Evaluation for Right Assessment of Employee Caliber and Talent**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2 Disagree	5	2.5	2.5	2.5
	3 Cant Say	21	10.5	10.5	13
	4 Agree	121	60.5	60.5	73.5
	5 Strongly Agree	53	26.5	26.5	100.0
	<b>Total</b>	200	100	100.0	

From the data presented in the above tables most of the bank under study have designed a proper and formal system for talent development. The offices of the opinion that banks have definite and well directed towards identification of hidden potentials and development of caliber of the employees. In view of the officers there is a system for talent development. However it may not meet the requirement and expectations of all the employees.

#### **Effectiveness Talent Management Practices for Employees development**

The researcher wanted to find out Whether the officer of the banks find the prevailing practices appropriate in the prevailing context, whether the officers feels that whether the employees can learn about new techniques and systems and how talent management practices can improve the caliber of the employees is a part of the study. Further in the view of the officer, incentives are given to the employee to learn about skills, techniques and system. The responses are presented in the Table 7,8,9,10.

**Table 7**  
**whether Learning Techniques can help the Employees to Grow with the Time**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3 Can't Say	10	5	5	5
	4 Agree	123	61.5	61.5	66.5
	5 Strongly Agree	67	33.5	33.5	100.0
	<b>Total</b>	200	100	100	

**Table 8**  
**Proper Special Incentives should be given to Employee to Acquire New Knowledge and Innovative Technology**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3 Can't Say	13	6.5	6.5	6.5
	4 Agree	153	76.5	76.5	83
	5 Strongly Agree	34	17	17	100.0
	<b>Total</b>	200	100	100.0	

**Table 9**  
**Whether Employee should be Reward Mechanism for Outstanding Performance**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3 Can't Say	20	10	10	10
	4 Agree	118	59	59	69
	5 Strongly Agree	62	31	31	100.0
	<b>Total</b>	200	100	100	

**Table 10**  
**Latent Knowledge should be given as Special Appraisal**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3 Can't Say	20	10	10	10
	4 Agree	130	65	65	75
	5 Strongly Agree	50	25	25	100.0
	Total	200	100	100.0	

From the data presented above it is clear that in view of the most of the employees are willing to learn new techniques and system. They are having inclination to understand impact of new techniques and technology on their job performance. They are willing to enhance their performance and enrich their personality. The officers feel that the employee who exhibit willingness should be rewarded with incentives and rewards For acquiring new knowledge and skills. This will also motivate other employees to learn new techniques and technology and develop a favorable in view towards talent development.

### **Evaluation of Changing Environment and Talent Management**

The officers are also asked to give their opinion as how the techno-socio environment affects organisation and what is the role of talent management practices in this changing scenario. The data is presented in table 11 and 12.

**Table 11**  
**Whether the Banks should Develop Criterion in Tune with Techno-Economy and Political Changes**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2 Disagree	14	7	7	7
	3 Can't Say	16	8	8	15
	4 Agree	100	50	50	65
	5 Strongly Agree	70	35	35	100.0
	Total	200	100.0		

**Table 12**  
**Whether the Banks should be given Proper Training Facilities to Employees to face Changing Scenario**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3 Can't Say	16	8	8	8
	4 Agree	131	65.5	65.5	73.5
	5 Strongly Agree	53	26.5	26.5	100.0
	Total	200	100		

From the data presented above it is notice that most of the officers feel that there is need to develop appropriate talent practices and training programmes which will be fit in the socio-economic changing scenario.

It is also notice that Employees needed to develop a more comprehensive and appropriate talent management system which can meet the expectations of the employees as well as organisation.

The information presented and cited above helps to make certain important observations. They are:

1. How the banks encourages employee to learn about the new technologies and system.
2. Most of the employees feel that they have moderate chance to exhibit their talent and skills.
3. Bank do not have well structured data bank to know about the skill and talent possess by the employee.
4. In view of representative employees, employee learn new technique with changes in time, however they are not akin to learn system on their own.
5. Officers feel that they should be encouraged to learn new techniques and knowledge system through appropriate measures and incentives.
6. Employee should be rewarded when they perform better and take initiatives to learn.
7. Bank as an organization should develop appropriate system to match with socio-economic and political changes.
8. Officers feel that the existing system should be made more competitive which will enhance employee caliber and competence.



**Conclusion**

1. An officer feels that the existing talent development scheme of the bank needs reform.
2. The caliber and competency of employees is underutilized.
3. Talent management schemes are not rightly positioned, as employees can't exhibit their talent and organization are put to loss.
4. Bank should encourage skill development system.
5. Merit based performance system should be encouraged by the bank.
6. The barrier in the open work flow should be discouraged by bank.

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