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## KICMA-B. School

Kerala Institute of Co-operative Management (KICMA)  
Neyyadam, Thiruvananthapuram, Kerala



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## CHIEF EDITOR'S NOTE



Dear Well-wishers and Readers

Let me take this opportunity to congratulate the entire editorial team of KICMA Reach, the multidisciplinary research journal of Kerala Institute of Cooperative Management (KICMA). This journal provides a unique forum for new advances in the field management and allied areas of Indian and foreign researches in multidisciplinary research topics. The research papers are of high quality and research oriented. It is very evident that the researchers and contributors have devoted knowledge, time, and research orientation to prepare each paper for this issue. We are thankful to all the contributors, reviewers, and the editorial team for their relentless efforts to nourish the research journal.

In this issue, we have published research papers and articles from varied topics. These varied research papers and articles will provide a unique reading experience to our readers. The research paper titled "A Study on Impact of MUDRA loan on the aspect of Socio-Economic Empowerment of Micro Enterprises in Kerala" by Dr Anjaly H and Dr S Jayadev deliberate on the involvement of micro enterprise in promoting balanced regional development. Authors Anju Chandran and Dr Kalarani T G in their paper titled "Digital Rupee: The future of Indian Currency" enlighten the efforts of central government to make Indian currency with a digital status. The research paper further explored the challenges of digital currency India too.

The research paper on "Use of Plastic Cards to Patriotism", the researcher Anupam Ugin identified and analysed the pros and cons of the using digital currency. Indian Agriculture - Growth, Importance and Challenges authored by Aswathy R V elaborated on the role and importance of agriculture in Indian economy and examined the relationship between the Indian economy and agricultural development. The research paper authored by Binoy S. and Dr Raju G. examined the problems and prospects of small textile retailers in Kollam district. He concluded that small retailers suffer many threats as compare to the large retail threat such as lack of finance, shortage of labour, bad debts, low profit margin etc. To overcome these challenges, the government, banks and other financial institutions must care.

Jayalakshmi S authored a paper titled "Consumer Protection Act 2019 with special focuses on young customers" examined the awareness level, knowledge level of customers with special focus on Consumer Protection Act, 1986. The researcher suggested that the government should regularly conduct awareness programmes for enhancing consumer knowledge and especially rights. A research paper titled Investigating the "Restorative Effects of Vacations on Employee Stress, Health and Productivity" declared that vacations have positive impact on employee health, productivity outcomes. The author opined that better work life balance will surely enhances the productivity thus it, very importance to nurture mental health.

In the research paper, "Effect of Covid -19 Pandemic on Handicraft Employees in Kerala", the researchers have done a comprehensive analysis of the various problems faced by handicraft employees in Kerala due to the pandemic and the consequent lockdowns. The research on "Travel Loan: Level of Awareness, Sources and Perception among Salaried Employees" authored by Vidhya S Nair and Dr Kalarani T G examined the level of awareness of salaried employees towards travel loans and other financial benefits. The study further found between perceived usefulness and perceived or location searching.

We sincerely thank all the contributors and readers for their valuable support in raising the level of this prestigious journal to a new standard which has become a widely acknowledged benchmark for all. The KICMA REACH team is highly privileged and grateful to all the authors who have contributors their scholastic work in this issue. I am particularly thankful to Dr Balamuraly S S, Assistant Professor for his relentless efforts for bringing out this issue of the journal. As always, we earnestly look forward for your feedback and valuable inputs to make the next issue too.

Dr Rajesh S Pyngavil  
Professor & Director  
Editor in Chief

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# A study on Impact of MUDRA Loan on the Aspect of Socio- Economic Empowerment of Micro Enterprises in Kerala

Dr. Anjaly H.<sup>1</sup> & Dr. S. Jayadev<sup>2</sup>

## Abstract

Micro enterprises are the cornerstones of any country's development. Aid to micro-enterprises promotes balanced regional development by creating more jobs, more products and services, and raising the overall standard of living of the people. But these small businesses face many problems. Access to finance is the most serious of these problems. This is because the needy do not have enough collateral, which forces informal moneylenders to charge business owners exorbitant interest to finance their needs. The Pradhan Mantri Mudra Yojana was launched by the Government of India in 2015 to support the underprivileged as an effort to address this issue. The primary objective of the program is to meet the credit needs of micro-enterprises. This study analyses the impact of MUDRA loan on socio-economic aspects of Micro enterprises in Kerala.

**Key words:** MUDRA Yojana, Socio-economic Empowerment, Economic Success, Social Development, Financial Security

## Introduction

Micro entrepreneurs typically have poor creditworthiness; therefore, they must deal with reluctant lenders who may only be willing to lend at extremely high interest rates. Aimed at mainstream young, educated, or skilled workers as well as entrepreneurs, including women entrepreneurs, the MUDRA loan Scheme was introduced by the Indian government under the Pradhan Mantri Mudra Yojana to offer financial support to MSME's that provide jobs to significant numbers of people. This action was taken subsequent to the recognition of the significance of self-employment for individuals and small business entities.

The main highlight of this scheme is that in order to get this loan, there is no need for collateral protection. The entrepreneurs will benefit from this, as it will enable them to appropriately access funding. According to the stage they are in, the micro units are given MUDRA loan. The volume of the loan will depend on whether the entrepreneur plans to start a business or grow and modernise an existing one.

The government of India introduced the collateral-free and guaranteed loan programme Pradhan MUDRA Yojana (PMMY) in April 2015 to provide loans up to Rs. 10 lakh to non-corporate, non-farm small and micro enterprises in recognition of the need for financial and technical assistance. As per the Pradhan Mantri

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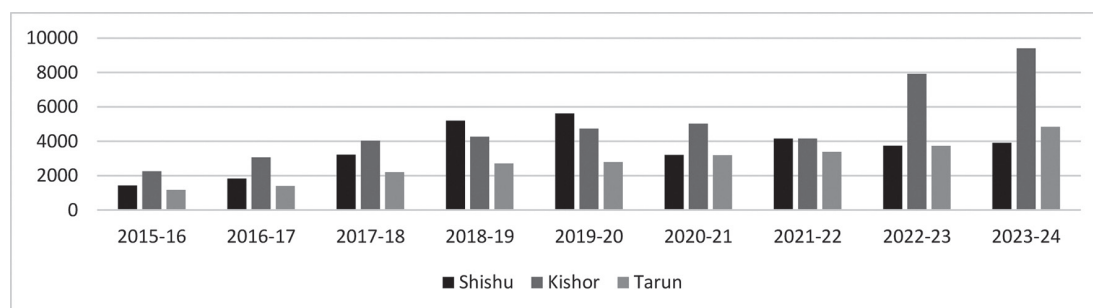
Mudra Yojana (PMMY), it is mandatory for all types of banks including public, private, rural, microfinance, state cooperative, and foreign banks to provide loans to non-agricultural enterprises having an annual turnover of less than Rs 10 lakh. The Pradhan Mantri Mudra Yojana (PMMY) classifies this form of financial assistance as MUDRA credit. In addition to the microfinance industry as a whole, the government has created a new organisation called MUDRA to administer the system (Micro Units Development and Refinance Agency Limited). Any Indian citizen with a small-scale business plan for exchanging, assembling, or manufacturing goods and an advance requirement of less than Rs. 10 lakh is eligible to apply for PMMY advances. The Reserve Bank of India (RBI) controls the loan rate on occasion.

**Theoretical Background:** MUDRA Yojana MUDRA (Micro Units Development and Refinancing Agency) Loan is a financial assistance programme for small scale units and businesses in India that do not have access to traditional banking services. The loan is intended for basic business needs, expansion of existing businesses, and modernization of business units. The loan amount ranges between Rs.50,000 and Rs.10,000,000. Loans are available for both working capital requirements and term loans for relatively large sums of money over a long period of time. Initiated in 2015 as an NBFC owned by SIDBI, MUDRA Banks that provide MUDRA loans under MUDRA Yojana, MUDRA loans have amounts provided up to 50,000 - 10,00,000 under three categories; Shishu, Kishore, and Tarun. These funds will be made available through banks and selected NBFCs. Processing fees vary depending on the lending intermediary, but they are usually waived. The loan will not require any collateral. The interest rate will be determined by the RBI's MCLR (Marginal Cost of Lending Rate), with discounts for women. The loan will be for three to five years, with an option to extend it for up to seven years. In simple terms, any micro-production unit or service unit other than agriculture can apply for the loan.

PMMY aims to bank the unbanked. The objective of PMMY is to support the entrepreneurs of the above-mentioned class via Micro Units Development and Refinance Agency (MUDRA) Bank. To remove the financial difficulties faced by micro and small business units the GOI launched a scheme on 8th April 2015 called Micro Unit Development and Refinance Agency, or MUDRA to 'fund the unfunded' under the scheme of Pradhan Mantri MUDRA Yojana (PMMY).

The Government of India (GoI) established the Micro Units Development & Refinance Agency Ltd (MUDRA) as a wholly owned subsidiary of the Small Industries Development Bank of India (SIDBI), contributing 100% of the capital. MUDRA's authorised capital is currently 1000 crores, and its paid-up capital is 750 crores, fully subscribed by SIDBI. More capital is expected to improve MUDRA's operation. This agency would be in charge of developing and refinancing the micro-enterprise sector by assisting finance institutions that lend to micro/small business entities engaged in manufacturing, trading, and service activities. MUDRA would collaborate with banks, microfinance institutions, and other lending institutions at the state and regional levels to provide microfinance support to the country's microenterprise sector. As the startup era has emerged in India, it has clearly become a source of employment for a large population, and the efforts to bring MUDRA to fruition have proven fruitful. Large industries provide more job opportunities, whereas statistics show that approximately 12 crore people rely on small-scale units and enterprises for a living.

**Fig. 1.1**  
**MUDRA Loan Sanctioned Amount 2015-16 to 2023-24**



Source: PMMY Annual report

**Review of literature:** The authors such as Adwin (2015), Bala et al. (2012), Balasubramanian (2007), Bewaji et al., (2015) Brixiová et al., (2020), Sharma (2012) Garcia-Tabuenca and Crespo-Espert (2010), Bruhn, M., & McKenzie, D. (2009), Green et al. (2006), Kersten et al. (2017), Ghosal S N (2008), Trivedi & Kumari (2019), Khan and Burki (2020) Concentrated on problems of MSMEs and especially explained the SME sector and analysed various government initiatives to provide finance among various countries.

Attanasio et al. (2015), Aivazian & Santor, (2008), Nguyen et al. (2015), Cravo & Piza, (2019), Das (2017) Assessed the various problems confronted by SMEs while applying for business loan. And also explains the gender difference in access to finance and also pointed out that the major problems that constrain MSMEs are insufficient resources and credit facilities.

Wasiuzzaman (2020), Gampala, P. (2000), Ramcharran, (2017), Beck et al., (2008), Bertrand and Crepon (2014), Dvouletý et al., (2019), Gerlach-Kristen et al. (2015), Rajak, P. K. (2017) Kumari & Trivedi, (2019) describes the reason for not getting credit facility and majority of authors found out that the major problem is entrepreneurs are not have adequate security.

Anugrah Rohini (2018), Jai & Bala (2018), Deepti Nama (2017), Dr. Yogesh Mahajan (2021), Gupta & Sharma (2017), Kumar (2018), Aswini & Murthy (2019), Choudhury (2019), George & Nalini (2018), Godha & Nama (2017), Khadar & Rahim (2018) have mentioned their study about the impact and performance of MUDRA loan on various cities, states and regarding the various aspects like employment generation, financial inclusion, etc.

### **Operational Definitions**

**Socio-economic Empowerment:** Economic empowerment is the ability of businesses to take part in, contribute to, and profit from development processes in ways that respect their dignity, recognize the value of their contributions, and let them negotiate for a fairer distribution of the benefits of growth. It is a wider term that includes financial empowerment. And Social empowerment is the process of giving underprivileged groups of people the tools they need to succeed, such as financial security, good health, education, social integration, self-esteem, self-confidence, and employment opportunities.

**Economic Success:** The growth of the economy caused by the micro businesses in terms of profit, job opportunities, and balanced regional growth.

**Social Development:** Contributing to society in the form of a higher standard of living, a sense of pride in being an entrepreneur, the ability to negotiate, local growth, etc. By improving the well-being of every individual in society, they can fulfill their full potential. The success of a society is inextricably tied to the well-being of every citizen.

**Financial Security:** Describes how strong the firm is in its financial aspects. The timely availability of funds without collateral, the availability of formal credit, and the timely meeting of obligations are taken into account here. Financial Security is a state in which the unit has enough money to cover its expenses, handle financial setbacks without jeopardizing its well-being, and save for future financial commitments.

### **Research Methodology**

It is derived from the mission and vision of MUDRA Yojana, Socio-economic Empowerment includes three constructs, namely, Economic Success, Social Development and Financial Security. Five elements are identified for each of these constructs, and the Paired Sample T-test is used to assess the impact. For the impact study, the status of the enterprise regarding these elements before and after getting a MUDRA loan was analysed. This study examines the impact of MUDRA loans on socio-economic aspects of micro unit beneficiaries based in Kerala. Beneficiaries include registered micro-units with at least two years of operational history applying for Mudra loan before the 2019–20 deadline. The sample size determined as per the Cochran W. G. formula (1977) was 400 beneficiary micro units that availed of MUDRA loan before 2020 and started operations at least two years before getting MUDRA loan. Purposive sampling was used to identify the sample and it consists of 116 micro units from the Southern Region, 137 from the Central Region, and 147 from the Northern Region.

## Objective of the Study

To analyse the Socio-economic Empowerment (Economic Success, Social Development, and Financial Security) achieved by beneficiary Micro units in Kerala before and after getting the MUDRA loan.

### Hypothesis:

$H_{01}$ : There is no significant difference in the impact of the MUDRA loan on the Socio-economic Empowerment (Economic Success, Social Development and Financial Security) of the beneficiary Micro-enterprises in Kerala.

## Data Analysis & Interpretation

**Table 1**  
**Paired Samples Statistics & Test of Economic Success**  
**Before & After Getting MUDRA Loan**

Economic Success	Mean	N	Std. Deviation	Std. Error Mean	Effect*
Economic Success-Before	3.15	400	0.47229	0.0236	Moderate
Economic Success-After	3.12	400	0.53508	0.0268	Moderate
Mean differences			-0.03596, ± 0.09596		
t test for equality of means			0.894		
Sig. (2-tailed)			0.372		
Result			Not Significant		

Source: Primary data

\*Effect is Low: Mean score < 2.9837,  
Moderate: 2.9837 < Mean score < 3.3652  
High: Mean score > 3.3652

According to the opinion of respondents about “economic success” before and after getting MUDRA loan, the mean of economic success before getting MUDRA loan was  $3.15 \pm 0.47229$  (moderate effect), and that of economic success after getting MUDRA loan is  $3.12 \pm 0.53508$  (moderate effect). The mean difference in Economic Success before and after condition was  $-0.03596, \pm 0.09596$ .

Statistically, a not significant difference in the Economic Success of Micro enterprises in Kerala before and after getting MUDRA loan was noted based on the t-test for equality of means, as the test value is 0.894 and the p-value is 0.372 (p-value > 5%). Hence, it is clear that the null hypothesis is not rejected.

**Table 2**  
**Paired Samples Statistics & Test of Social Development Before & After Getting MUDRA Loan**

Social Development	Mean	N	Std. Deviation	Std. Error Mean	Effect*
Social Development -Before	3.0075	400	0.90249	0.04512	Moderate
Social Development -After	3.1825	400	0.65976	0.03299	Moderate
Mean differences			-0.24828, ± 0.10172		
t test for equality of means			-4.695		
Sig. (2-tailed)			0		
Result			Significant		

Source: Primary data

According to respondents' opinions on social development before and after receiving a MUDRA loan, the mean of social development before receiving a MUDRA loan was  $3.0075 \pm 0.90249$  (moderate effect), and the mean of social development after receiving a MUDRA loan was  $3.1825 \pm 0.65976$  (moderate effect). The mean difference between the before and after conditions for social development was  $-0.24828 \pm 0.10172$ .

Statistically, a significant difference in the Social development of Micro enterprises in Kerala before and after getting MUDRA loan was noted based on the t-test for equality of means, as the test value is  $-4.695$  and the p-value is  $0$  ( $p\text{-value} < 5\%$ ). Hence, it is clear that the null hypothesis is rejected.

**Table 3**  
**Paired Samples Statistics & Test of Financial Security Before & After Getting MUDRA Loan**

Financial Security	Mean	N	Std. Deviation	Std. Error Mean	Effect*
Financial Security- Before	3.31	400	0.72125	0.03606	Moderate
Financial Security- -After	3.335	400	0.68172	0.03409	Moderate
Mean differences				$-0.08741 \pm 0.03741$	
t test for equality of means				$-0.787$	
Sig. (2-tailed)				0.431	
Result				Not Significant	

Source: Primary data

According to the opinions of respondents about financial security before and after getting MUDRA loan, the mean of financial security before getting MUDRA loan was  $3.31 \pm 0.72125$  (moderate effect) and that of financial security after getting MUDRA loan was  $3.335 \pm 0.68172$  (moderate effect). The mean difference between the before and after financial security conditions was  $-0.08741 \pm 0.03741$ .

Statistically, a not significant difference in the Financial Security of Micro enterprises in Kerala before and after getting MUDRA loan was noted based on the t-test for equality of means, as the test value is  $-0.787$  and the p-value is  $0.431$  ( $p\text{-value} > 5\%$ ). Hence, it is clear that the null hypothesis is not rejected.

**Findings & Conclusion:** The Entrepreneurship is a big part of a country's economy because it creates and shapes a country's economic future. Entrepreneurs do the best for society when they collect and use a wide range of resources, such as capital, the means of production, and human capital in the form of employees. Because entrepreneurs face many problems along the way, this might not always be possible. The lack of formal financing is every entrepreneur's most pressing problem. The Indian government created the MUDRA Yojana to address this problem by offering credit facilities without the need for collateral protection. It was introduced in 2015 with a vision and mission to help entrepreneurs achieve Economic success, Social Development, and Financial security through Inclusive growth, Sustainable development, and Value-based Entrepreneurial Culture. The purpose of the present study was to analyse the impact of MUDRA loan on micro enterprises of a developed state like Kerala. And this study focused on the aspects of Socio- economic empowerment. And it is found out that, there is no significant difference in the Economic Success of Micro enterprises in Kerala before and after getting MUDRA loan. There is slight decrease in the mean score of before and after. Before getting MUDRA the score was  $3.15$  (moderate) and after it is decreased to  $3.12$  (moderate). This shows a negative impact. In the case of social development, there is a significant difference in the Social development of Micro enterprises in Kerala before and after getting MUDRA loan. The mean score before MUDRA was  $3.01$  (moderate), and after it is increased to  $3.19$  (moderate). This shows a positive impact. And there is no significant difference in the Financial Security of Micro enterprises in Kerala before and after getting MUDRA loan. The mean score before getting MUDRA was  $3.31$  (moderate) and after it was  $3.34$  (moderate), so there is a slight increase. In short, the study reveals that the MUDRA loan has a significant positive impact on the aspect of Social development, but

not on the aspects of Economic success and Financial security.

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# Digital Rupee (e₹-R): The Future of Indian Currency

Anju Chandran<sup>1</sup> & Dr. Kalarani T.G.<sup>2</sup>

## Abstract

The government launched the Digital India program to evolve India into a knowledge-based economy and digitally transform society. One of its key goals is to promote the use of digital payments to make India a "Faceless, Paperless, and Cashless" nation. Due to the growing popularity of digital payments over the past couple of decades, the usage of fiat currencies in physical form has substantially decreased. The introduction of the digital rupee will facilitate the boosting of the digital economy. The paper attempts to explore the notion of digital currency, its operation, and challenges and tries to identify the current state of digital currency in other selected countries.

Keywords: Digital Rupee, Digital payments, Digital Economy, Paperless economy, Indian economy.

## INTRODUCTION

The demonetization of currency significantly impacted India's transition to digital payment systems. "As India forges ahead towards a less-cash society, it must address security, privacy, and efficiency issues in the face of increasing frauds, growing trails of financial data, and liquidity-demanding deferred net settlement processes. With the introduction of new technologies such as blockchain, virtual reality, and machine learning methods, physical environments and payments are becoming increasingly digital". This is when a Central Bank Digital Currency (CBDC) offers an intriguing opportunity. CBDCs are typically designed to be used as an alternative to physical cash and can be used in a manner like traditional fiat currencies, such as the Indian rupee. It is issued by RBI, the Central Bank of India, and backed by blockchain technology. The common term for CBDC is Digital Rupee. The Indian Rupee will be distributed electronically in tokenized form by the RBI. It would be known as e-R. The digital rupee, or e-R, would be distributed by the RBI in similar denominations as real currency notes and coins. This means that it will be available in denominations of ₹1, ₹2, ₹5, ₹10, ₹20, ₹50, ₹100, ₹200, ₹500, and ₹2000. The digital rupee issued by the central bank would enhance the safety and security of online payments while also fostering the growth of the digital economy. The digital rupee will bring many improvements in terms of digitizing the economy and making it easier to transfer, not only within countries but between jurisdictions. In addition, the digital rupee will help fight against black money and corruption by currency counterfeiting.

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## OBJECTIVES OF THE STUDY

The adoption of the digital rupee will revolutionize the fintech industry and boost the digital economy by opening up new prospects and easing the complexity of handling, processing, printing, and logistics management of currency. This paper attempts;

1. To understand the concept and implications of digital currency.
2. To explore the mechanics of digital currency.
3. To explore the challenges of digital currency in India.
4. To identify the current state of digital currency in other selected countries.

## ADOPTION OF CBDC

India has seen growth in the use and acceptance of digital currencies, with various start-ups emerging in recent years to offer services related to cryptocurrency. While the growth of digital currencies presents opportunities for innovation and new business models, it has also raised issues regarding their volatility.

In response to the growth of digital currencies and concerns about their volatility, the Indian government appointed a committee led by Subhash Chandra Garg to make recommendations on the future of digital currencies. The committee suggested prohibiting private cryptocurrencies and allowing the government to release an official digital rupee. They drafted the Banning of Cryptocurrency & Regulation of Official Digital Currency Bill, 2019, outlining the proposed legal framework for regulating digital currencies in India, which has not yet been passed into law. Many central banks worldwide are exploring digital currencies to address challenges such as low financial inclusion, money laundering, and the rise of unregulated cryptocurrencies. The decline of traditional paper currency underscores the need for a new, widely accepted electronic currency. By introducing digital currencies, central banks aim to advance electronic payments and financial technology, enhancing the financial system's efficiency, accessibility, and fostering greater innovation and competition.

The RBI has proposed reforms to the Reserve Bank of India Act of 1934 to introduce a digital rupee, or central bank digital currency (CBDC), due to the rise in digital payments. The RBI plans a phased implementation of two types of CBDCs: Retail Digital Rupee (e₹-R) for individual retail transactions and Wholesale Digital Rupee (e₹-W) for banks' cross-border and financial transactions. Pilot tests have been launched for both types, with the first wholesale digital rupee pilot on November 1, 2022, involving nine major banks to reduce transaction costs in secondary market settlements of government securities.

"The first pilot for the retail digital rupee was launched on December 1, 2022, in selected locations with participating customers and merchants. It initially included four banks: State Bank of India, ICICI Bank, Yes Bank, and IDFC First Bank. Later phases will expand to include Bank of Baroda, Union Bank of India, HDFC Bank, and Kotak Mahindra Bank."<sup>(3)</sup> With the adoption of CBDC, India is looking forward to a cashless economy and a pragmatic shift towards making a change in the whole system of banking.

## OPERATIONALISATION OF THE DIGITAL RUPEE

The digital rupee necessitates a strong cryptographic framework based on proper blockchain technology. India has the opportunity to achieve economic growth by utilizing the benefits of the disruptive and revolutionary blockchain framework. Blockchain framework for data storage allows for decentralized storage of data, which makes it difficult for cybercriminals to steal or delete data. The use of measures like "Tokenization" can also help to protect depositor data and prevent fraud and scams.

The e-rupee will be issued to customers and merchants through intermediaries such as banks. These banks will offer digital wallets for storing the e-Rupee on mobile phones or other devices. Consider currency being used from the digital wallet instead of the physical wallet; e-Re would operate in that manner and would have the sovereign stamp. In the trial phase, e-Re will be a "push" offering, which means that banks will send links to certain recognized customers through text messages or email to enable them

to download the e-Re app. The bank will carry out verification or KYC (Know Your Customer) processes using the user's cell phone number, and upon successful completion, the digital wallet will be available for usage. Transactions using e-rupee can be made between individuals (P2P) or between individuals and merchants (P2M).

With the digital Rupee or e-Re, users have the flexibility to transfer any amount of money to their digital wallets and to choose the denominations in which they want the money stored. This is similar to withdrawing money from an ATM, but instead of physical cash, the user is investing that money into a digital wallet. The transferred funds will be held in the digital wallet in the same denominations as the actual currency and won't accrue interest. This means that users will need to consider how much non-interest-generating money they are willing to keep in their digital wallets, which may affect the acceptance of e-Re. The digital Rupee app offers all of the physical denominations of coins and currency notes, just like physical cash. To make payments to other individuals, the app-to-app transfer process is similar to that of UPI (Unified Payments Interface). Payments to merchants are QR-enabled, allowing users to scan a merchant's QR code to make a payment. The app is user-friendly and does not require users to be tech-savvy.

## NEED FOR CBDC IN INDIA

The rollout of a digital rupee could represent a significant step forward in India's digital transformation. It has the potential to increase the ease of doing business, while also improving the resilience and security of the country's payments infrastructure.

**Combating Malfeasance:** Existing cryptocurrencies are often arbitrary and corrupt, which is why we need a sovereign digital rupee. Cryptocurrencies are not governed by the government and are easily transferable across borders, so they can be vulnerable to abuse, including tax evasion, money laundering, and terrorist funding. It is possible to address these issues with a sovereign digital currency issued and regulated by a central bank.

**Addressing Volatility:** In contrast to the Digital Rupee, cryptocurrencies do not have any underlying assets or currencies. As a result, their value is governed solely by market factors, such as supply and demand. In contrast, CBDCs are likely to be pegged to a specific asset or currency, such as gold or a fiat currency, which can help to reduce volatility and provide a more stable value. This can make CBDCs more appealing to consumers and businesses who are looking for a more reliable form of digital currency.

**Digital Currency Proxy War:** India is increasingly drawn into the global digital currency competition between the United States and China, prompting consideration of its sovereign digital currency. Amidst this rivalry, India risks missing out on potential benefits. Developing its digital currency not only promises to revolutionize its financial sector but also offers a shield against the digital currencies being advanced by the US and China, safeguarding its national and financial security while asserting its independence.

**Reducing the cost incurred in printing:** The RBI's expenditure on printing paper currency has risen notably in recent years. Data from the RBI's annual reports indicate an annual spending of Rs 4,682.80 crore in 2022-2023 to meet the growing demand for banknotes and replace old or damaged ones. Introducing e-Re could potentially offset expenses associated with printing, transporting, and storing physical currency and coins.

**Minimal Dependence on the Dollar:** The adoption of a Digital Rupee could potentially reduce India's dependence on the US dollar as a dominant currency for international trade. If the Digital Rupee were to be widely accepted as a means of exchange and storage of value, it could potentially be used as an alternative to the dollar in international trade transactions.

**Financial Inclusion:** A broad spectrum of people and businesses can access and use digital currencies, even those without conventional banking facilities. Digital rupees are like mobile recharge cards, and they are accessible to everyone with a mobile phone. Digital rupees were created for everyone. Individuals and

businesses can take advantage of this to participate in the economy and access financial services, which can in turn help to promote economic growth and development.

**Keeping pace with the advancement in technology:** Central banks need to keep pace with advancements in technology to ensure that they can effectively carry out their mandate and serve the needs of their respective economies. The use of central bank-issued digital currencies is one area where technology is playing an increasingly important role.

## **BENEFITS OF DIGITAL RUPEE- CBDC**

The introduction of a digital rupee in India may stem from various motivations, one being the potential reduction in operational costs associated with physical cash management.

**Domestic Payments:** Digital payment solutions like IMPS, UPI, and e-wallets have grown significantly in India. "In 2021, there were over 22 billion UPI transactions worth about 41 trillion rupees, expected to rise to over 169 billion by 2026." The pandemic boosted contactless payments to reduce virus transmission, and the government has promoted digital payments through initiatives like the Unified Payments Interface. A digital rupee would further enhance convenience and security, with public-key encryption and cryptographic techniques preventing unauthorized access to sensitive financial information.

**Reduce risk settlements:** The digital rupee reduces settlement risks by enabling real-time transactions, streamlining interbank settlements and global payments. Its digital format eliminates physical currency movement and intermediary involvement, facilitating swift cross-border transactions for businesses, and promoting seamless global trade.

**Sustainable economy:** A digital rupee will aid in achieving the nation's aim of a sustainable economy. Our reliance on cash and other forms of plastic money will decline. Because of this, fewer physical notes will be printed, which will lessen the amount of counterfeit money.

**Fostering digitalization of the economy:** The digital economy in India will greatly benefit from the issuance of a digital currency. Launching the India CBDC in collaboration with Fintech providers would greatly enhance the digital economy, offering a reliable and secure method for digital payments in the country.

**Curbing illegal financial activities:** The implementation of anti-money laundering and counter-terrorism financing policies can be facilitated through the use of the India CBDC, which serves as a secure protective measure for cross-border transactions.

**New Banking Paradigm:** The digital rupee will transform any major tech firm into a fintech company without seeking permission from or partnering with a bank. As a result, businesses will have new incentives to bank the unbanked and offer financial services to individuals who have hitherto been at the whim of banks.

**Curtail tax evasion:** It would be nearly difficult to avoid taxes in India when the CBDC system and policy measures are implemented. Currently, anonymity and information asymmetry are critical components that contribute to tax evasion in the form of undeclared physical money holding.

**Authorized networks permit governments to monitor all transactions taking place within them:** By implementing a digital rupee, the government can easily monitor all transactions that occur within authorized networks, which can enhance the efficiency of digital transactions and improve digital governance by accelerating direct benefit transfers (DBT) and minimizing the risk of fraudulent activities.

## **CHALLENGES FACED BY DIGITAL RUPEE - CBDC**

**Potential Cybersecurity Threat:** CBDC is vulnerable to cyber threats such as hacking and DDoS attacks. These threats can lead to server blockages, timeouts, and service declines, which can have serious consequences for users and the overall stability of the system.

**Digital and financial illiteracy:** The widespread adoption of CBDC in India may be hindered by literacy barriers, particularly among lower-income segments of the population who lack the financial or digital literacy necessary to utilize CBDCs effectively. This lack of literacy could lead to a delay in the widespread acceptance of CBDCs in India.

**Threat to Privacy:** The confidentiality of payment transactions is not guaranteed by CBDC. This lack of anonymity may be a concern for some users who value the privacy of their financial transactions.

**Risk of Increased Financial Exclusion:** Individuals without smartphones might face challenges using CBDC for payment transactions. Despite the 800 million smartphone users in India, many still do not engage in mobile banking or digital payments regularly, potentially exacerbating the risk of financial exclusion upon CBDC adoption as a primary payment method.

**Legal and Regulatory Framework:** Establishing a clear and consistent legal and regulatory framework is essential to maintain the stability and integrity of the digital rupee.

Although the introduction of a digital rupee offers the government several benefits, the government still must provide the required security measures and bridge the digital divide.

## GLOBAL TRENDS IN DIGITAL CURRENCIES

Countries exhibit varying stances on digital currency adoption, influenced by their distinct fiscal and economic conditions. Despite the increasing interest in digital currencies, numerous governments remain cautious due to concerns such as security, technological readiness, adaptability, legal complexities, and the functions of central banks. While some nations have amended their legislation to address these challenges, others have yet to do so. Ultimately, the decision to adopt digital currencies will hinge on a nation's specific economic and technological circumstances, as well as its legal and regulatory frameworks. "According to the Atlantic Council's CBDC tracker, 134 countries & currency unions, representing 98% of global GDP, are exploring a CBDC. Currently, 68 countries are in the advanced phase of exploration-development, pilot or launch."<sup>(6)</sup> Data from the Atlantic Council show that as of May 2024, there were 3 launched CBDCs, 36 in the pilot, 30 in development, 44 under research, 17 inactive, and 2 cancelled.

- **Sweden** is exploring its digital money in the real world (**e-krona**).
- The digital currency "**Sand Dollar**" of the **Bahamas** has already been issued to all residents.
- China, which has banned cryptocurrencies, and 2023 saw significant developments for the e-CNY. This is the only significant economy where a nationwide CBDC experiment is taking place.
- In October 2021, **Nigeria** introduced a digital currency, the **e-Naira**.
- **Jamaica** is the recent nation to launch a digital currency, the **Jamaican Digital Exchange (Jam-Dex)**.
- The US's digital dollar, however, is still being researched.
- A **24-month inquiry** is ongoing over a **digital euro**. If everything goes as planned, the European Central Bank may provide it by **2025**.
- The launch of **Japan's** digital money may be postponed until **2026**.

## CONCLUSION

The Digital Rupee has evolved as a new tool in the global endeavour to transform financial infrastructure to suit the requirements of our increasingly digital and interconnected world. With the introduction of the Digital Rupee, India will have the potential to empower its people, enabling them to freely participate in the rapidly growing digital economy, and liberate themselves from an archaic banking system. The introduction of the digital rupee is being viewed as a significant stride in the digitalization of India. It is essential that policymakers carefully assess the potential of the Digital Rupee in India, taking into account its influence on the macro economy and liquidity, financial markets, and banking system.

Digital payments have seen significant growth in India since the inception of the Digital India initiative, but the use of physical cash for illicit economic transactions remains a challenge. Replacing physical currency with a CBDC could potentially be a way to address the issue of the cost of printing and distributing physical currency. However, implementing a CBDC would also raise concerns about data security and the potential for digital exclusion in India. These issues would need to be carefully considered and addressed through effective policy interventions to ensure the success of a CBDC in India. Overall, the potential benefits of a CBDC and the move towards a less cash economy are likely to outweigh the associated concerns, making it a remarkably viable endeavour for the Indian economy.

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# Connecting the Use of Plastic Cards to Patriotism: Protectionist Measures by the Government to Promote RuPay Cards

*Anupam Ugin*

## Abstract

In this era of digital economy, debit cards and credit cards are the most widely used mechanism for making payments in transactions. A payment gateway is an essential service needed in processing all e-transactions. Visa and MasterCard are significant and commonly accepted foreign players in the Indian economy as payment gateways. RuPay is an Indian grown card network launched in 2012. From 2018 onwards, Government of India has been promoting the usage of RuPay cards rather than the use of products from western competitors such as MasterCard and Visa. These plastic cards are now being associated with politics and nationalism. As per a RBI report on January 2022, more than 651 million RuPay debit cards have been issued in the year 2021. We are trying to analyze the pros and cons of the protectionist measures taken by our policymakers to promote RuPay cards as well as the prospects of such measures.

Keywords: Credit card; Debit card; Payment Gateway, RuPay; Global players

## INTRODUCTION

Our country is expediting its efforts to become a less cash economy. Traditional methods of payment have been almost replaced by digital methods such as e-cash, digital wallets, credit cards, debit cards etc. In 2018, Prime Minister Narendra Modi in one of his speeches urged Indians to use RuPay cards as a way of serving the country and forgo the usage of foreign card networks such as Visa and MasterCard. The Union Finance Minister Nirmala Sitharaman also has encouraged the usage of RuPay cards. RuPay was launched by National Payments Corporation India (NPCI) Ltd. in 2012. NPCI is a not-for-profit company; a key player in the digital payment ecosystem. It was formulated by RBI and IBA (Indian Banks' Association) with a vision to bring in robustness in the payment and settlement system. RuPay is a portmanteau of Rupee and Payment. It has 'One LIFE, ONE RuPay' as its tagline. More than 1000 banks issue RuPay cards. State Bank of India, Canara Bank, Bank of Baroda, Bank of India, Punjab National Bank etc. are the core promoter banks.

RuPay Platinum, RuPay classic and Select debit card are the variants of RuPay debit cards. Classic, Platinum, Select and MSME cards are the alternative form of RuPay credit cards. Classic, Corporate and Platinum are prepaid card variants whereas PMJDY, Pungrain card, Kisan credit card and Mudra cards

are the various cards under government schemes. The prominent features of RuPay cards include: there is no joining fees. The various services that can be availed using these cards include concierge Services, Utility bill payment cash back , free access to Domestic Lounges at airports in India using RuPay Platinum Debit card.

**Measures by the Government to Promote RuPay Cards**

The greatest leg-up for RuPay cards was the Jan Dhan scheme implemented by the government. This scheme was formulated as a part of the financial inclusion programme of the nation. Whoever wants to open an account under this scheme will be provided with RuPay debit cards. This acts as a great fillip for the cards. Government stated that if the foreign rivals had come up with reliable products, those would have been included in the programme. RuPay’s market share rose from 15 % in 2017 to 60% in 2021 which is indeed a giant leap. Government has made it mandatory that all public sector undertakings should adopt RuPay cards.

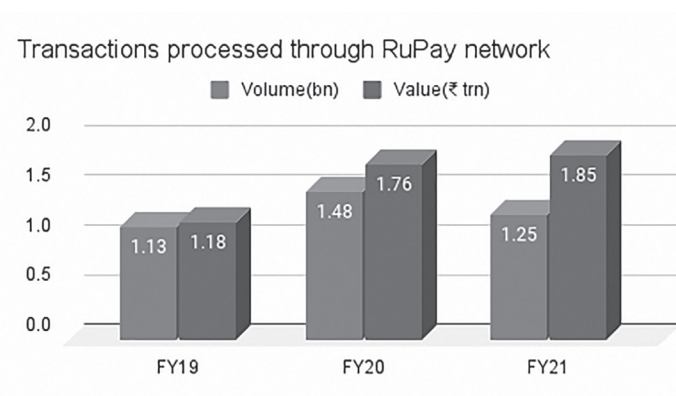
This is salutary for the uptick in the usage of RuPay cards

RuPay cards have adequate government assistance and it has been made readily available. Another edge is related to cost. It attracts Zero-MDR (Merchant Discount Rate) norm.MDR is charged by the banks on merchants for enabling them to use payment infrastructure, which is calculated as a certain percentage of transaction amount. In budget of 2023 , the central government had made a proposal to cancel all charges on digital payments including MDR .Zero MDR will be applicable on such businesses whose annual turnover falls under the category of 50 crores or more. RuPay’s network registration fees are also nil. It also enjoys the advantage of low operating costs.

In 2021, there was another major incident where the RBI barred MasterCard to operate in India. RBI had issued directions to store payment systems related data in India. Since MasterCard did not comply with these directions, they were barred. Visa had made a complaint to the American government regarding India’s move to destroy their business prospects in India. These indirectly had impacted the growth of RuPay cards. More than 3 crore Kissan credit cards issued by Regional rural banks and co-operative banks have been chosen to be converted into RuPay ATM cum Debit Kissan Credit card and this process is being monitored by NABARD.

Payment Vision 2025 by RBI envisages global acceptance of our payments systems by enabling digital payments for Everyone, Everywhere and Every-time. It seeks to aim for a triple fold increase in the digital payments by building an efficient architecture for e-payments. This measure is absolutely a boost for RuPay cards. On June 8th, 2022, RBI announced the linking of RuPay credit cards to UPI. It plans to bring about international outreach of RuPay cards under the internalization pillar in Payment Vision Document 202

**FIGURE**  
**Volume & Value of transactions through RuPAY Source : NPCI**



### Problems Faced by RuPay Cards

The primary issue faced by RuPay cards is that they still occupy a low market share in foreign market. Large banks prefer Visa and MasterCard because they are the major revenue earners for them. Moreover foreign competitors provide better deals as well as customer experience. Even the payment providers also prefer foreign players as RuPay does not provide them with a major income. This will definitely make a dent in RuPay's rise.

RuPay caters mostly first time customers while it fails to give a better customer experience to the premium category. It is opined by several competitors of RuPay that Zero MDR policy will have deleterious effects on the payment service providers in the long run. RuPay still lags behind in the country's credit card sector.

### Prospects of RuPay Cards

To deliver an efficient e-commerce experience for the RuPay Cardholders, Bharat E-commerce Payment Gateway (BEPG) has been introduced which will definitely reinvigorate the customer experience to many folds.

NPCI has constituted an international subsidiary - NIPL (NPCI International Payments Limited) which can be considered as a major step towards bringing out a global acceptance of RuPay cards. RuPay has been involved in tie-ups with giant players such as JCB Co. Ltd. from Japan and Discover Financial Services from America. In 2009, RuPay has launched the first ever JCB brand card to be issued in India named as RuPay Global which is acceptable not only in India but also JCB card accepting points outside India. A Memorandum of Understanding has been signed with PPRO based in London. RuPay has been launched in UAE, Singapore, Bhutan, Burma, Maldives, and Sri Lanka etc. RuPay Pay Secure, an e-commerce solution of NPCI, will enable customers to make various digital payments such as reservations, shopping etc. RuPay prepaid forex cards are being planned to be issued by banks which is expected to foment its growth.

This can be linked to the ethnocentric approach in international business which stresses on ethics and values of the home country and poly centric approach which lays importance on each host country's requirements. RuPay can witness a revolutionary boom in future but should adopt a poly centric approach to gain international acceptance while not compromising on its ethnocentric perspective.

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# Indian Agriculture- Growth, Importance and Challenges

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## Abstract

Agriculture plays a pivotal role in India, serving as a vital pillar of the country's economy. Approximately 70% of households and 10% of urban dwellers rely on agriculture for their livelihoods. India has emerged as a significant global supplier of various agricultural products, such as tea, coffee, rice, spices, oil meals, fresh fruits, fresh vegetables, meat and its preparations, and marine products. It stands as a major producer of various agricultural goods, leading the world in milk production and ranking second in wheat and rice. However, agricultural production is susceptible to multiple risks, impacting both producers and consumers. To promote investment and achieve sustained growth, India needs comprehensive, long-term strategies and policies that reduce risk aversion and enhance flexibility among rural producers. Furthermore, ensuring fair and lucrative prices for farmers is crucial to bolster their incomes. This research paper focuses on a detailed examination of major agricultural crop production, along with the export and import dynamics of wheat, aiming to provide valuable insights into this essential sector.

**Keywords:** Agriculture, Production, Income, Indian Economy, Development

## INTRODUCTION

Agriculture plays a pivotal role in the lives of approximately 58% of India's population. The Indian food industry is poised for significant expansion, continuously bolstering its presence in global food trade, primarily due to its substantial potential for value addition, especially in the realm of food processing. The food processing industry within India accounts for a significant 32% of the nation's overall food market, positioning itself as one of the largest industries in the country and ranking fifth in terms of production, consumption, exports, and expected growth. Such a perspective is misguided, as agriculture underpins the very foundation of our existence. While we can do without many modern conveniences like mobile phones, the internet, and computers, we cannot survive without food. Engaging in agriculture is not just a means of livelihood; it is a contribution to our nation and our families.

## SIGNIFICANCE OF THE STUDY

The study titled "Indian Agriculture - Growth, Importance, and Challenges" holds paramount significance on multiple fronts. Firstly, it addresses the economic significance of Indian agriculture, as it is a primary

contributor to the country's Gross Domestic Product (GDP) and a source of livelihood for a substantial portion of the population. By exploring the growth, challenges, and importance of Indian agriculture, this study can provide insights into strategies for enhancing food security, economic stability, and rural development.

### **STATEMENT OF THE PROBLEM**

The statement of the problem for this study revolves around the critical issues facing Indian agriculture. These encompass the various challenges that have emerged in recent years, potentially impeding the sector's growth and its crucial role in ensuring food security. By systematically identifying and analysing these challenges, the study aims to inform policymakers, researchers, and stakeholders about the urgent issues requiring attention and the need for sustainable solutions to ensure the sector's vitality and the well-being of farmers.

### **SCOPE OF THE STUDY**

The scope of the study is comprehensive, encompassing historical analysis, current trends, policy evaluation, and socioeconomic impacts of Indian agriculture. It delves into areas such as environmental sustainability, the impact of government policies, and a forward-looking examination of the sector's future. This holistic approach ensures a thorough exploration of the subject, with the potential to provide a comprehensive understanding of the complexities, nuances, and opportunities within Indian agriculture, thereby guiding policy decisions, agricultural practices, and socio-economic improvements.

### **OBJECTIVES OF THE STUDY**

1. To determine the current status of agriculture in India.
2. To elaborate the role and importance of agriculture in India economy.
3. To identify and overcome the challenges of agriculture in Indian economy.
4. To suggest the remedial measures and highlight various opportunities for Indian agriculture sector.

### **RESEARCH METHODOLOGY**

The study is primarily based upon the secondary data. The research for this paper was conducted through literature review, without any empirical work being conducted. The secondary data is collected from related journals, articles, official websites, and government reports in order to analyse the context.

### **RESULTS AND DISCUSSION**

#### **Agriculture in India Today**

The current status of agriculture in India today is very satisfactory. Today people are taking an interest in farming. Many of the youngsters are setting examples by using technology to make this horticulture field more prestigious. The good farmers are awarded to expose & promote the Agriculture sector. Recently a 24-hour television channel named DD Kisan also launched for Indian farmers. This channel helps in sorting out any kind of agricultural problems of the farmers.

#### **Agriculture in Indian Economy**

Indian is an agriculture-based country, where more than 50% of population is depend on agriculture. The contribution of agriculture in the initial two decades towards the total national output is between 48% and 60%. In the year 2021-2022, this contribution declined to just around 26%. The aggregate share of agriculture and allied sectors, including agribusiness, domesticated animals, and ranger service and fishery sub segments as far as rate of GDP is 13.9 per cent during 2022- 2023. Agricultural exports constitute a fifth of the total exports of the country. In perspective of the overwhelming position of the Agricultural Sector, gathering and support of Agricultural Statistics expect incredible significance. The fundamental

targets of the National Food Security Mission (NFSM) are to expand production of rice, wheat, pulses and coarse cereals through region extension and efficiency upgrade in a supportable way in the recognized locale of the nation; restoring soil ripeness and profitability at the individual ranch level; and improving farm level economy restore confidence amongst the farmers. The Mission met with a staggering achievement and accomplished the focused on extra generation of rice, wheat and heartbeats. Multi- National Food Companies have assumed a part of making business sector draw and rivalry. Selection of inventive and experimental bundling strategies by food industry has empowered the assembling of sheltered and quality sustenance.

### **Role of Agriculture in Indian Economy**

The importance of agriculture in economic development is huge. The agriculture sector plays a vital role in the Indian Economy. Agriculture contributes about 16% of total GDP. India exports a large number of agricultural materials like fruits, vegetables, pulses, tea, spices, etc and the government is acquiring good revenue from it. There are many exporting products in which India is leading the world like tea etc. So, it is also making India proud in the sector of agriculture. Most of the part of the money circulates for the food items purchasing which is good for financial growth and balance. Contribution to National Income: From the very beginning, agriculture is contributing a major portion to our national income. Although the share of agriculture has been declining gradually with the growth of other sectors but the share still remained very high as compared to that of the developed countries of the world

- **Source of Livelihood:** In India over two-thirds of our working population are engaged directly on agriculture and also similarly depend for their livelihood. Thus, the employment pattern of our country is very much common to other under-developed countries of the world.
- **Source of Food Supply:** Agriculture is the only major source of food supply as it is providing regular supply of food to such a huge size of population of our country. It has been estimated that about 60 per cent of household consumption is met by agricultural products.
- **Role of Agriculture for Industrial Development:** Agriculture in India has been the major source of supply of raw materials to various important industries of our country. Cotton and jute textiles, sugar, vanaspati, edible oil plantation industries (viz. tea, coffee, rubber) and agro-based cottage industries are also regularly collecting their raw materials directly from agriculture. About 50 per cent of income generated in the manufacturing sector comes from all these agro-based industries in India. Moreover, agriculture can provide a market for industrial products as increase in the level of agricultural income may lead to expansion of market for industrial products.
- **Commercial Importance:** Indian Agriculture is playing a very important role both in the internal and external trade of the country. Agricultural products like tea, coffee, sugar, tobacco, spices, cashew-nuts etc. are the main items of our exports and constitute about 50 per cent of our total exports. Besides manufactured jute, cotton textiles and sugar also contribute another 20 per cent of the total exports of the country.
- **Source of Government Revenue:** Agriculture is one of the major sources of revenue to both the Central and State Governments of the country. The Government is getting a substantial income from rising land revenue. Some other sectors like railway, roadways are also deriving a good part of their income from the movement of agricultural goods.
- **Role of Agriculture in Economic Planning:** The prospect of planning in India also depends much on agricultural sector. A good crop always provides impetus towards a planned economic development of the country by creating a better business climate for the transport system, manufacturing industries, internal trade etc. A good crop also brings a good amount of finance to the Government for meeting its planned expenditure. Similarly, a bad crop lead to a total depression in business of the country, which ultimately lead to a failure of economic planning. Thus the agricultural sector is playing a very important role in a country like India and the prosperity of the Indian economy still largely depends on agricultural sector.

An increasing marketable surplus of agricultural output is very much essential in India for:

- Increasing supply of food and raw materials at non-inflationary prices;
- Widening the domestic market for industrial products through higher purchasing capacities in the rural sector;
- Facilitating inter-sectoral transfers of capital needed for industrial development alongwith infra-structural development;
- Increasing foreign exchange earnings through increasing volume of agricultural exports.

#### **Importance of Agriculture in Employment**

- It is providing employment to many of the people. Many of the labourers get their wages daily through agriculture either they are tractor drivers, grass cutters, many technicians of farming apparatuses or everyone who indulges in such cultivation activities.
- Also, there are a lot of medicines made from plants and natural herbs so this is a place for such business also. Good knowledge of such plants gives you a useful job.
- There are also special horticultural universities in India like Nauni University in Himachal Pradesh etc. These educational firms are telling the youngsters the importance of agriculture and guiding them about how agriculture can be a profession.
- Many researchers and scientists are doing well in the agriculture sector. This is the sector providing them employment.
- Agriculture also used in the clothing sector. Jute, silk, cotton etc is one of the most demanded clothing today. This provides employment to the concerned people.

#### **Challenges before Indian Agriculture**

The agriculture sector has the most challenging sector in respect of economically, environmentally and socially. The Indian agriculture sector faced various traditional as well as new global challenges the key challenges addressed as follows.

- **Instability:** It is said that Indian agriculture is a 'gamble of monsoon'. It is at the mercy of the weather god. Being of rain-fed, Indian agriculture exhibits instability in production, leading to fluctuations in national income as well as general price level. Thus, the fortune of the Indian economy is very much tied to rain-dependent agriculture. This element of instability makes it a precarious occupation. Besides weather-induced fluctuations, one also finds that output of this sector is also affected due to reduced capital investment and plateauing of yield levels in major crops. Further, with uncertain-ties in global markets, and hardening of the prices of food, fuels and edible oils all over the world, domestic price stability and food security critically depend on the growth of this sector.
- **Cropping Pattern:** The crops that are grown in India are divided into two broad categories: food crops and non-food crops. An unhealthy competition exists between these two crops. Of the total cropped area, nearly three-fourths are occupied by food crops.
- **Land Ownership:** Vast inequality exists in the distribution of land in India. A great chunk of land is owned by a relatively small section of the rich farmers, landlords and money lenders, while a very little amount of land is owned by the majority farmers.
- **Average size of Holding:** Another peculiarity as well as an important problem is the smallness in average size of holding. This makes the efficient use of land virtually impossible and adds to the difficulties of increasing capital equipment on the farms.
- **Land Tenure:** The land tenure system of India is also far from perfect. Tenants do not enjoy security of tenure. They are evicted by landlords on any pretext.

- Production Technique: The technique of production in India's agriculture is old and outmoded. Still, Indian farmers are using cow-plough method of cultivation on a large-scale. Use of chemical fertilisers, high-yielding varieties of seeds, tractors, and machines are used on an insignificant scale.

#### **Opportunities for Indian Agriculture**

The following key recommendations have given to ensure higher and inclusive growth in Indian agriculture sector.

- Increasing agricultural productivity is a key challenge for ensuring national food security. To increase production, exploiting the potential of existing yield gaps offers a tremendous opportunity
- Rain fed areas has a huge potential to raise production and increase farm income. These grey areas can soon be made green to harness a second green revolution.
- Linking farmers to markets is a pre-requisite for augmenting farm production and farmers' income. Role of innovative institutions would be critical in this context to reap the benefits of emerging opportunities
- There is a dire need to significantly expand the capital investment in agriculture by both public and private institutions in the non-green revolution regions, particularly in the eastern and north-eastern India, where there is a great potential for agricultural growth.
- Water will be the most critical natural resource for the future growth of agriculture. Currently, the water sector for irrigation is invariably neglected both at the central and state levels
- Climate change has added a new dimension to future agricultural growth, which is a major concern. The worst affected would be small farm holders located in the marginal and underprivileged areas.
- There is an urgent need for agricultural diversification by identifying the key crops/ commodities which can help small farm holders to raise their income.
- Food processing and distribution sector needs to be strengthened by evolving policies for larger private sector participation in the entire value chain.
- Globalization of agriculture creates huge opportunities for enhanced agricultural production and export.

#### **FINDINGS**

The major findings emerged out of the study are:

- Indian agriculture has been a cornerstone of the country's economy for centuries. It provides livelihoods for a significant portion of the population, contributing to food security and rural development. In recent years, the sector has contributed around 15% of India's Gross Domestic Product (GDP).
- Over the years, Indian agriculture has shown steady growth in terms of production. The Green Revolution, which began in the 1960s, significantly increased crop yields through the use of high-yielding varieties, modern farming techniques, and irrigation. This led to increased food production, especially in staple crops like rice and wheat.
- Indian agriculture has diversified to include a wide range of crops, including fruits, vegetables, pulses, and cash crops. This diversification is not only improving nutrition but also opening new avenues for income generation.
- Despite growth, Indian agriculture faces an agrarian crisis characterized by farmer distress, rising debt, and crop failures. Factors contributing to this crisis include fluctuating market prices, climate change, and the high cost of farming inputs. Soil erosion and land degradation are significant challenges, reducing the fertility of farmlands. Sustainable land management practices are crucial to address this issue.

- Water resources are under pressure due to over-exploitation and pollution. Efficient water management and sustainable irrigation practices are needed to ensure long-term agricultural sustainability.
- Farmers often struggle to get fair prices for their produce due to the lack of direct access to markets and the dominance of middlemen. Improving market infrastructure and farmer-producer organizations can help address this issue.
- Changing weather patterns, erratic rainfall, and increased occurrences of extreme weather events pose a serious threat to agriculture. Adaptation strategies, including crop diversification and resilient farming techniques, are essential.
- While there have been technological advancements in agriculture, many farmers, especially smallholders, have limited access to modern farming practices, information, and technology.

## **CONCLUSION**

Most of the Indians are directly or indirectly depending on the agriculture. Some are directly attached with the farming and some others are involved in doing business with these goods. India has the capacity to produce the food grains which can make vast difference in Indian Economy. To achieve targeted mark by the government it needs to provide support in case of land, bank loans and other machineries to the small farmers along with the big farmers with this we can expect some improvement in Indian economy.

## **SUGGESTIONS**

Based on the above findings and conclusion of the study, the following are the suggestions presented for improving the current situation.

- Continue to invest in agricultural research to develop drought-resistant and high-yielding crop varieties. This will enhance productivity and reduce the impact of climate change.
- Encourage sustainable farming practices such as organic farming, crop rotation, and agroforestry to combat land degradation and improve soil fertility.
- Implement efficient water management practices like drip irrigation and rainwater harvesting to address water scarcity issues.
- Strengthen farmer-producer organizations to provide farmers with better market access, reduce dependency on middlemen, and negotiate fair prices.
- Promote climate-resilient farming techniques, and offer insurance schemes to mitigate risks associated with unpredictable weather patterns.
- Facilitate the dissemination of modern farming technologies and information to rural areas, especially to small-scale farmers, through training and awareness programs.
- Ensure that government policies support the growth of agriculture, provide subsidies for essential inputs, and create a safety net for farmers during times of crisis.
- Encourage diversification into high-value crops to enhance farmers' income and reduce dependence on traditional cereal crops.
- Develop and improve rural infrastructure, including roads, storage facilities, and cold chains to reduce post-harvest losses and improve market access.
- Enhance farmer education and extension services to disseminate knowledge about best practices, market information, and government schemes.
- Promote private sector involvement in agriculture, including agribusiness, processing, and value addition, to create a more robust and competitive agricultural sector.

- By addressing these challenges and implementing these suggestions, Indian agriculture can continue to grow, fulfil its crucial role in the economy, and provide sustainable livelihoods for millions of people while ensuring food security for the nation.

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# Problems and Prospects of Small Textile Retailers of Kollam District

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## Abstract

The textile retail sector in Kerala has a long history. In the past people could rely on small shops for their clothing related needs. As such shops were integrated into the lives of common people it provided many services to customers such as free home delivery, credit facility etc. Unemployment which is one of the complex problems facing the country can be solved to some extent through these types of small enterprises. It was a situation where customers have to be satisfied with whatever available in the shop. But if we look at the present day it can be seen that there are many small and big shops selling variety of products by recognizing the changing taste of the customers. As the number of shops increased exponentially the competition among them also became fierce. When the competition became so strong many small traders could not survive in the market and had to either close down the business or seek other employment. The study aims to understand more about their dilemmas in the current situation and suggests methods to survive in the market.

Keywords: - Small textile Shop, Competition, Lack of Finance, Credit Sales ,Retailer

## Introduction

As for trading shops, it acts as a connecting link between wholesalers and ultimate consumers. Similar type of relation can be seen in the case of textile shops also. Every small textile retailer strives to fulfill the needs of the customers on time by identifying exactly what the desires of the customers are. Retailers are also able to identify the pulses of the customers and deliver valuable information to producers in a timely manner. It also plays a significant role in the growth and development of the country by making payment of taxes on time. They are able to build good customer relation due to constant contact with customers. Therefore goods are often sold on credit as per the needs of the customers. The small textiles shops which used to be integrated into the daily life of common man are struggling to survive today. The study tries to discuss its prospects and problems.

## Statement of the Problem

As far as India is concerned textile sector is fragmented and unorganized .With the advent of large textile shops, the small traders began to suffer. Small retailers are facing stiff competition from large companies

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and their customer base has been decreased significantly in the recent past. Textile retailers are facing many problems such as lack of finance, shortage of labor and stiff competition. Every retailer is trying hard to stay in the market, even if they are experiencing many obstacles. It is imperative to protect these types of organizations which play an important role in the development of the country. If authorities concerned do not take any steps to consider this sector, its existence may be threatened.

### **Scope of the Study**

As large companies dominate the textile sector, the survival of many small traders is threatened. Due to intense competition many traders are unable to continue their operations. Apart from this, many other crises are creating a huge disruption to its existence. Here in this study, the problems faced by small textile traders are analyzed in detail and moreover mentions what remedial action should be taken. Textile units with an annual turnover of less than 1.5 crore are referred to here as small textile units.

### **Objective of the Study**

To study the Strengths, Weaknesses, Opportunities and Threats of small textile retailers with special reference to Kollam district

### **Research Methodology**

Descriptive research is undertaken in order to study the problems and prospects faced by small textile retailers in Kollam district. Data was taken from primary and secondary sources. Primary data is collected with the help of structured questionnaire and secondary data from various text books, research articles and websites. Population for the study includes the textile retailers operating in Kollam district. It was not possible to collect the data from entire population and the researcher has selected 125 samples from five areas of Kollam district on the basis of convenient sampling. SWOT analysis is used for analyzing the collected data.

### **Literature Review**

**Aparna(2018):-** stated that ,it is imperative that everyone should have a clear vision about the issues in the retail sector and adopt approaches to dealing with it.. The study suggests that bank and financial institution should adopt friendly approaches to support the retail sector by providing timely loans and advances to them.

**Bansal and Pankaj (2014):** - explains small retail businesses are noteworthy for their emphasis on building neighborhood community in India. The study mentions that the dominance of foreign investor in the modern retail sector has seriously affected the business of small retailers. However the study deals many positive aspects that small retailers do for the society such as job creation, environment benefits, and community services.

**Bidnur and Makarand(2020):-** indicates that Indian retail industry is fastest growing and most dynamic industry. It also says that Indian retail sector has fifth position at the global level in the retail space .However the sector is facing critical problems and it is classified in to four categories such as personal, labor, marketing and finance. Excessive tension, employees absenteeism, competition, inadequate working capital are the most critical issues among the above mentioned four categories..

**Elsa George (2019):-** study states that retail industry is one of the fastest growing industries in the world and it contributes a significant percentage to nations GDP. It explains the varied forms of problems of small retailers such as online competition, problems from customers, problems from distributors, lack of proper inventory management, lack of finance, inability to take risk, lack of knowledge of opportunities and poor man power.

**Nagpal and sinha (2017):-** it is stated that fast growing Indian retail sector is making a huge contribution to Indian economy. But at the same time study points out the intense competition between organized and unorganized as the biggest challenge. The study also indicate other major challenges such as lack

of technology, lack of infrastructure, understanding customer, scarcity of work force and price war and are major challenges. The study also reveals that e-retailing, escalating land and rental prices, and power supply in India are moderate challenges in retail sector.

**Zulakha Fathima (2017):-** pointed out the need innovation in the retail sector and if more focus is put on those areas, the future of retail sector will be more beneficial. It mentions a new concept called *omni* channel retailing to handle the increasing competition in today's retail sector. It is added that retailers need to have a mindset to accept the emerging technologies in order to enhance customer engagement.

### Analysis and Interpretation

SWOT analysis is used to discuss the important problems and prospects in textile sector. Its details are given below

**Table 1**  
**SWOT ANALYSIS**

	Factors	Rank1	Rank 2	Rank 3	Rank 4	Rank 5	Total
STRENGTH	Less Investment	33 (26)	21 (17)	26 (21)	28 (22)	17 (14)	125 (100)
	Close contact with customers	29 (23.2)	22 (17.6)	26 (21)	27 (21.6)	21 (16.8)	125 (100)
	Easy to manage and control	43 (34.4)	22 (17.6)	18 (14.4)	26 (21)	16 (12.8)	125 (100)
	Family Support	22 (17.6)	36 (28.8)	21 (16.8)	19 (15.8)	27 (21.6)	125 (100)
	Less Risk	32 (25.6)	16 (13.3)	36 (28.8)	20 (16)	21 (16.8)	125 (100)
WEAKNESS	Small in Size	28 (22.4)	25 (20)	27 (21.6)	26 (20.8)	19 (15.8)	125 (100)
	Inadequate Inventory	19 (15.8)	28 (22.4)	23 (18.4)	26 (20.8)	29 (23.2)	125 (100)
	Credit Sales	41 (32.8)	21 (16.8)	29 (23.2)	20 (16)	14 (11.2)	125 (100)
	Low Quality	26 (20.8)	23 (18.4)	29 (23.2)	20 (16)	21 (16.8)	125 (100)
	Lack of diverse selection	30 (24)	21 (16.8)	22 (17.6)	26 (20.8)	26 (20.8)	125 (100)
OPPORTUNITIES	Excellent Customer Relationship	37 (29.6)	20 (16)	26 (20.8)	17 (13.6)	25 (20)	125 (100)
	E- Commerce Integration	25 (20)	23 (18.4)	25 (20)	26 (20.8)	26 (20.8)	125 (100)
	Scope for growth and development	24 (19.2)	27 (21.6)	29 (23.2)	23 (18.4)	22 (17.6)	125 (100)
	Resource Allocation	24 (19.2)	24 (19.2)	27 (21.6)	23 (18.4)	27 (21.6)	125 (100)
	Specialization	29 (23.2)	28 (22.4)	23 (18.4)	21 (16.8)	24 (19.2)	125 (100)

THREATS	Lack of finance	27 (21.6)	28 (22.4)	30 (24)	20 (16)	20 (16)	125 (100)
	Problem of Bad debts	29 (23.2)	28 (22.4)	26 (20.8)	22 (17.6)	20 (16)	125 (100)
	Lack of Training	25 (20)	23 (18.4)	27 (21.6)	26 (20.8)	24 (19.2)	125 (100)
	Competition from large shops	40 (32)	24 (19.2)	22 (17.6)	18 (14.4)	21 (16.8)	125 (100)
	Changing customers preference	30 (24)	21 (16.8)	32 (17.6)	27 (25.6)	31 (24.8)	125 (100)

Source: - Primary data

The table 1 shows that 31 percent of the respondents ranked easy to manage and control first when examining the strength component. But if look at the weakness, 33 percent of the respondents ranked credit sale first. But when it comes to opportunities 29 percent of respondents indicated maintaining good customer relationship. But 32 percent respondents ranked competition from large shop first as the biggest threat.

### Findings

- When examining the factors as part of analysis it can be found that 31 percent of respondents have given high rank towards easy to manage and control.
- 32.8 percent of the respondents have given high rank towards credit sales as the weakness factor.
- When examining the opportunity factor 29 percent respondents opined that they are maintaining excellent customer relationship.
- Strong competition from large companies is the biggest threat they are facing .32 percent of the respondents are in favor of it.
- 26 percent of respondents opined that retail business can be started very quickly with little investments.
- 24 percent respondent mentioned lack of extensive clothing collection as a major shortcoming.
- The frequent changes in customers taste and preferences and problem related to bad debts are serious challenges.

### Recommendations

- The dominance of large textile company and the proliferation of online business have affected the retail sector seriously. Therefore it is necessary to formulate business strategies counter them. Strategies formulated should be examined from time to time and the changes should be made as per the expectation level of customers.
- Although credit sales are essential to the survival of the business some restriction should be put on it and the timely action should be taken to recover the money from debtors.
- Lack of knowledge about financial management principles is often a challenge for retailers. Therefore training programs should be arranged.
- Avoid problems related to under stocking and over stocking of goods.

### Conclusion

The retail sector is one of the fastest growing sectors and it is making a significant contribution a development of a nation. While examining retail enterprises as a whole and textile unit specifically, it can be understood that traders are going through many crises. Small retailers suffer from threats posed

by large retailers and online business. Apart from these lacks of finance, shortage of labor, bad debts, low profit margin etc. creates further complexities for its journey ahead. The retail sector, which is described as pillars of the country's economic growth, should be safeguarded and taken forward by any mean. The support of government, banks and other financial institution is very essential for this.

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# A Study on Consumer Protection Act 2019 among Youth Consumers

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## ABSTRACT

*There is general feeling among the consumers of all sections of society that the consumers are being mercilessly exploited. In order to safeguard the interests of consumer the Government has passed many laws and they have been amended from time to time ensure better protection. The ordinary consumers do not possess the skill, quality, capacity and competence for selecting qualitative consuming good on reasonable price. The war against human exploitation has to be waged at many levels in many years. One of such areas is consumer protection. Keeping this in view the present study is conducted to analyse the awareness and impact of consumerism among the consumers in Pathanamthitta Municipality.*

**Key words:** Human exploitation, Consumerism, Consumer Protection Act, Youth Consumers, Awareness

## INTRODUCTION

The industrial revolution and the development in the international trade and commerce has led to the vast expansion of business and trade, and as a result of which variety of consumer goods have resulted of which variety of consumer goods have appeared in the market to cater to the needs of the consumer. This host services have been made available to the consumers like insurance, transport electricity, having e-financing and banking. A well-organized sector of manufactures and traders with better knowledge of market has come with better knowledge of market has come into existence. There by affecting the relationship between traders and the consumers making the principle of consumer sovereignty almost in applicable. The advertisement of goods and services in TV, newspaper and magazines influence the demand for the same by consumers through there may be manufacturing defects short coming in the quality, quantity and purity of the goods or there may be deficiency in the services rendered. In addition, the production of the same item by many firms has led the consumers who have little time to make selection to think before they can purchase the best. For the welfare of the public, glut of adulterer and substandard articles in the different enactments could be achieved in the field of consumers protection. Through the monopolies and restrictive Trade Practices Act 1969 the prevention of food adulteration Act, 1954 have provided relief to the consumer yet it became necessary to protect the consumers from the exploitation and to save them from adulterer and sub-standard goods and services and to safe guard the

interests of the consumer. Then many amendments were made to meet the need of time .And later, due to growth of internet digital technology new marketing and distribution methods ,for e- commerce there was need of new Act providing more strict provisions ,to save the rights of consumers by establishing authorities for timely and effective administration and settlement of consumer disputes the Consumer Protection Act 1986 was replaced by The Consumer Protection Act 2019 .

**SIGNIFICANCE OF THE STUDY:** The Consumer Protection Act 2019 is a milestone in the history of Socio- Economic legislation in the country. It is one of the most progressive and comprehensive pieces of the legislation enacted for the protection of consumers. The main objective of the Act is to provide for the better protection of consumers. The Act is intended to provided simple speedy and inexpensive redressal to consumers grievances and reliefs of specific nature and award of compensation where appropriate to the consumer.

**SCOPE OF THE STUDY:** The Consumer Protection Act 2019 has been safeguarding the consumer and it prevent the consumers from various exploitation. Otherwise, consumer may get exploited in different ways like adulteration and hoarding of goods, charging high prices etc. Therefore, the consumers should be aware about Consumer Protection Act. This study explored the understanding of consumers towards Consumer Protection Act 2019 in Pathanamthitta Municipality.

### **OBJECTIVES OF THE STUDY**

1. To study the consumer awareness level with regards to Consumer Protection Act 2019 Pathanamthitta Municipality.
2. To Analyse the Awareness of consumer rights, Consumer Protection Act redressal mechanism, complaining procedure

### **RESEARCH METHODOLOGY**

This study descriptive and analytical in nature. This study requires both primary and secondary data. Primary data was collected from Pathanamthitta municipality. The main secondary data sources are journals, articles related to Consumer Protection Act. For the purpose of collecting primary data population of Pathanamthitta municipality is divided into four groups and selected one ward from each group population for the study. Students are the major samples selected for the study. Data from 100 samples are collected for the study purpose. The tools used for the analysis of primary data was one-way ANOVA.

### **HYPOTHESES**

$H_{01}$ : There are no significant differences in the awareness level among the respondents regarding Consumer Protection Act based on Educational Qualification.

$H_{11}$ : There are significant differences in the awareness level among the respondents regarding Consumer Protection Act based on Educational Qualification.

$H_{02}$ : There are no significant differences in the Awareness level among the respondents regarding File case in court based on their Age.

$H_{12}$ : There are significant differences in the awareness level among the respondent regarding file case in court based on their Age.

### **REVIEW OF LITERATURE:**

**Gurbax Singh (1989)** The work contains an exhaustive commentary on Consumer Protection Act1986 together with the central consumer rules 1987 ,One of the outstanding feature of this work is that it contains a model from of complaint and appeal under the act of 1986.he has also briefly highlighted the role of various international institutions in the area of consumer protection .He has observed that the new trend had already made tremendous impact up on the emerging concept of consumerism throughout the

country and the chances of obtaining consumer justice today are much more than they existed a decade or two.

**Shahriar (2007)** in the study "An integrated protection framework to preserve consumer rights and responsibilities in Bangladesh". State that through legislative framework consumers legal rights are ensured and through regulatory framework product quality and safety standards are ensured and through voluntary framework consumer awareness about their rights and movement against mass exploitation are ensured.

**Patidar Suresh (2008)** conducted a study that consumer awareness is very important to protect the interests of the consumers. The study has tried to reveal the fact that how much deep rooted is problem of consumers can be interested among urban and rural consumers.

**Praveen.S (2009)** In his study consumer protection in India with special reference to Andhra state that consumer protection and welfare is not the task of single entry or the society rather is the collective responsibility of the state. The consumer must be aware of his basic rights and should fight for the right.

**Bulent Ergonul (2013)** in the study, indicated the need for much more consumer education regarding safe food handling practices in the domestic environment. Food handling practices and food safety are public concern and action is required to prevent the food borne illness. It was seen that TV and radio programs are important media for sharing the knowledge of food safety with consumers.

**Yamuna Krishna and Suganya (2013)** in their study adopted descriptive research design, as it describes the working and functioning of all 30 District Forums in Tamilnadu by comparing its performance using numerical facts and figures provided by the Tamilnadu State Commission for a period of 4 years. To obtain the required data the researcher filed an RTI application under Right to Information Act 2005 in Chennai District Forum and in Tamilnadu is State Commission. The study revealed that the performance of District Forum in and in the Tamilnadu is not satisfactory as they disposed of. The study clear that District forum in Tamilnadu were operating in rented place. Majority of Forums lacked basic infrastructure facilities and the employees working in consumer courts are not fully aware about the Consumer Protection Act and its amendments.

**Ram Vilas Paswan (2014)**, said to the reporters that the government will likely introduced amendments to the Consumer Protection Act 1986. Some key amendments to the CPA are establishment of a regulatory to address consumer grievances, penal action against sellers from their place of residence instead of places of transaction. The amended Act may also cover e-commerce companies and other services provides like railways and courier firms.

## **THEORETICAL FRAMEWORK**

Ensuring effective protection to the rights of consumers first discussed consumer protection bill 1986 in the Lok Sabha on 5<sup>th</sup> December 1986, and it received the assent of the president on 24<sup>th</sup> December 1986. Thus, the Consumer Protection Act (COPRA) came into force. Then there may amendments were made to meet the need of time; and later due to the growth of, digital technology, new marketing and distribution methods, advertisement, e-commerce etc there was a need of complete a new Act providing more and strict provisions. Later the Indian parliament on 9<sup>th</sup> August 2019 passed the land mark Consumer Protection Bill 2019, its aim to provide effective and timely administration and settlement of consumer disputes. It includes new some provisions are; New definition of consumer include online purchasing, Definition of goods include food, Provisions covering endorsement of goods and services. Definition of electronic services provider, Product liability and product liability actions for goods and services, wide definition of unfair trade practices.

Jurisdiction under consumer protection act: The Act has defined the criteria of Consumer Disputes Redressal Commission (CDRCs). The National CDRC will hear complaints worth more than Ten crores. The state CDRC will hear complaints when the value is more than One crore but less than Ten crore while the District CDRC will hear the complaints when the value of goods or services is up to one crore.

**The rights of the consumer:**

- Right to Safety
- Right to Choose
- Right to be informed
- Right to Consumer Education
- Right to be heard
- Right to seek compensation

**DATA ANALYSIS AND INTERPRETATION**

**TABLE 1  
DEMOGRAPHIC FACTORS OF RESPONDENTS**

Demographic factors	Options	No of respondents	Percentage
Gender	Male	49	49
	Female	51	51
	Total	100	100
Age	Below 20	20	20
	20 - 25	57	57
	26 - 30	15	15
	30 - 35	8	8
	Total	100	100
Educational qualification	SSLC	1	1
	HSE	8	8
	Undergraduate	40	40
	Post graduate	50	50
	Other	1	1
	Total	100	100
Occupational qualification	Government job	11	11
	Private job	11	11
	Business	5	5
	Professional	17	17
	Student	56	56
	Total	100	100

Source: Primary data

The above table shows demographic factors of respondent's majority of respondents are female(51%) And it was clear that most of the respondents were in the age group of 20 -25 years,(57%) and also reveals that most of the respondents are post graduates(50%), and majority of respondents are students(56%).

**TABLE 2**  
**ATTITUDES AND AWARENESS OF RESPONDENTS**

Basis	options	No of Respondents	Percentage
Attitude relating to Factors influencing product purchasing	Brand and Advertisement	14	14
	Price and quality	60	60
	Special Gifts and Offers	11	11
	Influence of Family	5	5
	Easy availability	10	10
	Total	100	100
Attitude at the time of purchasing product	Always verify quality, quantity price at the time of purchase	48	48
	Always obtain proper receipt, guarantee, warranty card	30	30
	Always consider Advertisement before purchase	13	13
	When ever find defects always make complaint to the shop keeper	9	9
	Total	100	100
Awareness regard to Consumer Dispute Redressal Agency functioning Pathanamthitta	Highly Aware	20	20
	Aware	74	74
	Neutral	2	2
	Not Aware	3	3
	Not Heard	1	1
	Total	100	100
Attitude towards Government Regulations	Govt set minimum standard of quality	48	48
	.....govt is ultimate guarantee	14	14
	Govt should exercise more responsibility	23	23
	Self-regulation of business	15	15
	Total	100	100

Source: Primary Data

The above table shows that attitudes and awareness of respondents of various aspects. It is clear that majority of the respondents consider price and quality of the product as the factor for purchase (60%). Further it, was revealed that, of the respondents agree with the attitude of the time of purchase and always obtain proper receipts guarantee and warranty cards. A 74% of respondents are aware about Consumer Dispute Redressal agency functioning at Pathanamthitta. The table shows that respondents are agree with the attitude of government to set up minimum standard of quality, and agree with govt should exercise more responsibility.

**HYPOTHESIS-1**

- $H_{01}$ : There are no significant differences in the awareness level among the respondents regarding Consumer Protection Act based on Educational Qualification.
- $H_{11}$ : There are significant differences in the awareness level among the respondents regarding Consumer Protection Act based on Educational Qualification.

**TABLE 3  
ONE WAY ANOVA**

	Sum of Squares	df	Mean Square	F	Sig
Between Groups	2.685	4	.671	1.491	.211
Within Groups	42.755	95	.450		
Total	45.440	99			

Above table shows that one-way ANOVA of Awareness of Consumer protection Act on the basis of Educational Qualification of respondents. The result shows the F value of 1.491 and the significant value is  $0.211 > 0.05$ . This shows that there is no significant difference in the Educational Qualification and awareness to Consumer Protection Act

**HYPOTHESIS -2**

- $H_{01}$ : There are no significant differences in the awareness level among the respondents regarding Consumer Protection Act based on Educational Qualification.
- $H_{11}$ : There are significant differences in the awareness level among the respondents regarding Consumer Protection Act based on Educational Qualification.

**TABLE 4  
ONE WAY ANOVA**

	Sum of Squares	df	Mean Square	F	Sig
Between Groups	.379	3	.126	.296	.847
With in Groups	45.061	96	.469		
Total	45.440	99			

**Interpretation**

Above table shows one-way ANOVA of awareness to file a case in court on the basis of Age of the respondents. The result shows the F value .269 and significant value  $0.847 > 0.05$ . This shows that there are no significant differences in the Awareness to file case in a court and age of the respondents

**FINDINGS:**

The study results that most of the respondents (56%) are students, and majority of the respondents (60%) depends price and quality of the product most affecting factor of product purchasing. This study found that (57%) of respondents agree with at the Time of purchase to verify the Quality and the price before purchase product. Majority (68%) of the respondents are Aware about Consumer Protection Act. The study Reveals that majority of the respondents (74%) are aware about Consumer Dispute Redressal Agency, majority of the (81%) respondents exercise their responsibilities. The study shows that (78%) are strongly agree with the attitude of Government set minimum standard of Quality and Government should exercise more responsibilities. In the study Reveals that majority (61%) of respondents are aware about

procedure to file in a court. From the study it is clear that majority (55%) of the respondents Not Approach court for any problem incurred in future. The study shows that there is no significant difference in the educational qualification of respondents and awareness to Consumer Protection Act. The study shows that there is no significant differences in the age of the respondents and awareness to file case in court.

### **SUGGESTIONS**

1. It is necessary that consumers must be aware about their rights and responsibilities.
2. Government should conduct more awareness Programme for consumers the improvements more knowledge about Consumer Protection Act 2019
3. Consumers should know about to the remedial measures about Consumer Protection Act
4. Government should focus on the consumers and regulate them in right direction.

### **CONCLUSION**

The intention of this study explored the insights of awareness level of Consumer Protection Act 2019. The in-depth analysis reveals that majority of the consumers are aware about Consumer Protection Act and perform their responsibilities. Similarly, the study points towards they are aware about rights of consumer and government and medias are create aware about it.

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# Investigating the Restorative Effects of Vacations on Employee Stress, Health, and Productivity

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## Abstract

Employee stress, health, well-being, and productivity all benefit from vacations. Taking time off from work can help reduce stress, enhance physical health by allowing for relaxation and exercise, and improve mental health through sleep and leisure activities. Furthermore, studies have indicated that workers who regularly take vacations are more productive and experience greater levels of job satisfaction. By enhancing sleep habits, lowering burnout, and offering a respite from the daily grind, vacations can also improve general well-being. The objectives behind arranging vacations in organizations can vary; some of them are reducing stress and burnout, boosting creativity and innovation, improving work-life balance, building esprit de corps, and improving job satisfaction. By understanding the positive impact of vacations on employee stress, employers can take steps to encourage their employees to take time off and prioritize their well-being, leading to a more productive and satisfied workforce. Finally, a stress-free workforce is essential for creating a healthy and productive work environment, which in turn benefits the organization as a whole.

Keywords: Employee stress, Health and Well-being, Productivity, Job Satisfaction, Leisure Activities

## Introduction

Work stress in organizations refers to the negative emotional, cognitive, and behavioral reactions that employees experience as a result of their work demands and the working environment. It is a complex and multidimensional construct that can result from a variety of factors, such as heavy workload, time pressure, job insecurity, role ambiguity, interpersonal conflicts, and lack of control or support at work. In addition to psychological symptoms like worry, depression, and burnout, work stress can also cause physical symptoms like headaches, tiredness, muscle tension, etc. Work stress can have significant consequences for both employees and organizations, including reduced job satisfaction, increased absenteeism and turnover, and decreased productivity and performance.

Indian workplace culture has many excellent features, such as a strong emphasis on teamwork and collaboration, but it also includes a lot of pressures that can have an adverse effect on employee well-being. Long work hours, high job demands, job insecurity, a lack of work-life balance and hierarchical

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systems are all common stressors in Indian workplace culture. These pressures may have a major negative influence on workers' physical and mental health. For the purpose of creating efficient interventions to enhance employee productivity and well-being, it is crucial to understand the stressors inherent in the Indian work culture.

Vacation is an important aspect of modern working culture, as it allows employees to a break from their work routine and recharges themselves. Although the value of vacation is generally acknowledged, little is known about the actual impacts of vacation on employee stress levels, health, and productivity. It provides a vacation from the routine of work, enabling people to relax and refresh their bodies and brains. According to studies, taking time off from work can drastically reduce stress levels, which can improve one's mental and physical well-being. Additionally, workers who regularly take holidays are more motivated and productive since they come back to the office feeling renewed. In order to increase their overall performance and well-being, companies must actively encourage their staff to take time off.

### Objectives of the Study

- To understand the reasons and effects of work stress on employees.
- To examine the importance of vacations in employees work life.
- To analyze the effects of vacation on work stress, health, and productivity of employees.

### Reasons behind the Work Stress among Employees

1. **High workload and deadline pressure:** Stress at work may result from a heavy workload and the pressure to fulfill the deadlines and goals. Stress, burnout, and anxiety may occur in workers who are unable to handle the task and pressure.
2. **Poor work life balance:** An unbalanced work-and-personal life can also increase stress at work. An employee's mental and physical health may be negatively impact by stress if they are unable to manage their professional and personal lives.
3. **Uncertain expectations and duties:** Workers may become stressed if they are unsure about their duties and expectations at work. This may cause misconceptions, ambiguity, and confusion, which can elevate stress and anxiety.
4. **Lack of support and feedback:** Stress may be experienced by workers who do not receive enough encouragement and criticism from their managers and coworkers.
5. **Organizational culture:** Stress at work may also be influenced by an organization's culture. Stress can result from working in an environment that is overly competitive, demanding, or unresponsive to employee requirements.

### Effects of Work Stress on Employees:

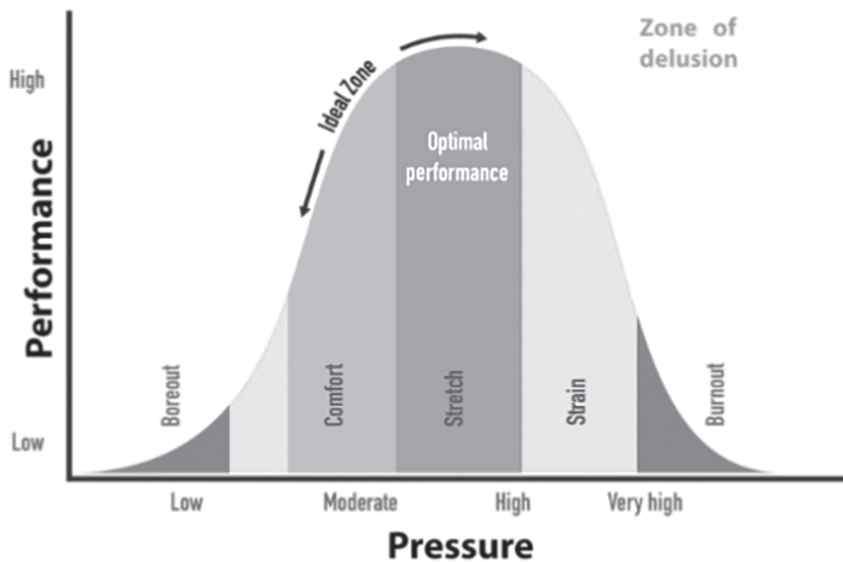
Employees' productivity and job satisfaction can all be significantly impacted by work stress, as well as their mental and physical health. The following are a few effects of workplace stress on workers:

- **Physical health issues:** Work-related stress can result in physical health issues such headaches, exhaustion, sleep disorders, high blood pressure, and cardiovascular conditions.
- **Mental health issues:** Issues with the mind, such as depression, anxiety, burnout, and mood disorders, can be increased by work stress.
- **Decreased productivity:** Workers who are under stress at work may find it difficult to focus, make mistakes, and have a decreased capacity to carry out their jobs efficiently, all of which can affect productivity.
- **Increased Absenteeism:** Stress at work can also cause more absences from work owing to illness or illnesses linked to stress.

- **High turnover:** Employees who are under a lot of stress at work may look for a job where there is less stress.
- **Low job satisfaction:** Those who are under stress at work may also have reduced levels of job satisfaction, which can lower their motivation, engagement, and dedication to their work.
- **Interpersonal conflicts:** Workplace stress can also cause conflicts amongst coworkers, which can hinder collaboration, teamwork, and communication.

**Stress Curve or Pressure Performance Curve**

**Fig no : 1**



(Source: delphis learning )

National Psychologist Robert Yerkes and John Dodson developed the pressure performance curve back in 1908. They used to show the relationship between pressure and performance for Yerkes- Dodson Law. This pressure performance curve/ stress curve consists of five zones such as

**Bore out:** low pressure and low performance. If a task is too easy, or there are no targets, deadlines or expectations to meet, then performance is usually poor.

**Comfort:** moderate level of pressure that feels comfortable. It is enough to motivate you to get things done and you can function happily here.

**Stretch:** There are two crucial reasons everyone needs to stretch; peak performance occurs when you stretch and you cannot grow unless you can stretch. An ideal zone for work is one which cycles between comfort and stretch.

**Strain:** When pressure is too high, the performance decreases.

**Burnout:** When pressure is very high and sustained, we might enter the dangerous, burnout zone. In crisis we experience exhaustion from chronic stress. Our body perpetually draws on its survival mechanisms. We have little chance of focusing on complex mental tasks or making good decisions. We need immediate rest.

## **Impact of Vacation on Employee Stress**

In today's fast-paced workplace, the trend of employees taking vacation trips to recover from work stress is becoming more and more widespread. Employees can unwind, relax, and get away from the pressures of work on vacations. Vacations offer a variety of advantages that might lessen work stress for employees. First of all, a change of scenery which is essential for mental health is provided by holidays. Employees who are in a new setting are more likely to unwind, relax, and experience less stress. This break can enhance general well-being and prevent burnout. Also, a trip away from the office can benefit employees' mental health. Being away from work helps ease stress, worry, and sadness, which can improve mood and attitude on life. Vacations significantly improve general happiness and well-being, according to a study that was published in the *Journal of Happiness Studies*. They concluded that vacationing improves job satisfaction and helps to lessen burnout. Trips on vacation can be beneficial for one's physical well-being. Having an inactive lifestyle from spending all day at a desk is linked to a number of health problems. Going on vacation can provide you the chance to engage in physical activities like hiking, swimming, and sight-seeing, which can assist to enhance your physical health and give you more energy.

## **Vacations: Key to De-Stressing Employees**

**Relaxation:** Travel and vacations offer the chance to unwind and relax. It enables staff members to unplug from work-related pressures and refuel.

**Better Mental Health:** Prolonged stress at work can damage mental health, resulting in anxiety, sadness, and burnout. By lowering stress levels and encouraging relaxation, vacationing or travelling can enhance mental health.

**Increases in Productivity:** Workers who regularly take holidays are probably more productive at work. A break from work can help to improve job performance, creativity, and motivation.

**Strengthened Relationships:** Relationships can be strengthened through travel and vacations, especially those with friends and family. Quality time with loved ones can enhance general wellbeing and lessen stress from the workplace.

**Perspective Improvement:** A break from work can give you a new outlook on issues at work. Employees may benefit from it by developing fresh perspectives on their work and developing creative responses to problems encountered in the office. Increased job satisfaction: An appropriately planned trip or vacation can give staff members something to look forward to, which can boost job satisfaction. Employees are less likely to feel work-related stress when they are happy in their careers.

## **Recharging the Body & Mind: Vacation's Impact on Employee Health**

**Reduced stress level:** The decrease of stress is one of the most important advantages of vacations. The stress brought on by the demands of work daily can affect both physical and mental health. Employees' stress levels are reduced by vacations, which give them time away from the office to unwind. Employees who take breaks are more likely to perform and produce better when they return to the office feeling renewed and recharged.

**Improved Mental Health:** Vacations can benefit both your physical and mental health, which is why they are equally vital. Holidays can offer a much-needed respite from the pressures of work, which is particularly advantageous for individuals who are dealing with mental health concerns. Vacations can lower the risk of depression and boost mood, according to a study by the American Psychological Association.

**Improved Physical Health:** Vacations can be beneficial for one's physical health as well. Stress at work has been linked to a number of physical health problems, including obesity, heart disease, and high blood pressure. Employees can lower their stress levels and thus their risk of developing these health problems by taking holidays.

**Enhanced Happiness :** A vacation can raise an employee's happiness levels and boost their mood. This is so that workers get a chance to engage in enjoyable activities and spend quality time with friends and family when on vacation.

**Improved Sleep:** Traveling can aid in improving sleep for workers. They can relax and get more rest since they are less likely to be concerned about things relating to their jobs.

**Relationship improvements:** Employees' connections with their friends and families might also be enhanced by vacations. The social and emotional well-being of the individual may benefit from this.

### **Impact of Vacation on Productivity**

Vacationing is a crucial component of maintaining a healthy work-life balance, and it has several advantageous effects on employees' productivity. To motivate staff to take time off and improve work-life balance, it's critical to comprehend how vacations affect productivity. Firstly, taking a vacation can greatly increase an employee's productivity by assisting them in reducing stress and burnout. Employees that are under constant pressure eventually burn out and perform poorly. Employees benefit from taking breaks from their work obligations to engage in enjoyable activities. Employees can refuel during their time off from work so they can come back to it with more energy, focus, and motivation. Secondly, having a vacation can help staff members improve their problem-solving and creative abilities. Employees are more comfortable and open to new ideas when they are participating in activities they enjoy. More creativity that can be applied to their professional activities can result from this relaxed frame of mind. Also, when staff members return to work following a vacation, they do so with a new perspective that can aid in problem-solving. Thirdly, raising staff morale can increase production, which is a good thing. Employees are more driven to perform effectively at work when they feel valued and supported. Employers can show how much they care about their employees' wellbeing and work-life balance by providing paid time off and encouraging their use. As a result, there may be an improvement in workplace morale and job satisfaction, which in turn may boost output. Last but not least, going on vacation can foster closer bonds between workers and their coworkers. Employees have the chance to bond and create stronger bonds when they take time off together, which can improve teamwork and collaboration. Better communication, which can increase productivity and decrease misunderstandings, can result from stronger relationships.

### **Conclusion**

Employees have to must take vacations to preserve their general well-being, and studies have shown that they significantly reduce job stress, enhance health, and boost productivity. The significance of holidays in each of these areas and how they might help employees will be covered in this conclusion. First of all, taking a vacation might help you feel less stressed out at work, which can affect your productivity and wellbeing. Employees who are constantly stressed out may burn out and become exhausted, which will affect how well they perform at work. Employees get the chance to rejuvenate during vacations by taking a break from their professional commitments. Employees can unwind and engaged in activities they enjoy during this break, which lowers their stress and anxiety levels. Employees who take time off from work are more likely to come back to work with fresh energy and motivation, improving productivity and job performance. Secondly, taking holidays is good for staff members' health. Regular trips can lower your chances of developing heart disease, stroke, and depression. Employees have the opportunity to exercise during vacations, such as hiking or swimming, which can benefit their physical health. Moreover, holidays can lower the likelihood of burnout and ongoing stress, improving mental health in general. Employees are better able to handle the demands of their job by making an investment in their health and well-being through holidays, which increases productivity and job performance. Finally, taking time off can boost workers' productivity. Employees might acquire a new perspective on their work assignments by taking a vacation from their duties, which can boost creativity and problem-solving abilities. A better work-life balance is also a result of taking a vacation since it enables people to unplug from the constant demands of their jobs. Employee motivation to perform well at work is more likely to be high when they feel valued and encouraged by their company, which increases productivity.

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# Effect of Covid-19 Pandemic on Handicraft Employees in Kerala

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## Abstract

Kerala is known for its handicraft products which are famous all over India. The handicrafts sector in Kerala provides employment to a large number of people including artisans, small-scale traders, exporters, and intermediaries. A large number of tourists visiting Kerala every year are attracted by these handicraft products. All these were suddenly disrupted by the outbreak of covid-19 pandemic which made the lives of artisans pathetic. The lockdown made their life harder, their income was stopped suddenly. They believed that this would be temporary and kept on thinking about what to do next. Some of them moved to other jobs, but some still hung on to the handicraft industry. Yet the struggles for daily life and lack of money made some of the handicraft employees move to another business and few of them survived, while others failed. The major problem faced by the handicraft industry was that they were largely dependent on tourists for income, as the pandemic hit and the nation went on lockdown it resulted in a greater loss of income for the industry. After the unlocking phases started situations got changed, and tourists were allowed to enter the state, which provided a new beginning for the artisans. Slowly things got changed, the volume of sales started to increase and the sector is trying to become more active in the coming days.

**Keywords:** Kerala Artisans, Handicraft Sector, Covid-19 Impact, Kerala Handicraft Industry, Employment

## INTRODUCTION

The handicraft industry in India is the resemblance of the past culture and heritage. It provides employment to a large number of people. Kerala, which is famous for its handicraft products is a reservoir of many handicraft products that express the heritage of our state. Most of the handicraft products made in Kerala are produced from naturally available raw materials which are made by skilled and efficient artisans. A significant number of people are employed in the handicraft sector. A wide variety of products are produced in Kerala which includes brass and bell metal works, coir and cane products, ivory works, lacquer ware, sandalwood carving, textiles, wooden toys, kathakali masks, wood carving etc. Most of these products are sold to tourists who visit the state, and the sales volume of handicraft products is directly

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linked to the tourism sector. The government of Kerala is providing various promotion programs and financial support to the handicraft industry for better development. However, the outbreak of covid-19 pandemic severely affected the handicraft industry. The market was closed and artisans lost their income. The sudden stoppage of income made their life more pathetic. They found it difficult to survive during the lockdown days and many of them left this sector and went for other jobs. Days passed, the unlocking phase started, and it provided a light in the minds of artisans. They started making products, shops were reopened, and expos started with a limited number of people. They started earning income and life moved to be like normal.

### **SIGNIFICANCE OF THE STUDY**

In the Indian handicraft industry, Kerala has a dominant role with its handicraft products. Each district in Kerala mostly has one or two handicraft products, which are made by the skilled artisans of that district. Also, there are some products that are made by certain tribes or some families only. Unlike every other industry handicraft industry was also greatly affected by the outbreak of covid-19 pandemic. When Kerala declared lockdown in March 2020, the handicraft employees were in a state of confusion, they didn't even have a clue about how long the lockdown will continue. Consequent lockdowns exposed the strength and stress of handicraft employees. Their major source of income was stopped. This paper tries to identify the major effects and problems caused by covid-19 pandemic in the handicraft industry.

### **OBJECTIVES OF THE STUDY**

The study is mainly confirmed with the objective of identifying major problems faced by handicraft employees in Kerala due to the outbreak of covid-19 pandemic and consequent lockdowns. The study also tried to identify the struggles and efforts made by the employees to earn revenue to sustain life during the lockdown days.

The study is of descriptive and exploratory nature which is based on primary data without any presumed or anticipated solutions in hand.

### **HANDICRAFT INDUSTRY IN KERALA.**

The handicraft industry has been acting as the backbone of the Indian economy for decades, and it provides employment opportunities for a large number of persons including artisans, intermediaries, and sellers. According to the data India, provides homes for more than 7 million artisans. The handicraft industry is the largest employment-generating sector, after agriculture which brings substantial foreign exchange to the country. In Kerala around 1.7 lakh artisans were actively working in the handicraft field whose primary income source was strictly the handicraft sector. According to the data provided by the Directorate of Handicraft and Commerce, there are 32 different arts in Kerala which include coconut shell carving, wood and horn craving, ivory craving, bell metal casting, lacquer ware, bamboo pens, pulpaya mats, banana fiber handicrafts, rice straw handicrafts, etc... A large number of people are depending on this industry for their livelihood. Many of them have years of experience and a high level of skill in making handicraft products. It takes several years to achieve certain skills for performing in this field. Handicraft products produced in Kerala are generally associated with some traditions, beliefs, or festivals. The product can give an overall idea about the custom, festival, and belief that is linked with that particular product. The most common factor that attracts handicraft products is the use of naturally available raw materials like ivory, coconut shells, cloth, clay, bamboo, stone, metals, wood, etc. Even the paint used for coloring these products is made naturally by using raw materials like leaves, cow urine, turmeric, flowers, etc... These products would last for a longer time and never cause any harm to nature and mankind. These are zero-waste and eco-friendly products. No types of machinery were used in the production of handicraft products, they are made purely with hand skills, and this process would take more time, skill, and also patience.

## **EFFECT OF THE COVID-19 PANDEMIC ON THE HANDICRAFT INDUSTRY**

Like every other industry, the handicraft industry is also greatly affected by the outbreak of covid-19 pandemic and the continued lockdown. A great part of consumers in the handicraft industry were tourists, as the lockdown hit the nation tourism sector was closed and the revenue of employees was stopped. Another market for handicraft products was expos and fair shows, all of them were stopped which led to a great income loss for the handicraft employees. They were unable to open shops and do any business. None of the employees had a sound financial background, they all did business for earning day-to-day needs and nobody had a good bank balance. This made their lives struggle a lot during the first phase of the lockdown. The lockdown happened all of a sudden without any notice, the employees didn't get time even to think about what to do next. All of them waited for the unlocking process with the hope of getting back to business soon.

But time passed and they found it difficult to survive without any money. The employees were in a state of mental stress. The government provided help by giving food items through ration shops, but it was not adequate for their survival. As the struggle and stress increased, they started thinking about doing another job. Some of them started other businesses to earn money. But it was not easy, they were practicing in the handicraft industry for years and did not have any type of skill or knowledge for doing any other job. It is hard to study and practice any other job within a short period. Some of them still hang in the industry with a belief that everything will be back to normal soon. Others started struggling in the new areas. As days passed, restrictions were released and people started going to work and doing jobs. There was no sign of opening art galleries, running expos and fair shows, etc... This created uncertainty in the lives of handicraft employees. The rest of the employees who hung on the industry started going for other jobs like painting, carpenter, fruit and vegetable selling, etc. Some of them lost their money and failed in the new business, very few of them succeeded. Most of the employees working in the handicraft sector don't have a sound bank balance, which was the major reason for their drastic struggle during the lockdown days.

The unlocking phase started and restrictions on the handicraft industry were lifted. Employees started working and shops were reopened. Major problems were started after the reopening. The volume of sales decreased, the price of raw materials increased and skilled laborers were not available for the production process. Due to the lack of money and loss of jobs, many skilled as well as unskilled laborers went for other jobs and they didn't wish to come back to the handicraft industry. They were getting earnings for meeting daily needs from these jobs. The market was downstage and they found it difficult to get any sales. The sales volume of handicraft products was linked with the tourism sector, most of the buyers were tourists from other states or countries. The number of people visiting Kerala was very low at that time when compared with days before the outbreak of COVID-19.

The increasing number of COVID-19 positive cases and TPR also affected the sales volume. It led to lockdown again and the market was closed, the number of tourists visiting Kerala was again reduced. This created a lag in the growth of the handicraft sector after COVID-19. Many people lost their jobs due to the pandemic and lockdown, which also affected the handicraft industry. People from Kerala were also making a significant contribution to the sales of these handicraft products. Due to the loss of jobs and reduced income, they were unable to make purchases. Now things are getting changed. Restrictions were lifted and everything is getting back to normal.

## **CONCLUSION**

The study focused on how the COVID-19 pandemic impacted handicraft employees post the pandemic period. Handicraft products of Kerala can be said as a cultural representation of our pride and heritage. Hundreds of tourists visit Kerala every year to enjoy its spectacular beauty. They contribute to the best part of sales in the handicraft sector. When the country went on nationwide lockdown, the handicraft sector lost its market which was one of the major problems created by covid-19 pandemic on the handicraft sector. Employees in this sector did not have enough bank balance which made their life struggle in the lockdown days. The COVID-19 pandemic changed the handicraft market from offline mode to online mode. Now, sales have been increased by a certain percentage.

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# Travel Loan; Level of Awareness, Sources and Perception among Salaried Employees

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## Abstract

Travel loans are simply personal loans obtained with the intention of travelling. The majority of market participants offer travel loans for both domestic and international travel. These loans are available for visiting far-off tourist destinations where the cost of travel will be higher. Tourism is a social, cultural, and economic activity that involves people travelling to locations outside of their normal environments for leisure, work, or other reasons. It provides greater pleasure to people both mentally and physically. Absence of sufficient money is a barrier that restricts the common people from travelling to tourist destinations. Banks and NBFCs have come up with a solution to this problem in the form of travel loan scheme. In this study an attempt has been made to evaluate the level of awareness, Sources of Mobilisation and perception among salaried employees towards travel loans. The study has been conducted among 50 salaried employees from Trivandrum district. Primary data were collected using questionnaire. Percentage analysis and ranking method are the methods used for analysis of data. The study found that 50 percentage of the total respondents are totally unaware about travel loans, travel loan provided by HDFC is the most preferred one and majority of the salaried employees perceive that travel loans are not essential for people.

**Keywords:** Travel Loan, Salaried Employees, Financial Institutions, Personal loan, Tourism

## Introduction

Travel loans are personal loans provided by banks and NBFCs which are availed for travelling to tourist places. The majority of industry players provide both domestic and international travel loans. These loans can be used to travel to far-off tourist locations with greater travel expenses. Thanks to travel loans, people can arrange luxurious vacations. These loans are of lower value and shorter duration. Since these loans are often unsecured, many banks offer them as personal loans. It is an extended version of personal loans which are used by individuals to travel with friends and family. Typically, these loans have hefty interest rates. Banks in both private sector and public sector offer travel loans to eligible individuals.

Tourism is an act of spending time away from normal environment of an individual for entertainment, business, professional or educational purposes. It provides greater pleasure and relaxation to people

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especially in the modern era where people are very much affected mentally and physically because of heavy workload, busy work schedules, tough competitions in the workplace and so on. Other problems in family and personal life also lead people to stress, depression and anxiety. Travelling with family, friends and colleagues to different tourist destinations always help an individual to find mental peace. India is a great country with a heaven of tourism delights. Even though people in common hesitate to go on tour because of various reasons. Lack of sufficient money is a major factor among them.

Banks and non-banking finance companies have come up with a solution to this problem in the form of "Travel loan". In India banks such as ICICI bank, HDFC bank, Axis bank etc offer specific travel loan to people. They market their scheme with attractive interest rates during holiday season. These loans are provided to applicants only after evaluating their ability to repay the amount and the credit score. It is extended to salaried employees or self-employed professionals.

### **STATEMENT OF THE PROBLEM**

Financial institutions have introduced various specialised personal loan schemes to attract customers. Consequently, travel loans are made available in banks and non-banking finance companies in India. Financial institutions have their own specific income criteria for applicants to avail this loan. Since a travel loan is a personal loan, they are mostly offered for working persons. However, these loans are not popular as other loans. Lack of awareness among common people is a major reason behind this. The source of obtaining travel loan may vary depending up on the interest rate offered, documents required, repayment period etc. Unsecured travel loans have higher interest rates. low credit score holders must pay a higher interest rate. Due to the risk aspect associated with this unsecured loan, a much smaller loan amount is being offered. The applicant is not given much flexibility with these loans. One must have a solid repayment strategy in place before applying for a travel loan. People perceive these things differently. In this context, the study focusses on the awareness level, source of mobilisation and perception of salaried people towards travel loan.

### **SCOPE OF THE STUDY**

The geographical scope of the study is confined to Thiruvananthapuram district only and has been undertaken exclusively to analyse level of awareness, sources of mobilisation and perception among salaried employees towards travel loan. Trivandrum is one of the districts with highest number of salaried employees in Kerala.

### **OBJECTIVES OF THE STUDY**

The study is done with the following objectives;

1. To examine the level of awareness of salaried employees towards travel loan
2. To identify preference of sources of travel loan among salaried employees.
3. To evaluate perception of salaried people towards travel loan

### **REVIEW OF LITERATURE**

**Lalatendu Mishra (2017)** in his article "Holiday loans see rise in non-metro cities: survey" said that traditionally personal loans were availed for various need-based expenses such as higher education, home renovation, medical emergencies etc. However, the young generation of today increasingly avail personal loans to travel. Especially people from non-metro cities are now obtaining personal loans to cover their travel related expenses according to the findings of a survey conducted by Paisabazaar.

**Lijee Philip & Gayathri Nayak (2023)** in their article "bitten by the travel bug, young Indians find a cure in loans" pointed out that there has been a shift in the travel dynamics which is expected to be continued in 2024 and there is a large increase of younger travellers who avail loans for domestic as well as overseas trips. Axis bank, IndusInd, Kotak Mahindra are the financial institutions active in providing travel loan.

**Yogesh Kabirdoss (2023)** in his report titled “Loans for overseas travel rising by 20% to 25%” pointed out that the global tourism sector has revived after the covid -19 pandemic and thereby there has been a spike in travel loans by 20-25%. International air fares and different tour packages also played a significant role in the spike of travel loans.

## **THEORETICAL FRAMEWORK**

For those with a strong desire to travel and seek out life-changing experiences without jeopardising their financial security, a travel loan is a sensible option. Travellers can finance their excursions up front and repay in manageable instalments over time by choosing an unsecured loan. This financing solution is especially advantageous for frequent travellers who want to indulge their enthusiasm for discovery without sacrificing their financial stability. The development of technology and financial services has made it relatively simple to obtain a travel loan. one can travel for work or pleasure both locally and abroad with the help of travel loans. Indian travellers benefit from financial flexibility thanks to travel loans, which give them access to money for a range of travel-related costs. This is how travel loans provide Indian tourists more financial freedom. Some of the advantages of travel loan include the following:

- **Quick Access to Funds:** Travel loans give customers quick access to money, enabling them to plan their travels without having to wait to save up enough cash for reservations on hotels, airlines, and other activities.
- **Flexible Repayment Options:** Most travel loans come with flexible repayment options, letting borrowers select a payback plan that fits their budget.
- **Paying for Unexpected Expenses:** Having access to extra money can ease worries and guarantee that tourists are ready monetarily for any unforeseen difficulties they might run into when visiting other countries.
- **Rewarding Experiences:** Travel loans enable travellers to make the most of their travel experiences and create lasting memories.

## **RESEARCH METHODOLOGY**

Methodology refers to the system of methods used in a particular area of study. The validity of a research work depends up on the systematic method of data collection and analysis. The methodology adopted for this study is given below;

### **1 Sources of Data**

Both primary and secondary data were used for conducting this study. Primary data were gathered using questionnaire and secondary data are collected from articles, journals, magazines etc.

### **2 Sampling Design**

Purposive sampling (non- probability sampling) is used for selecting respondents to the study. A total number of 50 respondents were participated in the study.

### **3 Statistical Techniques for Data Analysis**

The data collected were analysed using statistical techniques such as percentage analysis and ranking method.

**RESULTS AND DISCUSSIONS**

**Table 1  
Demographic Profile of The Respondents**

Particulars		Percentage
Gender	Male	40%
	Female	60%
	Others	-
Age	18 - 30	60%
	31 - 50	40%
	Above 50	-
Occupation	Government employee	10%
	Private employee	90%
Monthly income	Up to 15000	30%
	15000 - 50000	50%
	Above 50000	20%

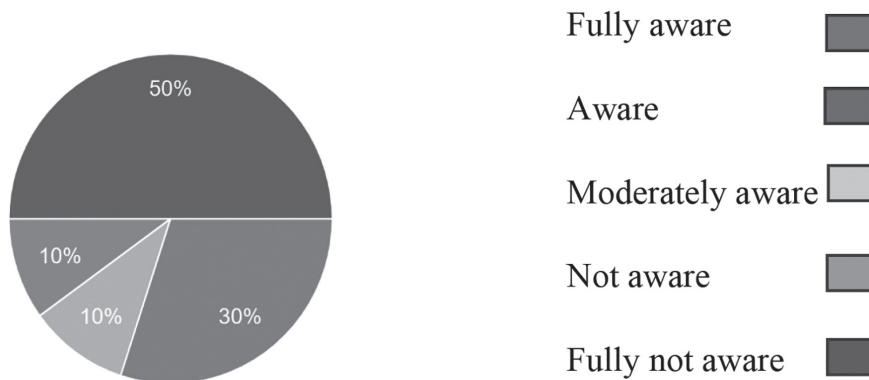
Sources: Primary data

**Interpretation:** The above table shows that 60% of the total (50) respondents are female and 40% are male. In case of age group 60% of total respondents belong to the age group of 18 -30 and 40% belongs to the age group of 31 – 50. When it comes to occupation 90% of the total respondents are private employees and 10% are government employees. In case of monthly income, a majority of 50% of the respondents have a monthly income between the range of Rs.150000 – 50000 and 20% of the respondents earn above Rs.50000.

**Level of awareness of Salaried employees towards Travel loan**

**Diagram 1**

**Level of awareness towards Travel loan**



Sources: Primary data

**Interpretation:** from the above diagram it is clear that a majority of 50% of the total respondents are fully not aware about travel loans. 30% of the respondents are aware.10% are not aware and 10% are moderately aware about travel loans.

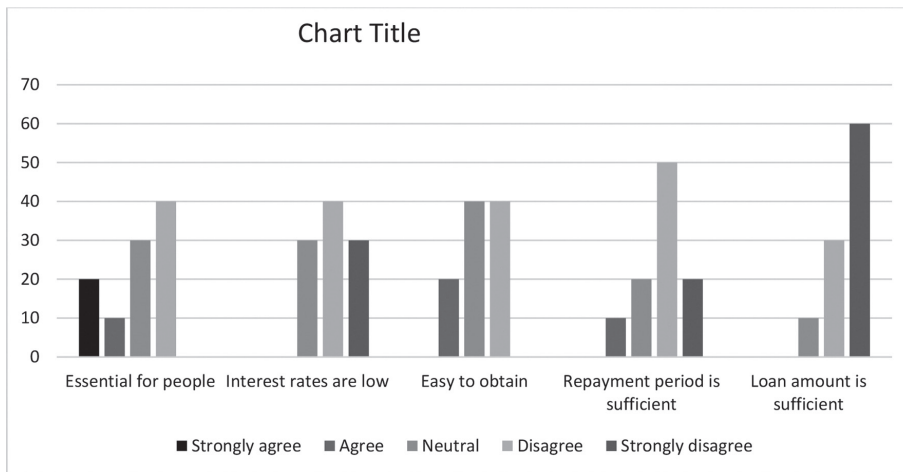
**Table 2**  
**Preference of Sources for Obtaining Travel Loan**

Banks / NBFCs	Rank
State Bank Of India	2
ICICI	4
Axis Bank	3
Kotak Mahindra	6
Bajaj Finserv	5
HDFC	1
Other banks and NBFCs	7

Sources: Primary data

**Interpretation:** The above table reveals that Housing Development Finance Corporation’s travel loans are the most preferred travel loans with rank 1 followed by State Bank of India with rank 2, Axis Bank with rank 3, Industrial Credit and Investment Corporation of India ICICI with rank 4, Bajaj Finserv with rank 5, Kotak Mahindra with rank 6 and other banks and NBFCs with rank 7.

**Chart 1**  
**Perception of salaried employees towards travel loan**



Sources: Primary data

**Interpretation:** the above chart shows that 40% of the respondents disagree that travel loans are beneficial for people. 40% disagree that interest rates are low. again 40% of the respondents disagree that it is easy to obtain this loan. A majority of 50% of the respondents disagree that the repayment period of travel loans is sufficient. 60% of the total respondents strongly disagree that loan amount provided by banks and NBFCs is sufficient for national and international trips.

**KEY FINDINGS**

- o 60% of the salaried employees are female and 40% are male
- o A majority of 60% of the salaried employees belong to the age group of 18 - 30
- o Majority (90%) of the salaried employees are private employees

- o 50% of the employees earns between the range of Rs.15000– 50000 per month
- o 50% Of the salaried employees are not aware about travel loans.
- o Travel loans provided by HDFC are most preferred one by salaried people.
- o 40% of the salaried employees perceive that travel loans are not essential for people.
- o 40% of the salaried employees perceive that the interest rates on travel loans are high.
- o 40% of the salaried employees perceive that it is not easy to obtain travel loan
- o 50 % of salaried people perceive that the repayment period of travel loans are not sufficient
- o 60% of the salaried people perceive that the amount of travel loan provided by banks and NBFCs are not sufficient to cover the expenses of all national and international trips.

### CONCLUSION

Travelling is an activity that everyone likes to do as it provides mental pleasure to people. Travel loans allow borrowers to cover the expenses required for vacations. These loans make sure that not having enough money saved will never prevent you from enjoying the pleasure of the experiences that travelling offers. Fortunately, many banks and NBFCs in our country provide travel loans to salaried employees for the specific purpose of travelling. However, travel loans are not that much popular in our country like other loans. Lack of awareness about travel loans is a major reason behind this. Also a vast majority of people consider it as an unnecessary liability on them. High interest rates charged by many financial institutions is also a factor that restrain people from taking this loan. The common people in our country should be made well aware about travel loans and also the interest rates should be affordable to all kind of people irrespective of their earnings so that they can plan their dream journey to their favourite destinations without any financial restrictions.

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