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## ANTICIPATION OF CHANGES IN THE IMPACTS OF INTERMEDIARY MANAGEMENT IN SAVINGS AND INVESTMENT BEHAVIOUR OF THE PEOPLE OF INDIA – A CRITICAL ANALYSIS WITH REFERENCE TO TRIPURA

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### ABSTRACT

Management of intermediaries and their impacts and results on the savings and investment behaviour of the people of the country is very important & significant for ensuring sustainable flow of fund in the national financial system. The duties and responsibilities of all the stakeholders of the economy including governments (union & states) and different public and private sector financial institutions are very important in the process of proper & systematic implementation and execution of all kinds of financial and economic policies of the country. Since, progressive development of the economy is possible only by active participation and involvement of all the stakeholders and common general people of the country, so the role and functions of financial institutions and their intermediary's management are very important for protecting and providing specific direction of the savings and investment of the people of the country.

**KEYWORDS:** Savings; Investment; Economy; Stakeholders; Intermediary; Management

### INTRODUCTION

The savings attitude of people discloses the ability of peoples' earnings along with their thinking and perceptions not only for surviving and future planning, but also their sincerity in self and socio-economic development of the country. Without saving practices, investment cannot be achieved in any form and dimension. Investment is not only the key process for improving people's income and their lives, but also essential for improving the financial flow of the country. The saving attitude and investment behaviour of the people of a country and their involvement and participation in the national financial system not only ensures funds to create finance and capital resources but also provides an assurance of continuous flow of fund in the economy. The saving attitude and investment behaviour of the people of the country is very significant, where earning opportunities in the economy are the major factors for the growing and overall development of a country. The assurance of uninterrupted

financial flow is one of the primary conditions for a healthy financial system, and a healthy financial system only can ensure the financial and economic development of a country.

The financial market of India is rapidly changing with an improvement in the economy after the introduction of LPG<sup>1</sup> or OME<sup>2</sup> in India at the beginning of 1990s. Today, in this globalized world, when financial institutions are crossing their national boundary and competition among institutions exists in a cutthroat situation, then the functions of national financial markets and financial market intermediaries become more important. Every financial institution is trying to extend their market in every corner of the country, and in every section of the society, by involving intermediaries as well as intermediary management system. Financial intermediaries are helpful and suitable not only for expanding their markets, considering the cost and time, economic factors in comparison to broad-based coverage, but also to imagine any business especially in developing and undeveloped countries where literacy and vigilance are comparatively low. So, for the purpose of flourishing any organization and providing benefits to the common people, not only the good quality of intermediaries is needed, but also it needs good management practices of intermediaries in every organization, so that the benefits of intermediaries can be reached to the maximum possible extent for national financial development.

#### **OBJECTIVES OF THE STUDY:**

The primary objectives of the study are: - To know about-

- (i) The impact of financial institutions and their intermediary management on the saving and investment practices of the people of Tripura (India);
- (ii) The ground reality of people's saving and investment in the recent past in Tripura (India);
- (iii) The security measures required to be taken by all stakeholders of the national economy for the purpose of improving proper investment attitudes;

#### **LITERATURE REVIEW:**

Financial systems are changing substantially and many traditional financial markets have expanded and changed into new markets where transaction costs have fallen and financial information has become cheaper and more available. However, these changes in the market have not reduced the importance of intermediation (Allen & Santomero, The theory of financial intermediation, 1998). The modern theory of financial intermediation analyses the functions of financial intermediation and the way in which financial intermediation influences the economy on the whole and the effects of government policies on the financial intermediaries (Andries & Cuza, 2009).

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<sup>1</sup>Liberalization, Privatization and Globalization

<sup>2</sup>Open Market Economy

Financial intermediaries and the legal system provide an alternative way of accomplishing some of the key functions that the firm accomplishes internally: - the mobilization of resources for investment; the monitoring of performance; and resolution of conflicts among different parties (Salehi, 2008). Further, intermediary-client relationships are not restricted up to the sale of products and services, but also include other complementary service functions where intermediaries update clients' needs whenever new product/ service come out of increases/ decreases the value of prices or sums of investment (IAIS & Bank, 2006). Financial intermediaries perform gradually more sophisticated functions in the modern - more and more complex - economy. Despite the ongoing perfection, indicating a declining price of information, asymmetric information and transaction costs seem to be still important elements in intermediation processes. This suggests that there is something extra that is relevant to financial intermediation (Scholtens & Wensveen, 1999).

In a country like India especially in the case of financial services like life insurance, companies find it difficult to influence customers to switch over from personalized services to self-services. If the market leader of the life insurance sector of the country namely LIC<sup>3</sup> of India drives its customers to the new service delivery system, it may need to educate its customers about the benefits of using the new system. Because, the customer is a part of the service delivery system and what he or she experiences while receiving the services depends on both the visible part of the service operations system (i.e. physical support facility and performance or behaviour of front office people) as well as its invisible part (Singh & Kumar, 2015).

The estimation of volume of savings of the population, the search for the ways of its use and the stimulation of investment activities of people should be the priority task for the government and all stakeholders of the economy. The efficiency of measures will be productive only if the involvement of savings will favourably affect the well-being of people. In this case not only investment activities will be boosted but also the population's entrepreneurial potential, which will contribute to the increase in incomes and employment, as well as to the improvement of quality of life (Bairamli & Kostoglou, 2010). The common argument that economic growth is necessary for poverty reduction does not mean that policy-makers can limit their attention to the single target of growth maximization. The extent to which a given rate of economic growth affects poverty levels is influenced by the institutional structure and policy environment of savings and investment attitudes existing in that particular country (Khan et al., 2015)'.  

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<sup>3</sup>Life Insurance Corporation

## **METHODOLOGY:**

The primary data is the base of this study where secondary data are also given similar and equal importance. In the primary data collection cluster random sampling technique is used where people of the state are divided into 06 (Six) different groups after following the FIGs<sup>4</sup> of the SEBI<sup>5</sup> namely Executives, Middle Income Groups, Retired Persons, Young Investors, Homemakers and Students for the purpose of covering all the sections of people in society. A separate structured questionnaire is used for different groups of people in the survey after maintaining a basic structure of the questionnaire for every group of people. The survey was conducted during the period from January to June, 2017 after covering total 08 (Eight) districts of the state namely North Tripura, Unakoti, Dhalai, Khowai, West Tripura, Sipahijala, Gomati and South Tripura district with focusing on the centre of District and Sub-Divisional Head Quarters from which total 1280 sample data was collected.

The secondary data are collected from books, journals, articles, annual reports, periodicals, newspapers etc. In the process of analysis of collected primary data, different measures of central tendencies and dispersions have been applied to explore the inherent characteristics of the data collected from the field of enquiry. Moreover, some of the tables, popular graphs and charts are also used as and when necessary, in this study.

## **DISCUSSION AND RESULTS OF THE STUDY:**

Among the 06 (six) different groups of people of the study, the Executives or in short 'E' are those people who are employed and engaged in public or private organizations; Middle Income Groups or 'MIG' are the middle class families of the society; Retired Persons or 'RP' are those who are got retired from their normal job & work and their age more than 60 years or more; Young Investors or 'YI' are unemployed youth of the society; Homemakers or 'HM' are housewives of the families of the society and Students or 'S' are those who are studying from Secondary to PG<sup>6</sup> level in different schools, colleges, and universities of the state. It may be mentioned here that the income, savings, and investment related information of the students is concerned with their parents.

The information related to the savings and investment practices of people and different analyses of the study are pointed out as follows: -

### **(I) Savings and Investment Practices of the People:**

(a) Demographic Profile and Monthly Income: Out of total 1280 survey respondents 242 are Executives or 'E'; 200 are Middle Income Groups or 'MIG'; 200 are Retired Persons or 'RP'; 238 are

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<sup>4</sup>Financial Literacy Guidelines

<sup>5</sup>Securities and Exchange Board of India

<sup>6</sup>Post Graduate

Young Investors or ‘YI’; 200 are Homemakers or ‘HM’ and 200 are Students or ‘S’. The age of the survey respondents is minimum from 16 Years (Students) to maximum 80 years (Retired Persons), where 874 are Male and 406 are Female. Except Homemakers, group wise maximum numbers of male and female respondents are Executives (221) and Students (72) respectively.

In the sector of working, total 436 respondents are involved and working in the Government sector, 221 in the Private sector, 618 are Self-Employed and 05 are Farmers/ Cultivators out of total 1280 respondents. In the monthly income, the income of 554 respondents is <₹10,000; 547 is >₹10,000 to <₹30,000; 144 in >₹30,000 to <₹50,000 and 35 in >₹50,000. The details of demographic profile and monthly income of the people are given in Table-1 below;

**Table-1: Demographic Profile and Monthly Income of the People**

Group of People	Age (Years)	Gender		Working Sectors				Monthly Income (₹ in'000)				TOTAL
		Male	Female	Government	Private	Self-Employed	Farmer	< 10	10 - 30	30 - 50	> 50	
<b>E</b>	21 - 60	221	21	102	54	86	0	65	114	51	12	<b>242</b>
<b>MIG</b>	21 - 70	159	41	88	38	74	0	72	85	31	12	<b>200</b>
<b>RP</b>	60 - 80	153	47	119	14	67	0	82	100	18	0	<b>200</b>
<b>YI</b>	21 - 40	213	25	14	68	156	0	151	77	8	2	<b>238</b>
<b>HM</b>	21 - 70	---	200	40	11	149	0	118	64	14	4	<b>200</b>
<b>S</b>	16 - 30	128	72	73	36	86	5	66	107	22	5	<b>200</b>
<b>TOTAL</b>	<b>16 - 80</b>	<b>874</b>	<b>406</b>	<b>436</b>	<b>221</b>	<b>618</b>	<b>5</b>	<b>554</b>	<b>547</b>	<b>144</b>	<b>35</b>	<b>1280</b>

Source: Compiled from the field survey

(b) Savings & Investment and Investment Preferences: Out of total 1280 respondents total 1237 or 96.6% respondents are saving their money from their monthly income and total 1123 or 87.7% respondents are investing their savings. Again, total 935 or 73.0% respondents prefer to invest in the Government Sector, 119 or 9.3% in the Private Sector and 69 or 5.4% in the sector of Public & Private Sector both.

(c) Basic Factors of Investment: In the matter of factors of investment of the respondents; Safety is

the 1<sup>st</sup> (72.8%), Return is 2<sup>nd</sup> (14.1%), Liquidity is 3<sup>rd</sup> (7.8%), Low Risk is 4<sup>th</sup> (3.7%), Reliability is 5<sup>th</sup> (1.4%) and other factors is the 6<sup>th</sup> (0.2%) position for taking into consideration of investment decisions as per sector wise total average percentage.

(d) Present Sector of Investment: In the sectors preference for investment decision, the Banking sector is 1<sup>st</sup> (49.2%); Post Office is 2<sup>nd</sup> (20.7%); Life Insurance Companies are 3<sup>rd</sup> (20.4%); Share Market is 4<sup>th</sup> (3.1%); Real Estate and Pension Schemes is 5<sup>th</sup> (2.8%); and Other Sector is 6<sup>th</sup> (1.0%) choices of the respondents/ people in Tripura.

(e) Sources of Investment Information: Total 59.6% respondents are getting investment information from their 'Friends and Relatives'; 19.6% are from Financial Intermediaries or Agents or Consultants; 7.5% are through 'Advertisement on Television'; 6.7% are through the 'Internet' and 6.7% are getting information from 'Advertisement in Newspapers' in Tripura.

**Table-2: Sources of Investment Information of the People**

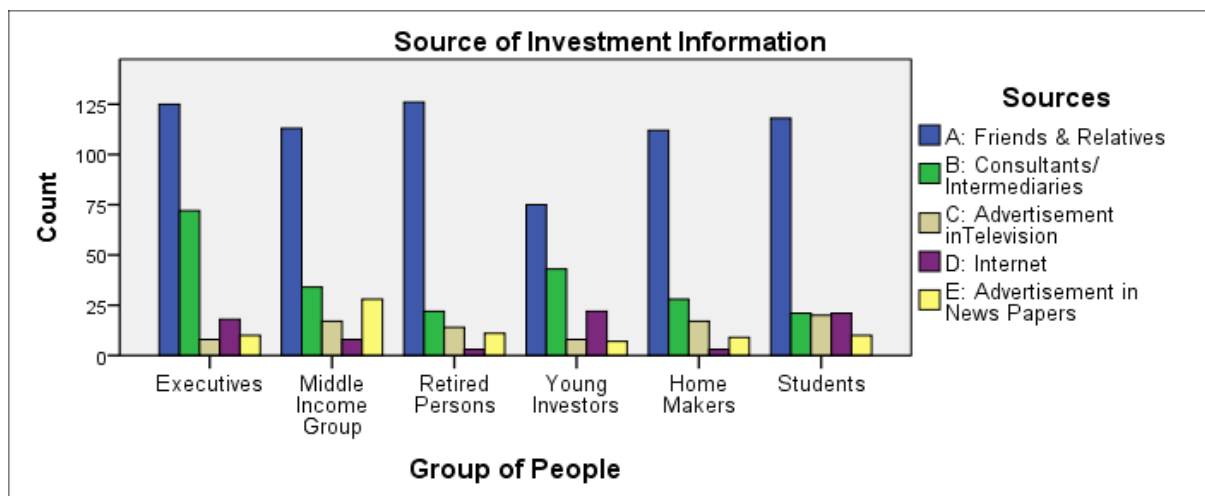
Group of People	Source of Investment Information										TOTAL
	Friends & Relatives	Percentage (%)	Consultants / Intermediaries	Percentage (%)	Advertisement in Television	Percentage (%)	Internet	Percentage (%)	Advertisement in News Paper	Percentage (%)	
E	125	53.6	72	30.9	8	3.4	18	7.7	10	4.3	233
MIG	113	56.5	34	17.0	17	8.5	8	4.0	28	14.0	200
RP	126	71.6	22	12.5	14	8.0	3	1.7	11	6.2	176
YI	75	48.4	43	27.7	8	5.2	22	14.2	7	4.5	155
HM	112	66.3	28	16.6	17	10.1	3	1.8	9	5.3	169
S	118	62.1	21	11.1	20	10.5	21	11.1	10	5.3	190
<b>TOTAL</b>	<b>669</b>	<b>59.6</b>	<b>220</b>	<b>19.6</b>	<b>84</b>	<b>7.5</b>	<b>75</b>	<b>6.7</b>	<b>75</b>	<b>6.7</b>	<b>1123</b>
<b>RANK</b>	<b>1<sup>st</sup></b>		<b>2<sup>nd</sup></b>		<b>3<sup>rd</sup></b>		<b>4<sup>th</sup></b>		<b>4<sup>th</sup></b>		<b>--</b>

**Source: Compiled from the field survey**

Again, Friends and Relatives are the maximum source of investment information of the Retired Persons (71.6%), Homemakers (66.3%) and Students (62.1%). The Financial Intermediaries or Agents or Consultants are the source of investment information of the Executives (30.9%) and Young Investors (27.7%). The Advertisement in Television is source of investment information of the students (10.5%) and Homemakers (10.1%) where Internet is highly considered by the Young

Investors (14.2%) and Students (11.1%). The ‘Advertisement in Newspapers’ is highly considered as the source of information by the Middle-Income Group (14.0%). The details of Source of Investment Information of the People are given in Table-2 above and it is highlighted in the graph vide Figure-1 below.

**Figure-1: Sources of Investment Information of the People**



**(II) Results of Investments of the People:**

- (a) **Satisfaction on Present ROI<sup>7</sup>:** The opinion of the respondents regarding their present ROI are 58.4% are satisfied, 17.9% are moderately satisfied, 8.1% are highly satisfied, 8.0% are unsatisfied and 7.6% people didn't give any response to the question. Further, maximum of people in all groups are satisfied with their present return on investment.
- (b) **Opinion on Present ROI:** Total 38.6% respondents are agreed that their present return of investment is the highest return in the national financial system where 27.8% people are not agreed and 33.7% people didn't give any response to the question.
- (c) **Effects of Chit Funds & Ponzi Schemes:** As per the study, out of total 1280 respondents, 758 or 59.2% respondents are replied that they lose their money by investing in Chit Fund & Ponzi Schemes, where 522 or 40.8% are got relief and safe themselves from such a financial scam.

<sup>7</sup>Return on Investment



(d) **Margin of Loss of Investment in Chit Fund or Ponzi Schemes:** Among the total 758 respondents those who are money losers by the Chit Funds & Ponzi Schemes, the number of respondents or their percentage on total respondents of money losers as per different margin of financial losses are as under: -

- (i) Total 392 respondents or 51.7% of total 758 respondents = Less than ₹50,000;
- (ii) Total 243 respondents or 32.1% of total 758 respondents = More than ₹50,000 to ₹1,00,000;
- (iii) Total 65 respondents or 8.6% of total 758 respondents = More than ₹1,00,000 to ₹2,00,000;
- (iv) Total 32 respondents or 4.2% of total 758 respondents = More than ₹2,00,000 to ₹3,00,000;
- (v) Total 20 respondents or 2.6% of total 758 respondents = More than ₹3,00,000 to ₹5,00,000; and
- (vi) Total 06 respondents or 0.8% of total 758 respondents = More than ₹5,00,000;

The details of Margin of Loss by Chit Fund (CF) & Ponzi Schemes (PS) are given in Table-3 below.

**Table-3: Margin of Loss by Chit Fund & Ponzi Schemes**

Margin of Financial Loss of the People (₹ in '000)												TOTAL (Number of Respondents Who Lost their investment)
< 50	Percentage (%)	> 50 - 100	Percentage (%)	> 100 - 200	Percentage (%)	> 200 - 300	Percentage (%)	> 300 - 500	Percentage (%)	> 500	Percentage (%)	
392	51.7	243	32.1	65	8.6	32	4.2	20	2.6	6	0.8	758

Source: Compiled from the field survey

(e) **Total Estimated Loss of Investment in Chit Funds & Ponzi Schemes:** As per the Employment & Workforce Data Report of Census 2011, published by the Office of the Registrar General & Census Commissioner, India under the Ministry of Home Affairs, Government of India and the webpage of the Census India (<https://www.censusindia.co.in/states/tripura>) the following information has been collected for the necessary calculation of the study: -

- (i) Total Population of Tripura as per Census 2011 ( $\Sigma PT$ ) = 36, 73,917;
- (ii) Total Working People (Main & Marginal) in the Population of Tripura ( $\Sigma WPT$ ) = 14, 69,521;



- (iii) Total Main Working People who are engaged in work more than six (06) months in a year and main earning group of people of Tripura ( $\Sigma$ MWPT) = 10, 77, 159;

The details calculation of Estimated Financial Loss from Chit Fund & Ponzi Scheme in Tripura are given in Table-4 below.

**Table-4: Statement of Estimated Financial Loss from Chit Fund & Ponzi Schemes**

Number of Survey Respondents who Suffered Financial Loss	Margin of Financial Loss (₹ in '000)	Average Amount of the Scale (₹)	Total Average Amount (₹)	Total Main Working People of Tripura ( $\Sigma$ MWPT) of Tripura (As Per Census-2011)	Total Main Working People of Tripura ( $\Sigma$ MWPT) Who Invest & Lost their Investment	Total Amount of Financial Loss of the People from Chit Funds & Ponzi Schemes
1	2	3	4 = (1 X 3)	5	6	7
392	<50	25,000	98,00,000	@ 73.3% of $\Sigma$ WPT or @ 73.3% of 14,69,521 = <b>10,77,159</b> People	10,77,159 @ 59.2% (As per the Study) = <b>6,37,678</b> People	₹ 5,67,75,000 ÷ 758 X 6,37,678 People = <b>₹4,776.28</b> or <b>₹4,776 Crores</b> (Round off)
243	>50-100	75,000	1,82,25,000			
65	>100-200	1,50,000	97,50,000			
32	>200-300	2,50,000	80,00,000			
20	>300-500	4,00,000	80,00,000			
6	>500	5,00,000	30,00,000			
<b>758</b>	--	--	<b>5,67,75,000</b>			

Source: Author's calculation based on the collected data

As per the study, the percentage of people who lost their investment in Chit Funds & Ponzi Schemes is 59.2% [Mentioned in Point No. (II)(c)], therefore at least 6, 37,678 people (i.e. 10, 77,159 X 758 ÷ 1280 or @ 59.2% of 10, 77,159) are financially suffered by such schemes in the state. When the estimated average financial loss per

758 people is ₹5,67,75,000/- then the total financial loss (estimated) from such schemes in all over Tripura is not less than ₹4,776.28 Crores (₹5,67,75,000 ÷ 758 X 6,37,678 People) or ₹4,776 Crores (Round off).

The example and evidence of financial losses (₹4,776 Crores) of the people of Tripura is very significant and remarkable, not only for the socio-economic and financial condition of Tripura but

also every state of India where the Chit Fund and Ponzi scheme were operated. The PCI<sup>8</sup>, PPP<sup>9</sup>, GDP<sup>10</sup> and the entire economy of India were negatively influenced by these kinds of illegal and unauthorised financial activities in the country. Most of the people of the state are still awaiting to get back their money, at least the principal amount of investment in those schemes. They also expect that the government (union & state) will take the necessary initiative to recover their money very late also. But, the recent incident of some financial scams and fraudulent activities of different unauthorized private financial institutions and news that came out in the local newspaper is evidence that the same financial crime in various forms & faces is trying to be re-established and re-operated in the states again, which is giving a clear initial alarm of repetition of such tragedy with people's savings and investment in the country again.

#### **FINDINGS OF THE STUDY:**

The findings of the study have been discussed under different points enumerated as per the results and analysis of the study: -

- (a) **Necessity of Financial Education for the People:** From the study it is clear that people of Tripura lost huge amounts of their savings in investment in the unauthorized financial sector of the country. There is no doubt that these amounts are losses due to their unaware and limited knowledge of the financial system of the country. The majority of the general people of Tripura didn't have the basic minimum education and awareness about national financial markets. In the study, total 936 or 73.1 respondents expressed their willingness to take and intend to get financial education and to know about the financial market out of total 1280 respondents. The survey respondents are opined that necessary initiatives are required to be taken by the Governments (Union and State) and all the stakeholders of the economy for financial literacy to the people of the State.
- (b) **Un-sufficient Role & Function of the Intermediaries:** In the analysis of the study, it is found that total 59.6% people are getting investment information from their friends and relatives and only 19.6% people are getting it from financial intermediaries or agents or consultants. Moreover, it is very significant to observe that maximum financial intermediaries or agents or consultants (30.9%) are highly concentrated upon the 'Executive' class of people of the state for their regular business activities in compare to other groups of people. Due to their priority & selective approach the involvement of intermediaries with the common general people becomes very limited and exhausted area. But, the 'Executive' class of people are also suffering losses from such a financial crime but the number of lower income group of people is in very huge numbers.

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8 Per Capita Income

9 Purchasing Power Parity

10 Gross Domestic Product

Moreover, when many of the intermediaries (agents & consultants) under different institutions are also found loose and sufferer by such Chit Funds & Ponzi Schemes as per the author's doctoral studies, the role of intermediaries and existing intermediary's management system comes under a big question mark. In such a situation, it was unexpected that all the financial institutions were acting as silent viewers during such an incident in the financial system.

(c) **Delayed Initiatives of Stakeholders of the Economy:** People of the society are involved with different financial institutions of the country, but the financial institutions were not trying to fulfil the basic needs of financial information for the people beyond the boundaries of their own business interests, considering the then financial market environment. In that gap of business and professional relations between people and institutions, such a financial crime got a scope to establish itself in the financial system by showing different attractive options of return and spreading in different parts of the country. Thus, general people were highly affected by such financial crime and malpractices, not only in urban areas but also in rural areas. It is the failure of governments and financial system that they are not able to protect people's income and savings investments. Furthermore, total 1202 or 93.9% of respondents believe that government initiatives to provide financial education and awareness to the general public were necessary, while 21 or 1.6% believe it is unnecessary, and 57 or 4.5% are unable to respond to the related question.

(d) **Initiatives Gape of the Stakeholders:** The government and its organizations were not able to take appropriate action for overcoming such a financial tragedy in time, not only for recovering people's savings but also for taking necessary steps to protect the savings & investment of the people. After that the Governments (Union and States) and the concerned authorities of the country including SEBI and RBI enacted different new laws, rules & regulations and also circulated so many guidelines related to business and investment in organized and unorganized sectors of the country. But except the related notices and orders of the government and concerned stakeholders and institutions of the economy, proper guidance and monitoring, as well as the management of financial intermediaries towards the betterment and development of the people, are not properly worked and are yet to be working in the market till date. Every financial institution is only focusing on achieving their organization goals with a narrow outlook, where the interest of the people is still considered a secondary, extra, un-useful, and unnecessary subject matter of management in most of the institutions.

(e) **Precautionary Initiatives for Safeguarding Peoples' Investment:**

After almost 03 (three) years of incidence, the IRDAI<sup>11</sup> create budget & spent of ₹3,294 Lakhs for insurance literacy and consumer awareness programs in the year 2017-18 (details in Table-5) for the first time in India. In the year 2018-19, IRDA again allotted a fund of ₹3,152 lakhs for the same

purposes and continued to play an active role as a Core Committee Member of the NCFE<sup>12</sup>, which was set up as a “Section 8” Company in 2018 with a Board of Directors comprising one member from each of the regulators. At present, the IRDA is working as an institution of representatives of all the financial sector regulators in India to implement the NSFE<sup>13</sup> by 2024.

The SEBI is also taking an initiative to provide financial education and awareness to the people by recruiting numbers of RPs<sup>14</sup> in every state of the country from 2016 onwards. But it is not enough for fulfilling and achieving national financial objectives. It is the duty of every financial institution to provide their related financial literacy and awareness to the people as a CSR<sup>15</sup> so that people can be aware and can participate in all the sectors of the national financial system without such a risk in different forms and faces in coming days. But without closed and active participation and involvement of all stakeholders including the central and state governments’ administration, the objectives wouldn’t be possible to be fulfilled.

**Table-5: Insurance Literacy & Consumer Awareness Initiative of IRDAI**

Sl. No.	Purpose of Expenditure for which Fund were Sanctioned	Fund Allocated in the Budget of the Years (₹ in lakh)	
		2017-18 FY	2018-19 FY
1	Print Media	662.00	Nil
2	Electronic Media	2,617.00	Nil
3	Information Technology	5.00	1.77
4	Research Work	10.00	10.94
	NCFE Expenses	Nil	3139.78
	<b>Total</b>	<b>3,294.00</b>	<b>3152.49</b>

**Source: IRDAI Annual Reports**

#### **LIMITATION OF THE STUDY:**

The study is limited to the savings and investment practices of the people of Tripura during the period from 2008-09 FY to 2018-19 FY. This study focuses on the then financial market condition of Tripura, India when the market was captured by unauthorized and illegal financial activities like the Chit Fund and Ponzi schemes along with other parts of India. This study is not in a position to state whether the people of the state will get back their huge amount of savings and investment in that particular Chit

<sup>11</sup>Insurance Regulatory Development Authority of India

<sup>12</sup>National Centre for Financial Education

<sup>13</sup>National Strategy for Financial Education

Fund and Ponzi schemes in the near future.

**SUGGESTIONS FOR THE FUTURE STUDY:**

This study is focuses on getting some idea about the then deeply affected financial market of the country and knowing about how such a type of infected market affected the savings and investment practices of the common general people and converted them towards bankruptcy, which was spread almost all over the country. This particular study is an extended study of the very small part of the doctoral study of the author. It would be highly appreciable and commendable work if any study covered the impacts & results of such illegal and unauthorized financial activities all over the country.

**CONCLUSION:**

There is no guarantee that such types of financial malpractices and criminal activities will never come back again in the coming days in different faces & forms in the coming days. The recent trends of financial incidents which are highlighted in daily news channels all over the country in time intervals are giving a signal and throwing a challenge to all kinds of precautionary initiatives. So, it is necessary and the demands of the time to analyse the functions and involvement of every financial institution for the betterment of people by ensuring CSR, because their functions are not limited only to the financial 'Give & Take' relation with society. At present, when the center of the modern business concept of public and private sector organizations is PPP, from a broader perspective, the responsibility of institutions must also be to society in making financially literate people by giving financial awareness to society.

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