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A STUDY ON ELECTRICITY USAGES WITH SPECIAL REFERENCE TO THURAIYUR TOWN

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ABSTRACT

Electricity is a mysterious Incomprehensible entity, which is INVISIBLE and VISIBLE both at the same time. It looks like blue-white fire, and yet cannot be seen. It moves forward at the speed of light. A power can be produced some natural resources like animal wastage, Disposal of Toxic wastes, Sludge power etc., This method could be help to protect our environmental pollution. Today is some private companies can also willing to produce power?

Electricity will be consumed by all category of the peoples like banking sector, educational sector, institutional sector and Industrial and very well used for household purposes. Here the usages of power can be classified into many types regards with study area the data collected was analyzed with the help of statistical tools like Chi-square.

INTRODUCTION

Electricity is a concurrent subject in the Indian constitution, where by decision-making and implementation involve both the central and state Governments. Until 1990, the power sector in India has evolved as a public monopoly. (Kirit S. Parikh, 1997).

Lighting is one of the most prominent effects of electricity. The word Electricity comes from Latin 'electricus' it means "amber-like". It is a general term that encompasses a variety of phenomena resulting from the presence and flow of electric charge. It identified in different terms (www.wikepedia.com)

- **Electric Charge:** A property of some subatomic particles, which determines their electromagnetic interactions.
- **Electric Current**: A movement or flow of electrically charged particles, typically measured in amperes.
- **Electric Potential**: The capacity of an electric field to do work, typically measured in volts.
- **Electromagnetism**: A fundamental interaction between the electric field and the presence and motion of electric charge.

Definition

The everyday definition: "Electricity" means the electromagnetic field energy sent out by batteries and generators.

Examples: Kilowatt-Hours of Electricity

"Electricity" means only one thing: it refers to the amount of imbalance between quantities of electrons and protons. If "electricity" is power, then a bright light bulb exhibits a higher level of electricity than a dim one. 'WATTS OF ELECTRICITY'.

India's Power Sector Scenario

India's First Five-year plan was executed 1952-1956 with a capacity of less than 10 Mw of electrical power for an evaluation of 450 Million. The total electricity generation set up from 1712 Mw in 1950 to 54194 Mw in 1987-88 an average annual rate growth of 8% in the period 1970-71 to 1988.

According to the 1981 census, electricity available to only 14.69% of the rural households as compared to 62.51% of the urban households.

However, the "slippage" in installation of power generation capacity has resulted in producing the output against targeted scarcity as indicated under the table.

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Table-1: Slippage in Installation of Power Generation Capacity

Plan	Years	Target (Mw)	Achieved (Mw)	Slippage	Slippage as Percent of target
First	1952-96	1300	1100	200	15.4%
Second	1957-61	3500	2250	1250	35.7%
Third	1962-66	7040	4520	2520	35.8%
Annual	1697-69	5430	4120	1310	24.1%
Fourth	1970-74	9264	4579	4685	50.6%
Fifth	1975-79	12499	10202	2297	18.4%
Annual	1980	2813	1799	1014	36.0%
Sixth	1981-85	19666	14226	5440	27.7%
Seventh	1986-90	22245	11344	-	-

Sources: Energy Digest, 1990

STATEMENT OF PROBLEM

The electricity plays an important role in our country. The successful functioning of energy depends on its efficient performance. However, today it faces many problems. They are: the basic weakness of the power sector is the free supply for agriculture to the domestic consumers, the rural area face extensive power cuts much more than urban areas (9-10 am and 4-5 pm), due to poor liquidity positions of the State Electricity Board.

Now electricity is being used for all purposes namely cooking, heating, lighting and so on. What is the type of elasticity of demand for electricity? Is it comfort, necessary and luxuries?

SCOPE OF STUDY

Any country development is based on its infrastructure namely Road, Water and Power. Electricity is very important for any sector. This study about the usage of electricity in Thuraiyur town will focus the attention on the demand for electricity and the nature of demand for electricity. Now-a-days electricity is being used for all purposes namely heating, cooking, lighting and so on. The domestic demand for power is increasing every time. This study will bring the importance of electricity for the domestic users.

OBJECTIVES OF STUDY

The overall objective of the study is to know the usage of electricity in Thuraiyur town. The following are the most specific objectives. They are:

- To study the overall performance of Electricity board;
- To know what are the basic electrical appliances used by the respondents; and
- To measure the comparison between people income and usage of power bi-monthly.

HYPOTHESIS OF STUDY

- There is a significant difference between income and the number of family members.
- There is a significant difference between income and the usage of power bi-monthly.

METHODOLOGY OF STUDY

Thuraiyur town has 24 wards with 172 streets. The total population of the Thuraiyur city is about 31005. The researcher had different types of discussions with the Municipal corporation authorities and gathered the above information. The researcher used convenience-sampling technique for collecting the primary data. The researcher selected 75 respondents for data collection. A questionnaire was prepared and data were collected from the respondents. The collected data were tabulated and frequency tables were analyzed. The researcher has also collected secondary data from books, journals, magazines and websites.

Tools Used

The data collected was analysed with the help of statistical tools like Chi-square.

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ANALYSIS & INTERPRETATION

General Analysis

Table-2

Sources	Number of Respondents	Percentage
Age	35	46.7 (above 41)
Income	27	36 (above Rs. 4000)
Religious	74	98.7 (Hindu)
Education	22	29.3 (10^{th} Std.)
Occupation	31	41.3 (Others)

Sources: Primary Data

Among the 75 respondents, Maximum of 46.7 percentage of the respondents are in the age group of above 41. People incomes are segregate into different level. Among the 75 respondents, maximum 36 percent of the respondents having above Rs.4000 income. Among the 75 respondents, maximum 36 percent of the respondents having above Rs.4000 income. The Maximum of 29.3 percent of respondents are studied 10^{th} std. Maximum of 41.3 percent of the respondents are working under others category [i.e. Gem cutting, tailor, Bakery Shop etc.

Research Analysis

Table-3: Electrical Appliances Owned

Electrical Items	Number of Respondents	Percentage
Tube Lights	75	100
Bulbs	71	94.7
Fan	72	96.0
Mixy	58	77.3
Wet-Grinder	60	80.0
Refrigerator	15	20.0
Water Heater	19	25.3
Radio	39	52.0
Television	65	86.7
Iron Box	33	44.0
Motor Pump Set	37	49.3
Other Specify	14	18.7

Sources: Primary Data

Among the 75 respondents, 100 percent of the respondents are having Tube lights facility in their home, 96 percent of the respondents having Fan facilities, 94.7 percent of the respondents are having Bulbs facility in their houses, 86.7 percent of Television facility in their houses, 80 percent of the people having wet-grinder, 77.3 percent of the people having Mixy in their home, 52 percent of the respondents having Radio, 49.3 percent of the respondents are having Motor pump set in their house itself,

44 percent of the people are having Iron Box, 25.3 percent of the respondents having water heater, 20 percent of the people are having Refrigerator and finally 18.7 percent of the respondent are come under a group of other specify [it include washing machine, micro wave, Air conditioner].

Table-4: Usage of Power Bi-Monthly

Bi-Monthly Usages (Units)	Number of Respondents	Percentage
1-50	34	45.3
51-100	29	38.7
101-200	12	16.0
201-600	-	-
Above 601	-	-
Total	75	100.0

Sources: Primary Data

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Among the 75 respondents, Maximum 45.3 percent of the respondents are belonging to one to 50 units, 38.7 percent of the respondents are belonging to 51-100 units, and 16 percent of the respondents are belonging to 101-200 units. Majority of the respondents are using power within 50 units, followed by 51 to 100 and 101 to 200.

Table-5: Comparison between People Income and Usage of Power Bi-Monthly

Income (Rs.) / Power Usage (in units)	1-50	51-100	101-200	210-600	Above 601	Total
Less than Rs. 1000	5 (6.7%)	2 (2.7%)	-	-	-	7 (9.3%)
Rs. 1000-Rs. 2000	9 (12.0%)	1 (1.3%)	2 (2.7%)	-	-	2 (16.0%)
Rs. 2001 - Rs. 3000	15 (20.0%)	5 (6.67%)	-	-	-	20 (26.7%)
Rs. 3001 Rs. 4000	5 (6.7%)	2 (2.7%)	2 (2.7%)	-	-	9 (12.0%)
Above Rs. 4001	-	19 (25.3%)	8 (10.7%)	-	-	27 (36.0%)
Total	34 (45.3%)	29 (38.7%)	12 (16.0%)	-	-	75/75

Sources: Primary Data

A comparative study is made between incomes of the respondents with their domestic power consumption. Power usage from one unit to 50 units are compare with income group of the respondents. There are 34 people in their category. Among the 34, 5 people income is less than Rs. 1000; 9 people in the income group between Rs. 1001-2000; 15 people from the income group between Rs. 2001-3000; 5 people are from the income group between Rs. 3001 to 4000.

Secondly, 51-100 units are compare with same income level. There are 29 people in this category. Among 29, two people income is less than Rs. 1000, one people income are between Rs. 1001-2000, five people income are belonging to Rs. 2001-3000; 2 people income in the group between Rs. 3001-4000 and 19 people income are above Rs. 4000 income group level.

Thirdly, there are 12 respondents are compared to 101-200 units of power usages. Among 12 respondents, 2 people are belonging to Rs. 1001-2000 income level, again 2 people are belonging to Rs. 3001-4000 income level, and finally 8 people income are above Rs. 4000 income group level.

Testing of Hypothesis

Table-6: Association between Income and Number of Persons in the Family

Income	Number of Persons in the Family				Statistical Inference
	1-2	3-4	5-6	More than 6	
Less than Rs. 1000	7, 100.0%	0	0	0	X^2=145.503 d.f. = 6 $P < 0.05$ Significant
Rs. 1001-2000	0	12, 28.9%	0	0	
Rs. 2001-3000	0	20, 47.6%	0	0	
Rs. 3001-4000	0	9, 21.4%	0	0	
Above 4001	0	1, 2.4%	10, 100.0%	16, 100.0%	

Sources: Authors Compilation

The above table indicates the association between income and number of persons in the family.

Hypothesis–I: There is a significant association between income and number of persons in the family.

Null Hypothesis–I: There is no significant association between income and number of persons in the family.

Findings: The Chi-square test reveals that there is a significant association between the respondents from income with regard to the number of persons. There is no significant association between income and number of family members. Hence, the null hypothesis is accepted.

Table-7: Association between Income and Usage of Power Bi-monthly

Income	Usage of Power Bi-monthly			Statistical Inference
	1-50	51-100	101-200	
Less than Rs. 1000	7, 20.6%	0	0	X^2=73.122 d.f. = 8 P < 0.05 Significant
Rs. 1001-2000	12, 35.3%	0	0	
Rs. 2001-3000	15, 44.1%	5, 17.2%	0	
Rs. 3001-4000	0	9, 31.0%	0	
Above 4001	0	15, 51.7%	12, 100%	

Sources: Authors Compilation

The above table indicates the association between income and Usage of power bi-monthly.

Hypothesis–II: There is significant association between income and usage of power bi-monthly.

Null Hypothesis-II: There is no significant association between income and usage of power bi-monthly.

Findings: The Chi-square test reveals that there is a significant association between the respondents from income with regard to Usage of power bi-monthly. There is no significant association between income and Usage of power bi-monthly. Hence, the null hypothesis is accepted.

SUGGESTIONS

- Today's Electricity plays an important role in our country. Without electricity, it will definitely affect the all sectors like industrial, agriculture, domestic and commercial sector.
- Wind power, Solar Power, Wave power methods should be encouraged. The state and central Government should give financial relief to such projects.
- Institutions like hospitals, hotels, schools, colleges are encouraged to have their own power production.
- Small and remote towns can also be given top priority for self-reliance by their own way of meeting their power demand.

CONCLUSION

Wind power, Solar Power, Wave power methods should be encouraged. The state and central Government should give financial relief to such projects. The self-help group can be formed in the towns for generation of power. At the same time, saving electricity is equal to producing electricity.

The group can conduct a campaign among the users for saving electricity. Free electricity to one light and agriculture is gaining more appreciation from the users. The Government can extend this program to middle schools for promoting 100 percent literacy. At present unannounced and announced 'Power cut', is a major drawback in our country? Nearly 84 percent of the people are dissatisfied regarding power cut system in the study area.

People in Thuraiyur town are more used electrical appliances like tube lights, bulbs, Mixy, Radio, television etc. Therefore, the demand for power will be more when people use electrical appliances. Therefore, the both state and central Government should take effective steps for improving the performance of generating power and providing available power supply to the end-users. Power become the necessary for all human being. Therefore, effort should be made to go for better alternative in future. Let there be a light!

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AWARENESS TOWARDS PLASTIC MONEY OVER PAPER MONEY: A STUDY ON NORTHERN AREA OF TIRUCHIRAPPALLI DISTRICT

D. Vaishnavi[3]

ABSTRACT

Due to technological innovation in competitive world, the payment also underwent a tremendous change. This is mainly due to privatization and globalization the consumers have started making their payment through plastic money. It has moved from being a physical paper based exchange of value to a virtual electronic one. Most of the consumers have showed their preference of paying the payment through plastic money. The current study presents about the awareness of using plastic money over paper money. The study also highlights the role of plastic cards.

KEYWORDS

Plastic Money, Plastic Cards, Information Technology etc.

INTRODUCTION

In modern and competitive world, country has many systems to take care of its growth and development .The financial system of any country plays a very important role in the economic development. Money is one of the most important factors for living life. In early periods, barter system were used for exchange of goods, then came an era, where gold and silver coins came into being, then modernized by using paper notes & coins for trading goods and services. Due to innovative modern and number of reasons started using technology to transfer money for goods &services. Technology has taken over the globe and it dominates as it is used in almost all types of business, companies, companies and Industry.

Plastic Money

Plastic money is a term that is used predominantly in reference to the hard plastic cards we use every day in place of actual bank notes. They can come in many different forms such as cash cards, credit cards, debit cards, pre-paid cash cards and store cards.

HISTORY OF PLASTIC MONEY

History of Credit Card

The word Credit comes from a Latin word meaning trust. In the 21st Century, using credit cards seems to be a way of life that is generally taken for granted. Whatever needs or wants cannot be met with cash, can easily be obtained via credit, credit cards per se, however, have quite an interesting history. Credit was first used in Assyria, Babylon and Egypt 3000 years ago. The bill of exchange-the forerunner of banknotes was established in 14th century. One-third cash and two-thirds bill of exchange settled debts. Paper money followed only in the 17th century. Christopher Thornton, who offered furniture that could be paid off weekly, placed the first advertisement for credit in 1730. He introduced the idea of 'have now and pay later'.

History of Debit Card

ATM and debit card transactions take place within a complex infrastructure. To the consumer and merchant, they appear to be seamless and nearly instantaneous. However, in fact, a highly complex telecommunications infrastructure links consumers, merchants, ATM owners and banks. The common attribute of all ATM and debit card transactions is that the transaction is directly linked to the consumer's bank account – that is, the amount of a transaction is deducted (debited) against the fund in that account. A Debit card transaction involves the purchase of goods or services. In this case, the consumer present a debit card (which again was issued by the bank holding the checking account) to a merchant, and the consumer either enters a PIN (online debit) or signs a receipt (offline debit) to verify the consumer's identity.

History of Smart Cards

The proliferation of plastic cards started in the USA in the early 1950s. The Diners Club issued the first all-plastic payment card for general use in 1950. Acceptance of these cards was initially restricted to more select restaurants and hotels, which led to this

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type of card being referred to as a 'travel and entertainment card'. The entry of VISA and MasterCard into the field led to a very rapid proliferation of plastic money, at first in the USA, with Europe and the rest of the world following a few years later. At first, the cards' functions were quite simple.

Development of Plastic Money

Plastic money is gradually strengthening its position with the potential of further growth in the future. It is worthwhile to observe how plastic money will evolve in the future in a competitive environment in terms of safety, efficiency and convenience. The use of plastic money has been expanding quite rapidly and its development is a prominent trend in the area of retail payment. There are many evident advantage of an electronic mode of transfer as compared to conventional clearinghouse because banks are increasingly turning to technology for managing their payments.

REVIEW OF LITERATURE

Amin (2008), "Factors affecting the intentions of customers in Malaysia to use mobile phone credit cards" shows that mobile phones have provided an opportunity for banking institutions to introduce new services to the public. The latest service, which is now available in Malaysian banking institutions, is the mobile phone credit card. The purpose of this paper is to provide a preliminary investigation of the factors that determine whether Malaysia's bank customers will use the new mobile phone credit card technology. Paper extends the applicability of the technology acceptance model (TAM) to mobile phone credit cards and includes "Perceived credibility (PC)", the "amount of information about mobile phone credit cards (AIMCs)" and "perceived expressiveness (PE)", in addition to "Perceived usefulness (PU)" and "Perceived ease of use (PEOU)". The result indicate that PU, PEOU, PC and the amount of information contained on mobile phone credit cards are important determinants to predicting the intentions of Malaysian customers to use mobile phone credit cards. However, PE is not an important determinant in predicting the intentions of Malaysian customers to use mobile phone credit cards.

Gan (2008) "Singapore credit cardholders: ownership, usage patterns and perceptions." The purpose of this study is to analyze Singapore's diverse cardholders in search of variations among demographic groups, credit card profiles, and their perceptions with regard to credit card ownership and use. It then aims to discuss possible reasons governing Singaporeans' credit card ownership and use. In this study, decision trees were constructed using chi-square technique to examine the association between number of credit cards and the demographic characteristics, perceptions and other credit card-related variables. The number of credit cards was found to be significantly influenced by income and gender as well as perceptions that include "credit cards leads to over spending", "Saving as payment source", "unreasonable interest rates", "credit card as status symbol." The number of credit cards was also affected by credit-card-related variables such as missing payments sometimes, frequency of use, entertainment expenditures, and patrol purchase. This research provides an in-depth understanding of Singaporean multiple cardholders, thus it is useful in designing marketing strategies for card-issuers as well as anti-debit strategies for policy-makers in Singapore.

Al-Laham (2009) in his research "Development of Electronic Money and its Impact on the Central Bank Role and Monetary policy" asserts that, in recent years there has been considerable interest in the development of electronic money schemes. Electronic money has the potential to take over from cash as the primary means of making small-value payments and could make such transactions easier and cheaper for both consumers and merchants. Electronic money is a record of the funds or "value" available to a consumer stored on an electronic device in her possession, either on a prepaid card or on a personal computer for use over a computer network such as the internet. This paper argues that electronic money, as network goods, could become an important form of currency in the future. Such a development would influence the effectiveness and implementation of monetary policy. Author feels that, if an increased use of e-money substantially limits demand for central bank reserves, it would require changes in the operational target of the central bank and a closer coordination of monetary and fiscal policies.

SCOPE OF STUDY

The scope of the research study is only limited to North Part of Tiruchirappalli District. The present study is undertaken to know how far this service reaches the customers, their responses towards the using Plastic money over paper money. Their attitude towards the usage of the Cards and the various problem faced by them in using the Card.

OBJECTIVES OF STUDY

- To study and create the awareness and use of plastic money among the consumers.
- To analysis the factors responsible for preferring plastic money to hard cash.
- To identify the extent of using plastic money.
- To find out the attitude of cardholders towards plastic money.
- To offer suggestion for further improvements.

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RESEARCH METHODOLOGY

This study is based on both primary and secondary data. For this research, mainly questionnaire method is used to collect data from the respondents. The sample of 150 respondents from different consumers which was selected on the basis the local markets and shopping malls in Trichy city. Secondary data were collected from various books, Journals, Magazines and websites.

Sample Size and Technique: The sample of 150 respondents was selected by using stratified proportionate random sampling technique.

Tools for Analysis: Both Qualitative and quantitative data was analyzed in the light of framed objectives.

Quantitative data was tabulated and statistically analyzed. Qualitative data was interpreted based on the information collected from the field. The researcher adopted the chi-square test of goodness of fit to test the hypothesis formulated.

Findings from the Data Analysis

Table-1: Consumers Prefer to Hold

Types of Cards	Number of Respondents	Percentage (%)
Credit Card	43	29%
Debit Card	36	24%
Visa Card	49	32%
Specific Outlet card	22	15%
Total	**150**	**100**

Sources: Primary Data

From the above table it can be seen that 32% of respondents prefer to have Visa card, 29% of respondents prefer to have credit cards. There is a significant association between sex of the respondents and their convenient to pay.

Chi-Square Analysis

In this section, chi-square test is employed to identify whether there is an any significant association between the personal role of the respondents and study factors. The quality $\chi2$ describes the magnitude of the discrepancy between theory and observation. It is defined as:

$$\chi_c^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

Where O refers to observed frequency and E refers to the expected frequencies. The calculated value of $\chi2$ compared with the table value for given degrees of freedom at a certain specified level of significant.

If the calculated value is more than the table value, the difference between theory and observation is considered to be significant, on the other hand, the difference between theory and observation is not considered as significant.

Table-2

Convenient to Pay / Gender	Male	Female	Total
Cash	20	23	43
Card	36	35	71
Cheque	15	4	19
ECS	12	5	17
Total	83	67	150

Sources: Primary Data

H_0: There is no association between Gender and Convenient to pay.
Ha: There is association between gender and Convenient to pay.

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Result

Calculated value: 7.68,
Table value: 12.8,
Degrees of freedom 2 at 5% level of significance.

Inference: Since the calculated value of $\chi2$ is less than the table value, the null hypothesis is accepted. Hence it can be concluded that there is no significant association between Gender and convenient to pay.

Table-3

Age / Prefer Not for plastic Money	18-25 Years	26-35 Years	36-50 Years	Above 50 Years	Total
Instable Income	8	10	19	08	45
Lack of Trust	5	11	13	07	36
Lack of Knowledge	4	8	10	11	37
Malpractices by Bankers	8	6	13	5	32
Total	25	35	59	35	150

Sources: Primary Data

H_0: There is no association between age and not prefer to have plastic money.
Ha: There is association between age and not prefer to have plastic money.

Result

Calculated Value: 46.02,
Table Value: 23.6,
Degrees of freedom 9 at 5% level of significance.

Inference: Since the calculated value of $\chi2$ is greater than the table value, the null hypothesis is rejected. Hence, it can be conclude that there is association between not preferring plastic money and age group.

FINDINGS, SUGGESTION AND CONCLUSION

Findings

- 55% of respondents are male while 45 % of respondents are female.
- 35% of respondents are doing their business.
- 32% of respondents were preferred to have visa cards.
- 37% of respondents were making their payments through Plastic money.
- 32% of respondents not willing prefer paper money is only due to not able to get proper receipt.

Suggestion

Government at both center and state should create many awareness programme for using plastic money. At the same time, people should also be educated for using plastic money. It is advisable to accept and adapt according to it for survival. Modern financial system has gone through many changes in terms of payment processing system from traditional banking system to ATM/ Debit card, Credit card online payment, wire transfer, NEFT, RTGS etc. The banks / financial institutions providing plastic money by arranging seminars should train traders.

Conclusion

The study has clearly highlighted the advantage of instant transaction as one of the major factors favoring the use of plastic money over real money by the population today. The saving of time and the fact that the plastic money seems to be more portable also seems to further the cause of a possible change in the scenario of money usage in the economy. By educating the people about using cards helps to increase the usage.

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A STUDY ON FUNDAMENTAL & TECHNICAL ANALYSIS OF HINDUSTAN UNILIVER LIMITED

I. Rosanth[4]

ABSTRACT

Fundamental analysis is the cornerstone of investing. In fact, some would say that you are not really investing if you are not performing fundamental analysis. Because the subject is so broad, however, it is tough to know where to start. There are an endless number of investment strategies that are very different from each other, yet almost all use the fundamentals. The goal of this tutorial is to provide a foundation for understanding fundamental analysis. It is geared primarily at new investors who do not know a balance sheet and profit & loss statement. While you may not be a "stock-picker extraordinaire" by the end of this tutorial, you will have a much more solid grasp of the language and concepts behind security analysis and be able to use this to further your knowledge in other areas without feeling totally lost.

The biggest part of fundamental analysis involves delving into the financial statements. Also known as quantitative analysis, this involves looking at revenue, expenses, assets, liabilities and all the other financial aspects of a company. Fundamental analysts look at this information to gain insight on a company's future performance. A good part of this tutorial will be spent learning about the balance sheet, income statement, cash flow statement and how they all fit together.

The methods used to analyze securities and make investment decisions fall into two very broad categories: fundamental analysis and technical analysis. Fundamental analysis involves analyzing the characteristics of a company in order to estimate its value. Technical analysis takes a completely different approach; it does not care one bit about the "value" of a company or a commodity. Technicians (sometimes called chartists) are only interested in the price movements in the market.

KEYWORDS

Balance Sheet, P&L Statement Fundamental Analysis and Technical Analysis etc.

INTRODUCTION

The Indian capital market has changed dramatically over the last few years, especially since 1990. Changes have also been taking place in government regulations and technology. The expectations of the investors are also changing. The only inherent feature of the capital market, which has not changed is the 'risk' involved in investing in corporate securities. Managing the risk is emerging as an important function of both large scale and small-scale investors.

Financial statement analysis is the process of reviewing and analyzing a company's financial statements to make better economic decisions. These statements include the Income statement, Balance sheet, Statement of cash flows, and a Statement of retained earnings. Financial statement analysis is a method or process involving specific techniques for evaluating risks, performance, financial health, and future prospects of an organization.

Common methods of financial statement analysis include fundamental analysis, DuPont analysis, horizontal and vertical analysis and the use of financial ratios. Historical stock performance information combined with a series of assumptions and adjustments to the financial information may be used to stock future performance. Which help to draw The Chart for investor to make a financial decision in stock market is available for professional financial analysts.

The Graham a Dodd approach is referred to as Fundamental analysis and includes:

- Economic Analysis,
- Industry Analysis,
- Company Analysis.

The latter is the primary realm of financial statement analysis. Based on these three analyses the intrinsic value of the security is determined.

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Technicians (sometimes called chartists) are only interested in the price movements in the market.

OBJECTIVE OF STUDY

- To study Fundamental and Technical analysis of HUL.
- To analyze the accounting ratio, candlestick and common-size balance sheet.
- To analyze the HUL share performance with market risk (BSC).
- To find offer suggestion to improve investor return HUL.

PERIOD OF STUDY

The period taken for the study 2012-2016 to make analysis of share and financial performance.

RESEARCH METHODOLOGY

Research Design

This is a systematic way to solve the research problem and its important component for the study without which researches may not be able to obtain the format. A research design is the arrangement of condition for collection and analysis of data relevance to the research purpose with economy in procedure.

Methods of Data Collection

Secondary Data

The secondary data are those which have already been collection by some other agency and which have already been processed. The sources of secondary data are annual reports, browsing internet, through magazines.

Statistical & Financial Design

Common size Statement,
Ratio Analysis:

- Operating Profit Ratio
- Net Profit Ratio
- Expenses Ratio

Correlation (SPSS 20),
AMOS (Structural Equational Model).

INDUSTRY PROFILE

Fast Moving Consumer Good Industry Profile

The FMCG sector has grown at an annual average of about 11 per cent over the last decade. The overall FMCG market is expected to increase at (CAGR) of 14.7 per cent to touch US$ 110.4 billion during 2012-2020, with the rural FMCG market anticipated to increase at a CAGR of 17.7 per cent to reach US$ 100 billion during 2012-2025.

Food products is the leading segment, accounting for 43 per cent of the overall market. Personal care (22 per cent) and fabric care (12 per cent) come next in terms of market share.

Hindustan Unilever is placed at first position in the list of top 10 FMCG companies of India. Company was started in 1932 and has head office in Mumbai. Unilever owns it because Unilever has 67% share of HUL.

Company has huge distribution network and cover 2 million retail outlets in PAN India. More than 16,000 employees are associated with the company and working with a mission to produce quality Foods, beverages, cleaning agents and personal care products at economical cost.

Pharmaceutical and Automobile Industry (Share Analysis Only)

Table-1: Common Size Statement of HUL for the Year 2011-2016

	(%) Mar '16	(%) Mar '15	(%) Mar '14	(%) Mar '13	(%) Mar '12
Net Sales	**100**	**100**	**100**	**100**	**100**
Total Operating Income	100	100	100	100	100
Power & Fuel Cost	0.62	0.62	0.74	1.00	1.05
Employee Cost	35.34	37.58	42.78	41.88	42.93
Other Manufacturing Expenses	2.22	35.44	20.13	26.90	25.94
Total Operating Expenses	38.17	73.64	63.66	69.78	69.92
Operating Profit	**61.83**	**26.36**	**36.34**	**30.22**	**30.08**
Other Income	5.29	0.97	1.17	-1.59	0.00
Total Income (Include Administration)	67.12	27.33	37.51	28.63	30.08
Miscellaneous Expenses	45.55	9.52	14.49	10.59	14.21
Interest	0.25	0.04	0.53	1.82	1.95
Depreciation	2.60	2.47	2.62	2.62	2.87
Tax	3.35	3.52	4.78	2.74	2.26
Total Administrative Expenses	51.76	15.55	22.42	17.76	21.29
Reported Net Profit	**15.36**	**11.77**	**15.09**	**10.87**	**8.79**

Sources: Authors Compilation

Interpretation: HUL Company has high profit in the year 2016 compare with all other year. The total administrative expenses was maximum and operating expenses was minimum in the same year.

Table-2

Years	Gross Profit	Sales	Ratio
Mar '16	14,751.89	31,987.17	46.12
Mar '15	13,173.55	30,805.62	42.76
Mar '14	11,806.81	28,019.13	42.14
Mar '13	10,569.30	25,810.21	40.95
Mar '12	8,893.70	22,116.37	40.21

Sources: Authors Compilation

Interpretation: The maximum Gross profit ratio was 46.12% in the year 2016.

Table-3

Years	Net Profit	Sales	Ratio
Mar '16	4,082.37	31,987.17	12.76
Mar '15	4,315.26	30,805.62	14.01
Mar '14	3,867.49	28,019.13	13.80
Mar '13	3,796.67	25,810.21	14.71
Mar '12	2,691.40	22,116.37	12.17

Sources: Authors Compilation

Interpretation: The maximum Net profit ratio was 14.71% in the year 2013.

Table-4

Years	Operating Expenses	Sales	Ratio
Mar '16	17,148.17	31,987.17	53.61
Mar '15	17,573.79	30,805.62	57.05
Mar '14	16,378.70	28,019.13	58.46
Mar '13	15,272.04	25,810.21	59.17
Mar '12	13,093.94	22,116.37	59.20

Sources: Authors Compilation

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Interpretation: The maximum operating expenses ratio was 59.17% in the year 2013.

Table-5

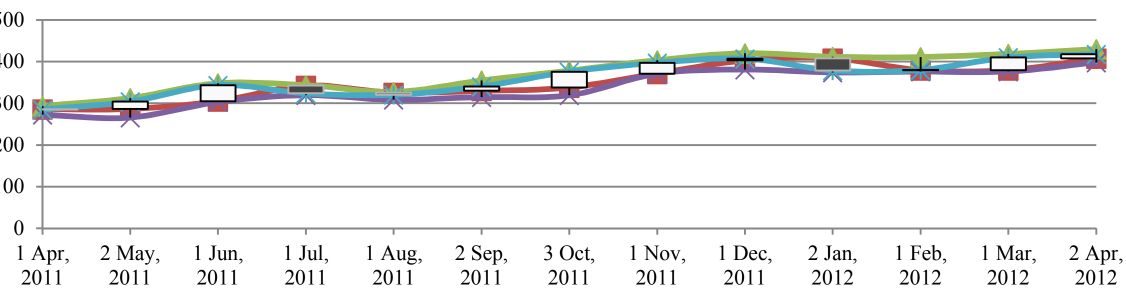
Years	Administrative Expenses	Sales	Ratio
Mar '16	11,131.12	31,987.17	34.80
Mar '15	10,140.98	30,805.62	32.92
Mar '14	8,789.03	28,019.13	31.37
Mar '13	7,987.93	25,810.21	30.95
Mar '12	6,599.48	22,116.37	29.84

Sources: Authors Compilation

Interpretation: The maximum operating expenses ratio was 34.80% in the year 2016.

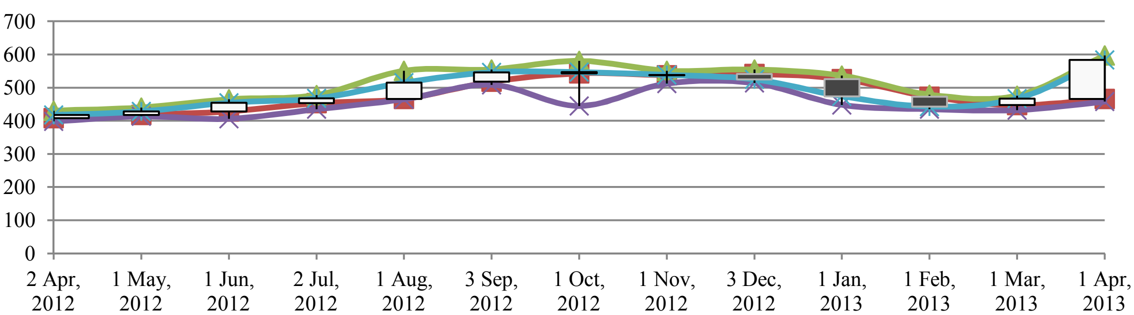
Candle Stick Analysis of Share Value of HUL

Chart-1(a): Monthly Analysis for 2011-12



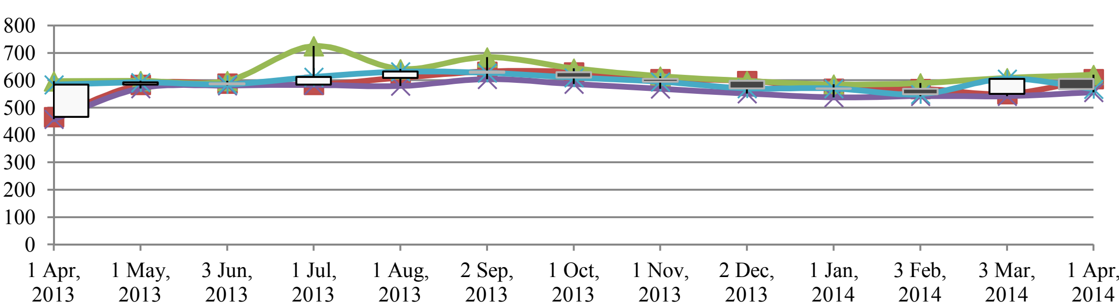
Sources: Authors Compilation

Chart-1(b): Monthly Analysis for 2012-13



Sources: Authors Compilation

Chart-1(c): Monthly Analysis for 2013-14



Sources: Authors Compilation

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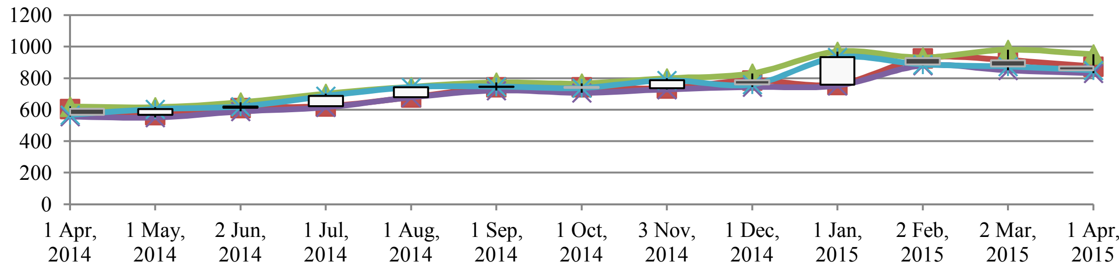
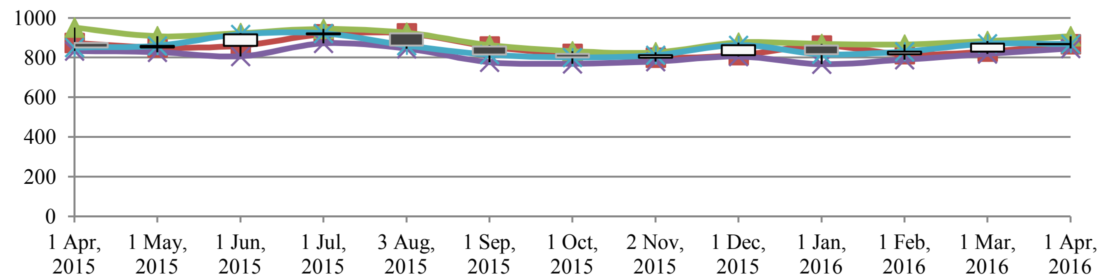
Chart-1(d): Monthly Analysis for 2014-15



Sources: Authors Compilation

Chart-1(e): Monthly Analysis for 2015-16



Sources: Authors Compilation

Interpretation: The maximum fluctuation of share value was in the year 2014-15.

Table-6: Correlation between Sensex & HUL

	Value	Asymp. Std. Error(a)	Approx. T(b)	Approx. Sig.
Pearson's R	.890	.020	15.084	.000(c)
Spearman Correlation	.866	.026	13.432	.000(c)
N of Valid Cases	62			

Sources: Authors Compilation

Note: a. Not assuming the null hypothesis.
b. Using the asymptotic standard error assuming the null hypothesis.
c. Based on normal approximation.

Result: The correlation between SENSEX and HUL was highly positively correlated.

Table-7: Standardized Regression Weights for HUL Statement

Regression Variable			Estimate	Standard Error	Critical Ratio	P -Value
Sales	<---	OE	.791	.047	16.914	***
Sales	<---	AE	1.469	.047	31.162	***
Net Profit	<---	OE	1.567	.612	2.561	.010
Net Profit	***<---***	***AE***	***1.986***	***1.131***	***1.757***	***.079***
Net Profit	***<---***	***Sales***	***-1.426***	***.768***	***-1.857***	***.063***

Sources: Output Generated using AMOS-18

Interpretation: Form the Standardized Regression Weights for HUL Statement it was found that, for 1 unit of increase in Operating & Administrative expenses will increase Sales by 0.731 & 1.469 unit respectively. For 1 unit of increase in Operating, Administrative expenses & Sales will increase Net profit by 1.567 & 1.986 and decrease Net profit by 1.426 unit respectively.

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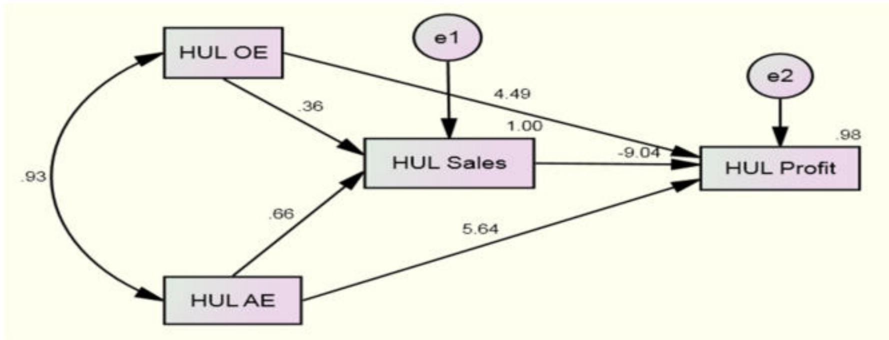
Figure-1: Structural Equation Model for HUL Statement



Sources: Output generated using AMOS 18

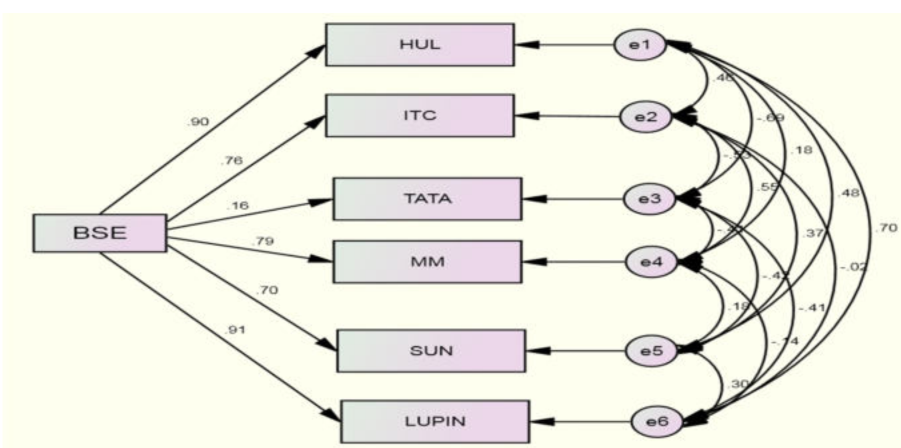
Table-8: Standardized Regression Weights Share Value

Regression Variable			Estimate	Standard Error	Critical Ratio	P -Value
e1	<-->	e2	1444.710	444.618	3.249	.001
e1	<-->	e3	-13240.861	2995.474	-4.420	***
e1	***<-->***	***e4***	***117.687***	***85.348***	***1.379***	***.168***
e1	<-->	e5	4816.594	1417.561	3.398	***
e1	<-->	e6	12653.894	2827.188	4.476	***
e2	<-->	e3	-4484.789	1229.585	-3.647	***
e2	<-->	e4	159.117	42.225	3.768	***
e2	<-->	e5	1602.327	598.229	2.678	.007
e2	***<-->***	***e6***	***-139.325***	***1020.213***	***-.137***	***.891***
e3	<-->	e4	-725.408	244.259	-2.970	.003
e3	<-->	e5	-11298.903	3724.841	-3.033	.002
e3	<-->	e6	-19825.139	6727.801	-2.947	.003
e4	***<-->***	***e5***	***159.619***	***118.536***	***1.347***	***.178***
e4	***<-->***	***e6***	***-229.689***	***213.976***	***-1.073***	***.283***
e5	<-->	e6	7494.674	3360.181	2.230	.026

Sources: Authors Compilation

Interpretation: HUL, LUPIN & SUN are Regression with M&M was not significant and ITC are Regression with SUN was not significant. Other companies are significant (related).

Figure-2: Structural Equation Model for Share Value



Sources: Output generated using AMOS 18

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FINDINGS

- In HUL, the total administration expenses was minimum which is help to increase the profit.
- HUL operating profit ratio was maximum in the year 2016 the ratio was 46.12 and the Net profit ratio maximum in the year 2015 the ratio was 14.01. The Manufacturing expenses ratio was minimum in the year 2016 the ratio was 53.61 and the Administrative expenses ratio in the year of 2012, the ratio was 29.84.
- The correlation between the BSE with HUL are highly positive correlated.
- ***Form the Standardized Regression Weights*** for HUL Statement it was found that, Sales<---OE, Sales<---AE & Net Profit <---OE was significant (Related) and Net Profit<---AE & Net Profit<---Sales was not significant (Not Related).
- ***Form the Standardized Regression Weights standard deviation*** for Share price movement it was found that, BSE Index will Roots HUL, ITC, M&M, LUPIN and SUN by 0.987, 0.907, 0.872, 0.978 and 0.756 unit of High related standard deviation respectively and Tata by 0.261 High related standard deviation.

SUGGESTIONS

- Whenever a company increases the raw material, cost leads to increase the profit and they need to reduce administrative expenses. So, that the investor should be assess the way in depth analysis on the relationship of the expenses, profit and sales.
- The HUL are working independently as per the selected companies top listed among three industries.
- The Market risks are measured through comparing with all six companies, from that the TATA motors is independent in nature, except TATA motors, other companies are dependent towards market i.e. BSE value.
- HUL is highly regression with predict and to identify the movements of share based analysis. So that the investors good to avoid to holding up such a share to avoid risks (TATA Motors) of investor and get maximum return (HUL).

CONCLUSION

Technical analysis is a method of evaluating securities by analyzing the statistics generated by market activity. It is based on three assumptions: the market discounts everything, price moves in trends and history tends to repeat itself. Financial reports are required by law and are published both quarterly and annually. The profit of the HUL was high when the cost of labour cost as per the year 2016 and the company earn profit when the share price was high fluctuating. The company profit and loss statement influences the share price movement extremely.

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STUDY ON CUSTOMER'S PERCEPTION TOWARDS SBI MUTUAL FUNDS AT SRIRANGAM – TRICHY TOWN

R. Idhayajothi[5]

ABSTRACT

A mutual fund is a pool of money from numerous investors who wish to save or make money just like you. Investing in a mutual fund can be a lot easier than buying and selling individual stocks and bonds on your own. Investors can sell their shares when they want. Investment is a commitment of funds in real assets or financial assets. Investment involves risk and gain. In the present dynamic global environment, exploring investment avenues are of great relevance. Investment skills developed over a period are considerably influenced by experience and spadework carried out to arrive at conclusions. The success of an investment activity depends on the knowledge and ability of investors to invest, the right amount, in the right type of investment, at the right time.

KEYWORDS

Investment, Mutual Funds, Bonds, Investment Portfolio etc.

CONCEPT OF MUTUAL FUND

Definition of mutual funds: The Securities and Exchange Board of India (Mutual funds) Regulations, 1993 define mutual fund as" a fund established in the form of a trust by a sponsor to raise monies by the trustees through the sale of units to the public, under one or more schemes for investing in securities in accordance with these regulations''.

A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is then invested in capital market instruments such as shares, debentures and other securities. The income earned through these investments and the capital appreciation realized is shared by its unit holders in proportion to the number of units owned by them. Thus, a Mutual Fund is the most suitable investment for the common person as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost.

SIGNIFICANCE OF STUDY

It is observed that investors are more reliable and attached with a particular type of investment avenues. So it becomes significant to study the motivational factors that compel them for selecting the investment avenues. A study on customer's perception towards SBI mutual funds in Srirangam, Tiruchirappalli Town, assumes a greater significance in the formulation of policies for the development and regulation of security markets in general and protection and promotion of small and household investors in particular, which ultimately leads to the economic development of a nation.

SCOPE OF STUDY

The present study covered Customer's perception of SBI mutual fund based on investment pattern, motivated factors in your SBI investment, factors influencing your SBI mutual fund decisions, SBI mutual fund investment portfolio, problems faced by the SBI mutual fund investors and risk factors towards SBI mutual fund.

DEFINITION OF PROBLEM

The various SBI investment avenues for people to invest their money are growth, growth and income funds, balanced funds, money market mutual fund, open-end fund and closed-end fund and so on. An investor can choose from a variety of funds to suit his risk tolerance, various SBI mutual fund investment avenues and objectives. Against this background, the researcher has taken up this topic.

The investors are finding various problems in selecting their various SBI mutual fund investments. It is identified that there is a need for research work in the field of customer's perception of SBI mutual funds in Srirangam Tiruchirappalli Town.

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The present study covered level of Customer's perception of SBI mutual funds based on investment pattern, motivational factors in investment, factors influencing investment decisions, investment patterns, investment portfolio, savings avenues, investment preference, level of satisfaction, various mutual fund savings, problems faced by the investors and risk factors.

OBJECTIVES OF STUDY

The objective of the study is to understand the study on Customer's perception of SBI mutual funds in Srirangam Tiruchirappalli Town. For this, the specific objectives of the research work are as under:

- To study the profile and performance of SBI mutual funds in Tiruchirappalli Town.
- To analyze the factors are influencing the investors' opinion regarding different SBI mutual funds in Srirangam.
- To measure the investors' level of satisfaction towards different SBI mutual funds in Srirangam.
- To identify the problems faced by the investors towards SBI mutual funds in Srirangam Tiruchirappalli Town.
- To offer suitable suggestions to measure the SBI mutual funds in Srirangam.

HYPOTHESES

Based on the above objectives, the following hypotheses framed and formulated for the study.

Ho1: There is no significant difference between investors' opinion and levels of satisfaction towards SBI mutual fund based on demographic profile.
Ho2: There is no significant different between the problems faced by the SBI mutual fund investors and demographic profile.
Ho3: There is no significant different between the risk factors toward SBI mutual fund investors and demographic profile.

RESEARCH METHODOLOGY

The present study is based on field survey method. The study is purely empirical and analytical which is supported by only primary data. Designing a suitable methodology and selecting the analytical tools are important for a meaningful analysis of any research problem. It includes sample design, period of study, and collection of data tools for analysis.

Primary Data: The primary data were collected directly from the sample investors through a well-devised questionnaire.

Secondary Data: The secondary data relating to the study were collected from books, journals, research articles, magazines, reports, newspapers and websites.

Sampling Procedure: The convenience sampling method was adopted for the study. The study is confined to Srirangam, Tiruchirappalli Town only. Since the size of universe is infinite, the researcher decided to select a sample size of 360 respondents SBI mutual fund investors.

Statistical Tools Used for the Analysis: The following statistical techniques had been applied depending on the nature of data collected from the respondents, Percentage analysis, Descriptive analysis; Independent samples T-test, Oneway ANOVA, Correlation analysis, Regression analysis and factor analysis. The reliability and validity analysis of the data in this study was analyzed using Statistical Package for Social Sciences

Period of the Study: The present study covered both primary and secondary data. The primary data has been collected in a period of six months from July 2015 to December 2015 for the purpose of analysis and evaluation. This period was considered normal for a study like this.

LIMITATIONS OF STUDY

The limitations of the study has been identified as follows in this study.

- The study is based on the reported responses evoked through the questionnaire technique rather than on direct observation of what investors actually do. Sometimes respondents were unwilling to answer and it was difficult to convince them to get answers for all the questions.
- The research work was carried out only in Srirangam- Tiruchirappalli Town.
- SBI mutual funds investors namely government and private employees are taken for the study.

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CONCLUSION

The sample schemes studied, SBI Magnum Multiplier plus Scheme topped the list in all the three portfolio performance models. All the sample schemes (except LIC MF Equity Scheme) ensured positive returns due to stock selection skills of fund managers. The variance explained by the market was high in the case of SBI Magnum Multiplier Plus scheme. The market performance had a significant positive influence on scheme performance in case of all the schemes covered under the study. The present NAV is positively significantly correlated with that of its past NAV but the impact was reduced as the time lag increased.

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A STUDY ON BRAND LOYALTY TOWARDS FASTRACK WATCHES AT TRICHY

S. Vaishnavi[6]

ABSTRACT

Brand loyalty has become a truism in trademark discourse. Building brand loyalty in a competitive market can play an efficient role in the modern marketing environment. It is now widely acknowledged by companies and business enterprises that strong brand loyalty will make a competitive advantage in the marketplace that will increase their overall knowledge with experiences and trustworthiness. This paper helps to identify the various attributes for buying FastTrack watches and the extent of satisfaction towards the FastTrack watches.

KEYWORDS

Brand loyalty, FastTrack etc.

INTRODUCTION

"A Brand is not just a Logo, a Website, or you're Business Cards… It's an Experience"

Brands are different from products in a way that brands are "what the consumers buy", while products are "what concern / companies make". Brand is an accumulation of emotional and functional associations. Brand is a promise that the product will perform as per customer's expectations. It shapes customer's expectations about the product. Brands usually have a trademark, which protects them from use by others.

A brand gives particular information about the organization, good or service, differentiating it from others in marketplace. Brand carries an assurance about the characteristics that make the product or service unique. A strong brand is a means of making people aware of what the company represents and what its offerings are.

To a consumer, brand means and signifies:

- Source of product,
- Delegating responsibility to the manufacturer of product,
- Lower risk,
- Less search cost,
- Quality symbol,
- Deal or pact with the product manufacturer,
- Symbolic device.

OBJECTIVES OF STUDY

- To identify the purpose for buying FastTrack watches.
- To assess the brand loyalty of consumers with respect to various levels of price increase.
- To know the brand switching behavior of respondents.
- To evaluate the extent of satisfaction among FastTrack watches.

SIGNIFICANCE OF STUDY

It is well known that for a company is more than important to have loyal consumers, since they provide steady income over a significant period. If they are treated with respect and there is an interest in their problems, consumers will not change the brand, will recommend it further to some other potential consumers, thus becoming long-term "advocators" of the brand. Their word and credibility they have in front of acquaintance is more importance than the company is marketing actions to promote a brand. This study will highlight the consumer perception towards brand loyalty (brand knowledge, consumer attitude, satisfaction, consumers risk and brand trust); factors influence the purchase of FastTrack watches in Tiruchirappalli district.

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STATEMENT OF PROBLEM

The topic deals with the study of brand loyalty towards FastTrack watches. In order to know the brand loyalty, it is important to know the consumer satisfaction to a certain extent as it determines the brand loyalty. The aim of the study is to know whether the FastTrack watches satisfied the consumers and paves way to build a brand loyalty. Hence, an attempt is made to study about brand loyalty towards fast track watches.

RESEARCH METHODOLOGY

Research methodology is the systematic way to solve the research problem. It gives an idea about various steps adopted by the research in a systematic manner with an objective to determine various manners.

Research Design: A research design is considered as the framework or plan for a study that guides as well as helps the data collection and analysis of data. The descriptive research design is adopted for his project.

Sample Size: The sample size selected for the study is 100 respondents. The respondents are selected by simple random sampling method.

Sampling Area: The study is conducted among customer of FastTrack watches.

Sampling Design: Sampling design is definite obtaining a sample for a given population. It refers to the technique or procedure, researcher would adopt in selection of item for sample. The Sampling technique adopted for the purposes of the study was simple random sampling.

Data Collection: Data is regarded measure of phenomena while deciding about the method of data collection; the researcher should keep in the mind about two types of data.

- **Primary Data:** Primary data is the first hand of information, which the researcher gets from the population. The tool for collecting primary data is "questionnaire".
- **Secondary Data:** Secondary data has been collected from the journal, books, internet etc.

Analysis of Data: The data are collected through questionnaire. The data collected by the researcher are tabulated and analyzed in such a way to make interpretations.

LIMITATIONS OF STUDY

- The number of respondents was limited to 100 only.
- The research was carried out in a short span of time.
- The outcome of the study was restricted only to FastTrack customers.

REVIEW OF LITERATURE

Nasr Azad; Ozhan Karimi; Maryam Safaei (2012) had presented an empirical study to investigate the effects of different marketing efforts on brand equity in mobile industry. The results show that there is a positive and meaningful relationship between marketing mix efforts and brand equity. In other words, more advertisements could help better market exposure, which means customers will have more awareness on market characteristics. Among all mixed efforts, guarantee influences more on brand equity, which means consumers care more on product services than other features. Finally, among different characteristics of brand equity, product exclusiveness plays an important role. In other words, people are interested in having exclusive product, which is different from others.

FastTrack

FastTrack is a wristwatch brand under Titan Industries, which is the fifth largest watch manufacturer in the world. Titan is a joint venture between Tata Group and Tamil Nadu industrial Development Corporation. FastTrack was launched in 1998 and its wrist watches were mainly youth oriented. After launching FastTrack sunglasses, it became the largest sunglasses seller in India. The company has various ranges of bags, wallets and belts etc. It has opened its separate stores, which mostly attracts the young generation.

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FastTrack was launched in 1998 as a sub-brand of Titan. It was spun off as an independent Accessory brand targeting the urban youth in 2005. With a vision to become a complete fashion brand for the youth, FastTrack quickly extended its footprint to sunglasses in 2005 & then Bags, Belts & Wallets in 2009.

ANALYSIS AND INTERPRETATION

Table-1: Socio-Demographic Profile (n=100)

S. No.	Particulars	Percentage of Respondents
Gender		
1	Male	40
2	Female	60
Age		
1	Below 20 Years	18
2	21-30 years	61
3	31-40 years	10
4	41-50 years	5
5	Above 50 years	6
Educational Qualification		
1	SSLC	5
2	HSC	12
3	Graduate	62
4	Post-Graduate	11
Marital Status		
1	Married	32
2	Unmarried	68
Occupation		
1	Housewife	14
2	Employed	62
3	Unemployed	-
4	Students	22
5	Others	2
Monthly Income		
1	Below Rs. 10000	50
2	Rs. 10001 - Rs. 20000	33
3	Rs. 20001 - Rs. 30000	6
4	Rs. 30001 – Rs. 40000	6
5	Above Rs. 40000	5

Sources: Primary Data

Inference: From the above table it can be inferred that 60% of the respondents are female, 61% of the respondents lies in the age group of 21-30 years, 62% of the respondents are Under Graduates, 68% of the respondents are unmarried, 62% of the respondents are employed persons, and 50% of the respondents receive below Rs.10000 as a monthly income.

Table-2: How Did You Come to Know About the Fastrack Watches?

S. No.	Know About The Fastrack	Percentage of Respondents
1	Advertisement	56
2	Friends	30
3	Relations	10
4	Shop-keeper	-
5	Free Gift / Offer	4
	Total	**100**

Sources: Primary Data

Inference: From the above table it can be inferred that 56% of the respondents come to know about the FastTrack watches through the Advertisement.

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Table-3: Who Makes the Purchase Decision?

S. No.	Purchase Decision	Percentage of Respondents
1	Husband	14
2	Wife	20
3	Father	52
4	Mother	24
5	Children Adult Son / Daughter	-
	Total	**100**

Sources: Primary Data

Inference: From the above table it can be inferred that 52% of the respondents said that the purchase decision made by the Father.

Table-4: Who Actually Buys?

S. No.	Actually Buys	Percentage of Respondents
1	Husband	14
2	Wife	10
3	Father	46
4	Mother	22
5	Children Adult Son / Daughter	8
	Total	**100**

Sources: Primary Data

Inference: From the above table it can be inferred that 46% of the respondents said that Father would make purchase.

Table-5: How Many Fastrack Watches Have Been Purchased Until Now?

S. No.	Number of Watches Have Been Purchased	Percentage of Respondents
1	One Watch	32
2	Two Watches	40
3	Three Watches	18
4	Four Watches	6
5	Five Watches	4
	Total	**100**

Sources: Primary Data

Inference: From the above table it can be inferred that 40% of the respondents said that they have been purchased 2 watches till now.

Table-6: Purpose for Purchasing Fastrack Watches

S. No.	Purpose	Percentage of Respondents
1	Quality	36
2	Reliability	4
3	Price	2
4	Brand Name	18
5	Trendy Models	40
	Total	**100**

Sources: Primary Data

Inference: It is clear from the table that 40% of the Respondents purchase FastTrack Watches for Trendy Models.

Table-7: Switch Over to Other Brand

S. No.	Price Decline In Other Brand	Percentage of Respondents
1	Yes	16
2	No	84
	Total	**100**

Sources: Primary Data

Inference: It is clear from the table that 84% of the Respondents said that they would not switch over to other brand if there were decline in price in other brands.

Table-8

S. No.	Price Rise (Fastrack)	Percentage of Respondents
1	Yes	22
2	No	78
	Total	**100**

Sources: Primary Data

Inference: It is clear from the table that 78% of the Respondents buy the same brand if there is a price rise in the existing brand.

Table-9: Satisfaction Level

S. No.	Level of Satisfaction	Percentage of Respondents
1	Very Much Satisfied	38
2	Much Satisfied	36
3	Satisfied	15
4	Not Satisfied	11
	Total	**100**

Sources: Primary Data

Inference: It is clear from the above table that 89% of the Respondents are satisfied with FastTrack Brand.

CONCLUSION

Brand loyalty exists when the consumer feels that the brand consists of right product characteristics and quality at right price. Even if the other brands are available at cheaper price or superior quality, the brand loyal consumer will stick to his brand. After analyzing the various factors relating with brand loyalty with FastTrack users, it is observed that there are people who believe in branded items. Factors like Quality, Price, brand plays a vital role in brand loyalty.

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A STUDY ON CUSTOMER PERCEIVED VALUE OF SMART PHONE USERS AT TRICHY

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ABSTRACT

Overall perceived value is the reason for purchase and consumption of a product to meet or maximize a certain value. However, this research will focus mainly on customer perceived value and its impact on student deviant behaviour and academic performance. However, it seems no study has endeavored in examining the impact of perceived values of smart phone and its impact on student's deviant behaviour in higher educational setting. In spite of the importance of understanding the perceived value associated with smart phone and students' deviant behaviour , most studies have been confined to perceive value of smart phone and customer satisfaction and repeat purchase. The research work is an empirical study, which consists a sample size of 100 respondents using convenient sampling method based on the convenience of the respondents. The main objectives of the study are to find out the factors influencing perceived value of smart phone users. Result shows that there is no significant difference between personal profile and perceived value of smart phone.

KEYWORDS

Smart Phone, Perceived Value etc.

INTRODUCTION

As smart phone consumptions increased over the recent years, most of the mobile phone manufacturers started spending billions on developing more user friendly, interactive smartphone to the market. Similarly, various consumption or perceived value theories were introduced such as Seth et al (1999). Some defines perceived value as factors that influence a customer to purchase a certain product (Seth et al, 1999). Alternatively, it is defined as what is received (benefit) and what has to be sacrificed (Monroe, 2003).

STATEMENT OF PROBLEM

Nowadays, customer are continuously Facing the dilemma; Which Phone to buy after the Smart Phones have been released, the choice seemed to be even harder, since the opportunities and offers that producers are providing are endless as number of manufacturers have entered the smart phones market the competition in the smart phone market becomes more and more fierce, India has now become the third – largest smartphone market after China. An important variable for forecasting actual purchase behaviour is purchase intention, it measure the length of time on purchase of goods. For instant, buy now meaning strong purchase of goods for instant buy it half means weaker purchase intention (**Boyd** & Mason, 1999). How much time to gather needed product information and consideration much priority goes first, continue till last one (Dodds, 1991) In recent years, mobile phone has evolved from essentially an interpersonal communication device to a multimedia machine known as smartphone.

OBJECTIVES

- To find out the factors influencing perceived value of smart phone.
- To know whether there exists a significant difference between personal profile and perceived value of smart phone.

HYPOTHESES

There is no significant difference between personal profile and perceived value of smart phone.

METHODOLOGY

Data are collected through primary data and secondary data. Primary data is collected through questionnaire method. Secondary data are collected from journals, books and internet. The five scales as measure the questionnaire constructed: strongly agree, agree, neutral, strongly disagree and disagree. Convenient sampling method is used based on the convenient of the respondents. Sampling size consists 100 samples collected from smart phone users. Percentage analysis, ANOVA and t-test are used.

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RESULTS AND DISCUSSION

Table-1: Perceived Value of Smart Phone Users

Perceived Value	Strongly Agree	Agree	Neutral	Dis-Agree	Strongly Dis-Agree
Compared to alternative smart phone, my smart phone offers attractive product / services costs.	39	61	-	-	-
Compared to alternative smart phone, the company charges me fairly for similar products / services.	25	46	8	11	10
Compared to alternative smart phone, the smart phones provides more free services.	26	51	-	23	-
Comparing what I pay to what I might get from other competitive smart phones.	49	38	13	-	-
I think the smart Phone provided me with good value.	32	56	2	1	9
Comparing what I pay to what I might get from other competitive smart phone, I think my smart phone provides me with good value.	35	45	15	5	-

Sources: Primary Data

Table 1 shows that 61% of the respondents agree the statement - "Compared to alternative smart phone, my smart phone offers attractive product/services cost", and only 1% of the respondents disagree the statement- "I think the smart Phone provided me with good value".

Table-2: Customer Loyalty of Smart Phone Users

Opinion	N	Mean	Std. Deviation	Std. Error Mean
Positive things about my smart phone.	80	1.74	.443	.050
Recommend to who seek my advice about such matters.	80	2.04	.892	.100
Encourage friends and relatives.	80	1.54	.885	.099
Some Internet message board.	80	1.95	.761	.085
Continue to do business with the present smart phone.	80	2.30	1.118	.125
Do more business with the smart phone.	80	2.41	1.299	.145

Sources: Compiled from Primary Data

Table 2 shows that the most important factor influencing customer loyalty of smart phone is the opinion "Do more business with the smart phone (mean=2.41)" and the least important factor influencing customer loyalty of smart phone is the opinion "Encourage friends and relatives" (mean=1.54)

Table-3: Switching Cost of Smart Phone Users

Perceived Value	Strongly Agree	Agree	Neutral	Dis-Agree	Strongly Dis-Agree
It takes me a great deal of time and effort to get used to a new smart phone.	15	38	7	28	12
It costs me too much to switchover to another smart phone.	20	22	8	22	28

Sources: Primary Data

Table-3 shows that 38% of the respondents agree the statement- "It takes me a great deal of time and effort to get used to a new smart phone", and only 7% of the respondents neutral the statement- "It costs me too much to switchover to another smart phone".

Table -4: ANOVA
Showing the Personal Profile and Customer Value of Smart Phone

Personal Profile		Sum of Squares	d.f.	Mean Square	F	Sig.
Gender	Between Groups	5.990	3	1.997	10.989	.000
	Within Groups	13.810	76	.182		
	Total	19.800	79			
Marital Status	Between Groups	2.777	3	.926	4.284	.008
	Within Groups	16.423	76	.216		
	Total	19.200	79			
Education Status	Between Groups	15.174	3	5.058	3.633	.017
	Within Groups	105.813	76	1.392		
	Total	120.988	79			
Occupation Status	Between Groups	40.109	3	13.370	15.953	.000
	Within Groups	63.691	76	.838		
	Total	103.800	79			
Monthly Income	Between Groups	15.569	3	5.190	6.400	.001
	Within Groups	61.631	76	.811		
	Total	77.200	79			

Sources: Compiled from Primary Data

Table-4 shows that there is a significant difference between Gender (p=.000). Marital Status (p=.008), Education Status (p=.017), Occupation Status (p=.000), Monthly Income (p=.001), and customer value of smart phone.

FINDINGS OF STUDY

- 52.5 percent of the respondents are having smart phone.
- 61.2 percent of the respondents agreed that attractive products or services while offer.
- 46 percent of the respondents agreed that company charged fairly price for similar product.
- 51.2 percent of the respondents agreed that provide more free services to the customers.
- 49 percent of the respondents strongly agreed that getting fair price from other competitive smart phone.
- 56 percent of the respondents agreed that smartphone is provided with good value.
- 45 percent of the respondents agreed that comparing other company smartphone is provided with good value.
- 74 percent of the respondents strongly agreed that smart phone creates things that are more positive.
- 62 percent of the respondents strongly agreed that encourage friends and relatives to buy a smart phone.
- 58 percent of the respondents agreed that give positive messages through some internet message board.
- 33 percent of the respondents continue to do the business with the present smart phone.
- 36 percent of the respondents agreed that do more business with smart phone.
- 37.5 percent of the respondents agreed that a great deal of time and effort into get used to a new smart phone.
- 25 percent of the respondents disagreed and strongly disagreed that too much cost to switchover to another smartphone.

SUGGESTIONS

- Most of the respondents are graduates but it will be used by business men and professionals the usage of smart phone is increased.

- Most of the respondents are earned below Rs. 5000. Therefore, they could not spend more money to buy a smart phone. Therefore, the companies are maintained the moderate price level, and give more offers to them they are getting a chance to buy a better smart phone.

- Most of the respondents agreed that the company provide more free services to the customers. Therefore, the company continues a facility it will help to maintain the smart phone very easily.

- Most of the respondents agreed that smart phone gives positive things to the customers. So that they post more number of messages through smartphone internet usage.

- Many businessmen has agreed that do more business with smart phone because it will help more ideas to improve the business.

CONCLUSION

This study concludes that customer satisfaction is significantly related with perceived service quality and perceived value. As the gap between perception and expectation is negative we can concluded that customer has more expectation than they actual received. If management wants to enhance customer's satisfaction evaluations, it would be more beneficial to influencing customer's perceptions of the service performance than altering their expectations.

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A STUDY TO ASSESS CURRENT BEHAVIOURAL TREND AMONGST STUDENTS TOWARDS ONLINE SHOPPING

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ABSTRACT

Online shopping offers the customer a wide range of products, services wherein he/she is able to compare the price quoted by different suppliers, and choose the best deal from it. Internet marketing is conceptually different from other marketing channels and internet promotes a one-to-one communication between the seller and the end user with round the clock customer service. The consumer, in case of online shopping can buy the selected product rapidly by doing some clicks from home or work saving time and energy in spite of the larger distance arising from the endless and unlimited market offered by the internet.

In addition, the internet can also facilitate the shopping of consumers with reduced mobility. Despite these motivational factors, there are various transaction and non- transaction issues involved such as internet users being uncomfortable while giving their credit card number, personal information, etc.. Which act as discouraging factor?

Online shopping is new, it is an upcoming stage, and there are no fixed rules to live by .Consumers are slow in showing interest in online shopping. However, the future for internet shopping looks bright and promising.

KEYWORDS

Online Shopping, Consumer Attitude, Consumer Behaviour, Promotion Strategies etc.

INTRODUCTION

The world of internet practically can be considered as an endless market, where a consumer living in any country of the world can get into a contractual relation with a trader operating in any other country of the world. From the aspect a cross-border purchase is when the consumer buys goods from any web trader settled anywhere in the world outside his / her country of residence. Due to the differences in language and legislation environment, furthermore sometimes in commercial traditions it is particularly essential to consider whether to buy the selected product from a web store operated by a foreign trader.

The consumer, in case of online shopping can buy the selected product rapidly by doing some clicks from home or work saving time and energy in spite of the larger distance arising from the endless and unlimited market offered by the internet. In addition, the internet can also facilitate the shopping of consumers with reduced mobility. Since the consumer does not have to go to the premises of the trader, and is not limited by the opening hours, he/she can place an order at all times. Such items can also be purchased that are not available in the surroundings of the consumer, thus the choice of goods is significantly broader, and furthermore the delivery can be requested not only to the place of residence but to the workplace, as well. The offers on the internet can be easily compared, therefore the consumer can buy the product with the most favourable conditions (price, quality, other discounts) tailored to the individual's needs.

Besides the advantages however, it is good to know that there may also be risks connecting to online shopping, since the conclusion of the contract is done without personal interaction, and the consumer sitting in front of a computer/screen tends not to think over or consider his/her intention of buying. The consumer being as a layman not a professional player of the deal is in a defenseless situation. This is manifested in a twofold information deficit concerning on the one hand the product to be bought and on the other hand concerning the identity of the trader.

The consumer only has a limited amount of information concerning the product, which is provided by the trader on the website, moreover he / she cannot physically check or try the product, whether the actual characteristics are matching the stated ones referred to on the website or not, and its quality is the same as expected.

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STATEMENT OF PROBLEM

- Online purchasing of goods are cheap, convenient (speedy transactions, saving time, attractive sales promotional offers) etc.
- Transactional and non- transactional issues involved such as internet users being uncomfortable while giving their credit card number, personal information, etc.
- Consumers are not aware of online shopping and shows less interest towards it.
- However, the future for internet shopping looks bright and promising. Therefore, this study aims to examine the attitude of online shopper.

OBJECTIVES OF STUDY

The specific objectives of the study are:

- To identify the key factors influencing online shopping behaviour of students.
- To analyze the satisfaction level of students.
- To study the influence of education on students attitude towards online shopping.

REVIEW OF LITERATURE

Amin P. D., and Amin, B., (2010) made an attempt to summarize the key findings from various research studies relating to gender based differences in case of online shopping activities. The stronger influence of perceived case of purchasing on both attitudes and online shopping intentions for female compared to males indicates that online shopping intentions and attitudes are sensitive to female perception, given a higher demand for the physical environment or a strong desire for the sensory pleasures associated with touching a product. Finally, the gendered nature of conventional buying emerged clearly-women prefer emotional and psychological involvement in the online and offline shopping process; whereas men focus on efficiency and convenience in obtaining shopping outcomes from actual product.

Banerjee, Dutta, and Dasgupta. (2010) conducted a study on "customer`s attitude towards online shopping". The study revealed that among the 202 respondents who shopped online, 89.1%were satisfied and 96.1% satisfied customers also intended to indulge in online shopping in the future. It could be concluded that the availability of extensive and current information was the most important factor, which influenced Indian customers to shop online. The researcher also revealed that there was a significant association between online shopping and monthly family income, frequency of internet usage, and time spent per session on Internet usage.

Broekhuizen and Huizingh (2009) conduct a study on" Online purchase determinants: Is their effect moderated by direct experience." The purpose of this paper is to examine the moderating influence of direct online shopping experience in an e-commerce context. Compared to the purchasers, the inquirers were more concerned with the perceived enjoyment, risk and price attractiveness offered by the website, while caring less about time / effort savings. Inquirers were negatively influenced by the price attractiveness of their chosen insurance, which indicates that they were less likely to use the website for future transactions if they were satisfied with their current price.

Guidelines for managers of websites for financial services about how to convert inquirers into buyers and improve the loyalty of online buyers. Draws upon insights from marketing, e-commerce and information systems to provide substantial support for the hypotheses regarding the moderating influence of direct online shopping experience.

Torben Hansen, Jan Møller Jensen, (2009) conduct a study on "Shopping orientation and online clothing purchases: the role of gender and purchase situation". This paper seeks to investigate shopping orientation and online clothing purchases across four different gender-related purchasing contexts. A conceptual model for understanding the impact of shopping orientation on consumer online clothing purchase is proposed and tested both in a general setting and across purchasing contexts. The results support the expected differences in men's and women's shopping orientations and willingness to purchase clothing online. On average, consumers indicate that reduced difficulty in selecting items is sorely needed when purchasing clothing online. However, when evaluated across different purchasing situations, perceived difficulty in selecting items is an important action barrier only for women. Less fun significantly affected online clothing purchases for men purchasing clothing for themselves, but not for women doing the same.

Miao Zhao, Ruby Roy, Dholakia (2009), the purpose of this paper is to address the following questions in the context of a transactional web site. How do web site attributes influence customer satisfaction? Will an increase in the performance of a specific attribute lead to increased satisfaction? The paper identifies several relationships between interactive web site attributes

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and customer satisfaction. At this stage of web development, no attribute emerges as a "must-be" attribute; one-dimensional or linear attributes are common but not the only category of interactive attributes. In addition, mixed and attractive attributes were also found. Moreover, the paper confirms that Kano categories shift over time and with usage experience. Different web site design strategies should be used depending on users' online experience and the various relationships between interactive web site attributes and customer satisfaction. No previous research has yet examined interactivity at the attribute level. Web site designers and managers have to make decisions regarding each attribute. Adopting the Kano methodology, widely used in other areas of research, this paper examines the relationships between attribute-level interactivity and customer satisfaction with a retail web site.

RESEARCH METHODOLOGY

Research Methodology is a way to systematically solve research problem, various steps are adopted in study the problem along with the logic behind them.

Sampling Procedure

The data for the study was gathered through a self-structured questionnaire. Researchers like Vrechopoulos et al. (2001) explored that the youth are the main buyers who use the internet to buy product through online. Therefore, as the universe of this study, researcher considered younger generation students who used internet for different purposes and were above the age of 18 years. A self-administered questionnaire was prepared and distributed to 100 students of the selected institute. The information collected have been edited for reliability and consistency and then presented in a master table for analysis.

Data Source

The study is both descriptive and analytical in nature, and hence, both primary and secondary data were used for the study.

Data Processing and Framework of Analysis

The primary data was processed and analyzed using percentage analysis and descriptive statistics.

DATA ANALYSIS RESULTS AND DISCUSSION

The demographic profile of the respondents is presented. The section presents the results of data analysis and conclude with expectation and perception of the respondents Online Shopping.

Table-1: Demographic Characteristics of Respondents

Variables	Categories	N=100	%
Age	18-30 Years	100	100%
	31-50 Years	0	0%
Gender	Male	55	55%
	Female	45	45%
Educational Qualification (Pursuing)	Graduation	44	44%
	Post-Graduation	36	36%
	Professional	20	20%
Area of Residence	Urban	40	40%
	Rural	24	24%
	Semi-Rural	36	36%
Source of Income	No Income Pocket Money Only	76	76%
	Less Than Rs. 5000 (Part Time Job)	16	16%
	Rs. 5000 – Rs. 10000 (Part Time Job)	8	8%
Marital Status	Married	0	0%
	Unmarried	100	100%

Sources: Authors Compilation

The table-1 exhibit demographics traits associated that majority of the respondents were males (55%) and were aged between 18-30 years (100%). As expected, 100% of the respondents were single and 76% of the respondents have no income, but received pocket money. Majority of the respondents (44%) were pursuing graduation degree and only 20% were pursuing professional degree. A maximum of 76% of the respondents from urban and semi-urban area and 24% from rural area.

Table-2: Buying Behaviour of Online Shoppers

Variables	Categories	N=100	%
Online Shopping Frequency	Once in A Month	32	32%
	Once in 2 Month	24	24%
	Once in 6 Month	32	32%
	Once in A Year	12	12%
Number of Years Since Shopping through Online	Less Than a Year	24	24%
	1-2 Year	60	60%
	2-3 Year	16	16%
Sources of Idea about Online Shopping Referred By	Friends / Colleague / Family Member	56	56%
	Online Advertisement	28	28%
	Product Rating	16	16%
Sources of Idea about Online Shopping Websites	Friends	60	60%
	Search Engine	36	36%
	Advertisement	4	4%
Motivating Factor of Online Shopping	Wide Variety of Products	64	64%
	Shop At Any Time of the Day	20	20%
	No Need to Travel to the Shop	16	16%
Mode of Payment	Cash on Delivery	76	76%
	Credit / Debit Cards	20	20%
	Bank Transfer	4	4%

Sources: Authors Compilation

**Respondents` Online Buying Behaviour:** The Online Shopping process consists of steps similar to those associated with traditional shopping behaviour. Online shopping Behaviour depends up on consumers` psychological state in terms of making or not making purchase on the net.

Shopping Frequency: With regards to online shopping frequency, the table-2 shows that majority of the respondents shop products frequently, 32% purchase product once in a month, 24% shop product once in two months and 32% shop once in six months, while only 16% shop product once in a year. (60%) of shopper prefer shopping the products and services through online for 1-2 years. Only 32% percentage of online shoppers had been shopping product over internet for 2-3 years. The trend of online shopping present in India for many years, but it is only in the recent years that this trend of online shopping has been catching up.

Information seeking and Purchase Decision: Majority of the respondents find information about online shopping from their friends, colleagues and family members and 28% get the idea through online advertisements and only 16% get the information from other sources. Majority of the respondents get the idea about shopping websites from their friends and through search engines. Only 2% of the respondents reach various shopping sites through the advertisements in press and media.

Motivating Factor: Majority of the respondents opines that availability of wide variety of products is one of the main motivating factors in online shopping. Other motivating factors are shopping can be done at any time of the day and no need to travel to shop.

Mode of Payment: 76% of the respondents availed the facility of free home delivery and they made the payment at the time of delivery of the product. 40% of the respondents made payment through credit card and debit card.

Table-3: Respondents Attitude towards Online

Shopping Respondents Attitude towards Online Shopping	Mean	S.d.
Online Shopping Saves Time	1.96	0.39
Shopping can be Done at Any Time	1.71	0.51
Wide Variety of Products	1.81	0.58
Accurate Description about Product	2.10	0.90
Online Shopping is as Secure as Traditional Shopping	3.15	1.65
Online Shopping is Risky	3.76	1.56
Long Time is Required for the Delivery of Product	2.24	1.64

Sources: Authors Compilation

Items are measured on 5 point scale where strongly agree =1 and strongly disagree =5, Mean =Average score, and SD = Standard Deviation.

The average mean attitude score for the statements 1-3 was less than two, indicating respondent's positive response towards these statements. Through these statements, respondents agree that online shopping is save time of the consumers, it offers wide variety of products and accurate description about product. Also, agree that consumers can shop product at any time of the day. As per statement, 5 respondents opined that, online shopping is not as secure as traditional shopping. Respondents strongly disagree with the statements 6. They opined that, online shopping is not risky, it is not complex when compared to traditional shopping and necessity of having bank A/c not create any kind of difficulty. In statement 7, respondents agree that long time is required for delivering the product.

The result of the analysis imply that Perceived risk, internet trait, attitudinal traits and convenience are the four dominant factors, which influenced the decision of young generation students. Youngsters are technologically brilliant, efficient in surfing the net and enjoy internet browsing for fun and information. While online, they use their computer capabilities for number of activities such as conducting research, obtaining news, job searches communicating via e-mail, etc. The element of risk in terms of delivery of products, safety in payment through credit card, doubt in quality of product delivered, fear of misusing personal information and non-returnable policy of goods etc. influenced young decision to purchase product online. Further the findings of this study implies that convenience have a positive impact on attitude towards online shopping. Online consumers are motivated by price consciousness and convenience. Therefore, online retailers are made as simple and as inexpensive as possible for customer to shop online.

***Relationship between Factors Influencing Online Shopping and Educational Qualification of the Respondents*.**

Hypothesis: There is no significant relationship between educational qualification of the respondents and factors influencing online shopping.

Table-4: Educational Qualification of the Respondents and Factors influencing Online Shopping

Factors	Educational Qualification			Total
	Graduation	Post Graduation	Professionals	
Easy Payment	4	2	2	8
No Need To Travel	5	6	2	13
Shopping At Any Time	11	10	6	27
Global Brand	6	6	6	18
New Variety Of Product	18	12	4	34
Total	44	36	20	100

Sources: Authors Compilation

Table-5: Test Statistics

Chi- Square	D	F	Significant Value Significant / Not Significant
5.0521	12	.751	Not Significant

Sources: Authors Compilation

Table-4 and 5 depict the relationship between Educational Qualification of the respondents and factors influencing Online Shopping. For a majority of the graduates and post graduates," wide variety of products "was the major factor for influencing online shopping. Majority of professionals, Shop at any time and access to global brand are the major factors influencing online shopping. Table-5 states that at the 5% level of significance, the chi-square value (.751997) is not significant. Therefore, educational qualification of the respondents and factors influencing online shopping are independent.

SUGGESTIONS

- The government should compel the online shopping sites to detail their privacy for conflict resolution.
- Online security is found to be major issue influencing the future diffusion of online shopping. The fear of purchasing online by using a credit would be reduced if the companies and different banks collaborate, and the banks maintain online accounts directly.
- As the complexities and security issues surrounding e- payments increase, online retailers can outsource the payment processing work to companies providing secure e- payment solutions.

- To boost the confidence of the existing and new online shoppers, government should provide adequate legal framework to ensure stringent measures are taken against people who indulge in online fraud.
- Government should provide affordable and high-speed internet access to the people across the country.
- Online marketers should use innovative and reachable sales promotion strategies to attract customers towards online shopping.
- Online marketers should take conscious efforts to reduce the complexities of online shopping.
- Online sellers should use techniques such as money back guarantee, better after sales service, replacement of damaged products, 24*7 customer complaint receiving cell etc. to boost confidence in the mind of consumers.

CONCLUSION

Online shopping is becoming increasingly popular for a variety of reasons:

- Online shoppers are young, highly educated, active, intensive, and are expert users of the internet.
- They have a strong positive perception towards online shopping and generally spend a very low amount on online shopping.
- Through the findings of this research, online retailers could better realize online consumers' expectations and the determinants of consumers' behaviour.
- By understanding the key drivers that could affect online consumers' attitude towards online shopping, online retailers would be able to formulate and implement their e-business strategy efficiently and effectively and possess stronger competitive advantage.
- The largest driving factor for online shopping is convenience. For example, online vendors should pay more attention to applying the marketing mix of high product quality, lower price, discount, free delivery fee, or gift and do their best to build, enhance, and maintain their good reputation.

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A STUDY TO ASSESS PARENTS OPINION ON INFLUENCE OF TELEVISION ADVERTISEMENT WITH RESPECT TO FOOD HABITS AMONGST CHILDREN OF TIRUPPUR CITY

R. S. Sowmya[11] K. Kaleeswari[12]

ABSTRACT

Advertising is a form of marketing communication used to persuade an audience to take or continue some action, usually with respect to a commercial offering, or political or ideological support. Advertising are usually paid for by sponsors and viewed via various media. Television is the most powerful media among them. Commercial ads often seek to create a need in the minds of people and to generate increased consumption. Another significant trend regarding future of advertising is the growing importance of the niche market using targeted ads. Advertisement of Food products mean for children is example of niche market advertising. It makes a child, a consumer even before the age of 4. The new generations of children are spending most of their time in front of television and their eating habits are somehow influenced with the advertisements. More than one quarter of television advertisements during evening programs based on food advertisement because children more like the food advertisement. Children buying behavior also depends on the TV viewing hours because when children watch more TV the watch more advertisement and purchase more products. This research paper attempts to find out the level of influence of television advertisement on the eating habits of children in Tiruppur. This study is based on the response of 200 parents who have child in between 2-10 years, in Tiruppur districts.

INTRODUCTION

Advertisement influences children and their behavior in the society. Their impacts on the children are universal. The severity of television influence varies from child to child. Initially, children face problems in deciphering television programs. In Pakistan, most advertising agencies now target children through advertisements especially when advertising consumer products like chocolates, confectionary bars. Advertising agencies understand the role of children in buying process of parents.

Most advertising agencies now target children through advertisement. The purpose of this research to analyze the response of children's attitude towards television advertising.

Advertising Repetition

Research on effects of repetition on children's understanding of advertising directed to them is equivocal and has not been substantively updated since the 1970s, with most of it conducted over 25 years ago in the United States.

Repetition appears to be necessary to communicate an advertising message to children and may be necessary for children to obtain all the information they need to recall and understand the content in an advertisement.

As to the effect of repetition on preferences and behavior, early researchers argued that repetition improves recall accuracy and may affect attitudes and preferences but does not affect planned behavior.

Characters

Studies show that both real-life and animated characters are effective in attracting children's attention to television programming and advertising. Characters attract positive responses when children identify features about the characters they like (younger children in particular); or identify emotionally with characters (older children in particular); and are positively associated with memory of and attitudes toward products advertised. Owing to their cognitive underdevelopment, younger children fail to differentiate between animated and real-life characters.

Interactive Media

There is an increasing range of media channels available to children today, with interactivity, including advertising and marketing in new media venues, having the potential to blur the distinction between commercial and non-commercial content.

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A review of industry activity indicates that advertisers are using interactive media, such as internet games on food product websites, to appeal to children. Children tend to be receptive to new technology in a way that older generations may not be, so it is reasonable to expect advertisers to develop campaigns for new media and to measure their effectiveness. However, as distinct from children's sophistication in adopting and using new media, studies indicate that their cognitive capacity to process advertising messages remains unchanged in the new media environment.

Given the apparent popularity of interactive websites for children, children's sophistication with new technology and the goal-directed and initiative-based approach of interactive media audiences, interactive marketing in new media environments may be highly effective. On the other hand, interactive media may also be used effectively for non-commercial purposes (education and information) with children as well as for commercial purposes.

TV ADVERTISEMENT IN FOOD ITEMS AMONG CHILDERN

Many Americans worry about how much exposure children have to advertising. We tend to think that ads targeting kids is a relatively recent phenomenon, with the explosion of Saturday morning cartoons and children's television programming over the last thirty years. However, advertisers started selling directly to kids, rather than their parents, in the early 20th century. Companies like Heinz and Palmolive published children's stories that positively portrayed their products. By the 1910s companies as if the Winchester Rifle Company established contests to encourage the use of their products and by the late 1920s kids could join "clubs" and might receive prizes and higher status if they consumed more of the product.

Some companies promoted products through sponsored radio shows and even through schools, utilizing the authority of school officials as an implicit endorsement. By mid-century, the ways advertisers could target children had multiplied. Television had already entered most American homes, and in 1953, two of the first television shows aimed exclusively at preschoolers, "Baby Sitter" and "Ding Dong School," were broadcast.

Companies advertised bicycles, games, and other items on the backs of popular comic books. Food companies as if Imperial Sugar published cookbooks aimed at teaching children to cook using their products. In 1962, McDonald's ran its first print advertising campaign and used cartoon-like characters to appeal to children. As interest in young consumers increased, advertisers consulted the latest psychological studies about how best to target children, who were lumped with teenagers and young adults into a "youth" market until the 1960s. This segmentation of the market has continued to narrow, with children now broken into two-year age groups like "tweens" or "explorers". By the mid-1970s, some consumer advocacy groups believed that advertising to children had gotten out of control. Responding to consumer complaints, the Better Business Bureau formed a "Children's Advertising Review Unit" to better self-regulate how children were targeted. Well-known children's advocate, Peggy Charren, testified before congress in 1979 stating, "Children's advertising should be considered, per se, an unfair commercial practice."

LITERATURE REVIEW

Geyser and Reece (1971)[1] conducted an attitude survey of 2700 HBR (Harvard Business Review) subscribers and suggested that businessmen regarded advertising as a great selling tool but were increasingly uncomfortable about other aspects, like its truthfulness and social impact.

Ward (1972)[2] conducted research to study the effect of age on children's awareness, understanding and discernment of TV advertising. The results indicated that older children exhibited greater awareness in explaining commercials in terms of the concept of sponsorship. They also understood the purpose of the commercials better and could discriminate between programmers and commercials more readily than younger children.

Ward and Wackman (1972)[3] studied purchase influence attempts by children and parental yielding. The data suggest that influence attempts were generally part of a parent-child conflict; furthermore, mothers who restrict viewing were likely not to yield to purchase influence attempts. Finally, mothers' time spent watching TV was positively related to influence attempts.

Frideres (1973)[4] conducted a research to study the impact of toy advertising upon young children and their parents' subsequent buying patterns. The findings indicated that TV creates desires for toys among small children. Also, when asked where they had first seen or heard about a toy, 78 per cent said on TV.

Barry and Hansen (1973)[5] examined how race affects children's preference for TV commercials. It was found that attitudes of children toward TV ads were dependent upon the race of both the models and the respondents. Black children stated that their preferences were positively influenced by the presence of a black character in advertisements.

Goldberg and Gorn (1974)[6] conducted a study on children's reaction to television advertising. Both the effects of a child's expectancy of receiving a toy and the number of TV ads he sees for the toy were examined in an experimental paradigm. Seeing a single ad for a valued toy produced more favorable reactions to the toy and increased motivated behavior to obtain it.

Robertson and Rossiter (1974)[7] studied children's levels of understanding of TV ads and the associated effect upon attitudes and purchase request tendencies. Essentially, it dealt with child's inferences as to what the communicator intends. It is primarily age dependent. In addition, the development of persuasive intent attributions acts as a cognitive defense to persuasion.

Atkin Charles (1975)[8]observed mother-child pairs shopping in the super market. He found that 62 per cent of parents acceded to their child's "request" or "demand". Conflict was recorded in 65 per cent of the cases where the request was denied by the parent and unhappiness in 48 per cent of children was noted.

OBJECTIVES OF STUDY

- To find out the attitude of children with the influence of TV advertisements.
- To know the impact of child's behavior related to food habits on the family.
- To stud the parents agreeability towards the influence of television advertisements on children.
- To study the problem of the television advertisement among children's food habit.

RESEARCH METHODOLGY

Research is an academic activity and as such, the term should be used in a technical sense. Primary data is collected from the respondents with the help of a structured interview schedule. The secondary data is collected from books, journals, dailies, and thesis on the related issues. Apart from the secondary data is also collected from internet for getting the data about the various statutory rules and regulations on advertising. The data is also collected from the websites of various food product companies.

- **Sample Size**: 200 parents who were having children in between 2-10 years.
- **Research Techniques**: Convenient sampling technique.
- **Area of the Study :** Tiruppur
- **Time Period:** 6 months (May-October)

ANALYSIS AND INTERPRETATION

Table-1: Age (in years)

Age	Number of Respondents	Percentage
Less than 25	64	32
25-30	92	46
31-35	32	16
Above 35	12	6
Total	**200**	**100**

Sources: Authors Compilation

Interpretation: The above table shows that, the age of respondents such as 46% of the respondents are 25-30 years, 32% of the respondents are less than 25 years, 16% of the respondents are 31-35 years old and 6% of the respondents are above 35 years old.

Table-2: Age of the Children

Age of the Children	Number of Respondents	Percentage
2-4	26	13
4-6	50	25
6-8	78	39
8-10	46	23
Total	**200**	**100**

Sources: Authors Compilation

Interpretation: From the above analysis, the tables described that 39% are between 6–8 age group, 25% are between 4-6 age group, 23% are 8-10 age group respectively, and 13% of the respondent children are between 2-4 age group.

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Table-3: Channels Watched by the Children

Channels	Number of Respondents	Percentage
Regional Channels	32	16
Cartoon Channels	82	41
Geographical Channels	58	29
Sports Channels	28	14
Total	**200**	**100**

Sources: Authors Compilation

Interpretation: From the analysis, of above table shows the 41% of the respondents are watching cartoon channels, 29% of the respondents are watching geographical, 16% of the respondents are watching regional channels, and 14% of the respondents are watching sports channels.

Table-4: Frequency of Acceptance

Frequency	Number of Respondents	Percentage	Point Analysis
Always	42	21	210
Weekly Once	54	27	216
Monthly Once	50	25	150
Rarely	46	23	184
Never	8	4	8
Total	**200**	**100**	**768**
Mean Value			**3.84**

Sources: Authors Compilation

Interpretation: From the above table, children frequency of purchase such as 27% of the respondents accept demand weekly once, 25% of the respondent accept demand monthly once, 21% of the respondent accept demand always and 3% of the respondent are never accept demand.

$$\textbf{Point Analysis} = \frac{\text{Total Points Obtained}}{\text{Number of Respondents}}$$

The total points obtained are 768 and the calculated mean value is 3.84, which is greater than the normal mean value 3. Hence, most of the respondents' are accepting the demand of the children weekly once

Ho: There is no significance difference between the age and behavior of the children if things are not bought.

Table-5: Age of the Children and Behaviour of the Children if Things are not Bought (Chi-Square Test)

Age	Behaviour of the Children					Total
	Frustrated	Angry	Keep on Nagging	Make Another Purchase Request	Accept the Situation	
2-4	7	8	4	5	2	26
4-6	7	12	16	11	4	50
6-8	7	31	21	10	9	78
8-10	15	18	3	8	3	46
Total	36	68	44	34	18	200

Sources: Authors Compilation

Chi-Square Test

Calculated X^2 Value	=	23.655
Degree of freedom (r-1)(c-1) = (4-1)(5-1)	=	12
Table value	=	21.026
Significant level	=	Significant at 5% level

Result: It is observed above the table that the calculated value of chi-square is higher than the table value. Hence, the null hypothesis is rejected and it is concluded that there is significant relationship between age of children and behavior of the children if things are not bought.

FINDINGS OF STUDY

- Maximum (46%) age of the respondents are 25-30 years old.
- Majority (64%) of the respondents are Female Respondents.
- (28%) of the respondents are Employee.
- Maximum (39%) of the respondents is Under Graduate.
- Maximum (41%) of the respondents receiving 30,000 to 40,000 monthly incomes.
- Maximum (52%) of the respondents are having two children.
- Most of the respondent's (39%) children are between 6 - 8 years.
- (41%) of the respondent's children is watching cartoon channel.
- The total points obtained are 768 and the calculated mean value is 3.84, which is greater than the normal mean value 3. Hence, most of the respondents' are accepting the demand of the children weekly once.
- The total points obtained are 591 and the calculated mean value is 3.00, which is equal to normal mean value 3. Hence, the respondents' children often buy food products by their own.
- The calculated value of chi-square is higher than the table value. Hence, the null hypothesis is rejected and it is concluded that there is significant relationship between age of children and behavior of the children if things are not bought.

LIMITATIONS OF STUDY

- This study is limited to the geographical area, restricted to only Tiruppur city in South Tamil Nadu due to time and cost constraints. Hence, further research can be extended to other districts in Tamil Nadu.
- Since the survey is bounded only for 200 members, the study would not tell what the exact situation of the customer.
- The dimensions, which we have taken in to consideration for Television Food Advertisements, are only for children at the age of 2 – 10 years.

SUGGESTIONS

It is suggested that the parents should lead their children in various useful activities to spend their free times and to make it more productive. The parents should show their love towards their children by advising them the harmful impact of consuming junk foods and to follow the traditional homemade food as their food habit. Convince the children that the celebrities performing in the ads are not giving the real information and they were paid for it. Parents should encourage outdoor games, which may help their child to live mentally and physically healthy and it also reduce the screen time and obesity. The government should take strict actions like banning the companies for unrealistic appeal and hiding the harmful contents.

CONCLUSION

Today, particularly young children play an important role as consumers. Especially confectionary products (Chocolates) and junk food are concerned they do not care price of which they want to buy. In addition, they do not care whether these products are healthy for them or not. While they are shopping, the first thing comes in their mind is to purchase the advertised products. In this situation, the advertising has a stronger effect on younger children. As far as confectionary products are concerned, children are influenced more by television advertisements than by the other medium of advertising.

Even though there are lots of tools to show the goods or services, television was chosen as the best way that can enhance the company's profits greatly by most of researchers. To some extent, children have limited understanding so advertisers should not directly persuade children to buy the product, which is shown in the advertisement. Advertisement food products can cause obesity, effects mental health etc. It is the duty of parents to see what their children are watching on television and if they are highly influenced by the television advertisements then parents should try to explain them what are the pros and cons of that product by using it.

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CROWD FUNDING: INNOVATIVE WAY TO RAISE FUND FOR BUSINESS IDEA

Dr. Atiya Mahboob[13]

ABSTRACT

Crowd funding / mass funding has become an increasingly momentous choice sketch of financing. It is a great way to see how many people actually like your business idea. Crowd funding provides validation for an individual big idea and boost the confidence level of an individual and is of the only way idea creator can be completely sure of a product / service's accomplishment will be if it can find out that others are willing to pay for their idea. Potential investors would want to know exactly the same and see for themselves how many people are interested in that idea/innovation. This, therefore, draws attention towards an individual's product / service. The product or business idea may not attract attention, as an individual it is essential to check out for the same it must be considered to be a good alternation option to proceed with. With the revolution in ICT an individual has the power to gauge the interest levels of people and see how they consider. Thus, an individual must be able to use this platform for the benefit of their business or product idea. It is not necessary to completely rely on crowd funding. However, this idea will surely give a good start-up. In fact potential funders get rewards in return the more creative the individual is with their thought process, the better it will be for their individual and business goals. This paper tries to attempt to explore the concept of crowd funding, its strengths and weaknesses and its impact on achieving business goals.

KEYWORDS

Idea, Investor, Crowd Funding, Potential, ICT, Innovation etc.

INTRODUCTION

The state of crowdfunding in India, they got a 360-degree perspective from various stakeholders like startup founders, angel investors, venture capitalists and crowd funding platform founders. Today crowdfunding is one of the biggest sources startups or anyone with an idea can use to bring their dream to life. One looks at Kickstarter and seeing the thousands of startups seeking money to build their ideas, is all you need to confirm this. Of course, crowd funding is not without its risks. However, despite these risks, crowd funding has become a popular source of funds. Crowd funding is the practice of funding a project/campaign or venture by raising monetary contributions from a large number of people, typically via the internet. Its aim is to connect startups with investors is witnessing a strong start-up culture that is sowing the seeds of innovation-driven growth for the future. Crowd funding aims to work with a community of investors who are willing to fund and support this new dawn of creativity and innovation. This is a new and exciting investment opportunity for not only high-net-worth investors but also additional retail-oriented investors. It also offers specialty for existing entrepreneurs to grow their businesses and future entrepreneurs to take the thrust.

REVIEW OF LITERATURE

Crowd funding is the method, which allows you to raise money from people around you. Essentially, you are looking to raise small amounts from people around, rather than a huge investment from one or two players.

Mollick, (2013) observed in their study that crowd funding as the efforts by entrepreneurial individuals and groups to fund their ventures by drawing on relatively small contributions from a relatively large number of individuals using an Internet.-based platform, without standard financial intermediaries As such, crowd funding is a highly democratic tool that creates opportunities to turn larger groups of people, who otherwise would not have access to traditional channels of finance, into small-scale entrepreneurs.

Schwienbacher & Larralde, (2010). Crowd funding developed primarily in the arts and creativity-based industries (e.g., recorded music, film, video games) (Agrawal et al., 2013). Nowadays, crowd funding is used as a financing source for projects and ventures in various industries.

Agrawal et al., 2011, 2013; Ahlers Cumming, Günther & Schweizer, 2012; Mollick, (2013) opined that the funding process on most crowd funding platforms is similar. It begins with a fundraiser initiating a request for funding, typically by indicating what the target amount of funding is, what the money is needed for, and what, if anything, is offered in exchange. Potential investors

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can browse the offers, and, if interested, invest a small amount toward the target amount. The crowd funding website Crowd funding types.

The Literature Identifies Four Main Types of Crowd Funding

- **Reward Based** (Rewards-based crowd funding): The investor gets a tangible item or service in return. For example, getting a limited edition of the product. In rewards-based crowd funding, backers contribute typically small amounts of money (typically between $1 and $1,000 but sometimes more) in exchange for a reward.
- **Equity Based**: The investors get a stake in the company, so if the company becomes big, you get your percentage of the win.
- **Donation Based:** The investment goes as a contribution towards a charitable cause.
- **Debt Based:** The investors are paid back over a period.

Strengths and Weaknesses

Beyond raising money, there are a slew of crowd funding benefits that bear mention because if all you need is money, there are many other, sometimes-easier ways to go about getting a springboard investment. Four key benefits of pursuing crowd funding include:

Market Validation

To me, market validation is one of the most compelling reasons to try crowdfunding over alternative methods of raising seed money. When John and I invented RingSafe, we got good feedback from family and friends on our idea and prototype. However, family and friends are supportive. What we really needed to learn was whether total strangers would be willing to part with their hard-earned money to buy our product. Through crowdfunding, you can set up pre-orders for a concept and reduce the risk of building your first batch. Your success will also tell you whether people care about your idea at all.

Consumer Feedback

Not only do you get the very binary validation of whether your idea has legs or not, but you also get access to a pretty engaged community of future buyers who will ask questions, provide feedback, request modifications or customizations that will expose flaws or gaps in your offering. Along the way, we learned several things that caused us to update our offer to include both a wide version of our product and offer it both solo and bundled with a chain. Ultimately, once we are live and in production, we know we will primarily sell as a bundle, which is in fact going to be far more profitable for the business. That data is priceless!

Authenticity and Coverage

Though you will do a mountain of work and drive the bulk of your own exposure, most of the popular crowdfunding platforms do provide you the legitimacy of having been vetted so that they will expose you to their community. In addition, that can be one very engaged community who will help spread the word. For our campaign, about 30% of our traffic and pledges came from within the Kickstarter network or referring links. This included many of our early international backers, who then proceeded to share their find with their friends and networks. Raising funds via more traditional means does not lend you that additional exposure right off the bat.

Funds

The fund provider does not forget the actual money. What is good and bad about the funds is that they are typically exchanged for a reward, not equity. Good because you do not give up any part of your long-term potential gains.

DRAWBACKS OF CROWD FUNDING

For all its benefits, there are definite drawbacks to running a campaign, not least of which is the fact that all your effort may very well be for naught. Majority of battle is not funded at all. In addition, many that do never succeed in shipping their product because they have underestimated the complexity or cost in realizing their product. Some considerations to keep in mind that may put a pall on crowdfunding are:

Massive Work

Seriously. To do it right, you will want to give yourself at least 3 months of prep. You will need some amount of initial investment in marketing assets. Also, expect a 30-day frenzy during which you commit 15-20 hours per week for a team of 2-4 people.

Depending on how much you are looking to raise, if the funds are your only goal, this may not be worth the effort. The average raise in crowdfunding is $5,000. That is a lot of effort for $5,000. If you are not going for a bit larger amount and you do not need the additional benefits of crowd funding.

Most Drives do not Succeed

As I mentioned earlier, 60% do not make it. $5,000 is the average successful raise. Of those that do raise, only half make more than 10% over their goal. John and I were fortunate to fit into that camp with a goal of $15,000 and a raise of over $17,000. Keep in mind, that puts us into the top 20% of all campaigns, and it was not exactly a blowout. There are projects like Pebble and Ouya who blow it out, but they are very much the exception and not the rule.

Funds are allocated with Modest Scope for Growth

Because most crowd funding campaigns rely on rewards that are effectively an early-bird price for your future product, each dollar brings with it a very real near-term commitment to produce and deliver something. This usually leaves you with just enough funds to cover production, but not enough to grow the business. If you are planning wisely, you will want to create some amount of buffer to help keep you going and identify what your second round of funds will look like if you are in fact successful and decide to grow. In fact, the thought of 'what happens next' and the thought about crowd funding as the rationale and working capital part that gives you the credibility and proof to go after your next growth round of funding.

CONCLUSION

- The government should expand, not border the span of crowd funding regulation.
- The success of real estate crowd funding authenticate the need to create more living space and help solve the hassled housing situation.
- License may be required for the sponsors for providing financial services.
- Investors are typically private individuals looking to invest a certain part of their savings into higher risk ventures with a higher potential rate of return. The same may be protected through regulation.
- Crowd funding platform must genuinely team up to start an initiative that allows contributing to charities focused on helping the needy crowd. This platform must leverage through the power of technology to raise funds.

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GST: FEATURES, IMPACT AND IT'S IMPLICATIONS

Dr. Harvinder Singh Bhalla[14] Dr. CP. Meena[15] Harpreet Kaur[16]

INTRODUCTION

The introduction of Goods and Services Tax (GST) would be a very significant step in the field of indirect tax reforms in India. By amalgamating a large number of Central and State taxes into a single tax, it would mitigate cascading or double taxation in a major way and pave the way for a common national market. From the consumer point of view, the biggest advantage would be in terms of a reduction in the overall tax burden on goods, which is currently estimated to be around 25%-30%. Introduction of GST would also make Indian products competitive in the domestic and international markets. Through this paper, an attempt has been made to know the composition and benefits of GST and to study the impact of GST on different sectors.

The idea of moving towards the GST was first mooted by the then Union Finance Minister in his Budget for 2007-08. Initially, it was proposed that GST would be introduced from 1st April, 2010. The Empowered Committee of State Finance Ministers (EC), which had formulated the design of State VAT, was requested to come up with a roadmap and structure for the GST. Joint Working Groups of officials having representatives of the States as well as the Centre were set up to examine various aspects of the GST and draw up reports specifically on exemptions and thresholds, taxation of services and taxation of inter-State supplies. Based on discussions within and between it and the Central Government, the EC released its First Discussion Paper (FDP) on GST in November 2009. This spells out the features of the proposed GST and has formed the basis for discussion between the Centre and the States so far.

SALIENT FEATURES OF GST

The Salient Features of GST are as under:

GST would be applicable on "supply" of goods or services as against the present concept of tax on the manufacture of goods or on sale of goods or on provision of services.

GST would be based on the principle of destination based consumption taxation as against the present principle of origin-based taxation.

It would be a dual GST with the Centre and the States simultaneously levying it on a common base. The GST to be levied by the Centre would be called Central GST (CGST) and that to be levied by the States [including Union territories with legislature] would be called State GST (SGST). Union territories without legislature would levy Union territory GST (UTGST).

An Integrated GST (IGST) would be levied on inter-State supply (including stock transfers) of goods or services. The Centre would collect this so that the credit chain is not disrupted.

Import of goods would be treated as inter-state supplies and would be subject to IGST in addition to the applicable customs duties.

Import of services would be treated as inter-State supplies and would be subject to IGST.

CGST, SGST /UTGST& IGST would be levied at rates to be mutually agreed upon by the Centre and the States under the aegis of the GSTC.

GST would replace the following taxes currently levied and collected by the Centre:

- Central Excise Duty;
- Duties of Excise (Medicinal and Toilet Preparations);
- Additional Duties of Excise (Goods of Special Importance);
- Additional Duties of Excise (Textiles and Textile Products);
- Additional Duties of Customs (commonly known as CVD);

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- Special Additional Duty of Customs (SAD);
- Service Tax;
- Cess and surcharges insofar as they relate to supply of goods or services.

State taxes that would be subsumed within the GST are:

- State VAT;
- Central Sales Tax;
- Purchase Tax;
- Luxury Tax;
- Entry Tax (All forms);
- Entertainment Tax (except those levied by the local bodies);
- Taxes on advertisements;
- Taxes on lotteries, betting and gambling;
- State cess and surcharges insofar as they relate to supply of goods or services.
- GST would apply to all goods and services except Alcohol for human consumption.
- GST on five specified petroleum products (Crude, Petrol, Diesel, ATF & Natural gas) would be applicable from a date to be recommended by the GSTC.
- Tobacco and tobacco products would be subject to GST. In addition, the Centre would continue to levy Central Excise duty.
- A common threshold exemption would apply to both CGST and SGST. Taxpayers with an annual turnover of Rs. 20 lac (Rs. 10 lac for special category States as specified in article 279A of the Constitution) would be exempt from GST. A compounding option (i.e. to pay tax at a flat rate without credits) would be available to small taxpayers (including to specified category of manufacturers and service providers) having an annual turnover of up to Rs. 50 lac. The threshold exemption and compounding scheme would be optional.
- The list of exempted goods and services would be kept to a minimum and it would be harmonized for the Centre and the States as well as across States as far as possible.
- Exports would be zero-rated.
- Credit of CGST paid on inputs may be used only for paying CGST on the output and the credit of SGST/UTGST paid on inputs may be used only for paying SGST/UTGST. In other words, the two streams of input tax credit (ITC) cannot be cross-utilized, except in specified circumstances of inter-State supplies for payment of IGST. **The credit would be permitted to be utilized in the following manner:**

    - ITC of CGST allowed for payment of CGST & IGST in that order;
    - ITC of SGST allowed for payment of SGST & IGST in that order;
    - ITC of UTGST allowed for payment of UTGST & IGST in that order;
    - ITC of IGST allowed for payment of IGST, CGST & SGST/UTGST in that order. ITC of CGST cannot be used for payment of SGST/UTGST and vice versa.

- Accounts would be settled periodically between the Centre and the State to ensure that the credit of SGST used for payment of IGST is transferred by the originating State to the Centre. Similarly, the IGST used for payment of SGST would be transferred by Centre to the Destination State. Further, the SGST portion of IGST collected on B2C supplies would also be transferred by Centre to the Destination State. The transfer of funds would be carried out based on information contained in the returns filed by the taxpayers.
- Input Tax Credit (ITC) to be broad based by making it available in respect of taxes paid on any supply of goods or services or both used or intended to be used in the course or furtherance of business.
- Electronic filing of returns by different class of persons at different cut-off dates.
- Various modes of payment of tax available to the taxpayer including internet banking, debit / credit card and National Electronic Funds Transfer (NEFT) / Real Time Gross Settlement (RTGS).
- Obligation on certain persons including government departments, local authorities and government agencies, who are recipients of supply, to deduct tax at the rate of 1% from the payment made or credited to the supplier where total value of supply, under a contract, exceeds two lakhs and fifty thousand rupees (Rs. 2.5 lac).
- Refund of tax to be sought by taxpayer or by any other person who has borne the incidence of tax within two years from the relevant date.
- Obligation on electronic commerce operators to collect 'tax at source', at such rate not exceeding one per cent. (1%) of net value of taxable supplies, out of payments to suppliers supplying goods or services through their portals.
- System of self-assessment of the taxes payable by the registered person.
- Audit of registered persons to be conducted in order to verify compliance with the provisions of Act.

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- Limitation period for raising demand is three (3) years from the due date of filing of annual return or from the date of erroneous refund for raising demand for short-payment or non-payment of tax or erroneous refund and its adjudication in normal cases.
- Limitation period for raising demand is five (5) years from the due date of filing of annual return or from the date of erroneous refund for raising demand for short-payment or non-payment of tax or erroneous refund and its adjudication in case of fraud, suppression or willful mis-statement.
- Arrears of tax to be recovered using various modes including detaining and sale of goods, movable and immovable property of defaulting taxable person.
- Officers would have restrictive powers of inspection, search, seizure and arrest.
- Goods and Services Tax Appellate Tribunal would be constituted by the Central Government for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority. States would adopt the provisions relating to Tribunal in respective SGST Act.
- Provision for penalties for contravention of the provision of the proposed legislation has been made.
- States would constitute advance Ruling Authority in order to enable the taxpayer to seek a binding clarity on taxation matters from the department. Centre would adopt such authority under CGST Act.
- An anti-profiteering clause has been provided in order to ensure that business passes on the benefit of reduced tax incidence on goods or services or both to the consumers.
- Elaborate transitional provisions have been provided for smooth transition of existing taxpayers to GST regime.

BENEFITS OF GST

Make in India

- Will help to create a unified common national market for India, giving a boost to Foreign investment and "Make in India" campaign;
- Will prevent cascading of taxes as Input Tax Credit will be available across goods and services at every stage of supply;
- Harmonization of laws, procedures and rates of tax;
- It will boost export and manufacturing activity, generate more employment and thus increase GDP with gainful employment leading to substantive economic growth;
- Ultimately it will help in poverty eradication by generating more employment and more financial resources;
- More efficient neutralization of taxes especially for exports thereby making our products more competitive in the international market and give boost to Indian Exports;
- Improve the overall investment climate in the country which will naturally benefit the development in the states;
- Uniform SGST and IGST rates will reduce the incentive for evasion by eliminating rate arbitrage between neighboring States and that between intra and inter-state sales;
- Average tax burden on companies is likely to come down which is expected to reduce prices and lower prices mean more consumption, which in turn means more production thereby helping in the growth of the industries. This will create India as a "Manufacturing hub".

Ease of Doing Business

- Simpler tax regime with fewer exemptions;
- Reductions in the multiplicity of taxes that are at present governing our indirect tax system leading to simplification and uniformity;
- Reduction in compliance costs - No multiple record keeping for a variety of taxes - so lesser investment of resources and manpower in maintaining records;
- Simplified and automated procedures for various processes such as registration, returns, refunds, tax payments, etc.;
- All interaction to be through the common GSTN portal- so less public interface between the taxpayer and the tax administration;
- Will improve environment of compliance as all returns to be filed online, input credits to be verified online, encouraging more paper trail of transactions;
- Common procedures for registration of taxpayers, refund of taxes, uniform formats of tax return, common tax base, common system of classification of goods and services will lend greater certainty to taxation system;
- Timelines to be provided for important activities like obtaining registration, refunds, etc.;
- Electronic matching of input tax credits all-across India thus making the process more transparent and accountable.

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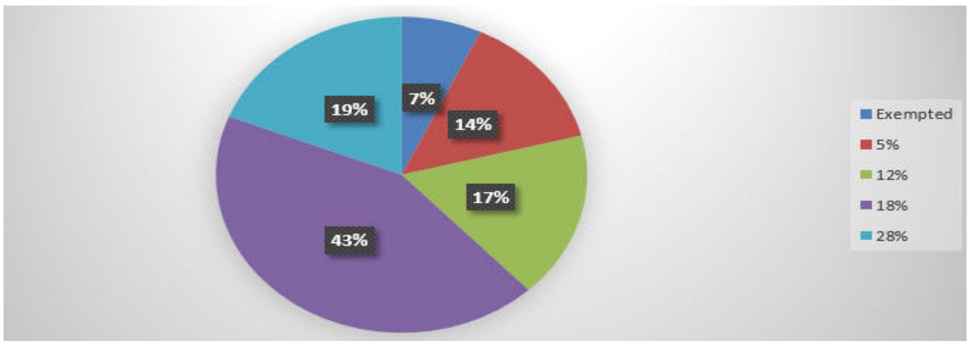
Benefit to Consumers

- Final price of goods is expected to be lower due to seamless flow of input tax credit between the manufacturer, retailer and service supplier;
- It is expected that a relatively large segment of small retailers will be either exempted from tax or will suffer very low tax rates under a compounding scheme-purchases from such entities will cost less for the consumers;
- Average tax burden on companies is likely to come down which is expected to reduce prices and lower prices mean more consumption.

Graph-1: Rate Classifications for Goods



Sources: Authors Compilation

Table-1

Exempt	5%	12%	18%	28%	28% + Cess
Food Grains Cereals Milk Jaggery Common Salt	Coal Sugar Tea & Coffee Drugs & Medicine Edible Oil Indian Sweets	Fruit Juices Vegetable Juices Beverages Containing Milk Bio-Gas Fuel Fertilizers	Capital Goods Industrial Intermediaries Hair Oil Soap Toothpaste	Air Conditioner Refrigerators	Small Cars (1% / 3% Cess) Luxury Cars (15% Cess)

Sources: Authors Compilation

Table-2: Rate Classification for Services

Exempt	5%	12%-18%	28%
• Education. • Healthcare. • Residential accommodation. • Hotel / Lodges with tariff below INR 1000.	• Goods transport. • Rail Tickets (other than sleeper class). • Economy class air tickets. • Cab aggregators. • Selling space for advertisements in print media.	• Works contract. • Business Class air travel. • Telecom services. • Financial services. • Restaurant services. • Hotel / Lodges with tariff between INR 1000 and 5000.	• Cinema tickets. • Betting. • Gambling. • Hotel / Lodges with tariff above INR 5000.

Sources: Authors Compilation

Only rates of select goods and services have been mentioned here:

- GST rate on pearls, precious or semi-precious stones, diamonds (other than rough diamonds), precious metals (like gold and silver), imitation jewellery, coins – 3%.
- GST rate on rough diamonds – 0.25%.

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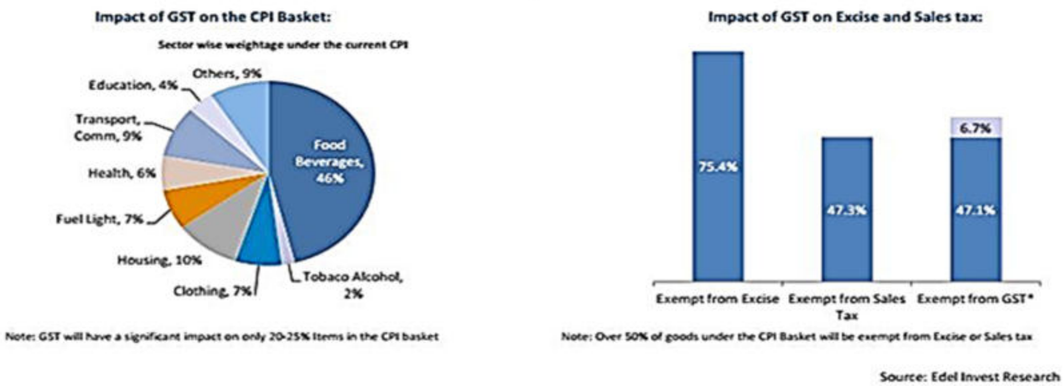
Graph-2



Sources: Authors Compilation

Sector Wise Impact of GST

Automobiles

The effective tax rate in the sector currently ranges between 30 per cent and 47 per cent.

Highlights

- On implementation of GST, the tax rate is expected to oscillate between 20-22 per cent.
- It is expected to drive overall demand and reduce cost for the end user by about 10 per cent.
- The transportation time and the overall cost will be reduced, as the goods will be transferred from one state to another by easily surpassing various octroi and checkpoints.
- In addition to this, the cost for the logistics and supply chain inventory will be curtailed by almost 30-40 per cent.

Impact

- In a long run, GST is expected to remain positive for automobile sector.

Consumer Durables

The current tax rate for the sector ranges between 7 per cent and 30 per cent.

Highlights

- The implementation of GST will essentially benefit companies, which have not availed tax exemptions in the past.
- It will lead to the reduction of the price gap between the organized and unorganised sector.
- The warehouse / logistics costs across the operational and non-operational segments will be curtailed. This will improve the operational profitability by almost 300-400 bps.
- The 7th Pay Commission is also expected to boost demand and fund inflow in the consumer durables sector by the end of the year.

Impact

- The impact may remain neutral or negative, specifically for companies, which either enjoy tax exemptions or fall under the concessional tax bracket.

Key Beneficiaries

CGCE, Havells, Voltas, Blue Star, Bajaj Electricals, Symphony, and Hitachi.

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FMCG

Impact

- The impact may remain neutral or negative, specifically for companies, which either enjoy tax exemptions or fall under the concessional tax bracket.

Key Beneficiaries: CGCE, Havells, Voltas, Blue Star, Bajaj Electricals, Symphony, Hitachi.

Furnishing and Home Decor

Impact

- Currently, the effective tax rate for the sector ranges above 20 per cent.

Highlights

- After the implementation of GST, paints and other construction chemicals companies will benefit from lower tax rate.
- At present, the market share for the organized sector is about 65-70 per cent. Effective tax correction practices under the GST regime will ensure that the price difference amongst the unorganised sector and the organized sector is narrowed. This will improve opportunities for the organized sector.
- The overall cost and competitiveness in products such as like ceramic tiles, faucets, sanitary ware and plywood & laminates manufacturer will be curbed.

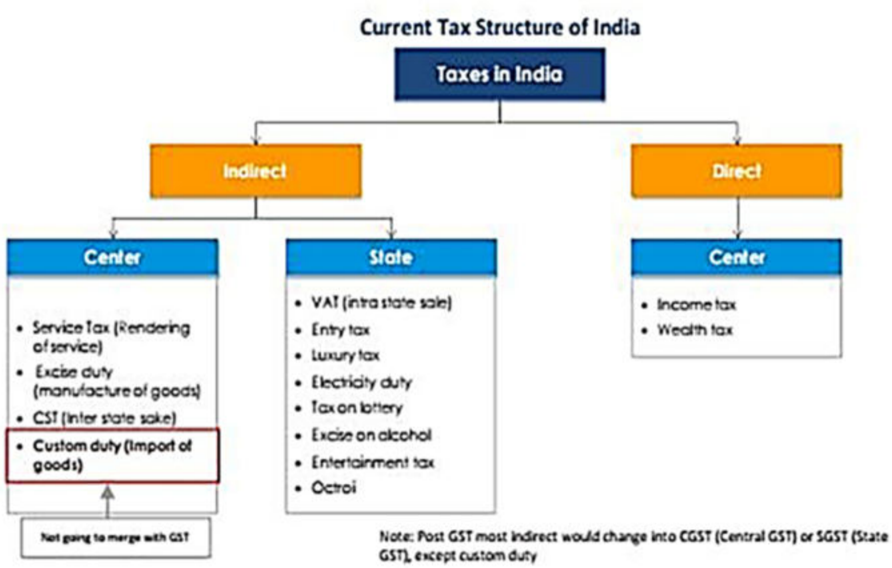
Impact

- Implementation of GST is expected to bring the unorganised sector under a uniform tax base and improve growth opportunities for the organized sector.

Key Beneficiaries

Asian Paints, Berger Paints, Kansai Nerolac, Akzo Nobel, BASF India, Pidilite, HSIL, Cera Sanitaryware, Greenply, Greenlam Industries, H&R Johnson (Prism Cements), and Kajaria Ceramics.

Graph-3



Sources: Authors Compilation

Logistics

Highlights

The implementation of GST will lead to lower transit time and thereby generate higher truck utilization. This will boost demand for high tonnage trucks and lead to overall reduction in transportation costs. It will facilitate seamless inter-state flow of goods, which is expected to directly accelerate demand for logistics services.

Impact

The logistics sector is largely fragmented and comprises many unorganized players. Several players in the unorganised sector avoid tax, which generates a cost gap between them and the organized players. With the GST coming into picture, we expect an overall positive impact, with a reduction in the cost competitiveness as all the players will be brought under a uniform tax base, thereby improving growth opportunities for the organized players.

Key Beneficiaries

VRL Logistics, GATI, Blue Dart, Transport Corporation of India, Snowman Logistics.

CEMENT

Currently, the tax on cement ranges between 27 per cent and 32 per cent.

Highlights

- The tax rate for the cement sector is expected to decline to 18-20 per cent under the GST regime.
- This is expected to lead to savings in the transportation cost, which currently comprises up to 20-25 per cent of total revenue.
- Thereby, overall realizations of cement companies will substantially improve post GST rollout.

Impact

- The impact of GST will be positive, as the companies will also be able to save on their logistic costs, due to rationalization of warehouses and lower transportation costs (due to decline transit time).

Key Beneficiaries

ACC, Ultratech, JK Cement, Shree Cement.

Entertainment

We have divided in two main categories i.e. Multiplexes and Media. We expect a significant impact on both the sectors after implementation of GST.

Multiplexes

This category attracts different taxes such as service tax, entertainment tax and VAT among others. Currently, the effective tax ranges between 22-24 per cent.

Highlights

- It is expected GST tax rate will trickle down to 18-20%.
- Reduction in taxes will lead to an increase in average ticket price (ATP) and higher revenue.

There exist several challenges pertaining to:

- Availability of limited credit for service tax paid on lease rentals, maintenance cost, advertisements, and security charges.
- No credit is available on the taxes paid on capital expenditure.

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- The VAT credit on available on the purchase of F&B can be offset against VAT liability on F&B sales.
- Entertainment tax rate on box office collections ranges between 22-24 per cent and the same is not cenvatable against any input taxes.
- These will be addressed after the implementation of GST.

Impact

- The overall impact is expected to be positive and Ebitda margins of players are expected to increase by 250-350 bps.

Key Beneficiaries

PVR, Inox Leisure.

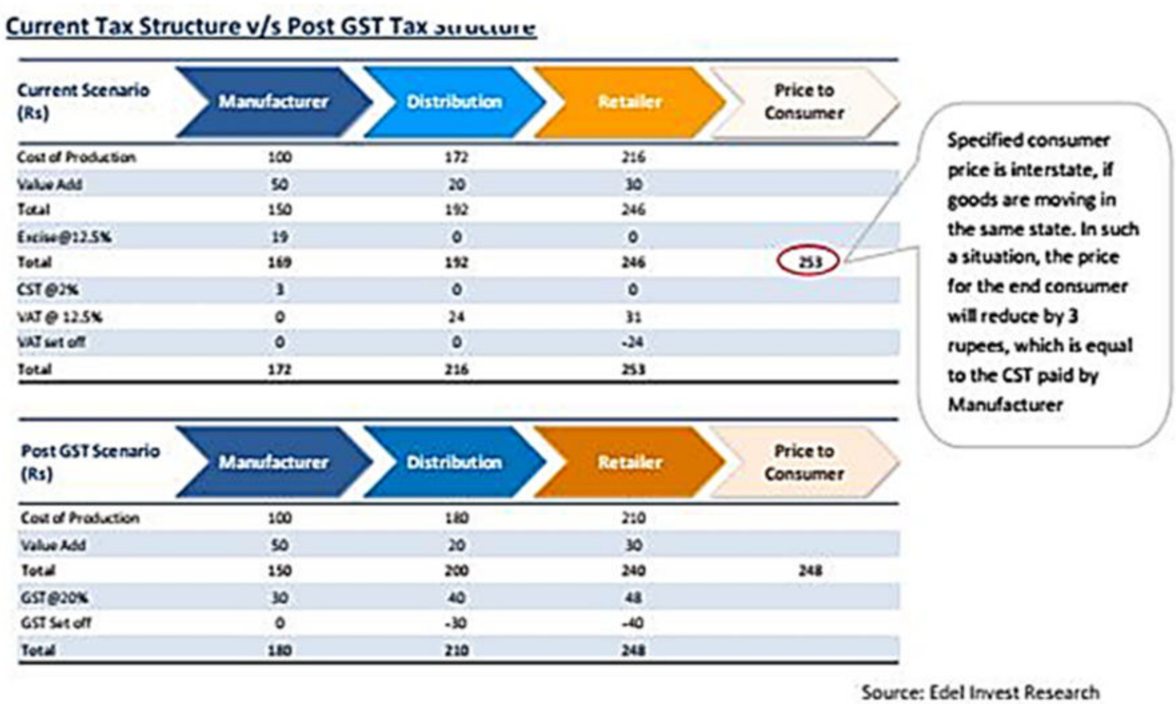
MEDIA

Currently, the effective tax rate for the DTH providers ranges between 20-21 per cent (this includes service tax of 14 per cent and entertainment tax of around 5-7 per cent). The effective tax range for the broadcasters is around 14-15 per cent.

Highlights

On implementation of GST, a blanket rate of around 18-20 per cent will apply, which is lower than current tax rate for the DTH provider and higher for the broadcaster.

Graph-4



Current Tax Structure v/s Post GST Tax Structure

Current Scenario (Rs)	Manufacturer	Distribution	Retailer	Price to Consumer
Cost of Production	100	172	216	
Value Add	50	20	30	
Total	150	192	246	
Excise@12.5%	19	0	0	
Total	169	192	246	253
CST @2%	3	0	0	
VAT @ 12.5%	0	24	31	
VAT set off	0	0	-24	
Total	172	216	253	

Post GST Scenario (Rs)	Manufacturer	Distribution	Retailer	Price to Consumer
Cost of Production	100	180	210	
Value Add	50	20	30	
Total	150	200	240	248
GST@20%	30	40	48	
GST Set off	0	-30	-40	
Total	180	210	248	

Specified consumer price is interstate, if goods are moving in the same state. In such a situation, the price for the end consumer will reduce by 3 rupees, which is equal to the CST paid by Manufacturer

Source: Edel Invest Research

Sources: Authors Compilation

Currently the news and print sector is exempted from all indirect taxes. Post GST, we expect concessional rates to be introduced in this sector.

Impact

- Implementation of GST will be healthy for the DTH providers and downbeat for broadcasters.

- The overall impact on the news and print sector will be neutral.

Key Beneficiary

- Dish TV,
- Marginally Negative: Zee, Sun, HT Media and Jagran Prakashan.

PHARMA

Currently, the sector enjoys various location-based tax incentives. The effective tax rate (excise duty) for most companies is much below the statutory tax rate (6 per cent).

Highlights

- The concessional tax bracket for the sector is expected to continue.
- The existing tax exemptions will continue until expiry of the tax exemption period. Going forward it will be difficult to bring forth the new exemptions.
- GST is also expected to address inverted duty structure and lower logistic costs for the sector.

Impact

It is expected remain neutral for the pharmaceutical sector.

CONCLUSION

GST lower the burden of various tax payers as earlier the manufacturer or supplier have to pay different tax on different activities. GST have a boosting impact on economic growth. The above study shows that GST has impact on different sectors except pharma. Last but not the least, this tax, because of its transparent and self-policing character, would be easier to administer.

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SUSTAINABLE BUSINESS THROUGH CORPORATE GOVERNANCE

Dr. Mahesh Agnihotri[17] K. Prabhu Sahai[18]

ABSTRACT

India's economic reforms after 1991 are making steady progress. The stature of Indian corporate structure has brought many changes. A good corporate policy has been brought in place. Good Corporate Governance ensures that the business environment is fair and transparent and that companies can be held accountable for their actions. On the other hand, fragile Corporate Governance leads to dissipate, unprofessional conduct, and bribery. It is also important to remember that although Corporate Governance has emerged as a way to manage modern joint stock corporations; it is equally significant in state-owned enterprises, cooperatives, and family businesses. Regardless of the type of business enterprise, only Good Governance can deliver sustainable good Business Performance. Better access to external finance, lower costs of capital, improved business sustainability, high firm value and share performance, reduced risk of crisis and scandals. In fact corporate governance relies on four important pillars of responsibility, equality, transparency and autonomy; and not to ignore on a strong base of Ethics. Companies build on ethics and four pillars are agreed as corporate governance leaders and these leaders should act as role model. This paper discusses about two important principles namely ethics and internal governance.

KEYWORDS

Corporate Governance, Ethical Policy, Transparency, Business Sustainability etc.

INTRODUCTION

There is an alarming need to practice good governance as high profile businesses are worsening the impact of corporate governance system on economic efficiency with a strong emphasis on shareholders welfare. Organizations should develop a code of conduct for their directors and executives that promotes responsible and ethical decision-making. According to SEBI, Corporate Governance is the acceptance of absolute rights of shareholders as the true owners of the organization and of their own role as trustees on behalf of the shareholders. It is about commitment of values about ethical business conduct about making a distinction between about personal and corporate funds in the management of a company.

METHODOLOGY

Type of Study: Descriptive in Nature.
Sources of Data: Secondary data Used.
Limitations and Scope of the Study: The study is limited to two important issues of Corporate Governance namely Ethical Aspects and Internal Governance.

REVIEW OF LITERATURE

Okehalam and Akinboade (2003) defined corporate governance as the manner in which the power of a corporation is exercised in the stewardship of the corporation's total portfolio of assets and resources with the objective of maintaining and increasing shareholder value and satisfaction of other stakeholders in the context of its corporate mission.

Hampel, Sir Ronnie (1998), committee on corporate governance in its final report witnessed corporate governance and its growth through various codes and guidelines issued by a variety of bodies ranging from committees, appointed by government departments and usually including prominent respected figures from business industry, representatives from the investment community, representatives from professional bodies, and academics, through stock exchange bodies, various investor representative groups, and professional bodies, such as those representing directors or company secretaries.

According to **Dalton** et al, a very real threat to the exercise of independent judgment by the board of directors is the dual role of CEO as board chairperson. Here the top managerial officer of the corporation simultaneously serves as chairperson of the board, which has the charter of monitoring and evaluating top management. This dual role would seem to suggest a certain conflict of interest. Further, he questioned if it is appropriate to get the person to be evaluated is the head of the evaluation team?

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Internal Governance

They are responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company; and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and what they have done or propose to do to rectify these Cases of corporate governance.

Ethical Aspects

Corporate governance is about ethical conduct in business. Ethics is concerned with the code of values and principles that enables a person to choose between right and wrong, and therefore, select from alternative courses of action. Further, ethical dilemmas arise from conflicting interests of the parties involved. In this regard, managers make decisions based on a set of principles influenced by the values, context and culture of the organization. Ethical leadership is good for business as the organization is seen to conduct its business in line with the expectations of all stakeholders. What constitutes good Corporate Governance will evolve with the changing circumstances of a company and must be tailored to meet these circumstances. There is therefore no one single model of Corporate Governance.

Narayana Murthy Committee

The Committee's recommendations in the final report were selected based on parameters including their relative importance, fairness, and accountability, and transparency, ease of implementation, verifiability and enforceability. The key mandatory recommendations focus on strengthening the responsibilities of audit committees; improving the quality of financial disclosures, including those related to related party transactions and proceeds from initial public offerings; requiring corporate executive boards to assess and disclose business risks in the annual reports of companies; introducing responsibilities on boards to adopt formal codes of conduct; the position of nominee directors; and stock holder approval and improved disclosures relating to compensation paid to non-executive directors.

Non-mandatory

Recommendations include moving to a regime where corporate financial statements are not qualified; instituting a system of training of board members; and the evaluation of performance of board members.

Kumar Mangalam Birla Committee

The Securities and Exchange Board of India (SEBI) appointed a committee on corporate governance on 7 May 1999, with 18 members under the chair of Kumar Mangalam Birla with a view to promoting and raising the standards of corporate governance. The committee's terms of reference were: (a) to suggest suitable amendments to the listing agreement (LA) executed by the stock exchanges with the companies and any other measures to improve the standards of corporate governance in the listed companies in areas such as continuous disclosure of material information, both financial and non-financial, manner and frequency of such disclosures, responsibilities of independent and outside directors, (b) to draft a code of corporate best practices, and (c) to suggest safeguards to be instituted within in the companies to deal with insider information and insider trading. The committee submitted its famous and oft-quoted report to SEBI after several sittings of debates and deliberations. The Kumar Mangalam Birla Committee's report is indeed a veritable landmark in the evolution of corporate governance in India.

The Birla Committee's recommendations consist of mandatory recommendations, and non-mandatory recommendations:
Mandatory Recommendations

- Applicability,
- Board of Directors,
- Audit Committee,
- Remuneration Committee,
- Board Procedures,
- Management,
- Shareholders.

Naresh Chandra Committee Report

They are responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company; and they have also disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and what they have done or propose to do to rectify these; They have also disclosed to the auditors as well as the Audit. Committee, instances of significant fraud, if any that involves management or employees having a significant role in the company's internal control system.

Whistle Blower Policy: Mandatory recommendation Personnel who observe an unethical or improper practice (not necessarily a violation of law) should be able to approach the audit committee without necessarily informing their supervisors. Companies shall take measures to ensure that this right of access is communicated to all employees through means of internal circulars, etc. The employment and other personnel policies of the company shall contain provisions protecting "whistle blowers" from unfair termination and other unfair prejudicial employment practices.

Mandatory Recommendation

Companies shall annually affirm that they have not denied any personnel access to the audit committee of the company (in respect of matters involving alleged misconduct) and that they have provided protection to "whistle blowers" from unfair termination and other unfair or prejudicial employment practices. The appointment, removal and terms of remuneration of the chief internal auditor must be subject to review by the Audit Committee. Such affirmation shall form a part of the Board report on Corporate Governance that is required to be prepared and submitted together with the annual report.

RECENT ISSUES

Tata Sons

"After being replaced as Chairman of Tata Sons, Mr. Mistry ceases to be a Tata employee. It is he who is violating the Guidelines that he himself propounded, and not Tata," a Tata Sons spokesperson said.

The response was to Mistry's office issuing a statement saying the ousted chair was fighting to protect the conglomerate from "capricious" decision-making by Interim Chairman Ratan Tata.

Refuting remarks that he was trying to take over control over all Tata Group activities, Mistry's office alleged that those individuals were seeking to procure unpublished price sensitive information from listed group companies, breaking down governance.

Infosys

The founders led by N. R. Narayana Murthy, it was said, were unhappy with corporate governance at Infosys, particularly a hefty severance package of Rs. 17.38 crore given to former chief financial officer (CFO) Rajiv Bansal and a 55% hike in pay awarded to Sikka.

The whispers steadily grew louder over the past few weeks and then, everything burst into the open when Narayana Murthy, in a published interview on 10 February, tore into the Infosys board headed by non-executive chair R. Seshasayee and the nomination and remuneration committee led by Jeffrey Lehman.

"We strove hard right from the day Infosys was founded till the day we left the company voluntarily on October 14, 2014, to make Infosys the best-governed company in India and on Nasdaq," Murthy mentioned.

CONCLUSIONS

- It must be ensured of accountability and responsibility towards shareholders.
- Ensuring enforcement of regulations.
- As frauds have become undeniable facts of corporate life, it is mandatory to ensure appropriate Governance in the interest of all stakeholders.
- Measures to be initiated to prevent fraud rather detect.
- Controlling measures to be taken up through internal transparency and audit.
- As Corporate Governance represents ethical arrangement where decisions are taken, it must be ensured that businesses must execute competently through good governance.
- Businesses must inculcate truth and confidence among the investors and other stakeholders.
- Corporate Governance enables to raise funds and attract foreign investments and ensures foreign exchange.

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INDIAN DEVELOPMENT: REGIONAL DISPARITIES ON SELECTED PERSPECTIVES

Dr. Sheetal Mundra[19] Dr. Lokanath Mishra[20]

ABSTRACT

People are the wealth of a nation. Indeed, the basic purpose of development is to expand human choices. India is a diversified country with 29 states and 7 union territories and in such a nation's inclusive development is a challenge. Inclusive development is an attempt to bring the backward sectors, classes, castes, tribes, women and marginal people into main stream economy. Inclusive Development is exclusive rather than inclusive in India. Poverty reduction, high literacy rate, low infant mortality rate, eradication of malnourishment are some of the important and expected outcomes of inclusive development. The objectives of this paper are to examine the regional disparities among states and union territories of India on some of these important and expected outcomes. 3 sigma limits for control chart of mean is used for analysis at State wise to defined control limits whether a state is good, average or poor performer for a given parameter. The study finds that the poor performing states on these selective parameters also have Low HDI. Further this study tries to examine the impact of Poverty Headcount Ratio on Literacy Rate (Important component of Education Index in HDI), Infant Mortality rate (Important component of Health Index in HDI) and Ratio of underweight and vice versa. The study concludes that the Poverty Headcount Ratio, Literacy Rate and Infant Mortality rate are significantly impacting each other. Therefore, it is important to consider that the human development process should well align with poverty reduction. This focus will help in achieving the desired outcomes of inclusive development process.

KEYWORDS

Inclusive Development, Poverty Headcount Ratio, Literacy Rate, Infant Mortality Rate, Malnourishment etc.

INTRODUCTION

People are the wealth of a nation. As the economic growth model of development was questioned by the UNDP in its first human development report of 1990, which reiterate that people, not things, are the wealth of nations **(UNDP, 1990)**. Indeed, the basic purpose of development is to expand human choices. People of the nation should be equitably benefited through economic development. India is a diversified country with 29 states and 7 union territories and in such a nation, inclusive development is a challenge. Inclusive growth policy is an attempt to bring the backward sectors, backward regions backward classes, castes, tribes, women, and marginal people into mainstream economy.

Many economists ruminate the main objective of economic policy is the balanced regional economic growth of all the states of a country. It designates that there must be equal expansion and progress of economic activities and increase in per-capita income of all states. Balanced regional growth has been considered vital for national integration, political stability and economic viability. Eventually, the issue of regional balance has been given sharp focus in all the plans, and various policies and programmes have been adopted for fostering regional balance in the economy.

The government of India introduced Inclusive policy to overcome the neglected aspects of development. In recognition of this, the Planning Commission had made "Faster, More Inclusive and Sustainable Growth" an explicit goal in the Eleventh Five Year Plan (2007-2012). The Twelfth Plan seeks to fulfil are reflected in the subtitle: 'Faster, Sustainable, and More Inclusive Growth'. However, inclusive Development is exclusive rather than inclusive in India. The exclusion in terms of low agriculture growth, low quality employment growth, low human development, no substantial change in poverty ratio, rural-urban divides, gender and social inequalities, and regional disparities etc. are the problems for the nation.

The issues of regional balanced growth or regional disparity have attracted considerable attention among researchers, planners and policymakers. Aiyar (2001), however, in a study of 19 Indian states over the period 1971–1996 finds strong evidence of absolute divergence. He notes that the sub-national dispersion of per capita income, urbanization and literacy rates in India is greater than that found in relatively homogeneous groups of countries like those in the European Union. While emphasizing the geography of development, Bhandari and Khare (2002) point out that, on an average, the western parts of India have grown faster than the eastern parts of India.

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According to Baddeley et al. (2006), economic liberalisation has intensified growth differentials between states of India. Chaudhari and Gupta (2009) indicated disparity between and within states based on standard of living and poverty. Roy (2005) found widening disparity between states based on poverty and location. There is rising trend of inequality in both infrastructure and income among various regions of India (Ghosh & Prabir 2005).

Thus, Indian regional economic disparity is a matter of serious concern over the years. It seems relevant to examine whether a considerable regional inequality persists despite the government's efforts for its reduction. Inclusive growth is an instrument to halve the problem of regional disparities of all kinds. Inclusive growth is a powerful instrumental approach which emphasis more on reducing the disparities of all kinds in general and regional disparities in particular.

That is why; inclusive growth is a far cry for Indian Economy. Poverty reduction, high literacy rate, low infant mortality rate, eradication of malnourishment are some of the important and expected outcomes of inclusive development. The objectives of this paper are to examine the regional disparities among states and union territories of India on some of these important and expected outcomes. The study finds that the poor performing states on these selective parameters also have Low HDI.

Further this study tries to examine the impact of Poverty Headcount Ratio on Literacy Rate (Important component of Education Index in HDI), Infant Mortality rate (Important component of Health Index in HDI) and Ratio of underweight and vice versa and concludes that that the human development process should well align with poverty reduction. This focus will help in achieving the desired outcomes of inclusive development process. Our honourable Prime Minister Mr. Narendra Modi also addressed that 'if we want peace and development for the world, poverty needs to be tackled' at the UN SDG (Sustainable Development Goals) Summit on 25th September, 2015.

OBJECTIVES

- To examine the regional disparities among states and union territories of India on Poverty Headcount Ratio, Literacy Rate, Infant Mortality rate and Ratio of underweight.
- To study the impact of Poverty Headcount Ratio on Literacy Rate, Infant Mortality rate and Ratio of underweight, and vice versa.

DATA SOURCES & RESEARCH METHODOLOGY

The study is exploratory in nature and based on secondary data. The data are collected from various sources: Central Statistical Organisation, RBI; Census of India 2011; NHRD Data Sheet; India Human Development Report 2011, Data-book Planning Commission.

In the present study considers almost all states and union territories of India (on the basis of data availability) as the sample size. The data on Literacy Rate (%) Year 2011, Poverty Headcount Ratio (%) Year 2011-12, I.M.R. (%) Year 2011, Total Underweight (%) Year 2011-12, are considered for the sample size. To examine the disparities among the different states of India, 3 sigma limits for control chart of mean is used for analysis at State wise to defined control limits whether a state is good, average or below average for a given parameter. The following formula is used to define:

Upper Control Limit= $\mu + 3(S.D. / \sqrt{n})$
Lower Control Limit= $\mu - 3(S.D. / \sqrt{n})$

To assess the impact of Poverty Headcount Ratio on Literacy Rate (Important component of Education Index in HDI), Infant Mortality rate (Important component of Health Index in HDI) and Ratio of underweight and vice versa, double log model with simple regression analysis has been done separately for the year 2011.

The results are presented with the help of SPSS.

Main Observation and Analysis

The study is based on Literacy Rate (%) Year 2011, Poverty Headcount Ratio (%) Year 2011-12, I.M.R. (%) Year 2011 and Total Underweight (%) Year 2011-12 across the states and union territories in India. 3 sigma limits for control chart of mean is used for analysis at State wise to defined control limits whether a state is good, average or below average for a given parameter.

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Table-1: Poverty Headcount Ratio-Tendulkar Methodology Year 2011-12

S. No.		Mean (India)	n (number of States)	S.D.	UCL (Upper Control Limit)	LCL (Lower Control Limit)	Category A (A≥ UCL)	Category B (UCL>B> LCL)	Category C (C≤ LCL)
1	Poverty Headcount Ratio	21.9	35	11.909	27.94	15.86	10	7	18

Sources: Estimates are based on Tendulkar methodology, Planning Commission

Poverty Ratio

Poverty involves examining an individual's position relative to some absolute norm and assessing the distribution of the individuals in the society with respect to their departures from the norm (T. N. Shrinivasan, 2013).

Table-2: States in Different Category

S. No.	Indicator	States in 'A' Category	States in 'B' Category	States in 'C' Category	States in Poor Situation
a.	Poverty Headcount Ratio	2, 3, 4, 7, 10,12,16,18,23,32	5,8,11,17,25, 26,31	1,6,9,13,14,15,19,20,21,22,24, 27,28,29,30,33,34,35	2, 3, 4, 7, 10,12,16,18,23,32

Note: Numbers represent the state name as per Appendix-1
Sources: Authors Compilation

The table-1 presents that the Poverty Headcount Ratio of 10 States is above the control limit (assuming average limit) and 7 are within the limit but the table-2 highlights the Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Uttar Pradesh, Arunachal Pradesh, Manipur and D & N Haveli are the States showing performance below the control limits (below average limit).

Literacy Rate

India's literacy rate (proportion of literature in the age group 7 Years and above) exhibits a steady improvement over time. Education is essential for the growth and development of individual as well as society. Therefore, education is a major role in the development of individual construction of society and development of economy. Thus, education is the key component of human development (Sharma, 2007).

Table-3: Literacy Rate in Percentage in Year 2011

S. No.		Mean (India)	n (number of States)	S.D.	UCL (Upper Control Limit)	LCL (Lower Control Limit)	Category A (A≥ UCL)	Category B (UCL>B> LCL)	Category C (C≤ LCL)
1	Literacy Rate	74.04	35	8.004192	78.1	69.98	18	11	6

Note: Literacy rate Female (7 Years & above)
Literacy Rate urban is combined of male & female
Sources: Authors Compilation

Table-4: States in Different Category

S. No.	Indicator	States in 'A' Category	States in 'B' Category	States in 'C' Category	States in Poor Situation
a.	Literacy Rate	5,9,11,15,19,20,21, 23,25,26,27,28,29, 30,31,33,34,35	2,4,6,8,10,12,13, 16,17,24,32	1,3,7,14,18,22	1,3,7,14,18,22

Note: Numbers represent the state name as per Appendix-1
Sources: Authors Compilation

The table 3 presents that the Literacy Rate of 18 States is above the control limit (assuming average limit) and 11 are within the limit but the table 4 depicts the Andhra Pradesh, Bihar, Jharkhand, Rajasthan, Arunachal Pradesh and Jammu & Kashmir are the States showing performance below the control limits (below average limit).

IMR

Infant Mortality is a summary indicator of health attainments in a society. IMR refers to the number of deaths per thousand live births in the first year of a child's life. It reflects the probability of a child dying before the first birthday.

Table-5: I.M.R. (Infant Mortality Rate)

S. No.		Mean (India)	n (number of States)	S.D.	UCL (Upper Control Limit)	LCL (Lower Control Limit)	Category A (A≥ UCL)	Category B (UCL>B> LCL)	Category C (C≤ LCL)
1	I.M.R. (Infant Mortality Rate)	44	35	16.58312	52.41	35.59	4	11	20

Note: Literacy rate Female (7 Years & above)
Literacy Rate urban is combined of male & female
Sources: Databook for Planning Commission; 22nd December 2014

Table-6: States in Different Category

S. No.	Indicator	States in 'A' Category	States in 'B' Category	States in 'C' Category	States in Poor Situation
a.	I.M.R. (Infant Mortality Rate)	2,10,12,16	1,3,4,5,6,7,14,21, 22,24,29	8,9,11,13,15,17,18, 19,20,23,25,27,27, 28,30,31,32,33,34,35	2,10,12,16

Note: Numbers represent the state name as per Appendix-1
Sources: Authors Compilation

The table 5 presents that the Infant Mortality Rate of 4 States is above the control limit (assuming average limit) and 11 are within the limit but the 20 States showing performance below the control limits (below average limit). Table-6 shows that Assam, Madhya Pradesh, Odisha and Utter Pradesh are in the poor situation as showing high Infant Mortality Rate.

Malnourished

To assess the incidence of hunger or undernourishment, typically, the approach is to compare the actual food intake to the required level. The required level, or food adequacy, can simply be defined in terms of a set of recommend dietary allowances for an average individual in a society.

Table-7: Malnourished Status of Children under ICDS Scheme as on 31.3.2012 (% Total Underweight)

S. No.		Mean (India)	n (number of States)	S.D.	UCL (Upper Control Limit)	LCL (Lower Control Limit)	Category A (A≥ UCL)	Category B (UCL>B> LCL)	Category C (C≤ LCL)
1	**% Total Underweight**	37.32	35	16.31	45.59	29.05	4	14	17

Sources: Malnourished Status of Children under ICDS Scheme as on 31.3.2012 (% Total Underweight)

Table-8: States in Different Category

S. No.	Indicator	States in 'A' Category	States in 'B' Category	States in 'C' Category	States in Poor Situation
a.	% Total Underweight	1,3,19,33	4,5,6,7,8,12,14,15,16, 21,28,31,34,35	2,9,10,11,13,17,18, 20,22,23,24,25,26,27,29,30,32	1,3,19,33

Note: Numbers represent the state name as per Appendix-1
Sources: Authors Compilation

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The table-7 displays that the Percentage Total Underweight of 4 States is above the control limit (assuming average limit) and 14 are within the limit but the 17 States showing performance below the control limits (below average limit). Table-8 shows that Andhra Pradesh, Bihar, Delhi and Daman & Diu are in the poor situation as showing high percentage Total Underweight.

HDI Score of Poor Performing States

Table-9

Number of the State	Name of the State	HDI (2010-11)*
1	Andhra Pradesh	0.527
2	Assam	0.500
3	Bihar	0.405
4	Chhattisgarh	0.399
7	Jharkhand	0.435
10	Madhya Pradesh	0.422
12	Orissa	0.407
14	Rajasthan	.456
16	Uttar Pradesh	0.411
18	Arunachal Pradesh	N.A.**
22	J&K	.559
23	Manipur	N.A.**
32	D&N Haveli	N.A.**
33	Daman & Diu	N.A.**

Sources: India Human development Report 2011, and the HDI 2010-11 is calculated by ACGR Technique (ACGR= [{(HDI of 2007) / (HDI of 2004)} -1]1/n * 100
Note: **Data are not available

The table-9 highlights that the states and union territories, which are identified as poor states in all the given parameters, also have low and middle HDI score.

Impact of Poverty Headcount Ratio on Literacy Rate, Infant Mortality rate and Ratio of underweight, and vice versa for the states and union territories of India.

The Impact of Poverty headcount ratio on literacy rate has been measured by the following regression equation.

Log Poverty Headcount Ratio $_t$ = Log a + b Log Literacy Rate$_t$ + u_t

Table-10: The Impact of Log Poverty Headcount Ratio on Log Literacy Rate

Year	R Square	F	Log (Constant)	Log Poverty Headcount Ratio
2011	.548	14.183	1.976 (.000)*	-.071 (.001)*

Note: *Indicates p value less than or equal to 5%
Sources: Authors Compilation

It is gleamed from above table -10 that coefficient of log Poverty Headcount Ratio is negatively and significantly affecting the log Literacy Rate. R square shows that 54.8% changes in Literacy Rate is explained by changes in Poverty Headcount Ratio in the year 2011. Therefore, it can be concluded that increasing Poverty Headcount Ratio is contributing in decreasing Literacy Rate in the states and union territories of India.

The Impact of Log Poverty Headcount Ratio on Log IMR for Selective States in India

Table-11: The Impact of Log Poverty Headcount Ratio on Log IMR

Year	R Square	F	Log (Constant)	Log Poverty Headcount Ratio
2011	.389	5.870	1.239 (.000)*	.220 (.021)*

Note: *Indicates p value less than or equal to 5%
Sources: Authors Compilation

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Table-11 implies that coefficient of log Poverty Headcount Ratio is positively and significantly affecting the log IMR. R square shows that 38.9% changes in IMR is explained by changes in Poverty Headcount Ratio in the year 2011. Therefore, it can be concluded that increasing Poverty Headcount Ratio is affecting in increasing IMR in the states and union territories of India.

The Impact of Log Poverty Headcount Ratio on Log Total Underweight

Table-12: The Impact of Log Poverty Headcount Ratio on Log Total Underweight

Year	R Square	F	Log (Constant)	Log Poverty Headcount Ratio
2011	.014	.006	1.408 (.000)*	-.015 (.937)*

Note: *Indicates p value less than or equal to 5%
Sources: Authors Compilation

Table-12 implies that coefficient of log Poverty Headcount Ratio is negatively and not significantly affecting the log Poverty Head Count Ratio.

The Impact of Log Literacy Rate on Log Poverty Headcount Ratio

Table-13: The Impact of Log Literacy Rate on Log Poverty Headcount Ratio

Year	R Square	F	Log (Constant)	Log Poverty Headcount Ratio
2011	.548	14.183	9.135 (.000)*	-4.211 (.001)*

Note: *Indicates p value less than or equal to 5%
Sources: Authors Compilation

Table-13 implies that coefficient of log Literacy Rate is negatively and significantly affecting the log Poverty Headcount Ratio.

The Impact of Log IMR on Log Poverty Headcount Ratio

Table-14: The Impact of Log IMR on Log Poverty Headcount Ratio

Year	R Square	F	Log (Constant)	Log Poverty Headcount Ratio
2011	.389	5.870	.137 (.750)*	.685 (.021)*

Note: *Indicates p value less than or equal to 5%
Sources: Authors Compilation

Table-14 shows that coefficient of log IMR is positively and significantly affecting the log Poverty Headcount Ratio.

The Impact of Log Total Underweight on Log Poverty Headcount Ratio

Table-15: The Impact of Log Total Underweight on Log Poverty Headcount Ratio

Year	R Square	F	Log (Constant)	Log Total Underweight
2011	.014	.006	1.179 (.000)*	-.013 (.937)*

Note: *Indicates p value less than or equal to 5%
Sources: Authors Compilation

Table-15 exhibits that coefficient of log Total Underweight is negatively and not significantly affecting the log Poverty Headcount Ratio.

CONCLUSION

The study concludes that the states and union territories, which are identified as poor states in all the given parameters, also have low and middle HDI score. In addition, the Poverty Headcount Ratio, Literacy Rate and Infant Mortality rate are significantly affecting each other. Therefore, it is important to consider that the human development process should well align with poverty reduction. This focus will help in achieving the desired outcomes of inclusive development process. India has the largest number of poor among all countries and it is home to one –fourth of the world's poor. In such a scenario, the findings of the study become relevance. It also brought into focus the potential role of the state as the principal agency in the development process.

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Appendix

Table-16

Andhra Pradesh	1	Punjab	13	Mizoram	25
Assam	2	Rajasthan	14	Nagaland	26
Bihar	3	Tamil Nadu	15	Sikkim	27
Chhattisgarh	4	Uttar Pradesh	16	Tripura	28
Gujarat	5	West Bengal	17	Uttarakhand	29
Haryana	6	Arunachal Pradesh	18	A & N Island	30
Jharkhand	7	Delhi	19	Chandigarh	31
Karnataka	8	Goa	20	D & N Haveli	32
Kerala	9	Himachal Pradesh	21	Daman & Diu	33
Madhya Pradesh	10	J & K	22	Lakshadweep	34
Maharashtra	11	Manipur	23	Puducherry	35
Odisha	12	Meghalaya	24		

Sources: Authors Compilation

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EXPLORING ENVIRONMENTALLY - RESPONSIBLE BEHAVIOR OF CONSUMERS: EMPIRICAL EVIDENCES FROM INDIA

Dr. Monica Bedi[21]

ABSTRACT

Materialistic lifestyle is becoming a universal phenomenon, and the number of individuals pursuing such lifestyle is increasing exponentially. Materialistic lifestyle found in market oriented societies has led to the natural resources depletion on one hand and the environmental degradation by dumping pollutants on the other. An increasing number of people know about environmental degradation and believe that action is needed. However, too few make it a priority, and too many fail to act when they have the opportunity. The research attempts to study environmentally-responsible behaviour among consumers. Findings show that the greatest challenge lies with changing behaviours and institutions. Public policy changes-at local, regional, national, and international level are essential to make individuals responsible towards environment. Environmental problems can be overcome if we act now, act together and act differently than we have in the past. Accordingly, the research attempts to study environmentally-responsible behaviour among consumers. The objectives of the study were to determine the opinions and beliefs about environment, awareness about environment, attitude towards environment, actions taken / behaviour towards environment, environmental friendly purchase behaviour.

KEYWORDS

Environmentally-Responsible Behavior, Environment Attitude, Green Purchase, Consumers, India etc.

INTRODUCTION

The liberalization of Indian economy brought about profound structural and technological changes in urban and rural areas of India. Rapid economic growth made it possible for sizeable part of Indian population to transform their lifestyle from thrifty to consumption-oriented. Indian consumer markets are changing fast, with rapid growth in disposable incomes. The increasing economic development and a rapidly growing population that has taken the country from 300 million people in 1947 to more than 1.34 billion people today is putting a strain on the environment, infrastructure, and the country's natural resources. Urban air quality, river water quality, deforestation, household wastes, vehicle emission and hazardous industrial wastes are some of the examples of serious environmental issues faced by the nation (Ramlogan, 1997). Maintaining ecological balance, thus, is a major issue confronting the nation today. Accordingly, various policies and strategies are currently developed and implemented by the government in order to ensure environment sustainability of the nation. Indian companies have started incorporating green management practices and even carrying environment sustainable reporting practices (Chaklader & Gulati, 2015). Increased environmental changes cannot be managed without individual people recognizing their responsibility for the environment. The problem is that people may believe their individual actions to be insignificant .This study investigates consumers environmentally responsible behavior, and the effect of socio demographic characteristics on their environmentally responsible behavior.

REVIEW OF LITERATURE

Environmentally-Responsible Behavior is defined as "a multifaceted concept, which includes preservation of the environment, minimization of pollution, responsible use of non-renewable resources, and animal welfare and species preservation". Environmentally responsible behavior arises from environmental compassion, which is the ability to examine and sense the surrounding environment and the changes taking place (Wahlström 1997). Plethora of research exists on factors affecting green behaviour, most of them conducted to investigate the links between consumers' attitude and behaviour (Cleveland et al., 2005; Cheah & Phau, 2011; Leonidou & Leonidou, 2011; Urien & Kilbourne, 2011). Many studies on environmental behavior have documented that there is a relationship between environmental knowledge and behavior. (Blake 2001; Busse & Menzel, 2014; Cottrell 2003; D'Souza, Taghian & Khosla, 2007; Kasapoglu et al. 2002; Khan & Kirmani, 2015; Nath et al., 2013) . However, several studies reports that environmental knowledge does not indicate environmentally friendly behavior (Barr et al., 2005; Ewert et al., 2001; LaRoche et al., 2002;, Kilbourne et al., 2005). There seems to be a gap between knowledge and behavior. Past studies demonstrated that quality of environment depends critically on the level of knowledge, attitude, values and practices of the people (Schulitz and Oskamp, 1996; Mansaray and Abijoye, 1998). There are studies which reports that environmental concerns have entered into consumer decision-making (Kumar et al., 2013; Singh, 2011). Studies have found that the most significant factor affecting environmental related issue is not the official government policy but public awareness (Chukwuma, 1998) and the readiness to bear the cost of minimizing the adverse impacts of their activities (Ramsey and Rickson, 1976). It is recognized that

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environmental education help create awareness, concern, recognition of the consequences of their actions and thus adopting an environmentally responsible behavior (Salequzzman and Stocker, 2001; Bradley et al., 1999).A positive attitude towards ecologically conscious behaviour leads to ecological responsible purchase and use of products (Hustvedt and Dickson, 2009; Ottman et al., 2006). Over the years, a majority of consumers have realized that their purchasing behavior had a direct impact on many ecological problems. Public opinion policies in developed countries indicate that consumers are purchasing environmentally friendly products to protect the environment and improve the quality of Life for current and future generations (Rice et al., 1996). According to study conducted by the Swedish Environmental Protection Agency (2005), 97 per cent of the population, thought environmental issues will, or already have had an influence on purchase behavior. Studies suggest that US and Western Europe are becoming more environmentally responsible in terms of their personal habits and lifestyles (Stone *et al.*, 1995). Studies in the Indian context are also gaining momentum and attempting to explain environment responsible behavior (Kumar et al., 2013; Singh, 2011). Researchers have reported about the green buying behaviour of Indian consumers disclosing positive inclination towards environment-friendly products (Jain & Kaur, 2004; Punyatoya, 2014). Uddin and Khan (2016) reported that their exists positive signs of pro-environmental behavior. Savita and Kumar (2010) compared the consumer attitude of urban and rural people and found that urban consumers have favourable attitude towards environment-friendly products and strive to be more conscious about the raw material, packaging and after-use features of such products as compare to their rural counterparts. A study by Ipsos (2014) found that switching to environmentally friendly products is not really the main concern for many consumers. However, when it comes purchase decision, less than 50 percent buys eco-friendly products since they feel that they are very expensive (Mostafa, 2007). The literature review suggests that environmental awareness and concern have increased, but an attitude–behavior gap still exists. This gap refers to the fact that "environmentally concerned" consumers do not seem to show any consistent preference for environmentally friendly products in their purchase behavior. This raises two questions. Why does the attitude–behavior gap persist? What public policy will encourage consumers to be more environmentally benign in their purchase behavior?

OBJECTIVES OF STUDY

The main objectives of the study are:

- To study environmentally responsible behavior among consumers.
- Investigate environmental responsible behavior among demographics (age, gender, education).
- Exploring consumer's reaction to the examples of environmental friendly products.

METHODOLOGY OF STUDY

Table-1: Distribution of Respondents

	all(n=123)	
	n	**p**
Age (Years)		
<21 years	40	26.1
21 -34 years	50	32.7
35 years & above	63	41.2
Gender		
Male	78	50.9
Female	75	49.1
Education		
High School	48	31.3
College Graduate Level	47	30.7
Post–graduate	58	38.0
Income (monthly)		
Less than Rs. 25,000	45	29.4
Rs. 25,001-50,000	40	26.2
More than Rs. 50,001	68	44.4
Total	153	100.0

Sources: Authors Compilation

The research design was a descriptive type of study utilizing survey method. Judgmental sampling technique was used to select 200 respondents. However, 153 respondents responded to the questionnaire. Analysis of data collected through questionnaires was done through simple tabulation. Kruskal-Wallis one-way ANOVA were applied for data analysis. Table-1 presents the profile of

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the respondents who had participated in this research study. Around more than half of the participants were males (55.3 per cent). Almost 31.2 per cent of the respondents were post-graduate, 48.8 per cent are pursuing graduation. 24.3 percent of the respondents lie in the age group of less than 21 years and 43.1 percent are 35 years & above.

Measurement Instrument

The questionnaire for the study consisted of two sections with seven measuring different constructs and the last demographics. Because of the large number of constructs measured and the time limitations, the scales used for some constructs were reduced from their original form. The six scales used in the present study were an environmental opinion / belief scale (6 items), awareness about environment (3 items), an environmental attitude scale (4 items) and an environmental behavior scale (9 items), environmental friendly purchase behavior (5 items), preferences for environmental friendly products (six items). All the items in the scales were Likert type with 1 indicating Strongly Disagree and 5 indicating Strongly Agree.

FINDINGS OF STUDY

Environmentally Responsible Behavior among Consumers

The analysis of the data regarding consumers' perception about environmentally-responsible behaviour is entered in Table 2. The results show that environmental knowledge does not always lead to environmentally responsible behavior. In general, environmental knowledge levels of the respondents seemed to be enough. Most respondents were aware that natural resources had a significant importance for our basic needs. They all were aware of common environmental problems and concerned about their possible outcomes. However, they were unable to analyze and evaluate these mechanisms systematically. Gap exists partly from how environment science is communicated and how minds are understands environmental dynamics. This might be because of the finite pool of worries, which prevent them from acting on existing information because they prioritize basic needs such as security, shelter, and the like. Thus, knowledge did not help them to develop ideas on what they actually can do to protect their environment. This leads to inadequate motivation for developing environ-mentally responsible behavior. For example, the respondents were aware of the advantages and necessity of recycling on theoretical basis. However, they admitted to not to show any effort to recycle their waste. Understanding barriers to behavioral change, one has to analyze individual as a unit of analysis. Consumers tend to resist and deny information that contradicts their cultural values and ideological beliefs. In addition, consumers also construct and reconstruct information to make it less comfortable, leading to strategies of socially organized denial that shape the way societies and governments interpret and respond to environmental issues. Policy makers need to be aware of these barriers to action and treat policy options accordingly. The policies should be made in form of communication, institutional measures, and social norms.

Table-2: Perception about Environmentally - Responsible Behaviour

S. No.	Statements	Disagree (%)	Neither Agree nor Disagree (%)	Agree (%)
Opinions and Beliefs About Environment				
1	The burning of the oil fields in Kuwait, the meltdown in glaciers, and the oil spill in Alaska are examples of environmental accidents whose impact is only short term.	13.4%	7.3%	**79.2%**
2	The United States is the biggest producer of fluorocarbons, a major source of air pollution.	12.4%	26.6%	**61.0%**
3	The earth's population is now approaching 2 billion.	**48.8%**	17.1%	34.1%
4	Excess packaging is one source of pollution that could be avoided if manufacturers were environmentally aware.	11.4%	12.8%	**75.8%**
5	Economic growth should take precedence over environmental considerations.	20.6%	30.9%	**48.5%**
6	The earth's resources are infinite and should be used to the fullest to increase the human standard of living.	22.8%	8.9%	**68.3%**
Awareness about environment				
7	The amount of energy I use does not affect the environment to any significant degree.	**61.0%**	15.4%	23.6%
8	This country needs more restriction on residential development (construction of a new mall on farmland, new subdivisions, etc.).	37.6%	24.4%	**38.0%**
9	In order to save energy, institutions should not take some actions in this direction.	**78.0%**	4.1%	17.9%

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Attitude Towards Environment				
10	One of the primary reasons for concern in destruction of the ozone layer is its ability to screen ultraviolet radiation.	12.2%	22.0%	**65.9%**
11	There is nothing the average citizen can do help stop environmental pollution.	**53.8%**	3.3%	42.9%
12	My involvement in environmental activities today will help save the environment for future generations.	8.9%	15.7%	**75.4%**
13	I would not car pool unless I was forced to. It is too inconvenient.	24.4%	33.3%	**42.3%**
Actions Taken / Behavior towards Environment				
14	I turn in polluters when I see those dumping toxic liquids.	35.8%	**38.2%**	26.0%
15	I have my engine tunes to help stop unwanted air pollution.	24.4%	16.3%	**59.3%**
16	I have my oil changed at installations, which recycle oil.	32.5%	24.4%	**43.1%**
17	The earth is so large that people have little effect on environment.	38.1%	4.9%	**57.0%**
18	People who litter should be fined Rs 1000/- and be forced to work on road crews and pick up garbage.	7.1%	17.9%	**75.0%**
19	Govt. should start courses and curriculum to educate young students about environmental issues.	15.7%	3.3%	**81.1%**
20	I do not purchase products that are known to cause pollution.	29.3%	35.2%	**35.5%**
21	It is no use worrying about environmental issues. I cannot do anything about them anyway.	21.4%	30.1%	**48.5%**
22	I would describe myself as environmentally responsible.	**64.2%**	25.2%	10.6%
Environmental Friendly Purchase Behavior				
23	I choose the environment friendly alternative regardless of price.	**73.8%**	22.5%	3.8%
24	Over the next one month, I will consider switching to other brands for ecological reasons.	9%	49.8%	**41.2%**
25	I encourage my family members to buy environmental friendly products.	46%	27.65%	**26.1%**
26	I prefer to purchase a recycle / second hand product to new products.	**67%**	22.8%	9.75%
27	Most environmental claims on package labels or in advertising are intended to mislead rather than to inform consumers.	20%	26%	**53%**

Sources: Authors Compilation

Investigating Environmental Responsible Behavior among Demographics (Age, Gender, Education)

There may be difference in perception of environmental consciousness and purchase behavior depending upon age, gender, education level. In order to see whether the average purchase behaviour (of the issues or variables under investigation) were identical for all groups involved in this survey, the Kruskal-Wallis one-way ANOVA test was performed. The test was used to measure any significant differences in responses, since there were different groups involved in the survey. The results are shown in Table 3.

Table-3: Kruskal-Wallis One-way ANOVA

S. No.	Statements	Age		Gender		Education	
		X^2	Sig.	X^2	Sig.	X^2	Sig.
1	Environmental friendly purchase behaviour.	30.076	.000*	3.877	.049*	23.013	.000
2	Actions taken / behavior towards environment.	16.572	.000*	5.952	.015*	19.738	.000
3	Attitude towards environment.	4.420	.110	1.229	.268	5.986	.050*
4	Opinions and beliefs about environment.	.252	.881	.251	. 617	5.019	.081
5	Awareness about environment.	9.917	.007*	3.470	.050*	4.420	.110

Note: The shaded areas indicate values that are statistically significant.
Sources: Authors Compilation

It can be seen from table-3 that environmental friendly purchase behaviour significantly differ across age (H (2) = 30.076, p = .000), and education (H (2) = 23.013, p = .000). Also, Actions taken / behavior towards environment significantly differ across age (H (2) =19.738, p = .000), and education (H (2) = 10.122, p = .006). Women seem to perceive that environmentally friendly product attributes are more important (Ebreo *et al*., 1999) and perform more environmentally friendly than men (Olli *et al*., 2001). The study found that Environmental friendly purchase behaviour (H (1) = 3.877, p = .049) and Actions taken /behavior towards environment (H (1) = 5.952, p = .015) significantly differ across gender. Results also pointed out that Attitude towards

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environment significantly differs across education level of the respondents (H (2) = 5.986, p = .050). No significant differences were found between Opinions and beliefs about environment and age (H (2) = .252, p = .881), Opinions and beliefs about environment and gender (H (1) = .251, p = .617), Opinions and beliefs about environment and education (H (2) = 5.019, p = .081). At the same time the findings show that significant differences existed between age (H (2) = 9.917, p = .007), gender (H (1) = 3.470, p = .050) and Awareness about environment.

Exploring Consumers Reaction to the Examples of Environmental Friendly Products

Consumer's reaction to the examples of environmental friendly products (organic food, herbal/natural personal care products, and recycled paper products) is depicted in table-4. 16.9% respondents believed that eco-labels 'often' impacts their purchase decisions while only 12.1% felt that it 'never' had any impact. 18.8% of respondents 'always' buy and prefer organic fruits and vegetables, 8.9% of the respondents 'often' buy organic food, 20.0% 'sometimes' buy and 29.8% have 'never' bought organic food. 48.4% of the respondents 'often' buy organic /herbal personal care products, 17.7% 'always' buy such products. Around 32.3% of the respondents said they prefer to buy energy efficient appliances. Only 32.5% respondents said that they 'often' buy recyclable package products. 25.0% respondents said they 'sometimes' buy ozone friendly sprays whereas only 8.9% said that they 'always' buy ozone friendly sprays. Around 29.8% respondents avoid toxic detergents .Nearly 50% prefer to turn tap off when washing dishes / soaping up/ cleaning teeth. The results showed that consumers tend to prefer to adopt environmentally behavior until it is not expensive and environmental action is primarily based around daily practices. However, environmental action has been integrated into everyday life with relatively minor adjustments to lifestyles.

Table-4: Consumers Reaction to the Examples of Sustainable Marketing – Based Products / Green Products

Statements	Never (%age)	Rarely (%age)	Sometimes (%age)	Often (%age)	Always (%age)
I check a product's eco-label before buying.	12.1	27.4	32.3	16.9	11.3
I prefer organically grown (without using chemical pesticides) products.	29.8	38.9	20.0	8.9	2.4
I prefer to buy herbal / organic personal care products.	.8	13.7	19.4	48.4	17.7
I prefer to buy Energy efficient appliances.	1.6	21.0	22.6	32.3	22.6
I prefer ozone friendly aerosols containing body perfumes / room sprays.	21.8	19.4	29.8	20.2	8.9
I would purchase a product in recyclable package over the one in non-recyclable.	7.3	9.0	35.0	32.5	16.3
I prefer to avoid toxic detergents.	4.0	3.2	26.6	36.3	29.8
I prefer to use own bag when shopping.	10.5	21.8	33.1	26.6	8.1
I prefer to donate furniture / clothes to charity.	4.0	36.3	34.7	20.2	4.8
I prefer to Turn tap off when washing dishes / soaping up / cleaning teeth.	4.8	14.5	32.3	43.5	4.8

Sources: Authors Compilation

DISCUSSION

With the steady rise of environmental consciousness and ecological protection, almost every country have been participating in the establishment of environmental organizations and environmental laws to prevent the continuous ecological destruction, through international trade sanctions, conferences and consumer awareness programs. Undoubtedly, green products and green consumption have become measures proposed for ensuring sustainable development.

Sustainable development is a universal challenge; practical responses can be defined at government, company and individual level.

ROLE OF GOVERNMENT

Sustainable development should be pursued with greater dynamism, as greening as a potential source of opportunity instead of burden. The government led by Narendra Modi has taken many crucial eco-friendly steps taken, namely, The Swachh Bharat Abhiyan, The Ganga clean Plan, Mount Everest cleaning drive, launching of India's first national air quality index (NAQI), affordable sanitation in both urban and rural India, ensuring that 50% of the work taken up by MNREGA, should be for the improvement of water conservation including construction of check dams and de-silting of water bodies, Smart Cities Mission and AMRUT project, Strict enforcement of industrial effluent standards etc. Undoubtedly, Indian government seems to be quite proactive on environment sustainability as far as schemes, rules and plans are concerned. There are adequate governance agencies and tribunals (Green Tribunal, pollution control boards), all is needed is to make certain execution of plans and ensure the rules are followed. Poor governance, ignorant officials, halfhearted efforts, passive awareness among masses and lobbying from industry are some of the challenges in effective and efficient enforcement of schemes, plans and environmental legislations. Therefore, there is a need to have a comprehensive and an integrated action plan for meaningful and strict enforcement.

ROLE OF CONSUMERS

To preserve, protect and restore ecosystems to a healthy state, there need a change at the level of human values, ethics, attitudes, behavior, actions and lifestyles. Consumers are increasingly concerned about how their behaviors affects the earth. Currently, consumers are better conversant and more responsive to the environmental and human health impacts of the products they purchase. Consumers are choosing products or avoiding others based on their impact on the natural environment (Laroche, Bergeron, & Barbaro-Forleo, 2001). However, it appeared that adoption of a type of practice or behavior would depend on whether there is direct financial benefit, convenience or habit. In India, price seem to pay a decisive role during purchase process in consumers (Manaktola and Jauhari (2007). Thus, the challenge is translating environmental improvement into value for the consumer, or at least into a value proposition that they are willing to pay for. It should not be forgotten that environment sustainability could be achieved if people acknowledge more responsibility for the environmental consequences of their behavior. Every person should make his or her own choices about protecting the environment. They can contribute by changing their life styles in a slow and steady manner. Starting from daily actions recycle, reuse, and compost, transport and energy conservation, avoiding toxic chemicals etc. Small steps of each individual will make a big difference when done in collectively.

ROLE OF BUSINESS

Companies should begin to prepare for a more sustainable corporation by re-visiting the social and environmental impacts of their marketing strategies. There is need of integrating sustainable development into every level of the corporate strategy. To make a transition to sustainability marketing, the values and perspectives of sustainability must be reflected at strategic level Firms should encourage marketing departments and marketers to play a significant role in the development of more sustainable products and services and in making the already existing traditional "marketing mix" more sustainable. Sustainable product or service characteristics should be designed to satisfy a genuine human need; not harmful to human health; greener throughout the life cycle. The thorough assessment of the key socio-ecological problems of products along the entire life cycle by means of the impact matrix or Life Cycle Assessment (LCA) is necessary for companies should be carried out. Life Cycle Assessment (or Analysis) will help the firms to quantify the total environmental impact of a product or service along its entire value chain, including "raw material acquisition, materials manufacture, production, use/reuse/maintenance, and waste management".

CONCLUSION & LIMITATION

In my opinion, protection of the environment and keeping ecological balance unaltered is a task to be undertaken by government, every individual, association and corporation. There is a need for fundamental rethinking of both consumption and production that are obsessed by the profit motive and shareholders' expectations of return on investment. What is needed is not just limited change in consumer or management behaviors but a radical vision of how society will be organized. The limitations in the sample size suggest that only tentative conclusions should be made from the present study. A larger sample of the public would seem prudent in order to assess the stability of the current results. In spite of the above caveat, this study has illustrated that consumers' environmental consciousness may influence their purchasing decisions, although the latter are also likely to be influenced by other moderating factors.

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GLOBAL FINANCIAL CRISIS AND IT'S IMPACT ON INDIA

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ABSTRACT

The global financial crisis originated in United States of America. During booming years when interest rates were low and there was great demand for houses, banks advanced housing loans to people with low credit worthiness on the assumption that housing prices would continue to rise. Later, the financial institutions repackaged these debts into financial instruments called Collateralized Debt Obligations and sold them to investors world–wide. In this way the risk was passed on multifold through derivatives trade. Surplus inventory of houses and the subsequent rise this way the risk was passed on multifold through derivatives trade. Surplus inventory of houses and the subsequent rise in interest rates led to the decline of housing prices in the year 2006-07 which resulted in unaffordable mortgage payments and many people defaulted or undertook foreclosure. The house prices crashed and the mortgage crisis affected many banks, mortgage companies and investment firms' world – wide that had invested heavily in sub- prime mortgages. Different views on the reasons of the crisis include boom in the housing market, speculation, high – risk mortgage loans and lending practices, securitization practices, inaccurate credit ratings and poor regulation of the financial institutions. Though it is difficult to quantify the impact of the crisis on India, it is felt that certain sectors of the economy would be affected by the spillover effects of the financial crisis.

KEYWORDS

Sub-Prime, Real Estate, Collateralized Obligations. Speculation, Globalization etc.

INTRODUCTION

The current global financial crisis is rooted in the subprime crisis, which surfaced over a year ago in the United States of America. During the boom years, mortgage brokers attracted by the big commissions, encouraged buyers with poor credit to accept housing mortgages with little or no down payment and without credit checks. A combination of low interest rates and large inflow of foreign funds during the booming years helped the banks to create easy credit conditions for many years. Banks lent money on the assumption that housing prices would continue to rise. In addition, the real estate bubble encouraged the demand for houses as financial assets. Banks and financial institutions later repackaged these debts with other high-risk debts and sold them to world-wide investors creating financial instruments called CDOs or Collateralized Debt Obligations (Sadhu 2010 -11). In this way, risk was passed on multifold through derivatives trade.

Surplus inventory of houses and increase in interest rates led to a decline in housing prices in 2010-2011 resulting in an increased defaults and foreclosure activity that collapsed the housing market (Sengupta 2010-11). Consequently, a large number of properties were up for sale affecting mortgage companies, investment firms and government sponsored enterprises, which had invested heavily in subprime mortgages. Since the collateral debt instruments had been globally distributed, many banks and other financial institutions around the world were affected. Major Banks and other financial institutions around the world have reported losses of approximately US $ 435 billion as on 17th July, 2010 -11 (Onaran 2010-11). Thus with the failure of a few leading institutions in United States, the entire financial system in the world has been affected.

OBJECTIVES OF STUDY

- The Present study focuses on causes of the Indian economy.
- The origin of global financial crisis and the impact of the crisis on the Indian economy.

RESULTS AND DISCUSSION

Reasons for Financial Crisis

The first hint of the trouble came from the collapse of two Bear Stearns hedge funds early 2007. Subsequently a number of other banks and financial institutions also began to show signs of distress. Matters really came to the fore with the bankruptcy of Lehman Brothers, a big investment bank, in September 2008.

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Boom in the Housing Market

Subprime borrowing was a major contributor to an increase in house ownership rates and the demand for housing. This demand helped fuel housing price increase and consumer spending. Some house owners used the increased property value experienced in housing bubble to re-finance their homes with lower interest rates and take second mortgages against the added value to use the funds for consumer spending. Increase in house purchases during the boom period eventually led to surplus inventory of houses, causing house prices to decline, beginning in the summer of 2010, Easy credit, combined with the assumption that housing prices would continue to appreciate, had encouraged many subprime borrowers to obtain adjustable - rate mortgages which they could not afford after the initial incentive period. Once housing prices started depreciating moderately in many parts of the U.S., - refinancing became more difficult. Some house owners were unable to re-finance their loans reset to higher interest rates and payment amounts. Excess supply of houses placed significant downward pressure on prices. As prices declined, more house owners were at risk of default and foreclosure.

Speculation

Speculation in real estate was a contributing factor. During 2010, 22 percent of houses purchased (1.65 million units) were for investment purposes with an additional 14 per cent (1.07 million units) purchased as vacation homes. In other words, nearly 40 per cent of house purchases were not primary residences. Speculators left the market in 2010, which caused investment sales to fall much faster than the primary market.

High – Risk Mortgage Loans and Lending Practices

A variety of factors caused lenders to offer higher – risk loans to higher - risk borrowers. The risk premium required by lenders to offer a subprime loan declined. In addition to considering high – risk borrowers, lenders have offered increasingly high – risk loan options and incentives. These high – risk loans included "No Income, No Job and No Assets loans." It is criticized that mortgage underwriting practices including automated loan approvals were not subjected to appropriated review and documentation.

Securitization Practices

Securitization of housing loans for people with poor credit – not the loans themselves – is also a reason behind the current global credit crisis. Securitization is a structured finance process in which assets, receivables or financial instruments are acquired, pooled together as collateral for the third party investments (Investment Banks). Due to securitization, investor appetite for mortgage – backed securities (MBS), and the tendency of rating agencies to assign investment – grade ratings to MBS, loans with a high risk of default could be originated, packaged and the risk readily transferred to others.

Inaccurate Credit Ratings

Credit rating process was faulty. High ratings given by credit rating agencies encouraged the flow of investor funds into mortgage – backed securities helping finance the housing boom. Risk rating agencies were unable to give proper ratings to complex instruments (Gregorio 2010). Several products and financial institutions, including hedge funds, and rating agencies are largely if not completely unregulated.

Poor Regulation

The problem has occurred during an extremely accelerated process of financial innovation in market segments that were poorly or ambiguously regulated - mainly in the U.S. The fall of the financial institutions is a reflection of the lax internal controls and the ineffectiveness of regulatory oversight in the context of a large volume of non – transparent assets. It is indeed amazing that there were simply no checks and balances in the financial system to prevent such a crisis and "not one of the so called pundits" in the filed has sounded a word of caution. There are doubts whether the operations of derivatives markets have been as transparent as they should have been or if they have been manipulated.

IMPACT ON INDIA

Due to globalization, the Indian economy cannot be insulated from the present financial crisis in the developed economies. The development in the U.S. financial sector has affected not only America but also European Union, U.K. and Asia. The Indian economy too has felt the impact of the crisis though not to the same extent. It is premature to try to quantify the consequences of the crisis on the Indian economy. However, the impact will be multi-fold.

Information Technology

With the global financial system being trapped in the quicksand, there is uncertainty across the Indian Software industry. The U.S. banks have huge running relations with Indian Software Companies. A rough estimate suggests that at least a minimum of 30,000 Indian jobs could be impacted immediately in the wake of happenings in the U.S. financial system.

Approximately 61 per cent of the Indian IT Sector revenues are from U.S. financial corporations like Goldman Sachs, Washington Mutual, Citigroup, Bank of America, Morgan Stanley and Lehman Brothers. The Top five Indian players account for 46 per cent of the IT industry revenues. The revenue contribution from U.S. clients is approximately 58 per cent. About 30 percent of the industry revenues are estimated to be from financial services (Atreya, 2010). The software companies may face hard days ahead.

Exchange Rate

Exchange rate volatility in India has increased in the year 2010 -11 compared to previous years. Massive selling by Foreign Institutional Investors and conversion of their holdings from rupees to dollars for repatriation has resulted in the rupee depreciating sharply against the dollar. Between January 1 and October 16, 2010, the Reserve Bank of India (RBI) reference rate for the rupee fell by nearly 25 per cent, from Rs. 39.20 per dollar to Rs. 48.86 (Chandrasekhar and Gosh, 2010). This depreciation may be good for India's exports that are adversely affected by the slowdown in global markets but is not so good for those who have accumulated foreign exchange payment commitments.

Foreign Exchange Outflow

After the macro-economic reforms in 1991, the Indian economy has been increasingly integrated with the global economy has been increasingly integrated with the global economy. The financial institution in India are exposed to the world financial market Foreign Institutional Investment (F.I.I.) is largely open to India's equity, debt markets and market for mutual funds. The immediate effect of the crisis has been an outflow of foreign institutional investment from the equity market. There is a serious concern about the likely impact on the economy because of the heavy foreign exchange outflows in the wake of sustained selling by Foreign Intuitional Investors in the stock markets and withdrawal of funds by others. The crisis resulted in net outflow of $ 10.1 billion from the equity and debt markets in India until 22nd October 2010 (Kundu, 2010). There is even the prospect of emergence of deficit in the balance of payments in the near future.

Increase in Unemployment

One danger is of a dip in the employment market. The global financial crisis could increase unemployment. Layoffs and wage cuts are certain to take place in many companies where young employees are working in Business process Outsourcing and information Technology sectors (Ratnayake, 2010). With job losses, the gap between the rich and the poor will be widened. It is estimated that there would be downsizing in many other fields as companies cut costs. The international Labor organization predicted that millions of jobs would be lost by the end of 2010 due to the crisis - mostly in “Construction, real estate, financial services, and the auto sector." The Global wage Report 2010 -11 of International Labour Organization warns that tensions are likely to intensify over the issue of wages. There would also be a significant drop in new hiring (The Hindu, 2011). All these will change the complexion of the job market.

CONCLUSION

While the developed world, including the U.S. The Euro Zone and Japan, have plunged into recession, the Indian Economy is being affected by the spill – over effects of the global financial ciris (Chidamabram, 2011). Great savings habit among people, strong fundamentals, strong conservative and regulatory regime have saved Indian economy from going out of great, though significant parts of the economy have slowed down and there is a wide variance of opinion about how long it will continue. It is expected that growth will be moderate in India.

The most important lesson that we must learn from the crisis is that we must be self – reliant. Though World Trade Organization (WTO) propagates free trade, we must adopt protectionist measures in certain sectors of the economy so that recession in any part of the globe does not affect our country.

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FOREIGN DIRECT INVESTMENTS IN MULTI BRAND RETAILING IN INDIA

Dr. Rohit Singh Tomar[24]

ABSTRACT

Multi-brand retailing in India is a debatable issue, local retailers are against it but they have their own motives and reasons behind this. Therefore, to study the feasibility of multi-brand retailing in India is an important issue to be discussed. Current paper is an attempt to explore various facts on the multi-brand retailing in India and to find out whether it is good for Indian economy or not.

Eight variables are identified during the focus group study conducted on Local Kirana Wala and subject experts, these variables are studied further. Propositions and arguments put forward by the local retailers, experts are analyzed, and it has been concluded that the multi-brand retailing is good for the Indian economy.

INTRODUCTION

Introduction of FDI in multi brand retailing has witnessed a huge protest by various sections of Indian society, which ultimately resulted in the roll back of the decision. Major political parties and local 'Kirana stores' protested against the FDI in multi-brand retailing. They are eloquent in making statements that it will destroy local vendors and seriously damage economic conditions of our country. This paper is a data and report based exploratory research aiming to find out that whether multi-brand retailing should be allowed in India or not. If yes, which theory of retail would be suitable in Indian context?

BACKGROUND OF STUDY

Developing countries are lucrative market for the FDI as compared to saturated developed country. Today world has partially overcome from the economic crisis. China, Brazil and India are least affected victim of the global economic crises. Even in Foreign Direct Investment (FDI), country like India is a favourite destination. As per the A. T. Kearney foreign direct investment confidence index, 2012 India is second preferred destination for the foreign direct investment. China is on the top but it has only been able to maintain its status quo while India has jumped one-step in the index while United States of America has lost two points. Hence, we could say that developing countries are new destination for the FDI. This index is based upon the political, economic, and regulatory changes on the FDI intensions and preferences of the leaders of the top companies around the world. FDI growth rate from 1990-2007 of some of the developing host countries like Brazil, China and India has been 3393%, 2293% and 9462.5% respectively. In addition, there has been a decline in the FDI in developed nations like France, United Kingdom, Belgium and Australia as per the UNCTAD, world investment report, 2010. India's share in world FDI inflow has increased from 0.11 to 1.25 during 1990 to 2007. There are many factors, which proved India to be a heaven for the FDI. India is a young country and these youngsters are ready to spend in consumer goods and services. As per CSO, NSSO, and Technopark Advisers Pvt. Ltd., GDP growth in India is directly correlated with retail sales. The high economic growth during the last few years raising disposable income rapidly, favorable demographics placing incomes on younger population with less dependency, and urbanization are some of the major factors fueling the Indian retail market to be a great destination for FDI in multi-brand retailing in India. Therefore, India is a preferred destination for FDI.

OBJECTIVE OF STUDY

- To find out that multi brand retailing should be allowed in India or not.
- Which way or theory is most acceptable for the FDI in multi brand retailing in India?

RESEARCH METHODOLOGY

Focus group study is conducted to explore contents and variables need to be studied further through proposition and argumentative method. Two separate groups are identified first group is composed of the 'Local Kirana Stores owners' who are protesting against multi brand retailing. They are further given a topic to speak on – 'Organized retailers and challenges imposed by them'. They are deliberately deprived from the main problem of FDI in multi brand retailing, to get a correct idea of their thoughts regarding organized retailing as a whole. Second focus group is conducted on the experts of the economics and

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management they are picked from the university campus. Records of minutes of both the focus groups are typed and prepared for the content analysis. Results from the content analysis are recorded and used as findings.

Further retail theories are studied and their compatibility is matched with the situation prevailing in India for the FDI investments in multi-brand retailing.

FINDINGS

Comparison of the both focus group study revealed the following result:

Table-1

Variable Identified	Outcome Focus Group -I	Outcome Focus Group -II
P-I. Employment	FDI in multi-brand retailing would take away employment.	FDI in multi-brand retailing would increase employment.
P- II. Competition	FDI in multi-brand retailing would increase competition and hence reduce profits of the local retailers.	FDI in multi-brand retailing would provide quality products to the customers and pressurize local retailers to enhance their work / product quality.
P-III. Wealth	FDI in multi-brand retailing would deprive wealth of our country.	FDI in multi-brand retailing would bring chain of cold storages and ware houses in India.
P- IV. Suppliers	FDI in multi-brand retailing would affect suppliers of the raw materials through sourcing material from foreign country.	FDI in multi-brand retailing would ensure local procurements.
P-V. Inflation	FDI in multi-brand retailing would provide costly products to the customers and increase inflation.	FDI in multi-brand retailing would provide products at reasonable prices to its customers.
P-VI. Farmers	Farmers will suffer if FDI in multi-brand retailing is allowed.	Farmers will get best prices of their product if FDI in multi-brand retailing is allowed.
P-VII. Foreign Trade	FDI in multi-brand retailing would increase imports and hence increase current account deficits.	FDI in multi-brand retailing would increase exports and hence reduce current account deficits.
P-VIII National Income	Overall economy will be doomed.	Overall economy will boost.

Sources: Authors Compilation

P- I: Employment

Argument - I: Employment rates have continued to increase in countries like America and China in spite of the FDI, as per world employment Index. Employment rate in China in 1992 was 4% in wholesale trade, which rose to 7% in 2001 and created 26 million jobs in 9 years. Although FDI in retail has imposed no threat to the local retailers as they always had their niche market. In fact, FDI in many countries has provided jobs to the educated youth of the society.

P-II: Competition

Argument - II: FDI can be a powerful catalyst to spur competition in the retail industry, especially in the current scenario of low competition and poor productivity in India. The policy of single-brand retail was adopted to allow Indian consumers access to foreign brands. Since Indians spend, a lot of money shopping abroad, this policy enables them to spend the same money on the same goods in India. A fair competition would improve the learning curve of the local kirana stores. Moreover, some point of time they would get a chance to invest in foreign countries.

P-III: Wealth

Argument - III: Retailers argued that FDI in multi brand retailing would drain away the wealth of our country. However, this argument is incorrect as plenty of other brands came in India since its economic liberalization in 1990. All of them provided jobs to Indians and invested heavily in the infrastructure development of the country. These companies are paying heavy corporate taxes to our government and hence contributing significantly in the enhancement of the wealth of the nation.

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The current scenario of cold chain in India is very poor leading to wastage of fruits and vegetables. In India, there is a production of 180 million tons of fruits, vegetables and perishable per year but the cumulative cold storage capacity is only 23.6 million tons with 5,386 cold storages. Nearly 25-30% of the fruits and vegetables and 5-7% of the food grains are wasted and despite of high production India's contribution to the world market accounts for only 1%. With the FDI in multi brand retailing development of the cold storage would take place resulting in the increase of the infrastructural wealth of the country.

P-IV: Suppliers and P – VI: Farmers

Argument – IV & VI: Retailers argued that suppliers of raw material would lose their business as foreign companies procure raw material from out stationed countries. Although government kept the provision in their draft that most of the raw material would be procured locally. Not only this with the development of cold storages, warehouses and improvement of supply chain management with the commencement of FDI in multi brand retailing the farmers will be at advantage. Farmers could send their material directly to the producers and can earn higher profits on their produce.

P-V: Inflation

Argument - V: Stocking of necessary food item is a big problem in India resulting in price rise of the necessary goods. Learning lessons from e-retailing, it is quite evident that e-retailers are providing goods at much less price than brick and mortar retailers. One reason could be bulk procurement of the consumer goods. These e- retailers are organized and resourceful similarly, big retail players of the world have same characteristics. Therefore, retailers like Walmart, Carrefour, and JC Penny etc. have enough resources to purchase product in bulk and later sort and sell it to the customers at reasonable price. Not only this they could purchase materials directly from farmers and hence have the capacity to abolish middleman in distribution channel. All these arguments proved that with the commencement of the retailers in multi-brand retailing products would be available to the customers at the cheaper rate and hence inflation would be controlled.

P-VII: Foreign Trade & P-VIII National Income

Argument - VII & VIII: Intense competition always improves quality. With the commencement of foreign players in multi-brand retailing would push local producers and retailers to improve quality. Improved quality product would increase exports from India.

While growth of the retail trade in India is associated with the growth in the Indian economy. As per CSO, NSSO, and Technopark Advisers Pvt. Ltd., GDP growth in India is directly correlated with retail sales. The high economic growth during the last few years raising disposable income rapidly, favorable demographics placing incomes on younger population with less dependency, and urbanization are some of the major factors fueling the Indian retail market to be a great destination for FDI in multi-brand retailing in India.

SUGGESTIONS

Tabulation of Theories of FDI

Table-2

Theory of FDI	Propounded by	Summary	Implication
Capital Market Theory	Iversen, 1935; Aliber, 1971	FDI depend upon interest rate and rate of exchange.	FDI in India to take the advantage of cost of production (Cost of production is less in India).
Dynamic Macroeconomic FDI Theory	Sanjaya Lall, 1997	FDI depend upon investment timing as per macro-economic variables.	
Electric Theory	Jhon Dunning	FDI to seek market.	FDI in India to search market (India is a huge market).
Internationalization	Caose1, 1937	Vertical integration of firms.	FDI in India to sell final product (India is a good producer of raw material and semi-finished goods).
Product Life Cycle	Raymond Vernon, 1966	Product is imported by the country of its origin.	FDI to take low cost advantage (low factor cost is available in India).

Sources: Authors Compilation

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FDI in multi-brand retailing in India could be successfully done if government takes above theories into consideration. Probably above theories are reflecting the motive for which foreign investors are looking to invest in India. In deed in its draft of FDI in multi-brand retailing in India, government has considered all facts regarding its implementation. As both the demand of investors and our needs are coinciding, therefore FDI in multi-brand retailing is an excellent opportunity in our hand.

CONCLUSION

The group of experts' interviewed and studied during focus group discussion has discarded propositions and inhibitions raised by the retailers against multi-brand retailing in India. Presented arguments are based upon the economic, infrastructural and technological conditions of India. Some arguments are also based upon comparative study of the countries where multi-brand retailing is allowed.

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MARKETING PROBLEMS OF SCRAP TRADERS IN TAMIL NADU

Dr. N. Santhoshkumar[25]

INTRODUCTION

Gathering, selling and utilizing various kinds of scrap is now one of the most important industries in the country, in many respects and for its relative financial turnover it probably has, more people engaged in its ramifications than any other. Probably every man whoever was a real man has been engaged at some time and in some degree in assisting this industry by gathering scrap against the visit of the "rags and old iron" collector who traverses city road side and streets. The scrap items thus collected and brought and do bring only a tithe of the price for which it is sold to its consumer; but the successive steps of handling or marketing add to its price steadily. The man gathering it from out-of-the-way places and offering a small hoard to the peddler performs his task without knowing that no one else can do it so well because to him the value of time does not exist. This is a primitive end of the business, but it is valuable in that it starts a great stream of scattered bits sweeping toward the great consuming centres. There it is swallowed up as a valuable commodity and comes through the mill or the foundry rejuvenated and in a new dress, serving mankind again as well as before it became scrap. Because the industry devoted to gathering, sorting, preparing and marketing the vast tonnage of scrap is growing in importance and is taking on more and more the habiliments of a well-regulated and scientifically administered business. This volume designs to present some phases of the industry and discussed to some degree the myriad angles that have presented themselves in a study of the matter.

The study has a relevance to the day-to-day life and it aims that the findings in the report will be the first step on changing the scrap trading policy, deciding the strategy for the welfare of the scrap traders and introduces welfare measures and promotional schemes for them. The study also enables to highlight the threats and difficulties including harassment by the law and order system, exploitation by the organized intermediaries and the hierarchy of the scrap trading brokers, moneylenders etc.

PROBLEMS OF SCRAP TRADERS

Scrap traders have insufficient capital, lack of focus, inadequate market research, lack of succession plan, inexperience, lack of proper book keeping, lack of proper records or lack of any records at all, inability to separate business and family or personal finances, lack of business strategy, inability to distinguish between revenue and profit, inability to procure the right plant and machinery, inability to engage or employ the right calibre staff, cut-throat competition, dumping of stocks and over-concentration of decision making on one key person, usually the owner.

Other problems which Scrap traders face in Tamil Nadu include irregular power supply and other infrastructural inadequacies water, roads etc. unfavourable fiscal policies, multiple taxes, levies and rates, policy inconsistencies, uneasy access to funding, poor policy implementation, restricted market access, raw materials sourcing problems, competition with cheaper imported products, insecurity of people and property, lack of requisite skill and experience, thin management, unfavourable monetary policies, lack of preservation, processing and storage technology and facilities, lack of entrepreneurial spirit, poor capital structuring as well as poor management of financial, human and other resources.

LITERATURE REVIEW

The methodology employed in the review is to examine significant prior studies published in recognized journals and research works for the past ten years. The search of abstracts was conducted based on key phraseology associated with waste management, scrap trading, recycling of scraps, problems and prospects associated with scrap and small business. The search not only focused on the key phraseology but on multiple linked relationships. Due to the lack of combined knowledge between problems and prospects of scrap traders and their delivery in an educational environment, the journal review was complemented by a review of book-based and institutional literature. The search returned over 657 articles. An initial examination of the abstracts, however, returned more than 306 related publications, of which only approximately 63 were assessed as being significantly relevant to the proposed research. The examination of the leading journals and recognized publications provided a theoretical foundation of various approaches to scrap trading. The review further provided a better understanding of scrap sources, waste management and recycling of scraps.

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OBJECTIVES OF STUDY

The main purpose of the study is to understand the marketing problems encountered by scrap traders in Tamil Nadu and thereby to suggest such measures that would minimize the problems.

HYPOTHESES OF STUDY

Based on the objectives framed, the following statistical null hypotheses are framed and tested in the appropriate places.

- There is no significant relationship between socio-economic conditions and marketing problems of the scrap traders.
- Marketing Problems are positively and not significantly correlated with scrap trader's satisfaction.

RESEARCH PROCEDURE

After doing the required literature review and studying the history and theoretical background, the interview schedule was prepared and a preliminary test of the interview schedule was conducted. The survey managing and implementing the data collection organized in such a way that face to face mode of communication with the respondents was possible. Followed by this, Data entry, coding and data analysis were done.

Method of Data Collection

One of the important stages in the research process is data collection. The researcher used both primary and secondary methods of data collection.

Sampling Technique

A ***multi stage stratified random sampling*** technique has been adopted in the present study. There are six stages are used for identify the heterogeneous factor value.

As the first stage, the researcher has taken only the members of Tamil Nadu Scrap Traders Association in Chennai. (TNSTA).

The second stage, the trader must a member also getting Tax Payers Identification Number (TIN) under Tamil Nadu Value Added Tax Act, 2006.

In third stage, the researcher has taken only two zones of Association one from developed zone (Chennai Zone) and another one from under developed zone (Trichy Zone).

In the fourth stage, with in the zones the districts are selected in the mode of equal problems and prospects for the past five financial years (2010-2015) in the record of Association survey report 2016.

In the fifth stage, there are 3060 scrap traders are in the records of Tamil Nadu Scrap Traders Association with Tax Payers Identification Number (TIN) under Tamil Nadu Value Added Tax Act. Among 3060 scrap traders in the study area, only 20 per cent is taken as a sample. Following the above procedure, 612 scrap traders have been selected from the entire stratum taken together. Due to the equal importance of sample sizes, thus 102 scrap traders were chosen for each selected districts in Tamil Nadu.

Finally, all raw data are systematically arranged, tabulated and tested using Cronbach's alpha fitness test through Statistical Package for Social Sciences, 19th Version (SPSS). Only the fitted data was taken for the purpose of analysis.

Chi-square Test for Gender of the Respondents and the Marketing Problems of Scrap Traders.

Null hypothesis: H_0 - There is no significant association between gender of the respondents and the marketing problems of scrap traders.
Alternate hypothesis: H_1 - There is significant association between gender of the respondents and the marketing problems of scrap traders.

Table-1: Chi-square test For Gender of the Respondents and the Marketing Problems of Scrap Traders

	Value	d.f.	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.408[a]	6	.879
Likelihood Ratio	2.664	6	.850
Linear-by-Linear Association	.000	1	.995
N of Valid Cases	**612**		

Note: a. 3 cells (21.4 per cent) have expected count less than 5.
The minimum expected count is .32.
Sources: Output generated from SPSS 19

The calculated value is 2.406 and it significant at this level of significance 0.879 at degrees of freedom 6. The significant value is greater than 0.05 so, null hypotheses is accepted. Hence, there is no significant association between gender of the respondents and the marketing problems of scrap traders.

Chi-square Test for Age of the Respondents and the Marketing Problems of Scrap Traders.

Null hypothesis: H_0 - There is no significant association between age of the respondents and the marketing problems of scrap traders.
Alternate hypothesis: H_1 - There is significant association between age of the respondents and the marketing problems of scrap traders.

Table-2: Chi-square Test for Age of Respondents and the Marketing Problems of Scrap Traders – Cross Tabulation

	Value	d.f.	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.133[a]	24	.454
Likelihood Ratio	26.130	24	.347
Linear-by-Linear Association	.362	1	.548
N of Valid Cases	**612**		

Note: a. 13 cells (37.1 per cent) have expected count less than 5.
The minimum expected count is .09.
Sources: Output generated from SPSS 19

The calculated value is 24.133 and it significant at this level of significance 0.454 at degrees of freedom 24. The significant value is greater than 0.05 so, null hypotheses is accepted. Hence, there is no significant association between age of the respondents and the marketing Problems of Scrap Traders.

Chi-square Test for Religion of the Respondents and the Marketing Problems of Scrap Traders

Null hypothesis: H_0 - There is no significant association between religion of the respondents and the marketing problems of scrap traders.
Alternate hypothesis: H_1 - There is significant association between religion of the respondents and the marketing problems of scrap traders.

Table-3: Chi-Square Test for Religion of the Respondents and the Marketing Problems of Scrap Traders

	Value	d.f.	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.786[a]	18	.242
Likelihood Ratio	17.029	18	.521
Linear-by-Linear Association	.013	1	.908
N of Valid Cases	**612**		

Note: a. 10 cells (35.7 per cent) have expected count less than 5.
The minimum expected count is .09.
Sources: Output generated from SPSS 19

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The result of the above table-3 shows that the calculated value is 21.786 and it significant at this level of significance 0.242 at degrees of freedom 18. The significant value is greater than 0.05 so, null hypotheses is accepted. Hence, there is no significant association between religion of the respondents and the marketing problems of scrap traders.

Chi-Square Test for Educational Qualification of the Respondents and the Marketing Problems of Scrap Traders

Null hypothesis: H_0 - There is no significant association between educational qualification of the respondents and the marketing problems of scrap traders.
Alternate hypothesis: H_1 - There is significant association between educational qualification of the respondents and the marketing problems of scrap traders.

Table-4: Chi-Square Test for Educational Qualification of the Respondents and the Marketing Problems of Scrap Traders

	Value	d.f.	Asymp. Sig. (2-sided)
Pearson Chi-Square	39.033[a]	30	.125
Likelihood Ratio	34.415	30	.265
Linear-by-Linear Association	1.733	1	.188
N of Valid Cases	**612**		

Note: a. 19 cells (45.2 per cent) have expected count less than 5.
The minimum expected count is .00.
Sources: Output generated from SPSS 19

The result from the above table-4 shows that the calculated value is 39.033 and it significant at this level of significance 0.125 at degrees of freedom 30. The significant value is greater than 0.05 so, null hypotheses is accepted. Hence, there is no significant association between educational qualification of the respondents and the marketing Problems of Scrap Traders.

Factor Analysis for Marketing Problems of Scrap Traders

KMO and Bartlett's Test

The dimensionality of Marketing Problems of Scrap Traders was examined using factor analysis based on 12 individual statements and the reliability of the subsequent factor structures was then tested for internal consistency of the grouping of the items.

Table-5: Rotated Component Matrix for Marketing Problems of Scrap Traders

Marketing Problems	Component							
	1	2	3	4	5	6	7	8
Local Competition	**.913**	.100	.289	.223	.006	.017	.103	.091
Fixation of Pricing	.377	-.005	**.773**	.223	.028	.079	.214	.028
Transportation Cost	.281	-.013	.207	.295	.032	-.019	.827	.130
Price Level Changes	.255	-.007	.212	.922	.032	.018	.128	.082
Sorting	.144	-.003	.357	.411	.193	.000	.274	.637
Packing, Bundling and Loading	.251	.039	.913	.174	.050	.078	.031	.122
Weighment	.294	.081	.417	.191	.026	.004	.013	.516
Government Control	.144	-.003	.357	.411	.193	.000	.274	**.638**
Taxation	.281	-.013	.207	.295	.032	-.019	**.828**	.130
Seasonal Fluctuation	.255	-.007	.212	**.923**	.032	.018	.128	.082
Poor Quality	.912	.100	.289	.223	.006	.017	.103	.091
Marketing Information	.377	-.005	.772	.223	.028	.079	.214	.028
Lack of Sales Forecasting	.085	**.971**	.023	-.003	.120	.175	.013	.020
Scrap Auctions	.019	.223	.077	.018	.187	.946	.007	.004
Scrap Tenders	-.052	.215	-.008	-.024	.346	.068	.364	-.120
E-Auctions	-.036	.271	.105	.260	.321	.125	-.149	-.377
Legal Proceedings	.010	.119	.044	.037	.965	.166	.036	.075
Pollution and Environment	.017	.190	.071	.014	.152	.912	-.017	-.007
Harassment	.109	.183	.012	-.018	.303	.067	-.247	.422
Dispersion	.085	.970	.023	-.003	.120	.175	.013	.020

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Equalization of Procurement and Sales	.911	.100	.289	.223	.006	.017	.103	.091
Seasonal Pricing	.010	.119	.044	.037	**.967**	.166	.036	.075
Length of Time for Selling	.910	.100	.289	.223	.006	.017	.103	.091
Time Gap Between Procurement and Sales	.085	.970	.023	-.003	.120	.175	.013	.020
To Grant Credit to Customers	.255	-.007	.212	.923	.032	.018	.128	.082
Risk Traceable to Political Causes	.019	.223	.077	.018	.187	**.947**	.007	.004
Dishonesty of Vendors	.251	.039	.913	.174	.050	.078	.031	.122
Collective Action by Competing Traders	.911	.100	.289	.223	.006	.017	.103	.091
Trade Association	.010	.119	.044	.037	.965	.166	.036	.075
Slow Movement of Stocks	.085	.970	.023	-.003	.120	.175	.013	.020

Note: Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 6 iterations.
Sources: Output generated from SPSS 19

MAJOR FINDINGS

The dimension 'Marketing Problems of Scrap Traders' comprises 30 attitude statements. Out of 35 statements, eight statements contribute more towards Marketing Problems. The statements are (1) Local competition, (2) Lack of sales forecasting (3) Fixation of Pricing (4) Seasonal fluctuation (5) Seasonal pricing (6) Risk traceable to political causes, (7) Taxation (8) Government control the 8 statements accounted for 89.938 percent of the variance in the original 35 statements. The remaining 27 statements contributed minimum towards Marketing Problems of Scrap Traders (i.e.) 10.062 percent of the variance.

CONCLUSION

The present study is a new attempt because the scrap trading is a subject matter of lesser number of research studies. The study has identified that the business has many operational difficulties and the traders have to face them for their success and survival. As the findings disclose the socio- economic conditions of the scrap traders is to be developed in many respects. Their standard of living depends on the successful track of the business. Their education, family status and financial conditions seem to be low so that their social status is not appreciable position. At the same time, their intention to retain this line of business for their next generation is not so strong and majority of them wish to go for salaried job. This tendency is not favourable for the development of the scrap trading. Therefore, the present conditions of the scrap trading are not satisfactory. Nevertheless, their service is inevitable one because they buy the wastages of the society and they bring the wastages for reuse. In this way, they protect the environment from the wastages, garbage, effluvia of the industrial units etc. However, the society does not consider this vital importance and views of the society towards the scrap trading are not conducive so that the scrap traders do not have public support some times. The present study concludes that there is a strong need for joint efforts from all sides i.e., the government, banks, DICs, etc., to protect the scrap trading in future.

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INDIA - JAPAN ECONOMIC PARTNERSHIP: WAY AHEAD

Dr. Santosh Kumar[26]

ABSTRACT

There have been significant improvements in India-Japan relations in recent times and becoming more stable and multi-dimensional in nature. Both India-Japan now accord utmost importance to the relationship and have mutually agreed to augment the political, economic and strategic aspects of their bilateral partnership. The changing geopolitics and geo-economics of Asia-Pacific affected by China's rise has invariably brought India and Japan together. And therefore, keeping the strategic dimension in mind as well the attractiveness of India as an economic player in the region, Japan has shown more keenness than ever before for deeper India-Japan economic engagement. This present paper 'India-Japan Economic Partnership: Way Ahead' will try to examine India-Japan economic relations. Since 2000 there has been an enviable growth towards globalisation where the economies of different countries have been intertwined more than ever before. Economic ties between India and Japan have been predominant determinants of the nature of relationship. This paper will try to analyse different parameters that have defined the economic relationship between India and Japan in the age of globalisation. The focus of this paper will be on India-Japan bilateral trade, Comprehensive Economic Partnership Agreement (CEPA), Japanese Foreign Direct Investment (FDI), and Japanese Official Development Assistance (ODA) will be evaluated.

KEYWORDS

CEPA, Defense Cooperation, FDI, Globalisation, Look East Policy, Millennium Development Goals (MDGs), ODA etc.

INTRODUCTION

India-Japan bilateral relations have immensely improved in recent times becoming much more stable and multi-dimensional in nature. Bilateral ties between India and Japan are key pillar of India's Foreign Policy. Both countries view each other as a time-tested, trustworthy, and reliable strategic partner. Since the signing of the "India-Japan Strategic partnership Agreement", and "Comprehensive Economic Partnership Agreement" (CEPA), in 2011, there has been significant growth in India-Japan economic bilateral ties. In November 2016, Prime Minster Modi visited Japan and attended a summit meeting with Japanese counterpart Shinzo Abe where both prime minister decided on expanding their bilateral ties and take it to the next level. Prime Minister Abe declared that this summit meeting was a sparkling meeting that substantially advanced the "New Beginning in Indo-Japan relations". In this summit both the partner decided to contribute in the prosperity and stability in the pacific region because of coordinating the "Free and Open India and Pacific Strategy and the Act East Policy"[1].

Both India-Japan accord utmost importance to relationship and have mutually agreed to enhance the political, economic and strategic aspects of their bilateral relationship. The changing geopolitics and geo-economics of Asia-Pacific affected by rise of China and both face a range of security challenges that are trans-border in nature: terrorism, human trafficking, and piracy has invariably brought India-Japan very close. Therefore, keeping the strategic dimension in mind as well as rise of India as an economic player in the South Asia region, Japan is very keen to deepen or strengthen its bilateral ties with India. On the other hand, India's deepening relations with Japan reveals its growing profile in the area of economic, technological, military, and diplomatic and so on. Their bilateral relations are acquiring depth as reflected in the broad based interactions at various levels such as bilateral level and multilateral levels. Therefore it is imperative to analyze India-Japan ties in rapidly globalize world, where country is more interdependent and intertwined than ever before. Besides analyzing the different parameters of this bilateral tie such as diplomatic, strategic, and, economic aspects, there is a need to note as to what impedes the relationship from achieving its potential.

HISTORICAL BACKGROUND

Historically India-Japan have shared harmonious relation despite occasional hiccups such as 1998 Pokharan Nuclear explosion. India-Japan tie goes many years back, when Buddhism travelled to Japan via China and Korea in the 6th century. Therefore, India has long been viewed in Japan as the country of the origin of Buddhism. In the modern time, visit of Rabindra Nath Tagore's, Rash Biahri Bose and Neta Ji Subhas Chandra Bose visit were highly significant in enhancing Japanese interest in India.

"India-Japan Relations" Ministry of Foreign Affairs of Japan, http://www.mofa.go.jp/region/asia-paci/india/data.html.

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However, modern India-Japan diplomatic relations were established in 1952. Since, the two countries had cordial relations based on political, trade, economic, security, and technical cooperation and so on. However, it was constrained by the reality of cold-war politics, where Japan was closely associated with the US while India kept distance from the cold war alliance politics and pursued an independent and non-aligned foreign policy. Even within these limitations, initiatives were taken since the 1980s to strengthen bilateral ties and international cooperation. India's 'Look East' policy was launched in 1991 with the objective to develop wide-ranging economic and strategic ties with the countries of Southeast and East Asia; it also visualizes Japan as a key partner. Thereafter, the relations between these two nations have been growing significantly with the subsequent high-level visits of the officials of both countries every year from the year 2000.

In 2003-04, India became largest recipient Japanese overseas development assistance (hereafter ODA) and India was first country to receive ODA in 1958.[2] In 2005, Japanese Prime Minister Junichiro Koizumi paid an official visit to India and both Prime Ministers decided to hold annual summits every year on 2006 onwards. Since then the summit has been taking place every year. In 2006 Indian Prime Minister Dr Manmohan Singh paid an official to Japan to attend summit meeting, both countries signed 'Strategic and Global partnership' based on five pillars of cooperation, namely, political, defense and security cooperation; comprehensive economic partnership; science & technology initiative; people-to-people exchanges and cooperation in regional and multilateral forums[3]. Prime Minister Dr. Manmohan Singh again visited Japan on 2010 for attending Annual Summit. A Joint Statement "Vision for India-Japan Strategic and Global Partnership in the Next Decade"[4] and the two Prime Ministers in Tokyo signed a Joint Declaration on the India-Japan Comprehensive Economic Partnership Agreement (CEPA) in October 2010. Japanese Prime Minister Mr. Yoshihiko Noda paid a State visit to India in December 2011 and the two Prime Ministers signed a Joint Statement entitled "Vision for the Enhancement of India-Japan Strategic and Global Partnership" upon entering the year of the 60th Anniversary of the establishment of diplomatic relations. In the year, 2013 of Japanese emperor and empress visited to India is also very significant. The position of Japanese emperor is symbolic and emperor is considered as a unity of Japanese citizens. Therefore, although the visit of Japanese emperor and empress was more of symbolic rather than diplomatic in nature, this visit had its own significance and further strengthened the Indo-Japan ties.

In 2016, Indian Prime Minister Narendra Modi again paid an official visit to Japan and marked a significant march in the way of further strengthening the growing India-Japan bilateral ties. During this visit after more than six years of long discussion, both nations decided to sign civil nuclear agreement, which was delayed due to Fukushima nuclear disaster incident of 2011. India is the only nation, which is non-signatory to the Nuclear Non-Proliferation Treaty (NPT) to have signed such as agreement with Japan. Both the Prime Minister has described this as welcoming remarkable step in the history of India-Japan Relations.

INDIA-JAPAN ECONOMIC RELATIONS

India-Japan established their economic ties soon after they established their diplomatic ties in 1952. India was the first country to received Japanese official Development Assistance in 1958. The history of economic relations of the two countries is very old; the cotton trade was the basis of economic relations between the two countries.

India-Japan economic relations have huge potential for growth, given the obvious complementarities that exist between these two countries. Japan is keener to have good economic ties with India due to various reasons including huge Indian market and its natural resources. In 2011, both countries have signed the historic India-Japan Comprehensive Economic Partnership Agreement (CEPA). That has accelerated economic ties between these two nations. During the visit of Prime Minister Modi to Japan in September 2014, PM Shinzo Abe pledged $35 billion in investment in India's public and private sectors over the next five years. The two countries also set a target of doubling Japanese FDI and the number of Japanese companies in India by the year 2019.

Two biggest economies of their respective regions, India in South Asia and Japan in East Asia have huge potential of economic cooperation. There are many similarities between two economies. On one hand the Japanese economy is highly advanced economy while on the other India is a developing economy. Both economies are having huge reliance on service sector. Service sector contribute almost 71.4 percent in Japanese GDP while industrial sector and agriculture sector contributes 27.5 percent and less than 1.2 percent respectively. India service sector contributes 56.9 percent like Japan, industrial sector and agriculture sector contributes 25.8 percent and 17.4 percent respectively.

[2]Varma Lalima (2009) 'Japan's Official Development Assistance to India: A Critical Appraisal' *India Quarterly Journal of International Affairs,* 2009, 65: 237.
[3]"Joint Statement towards India-Japan Strategic and global partnership" Ministry of External Affairs, Government of India: http://mea.gov.in/bilateral-documents.htm?dtl/6368/Joint+Statement+Towards+IndiaJapan+Strategic+and+Global+Partnership.
[4]"Vision for India-Japan Strategic and Global Partnership in the next decade" Press Information Bureau, Government of India: http://pib.nic.in/newsite/PrintRelease.aspx?relid=66562

In recent years, India-Japan is strengthening their economic ties and signing various types of agreement in the field of economic front. India receives Japan's 30 percent ODA which makes India largest recipient of Japanese ODA since 2003-04 and there are approximate 1000 Japanese companies are operating in the various part of Indian land[5].

The two countries bilateral trade is not as good as it should have been. As compared to India's trade with China or Japanese trade with China, India-Japan trade is still very low. China has emerged as India's largest trading partner as it replaced the US in March 2008. There has been an increase in India-Japan trade since 2003, and export from Japan to India in products like steel, automobile parts, and processing of machinery has increased. Even though there was a decline in bilateral trade in 2009 due to the global economic crisis and currency fluctuation of these countries in 2010 after long discussion, both countries agreed to sign Comprehensive Economic Partnership agreement (CEPA) to speed up bilateral trade. In 2011 when CEPA came into force, India-Japan trade figured worth 10 $ billion.

In the financial year 2012-13, India-Japan bilateral trade reached US $ 18.61 billion against US $18.43 billion in financial year 2011-12. Bilateral trade between the two countries more than doubled between 2006-07 and 2012-13. However, total trade had come down to $ 14.51 billion in 2015-16 from a peak of $ 18.5 billion in 2012-13[6]. In 2015-16, India's exports to Japan were $ 4.66 billion while imports were $ 9.85 billion. The negative or slow growth in trade with Japan is a matter of concern for India in view of the fact that there is high potential for faster progress on goods and services trade. The share of India-Japan bilateral trade in Japan's total trade has been hovering around 1 per cent but it is in the range of 2.2 to 2.5 percent of India's total trade.[7] India's primary exports to Japan have been petroleum products, iron ore, gems and jewellery, marine products, oil meals, ferroalloys, inorganic / organic chemicals, etc. India's primary imports from Japan have been machinery, transport equipment, iron and steel, electronic goods, organic chemicals, machine tools, etc.

JAPANESE FOREIGN DIRECT INVESTMENT TO INDIA (FDI)

FDI is another important aspect of India-Japan economic ties**.** India has been ranked as the most attractive investment destination in the latest survey of Japanese manufacturing companies, conducted by the Japan Bank for International Cooperation (JBIC). Japanese FDI in India has increased in recent years but it remains small compared to Japan's total outward FDI. In terms of cumulative FDI inflows into India, Japan is India's fourth largest source of FDI. Japanese FDI in India grew exponentially from US$ 139 million in 2004 to all time high of $5551 million in 2008 due to mega deals particularly acquisition of Ranbaxy by Daichi Sankyo. In the last two years, Japanese FDI into India increased from $ 1.7 billion in 2013-14 to $2.61 billion in 2015-16[8]. The amount of Japan's cumulative investment in India since April 2000 to March 2016 has been US$ 20.966 billion, which is nearly 7 per cent of India's overall FDI during this period[9]. During 2000 to 2012, Japanese companies have made actual investment of $12.66 billion in India. This accounted for 7 percent of total FDI inflow into India, which made Japan the 4th largest investor in India after Mauritius, Singapore, and US.

Japanese FDI into India has mainly been in automobile industry, electrical equipment, pharmaceuticals, trading and telecommunications sector. India is growing economy and stable investment climate present huge opportunities for Japanese firms. Some areas which provide huge opportunity for Japanese investors includes infrastructure, manufacturing, automobiles, power, metals, renewable energy, food processing and electronic hardware and so on.

JAPANESE ODA TO INDIA

Japanese Official Development Assistance (ODA) is another important aspect of India-Japan economic ties. The goal of ODA is help developing nations, was started in 1954 after Japan signed the Colombo plan. Japan is the second largest aid donor in the World. Over the past 30 years it has provided over 200 billion $ to development as a part of its official development program. India was the first country to received Japanese ODA in 1958.

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[5]"India-Japan Economic Relations" Embassy of India, Tokyo, Japan; https://www.indembassy-tokyo.gov.in/india_japan_economic_relations.html, Also see Ministry of Commerce, India.
[6]"India-Japan Economic Relations" Embassy of India, Tokyo, Japan; https://www.indembassy-tokyo.gov.in/india_japan_economic_relations.html, Also see Ministry of Commerce, India.
[7]ibid
[8]'Commerce Minister emphasizes the potential for synergies between India and Japan' PIB, Government of India, Ministry of Commerce and Industry; http://pib.nic.in/newsite/PrintRelease.aspx?relid=161029.
[9]"India-Japan Economic Relations" Embassy of India, Tokyo, Japan; https://www.indembassy-tokyo.gov.in/india_japan_economic_relations.html

In the year 2003-04 India replaced China to become a largest recipient of Japanese ODA. According Prof. Varma "Providing ODA is an important tool used by Japan to secure its interest. Consequently India becoming a topmost recipient of Japanese ODA is an indication of its growing importance for Japan"[10].

Japan has long been actively assisting to India, primarily in the form of ODA. Japanese ODA to India serves several purposes; firstly, Japan's ODA for India is one of the important tools to strengthen India-Japan relations for "Japan-India Strategic and Global Partnership". Second, to help in India's sustainable economic growth and improving investment environment in India, including developing infrastructure, contributes to India's sustainable growth and poverty reduction. Third, Over 27 percent of India's population lives under poverty line, which represent one third of world, are poor. Fourth, India is an important country in the South Asian region both politically and economically. Finally, India is promoting a development of a market economy, including active efforts toward economic liberalisation and deregulation. It is fundamental to address this challenge particularly in the areas of health and education. This carries another importance from the viewpoint of achieving Millennium Development Goals (MDGs). Environment conservation is another area of attention, as it will help transform the country towards a sustainable growth. In addition, the last is enhancing the human exchange between India and Japan will provide a basis for building strong bilateral relations[11] (MOFA 2011). Therefore, the Japanese ODA policy in India serves for all the above-mentioned purposes.

Japanese ODA can be broadly classified in two categories: bilateral aid and multilateral aid. Multilateral aid consists of financing and financial contributions to international organizations, while bilateral aid is provided in three forms: technical cooperation, loan aid and grant aid. In addition, other scheme of bilateral aid includes the dispatch of volunteers.

India's poor infrastructure is a major obstacle for Japanese business for investing in India. Hence, it is not surprising that a huge portion of the ODA loans given to India is allocated for several basic infrastructure projects such as in the electric, power and gas, telecommunications and transportation sectors. Earlier, between 1985 and 1992, ODA was provided for almost thirty-two power projects (Varma 2009). At present Japan is supporting about 66 infrastructures projects in India. Out of them biggest projects are DMIC (Delhi Mumbai Industrial Corridor) and DFC (Dedicated Freight Corridor).

Japan approved 11 ODA loan projects for India, ones India and Japan signed Exchange of notes in 2011, in response to India's proposal presented in fiscal year 2010. Total amount of commitment is approximately 203 billion yen.[12] Japan has committed to provide ODA loan for an amount of Yen 371.345 billion (approximate 21,590 billion) under fiscal year 2016-17.[13] These are some major projects such as 'Yamuna Action Plan III' for which Japan has sanctioned 32,571 million yen to rehabilitate and to improve existing sewerage systems and carry out activities to raise public awareness in the National Capital Region (NCR). Andhra Pradesh Rural High Voltage Distribution System Project, for which Japan has sanctioned 18,590 million yen to establish a high voltage power distribution system in rural areas of state by providing higher voltage power distribution lines.

The third project is Rajasthan Forestry and Biodiversity Project (phase 2), for which Japan has sanctioned 15,749 million yen to execute forestry and biodiversity conservation programs in the Rajasthan. The fourth largest project is Dedicated Freight Corridor Project (phase 2), for which 1,616 million yen loan is sanctioned to provide necessary funds for engineering services, which precedes, the main construction portion, for the 552 KM long segment forming part of the western corridor of 1,500 km of the entire rail road of 2800 km.

The fifth project is Bihar National Highway Improvement Project for which 22,903 Million yen sanctioned to broaden the roads and rehabilitate by pass of National Highway 83 in Bihar. Sixth largest project is Bangalore Metro Rail Project (II), for which Japan has sanctioned 19,832 million yen to establish a mass rapid transit system in the capital city of Bangalore by constructing a subway and elevated railroads[14]. Apart from above mentioned programmes, there are several other programmes; financially and technically supported by Japan such as Chennai Metro Project, Delhi Mass Rapid Transport System Project, Guwahati Water Supply Project, Kerala Water Supply Project, Rengali Irrigation Project, Sikkim Biodiversity Conservation and Forest Management Project, Himachal Pradesh Crop Diversification Promotion Project, Tamil Nadu Biodiversity Conservation and Green Project, West Bengal Forest and Biodiversity Conservation Project, Madhya Pradesh Transmission System Modernization Project, and Delhi Water Supply Improvement Project.

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[10]Varma Lalima (2009) 'Japan's Official Development Assistance to India: A Critical Appraisal' *India Quarterly Journal of International Affairs,* 2009, 65: 237.
[11]"Outline of Japan's ODA to India", Ministry of Foreign Affairs, Japan; http://www.mofa.go.jp/policy/oda/region/sw_asia/india_o.pdf.
[12]Ibid
[13]"Japan's Official Development Assistance (ODA) loan of Rs. 21,590 Crore to India for financial Year 2016-17" Ministry of Finance, Government of India: http://pib.nic.in/newsite/PrintRelease.aspx?relid=160362.
[14]Ibid

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CONCLUSION

India-Japan relation has been growing significantly in past several years. After signing the CEPA in 2010, their bilateral trade has reached at the top in 2012-13. Still, China is the largest trading partner for Japan and India whereas India is the 25th largest export destination for Japan and Japan is the 10th export destination for India. Japan's trade with China is more than 20 times with India making it overly dependent on China. However, domestic economic issues have been a major impediment in the growth of bilateral economic relations between India and Japan.

Japan's major concern is India's poor infrastructure, labour laws, bureaucracy, lack of political will to implement the process of liberalization and high tariff have made India an unattractive destination for Japanese business or investors. In this regard, India-Japan civil nuclear Agreement will be milestone in the history India-Japan relations and will open up a new chapter in bilateral relations. Both sides have accelerated and diversified their economic partnership, which will ensure regional as well as global peace and security.

Today there is a need to sustain the bilateral relationship and take it to a higher level for the mutual benefits. It is a time for both India and Japan and their people to interact productively, to intensify or diversify their economic ties. In the age of globalization, there is a strong need to diversify the bilateral economic ties to make it more significant and sustainable in the end.

Two of the most peaceful country of the world can get along well to help each other with their needs. India can benefit a great deal from Japan's proven industrial might and high-level technology. On the other hand, India can be great asset for Japanese industrial manufacture. We can conclude this by saying this that India-Japan has huge potential for cooperation in the field economic. Cooperation between these two nations is not confined within these two nations only but it can also help in the growth of Asian economy since India and Japan is the driver of Asian economy.

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IMPACT OF MARITAL STATUS ON INVESTMENT BEHAVIOUR IN INDORE CITY

Kiran Gehani Hasija[27] Neha Ramnani Bhargava[28]

ABSTRACT

This study aims to converse how investment behaviour and investment decision are affected by Marital Status of Investors. An investor not only considers his future savings but also take care of his current expenses before making investment. Faced with complex investment choices, there is evidence that investors use multiple knowledge sources to gain an insight about various investment alternatives and gaining knowledge about more than one investment source influence their investment behaviour. So it becomes crucial to identify various modes in which, investors from different age groups and marital status invest and how does their investment pattern varies with respect to modes and amount of investment. The results of this study concluded that there exist no Significant difference in investment behaviour of Married and Unmarried Investors in terms of monetary value but the study also proved that their investment patterns varies with Modes of Investment.

KEYWORDS

Marital Status, Investment Behaviour etc.

INTRODUCTION

Investment alternatives have been closely related to an economy's overall development as they only tend to dominate the financial system. As an economy develops the flow of capital gets transferred from savings to investments making economy more efficient. Savings play important role and acts as an indicator of financial growth only if they are properly channelized into appropriate investments. An individual needs to look for reasonable options among plethora of avenues to fulfil their investment need and protect their uncertain future.

INVESTMENT BEHAVIOUR

Investment behaviour refers to the selection, purchase and consumption of goods and services for the satisfaction of their wants. It is based on uncertainty, risk bearing ability, attitude towards investment, awareness etc. At first instance individual tries to find out the investment need and then selects the alternative which yields greater utility. He has to estimate his savings available for investments and should also calculate the risk involved, then one can finally take a decision.

FACTORS AFFECTING INVESTMENT BEHAVIOUR

Demographics

Demographics is one of the important factor which affect investment behaviour as people of different age groups, different genders, and different regions behave differently.

Age: Age is the length of time the person has lived through various stages of life and every stage priorities and preferences changes. When a person is young, he is in position to take more risk. On the contrary when enters old age, he wants safe investments and is not in a position to take much risk.

Gender: Gender plays important role as it defines particular traits, roles, relationships and decision making. An individual characteristics and their perception changes towards investments with gender differences. Male and females both have different attitude towards investments.

Location: Individuals from various parts of India behave differently due to some regional biases and values which gets inherited due to their geographic location. Individuals from various regions and different parts follow different investment patterns.

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Occupation: Occupation plays major role when it comes decision making of where and what to invest. When a person is salaried class his investment would entirely different as compared to business or self-occupied class. Investors buying behaviour is directly influenced by ones occupation.

Marital Status: The state of being married and unmarried also have effect on buying behaviour of investments as with different phases of life investment pattern also changes. As when one is married, an individual has look after investment's related their child education, marriage etc., and when is unmarried, there is a need to build capital by doing risky investments as it is backed up dreaming of own house, own car etc.

Psychological

Perception: Perception is process of attaining awareness or understanding of environment by organising and interpreting sensory information. An individual envisions investments differently from individual to individual and is factored by risk tolerance, income, education, cognition level, returns, tax exemptions etc.

Attitude: Attitude towards various investments varies from person to person some are risk bearers and some are risk averse. The process of mental accounting is also based on attitude of individuals.

Social

Culture: Investment behaviour is directly governed by the culture which is being followed in various regions of India. The culture inherits individual with some traits and individual differences which segments them and governs investments.

Skills: Skills plays important role when it comes to returns in investment alternatives. The investment pattern which an individual adopts depends on the portfolio which an individual has designed for themselves and that is directly linked with the skills possessed.

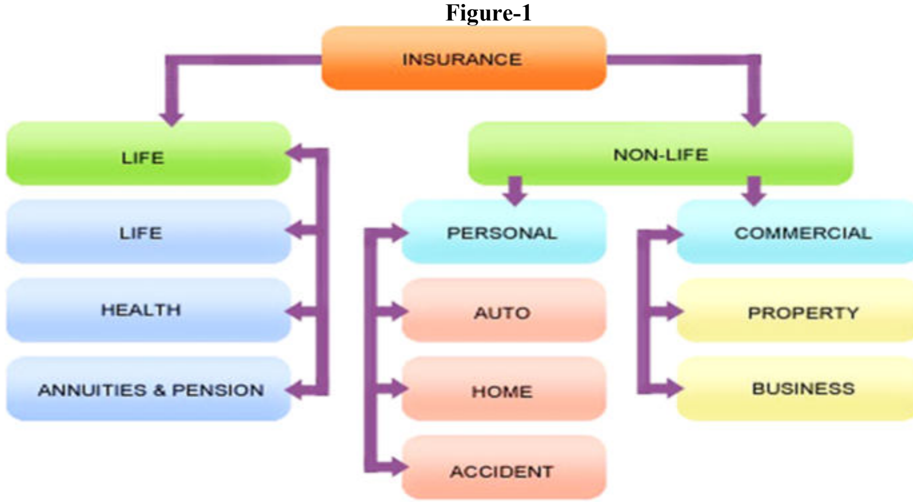
Awareness: Awareness is linked with financial education and knowledge which an individual possess. An individual who has awareness of various alternatives will behave differently form one who don't have any knowledge regarding it.

Investment Alternatives

Today's market gives individuals plethora of investment opportunities which leaves individuals in perplexed state that what they should opt for maximising their returns. **Various alternatives are:**

Insurance: Life of an individual is very uncertain and this state of uncertainty leaves an individual in worrisome situation. So to minimise the economic loss a person opts for insurance. In insurance an individual pays certain amount of premium to cover the risk which is unknown to him. Insurance provides peace of mind when the unexpected happens. Insurance are generally of two type's life and non-life insurance.

Figure-1



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Advantages

- Insurance provides safety and security to an individual.
- Insurance encourages an individual to save out of his regular income for future in the form of premiums.
- Insurance improves credit position of an individual as well in case of non-life issues.
- Insurance promotes social welfare in the form pension plans.
- Insurance gives tax benefits to an individual.
- Insurance provides investment opportunities to individual in the form of ULIPs.

Post Office Savings: Savings account is opened with various banks in which an individual puts his regular income and is opened for promotion of savings. A fixed amount of interest is paid on these savings and has no maturity period. An individual can do with drawls at the time of need.

Stock Market: Investment in stock market is gamble and returns here are volatile in nature. It give wide range of securities in which an individual can invest by creating his portfolio with combination of securities. Here an individual's investment is subject to high risk. Investment in stock market is time consuming and tough task.

Mutual Funds: A mutual fund is a pool of money from numerous investors who wish to save or make money. Investing in a mutual fund is much easier than buying and selling individual stocks and bonds on our own. Investors can sell their mutual funds when they want. It reduces the risk through diversification of securities. Investment in mutual funds is less risky as it is manged by experts or fund managers and it also gives tax benefits.

Real Estate: This investment has recently gained popularity as returns in this sector are very lucrative. It is basically acquiring a property for investment purpose. It can be mortgaged at the time of requirement. Investment here is of long term in nature.

Gold: India is one of largest consumer of gold as investments in gold in India are very popular as per our tradition. Many individual invest in gold for capital appreciation and takes advantage of changes in prices.

LITERATURE REVIEW

Meenakshi Chaturvedi and Shruti Khare (2012) conducted a study on different areas affecting investment patterns of individual household like social factors, economic factors, education background, saving structure, market awareness and preference towards investment. They inferred that the degree of investor's awareness varies with the level of income and a majority of investors only have awareness about bank deposit as investment opportunity. A study by **Brahma Bhatt et. al. (2012)** laid understanding of investment behaviour and patterns of different investors along with factors that affect investment in stock market. The research established direct relation between annual income and amount of investment.

A research study by **Dr. Sarita Bahl (2012)** investigated preference and behaviour of women investors, working in Punjab. The study emphasised the extent of investment planning done by women investors and revealed the statistic stating only one sixth of the total women investors, make investment in shares and stock, one third of the total population of women investor have plans for investment and one half of the total number of women investors think of having a job before investment plan.

The research conducted by **N. Geetha and Dr. M. Ramesh (2011)** reveals the fact that investors are not totally aware of investment options available to them and awareness lacks the knowledge about stock market, equity and debentures. The detailed analysis of investors' preference, investment behaviour and respondent's attitude for different investment alternatives was considered and led to conclusion, that investors portfolio is affected by annual income earned.

The prime objective of each investor is wealth maximisation. This research considers each investor to be rational who is fully aware of all the facets of market before making investment. The investor's reaction change with rise and fall of market, as sometimes it is marked with excitement and at times with covert reaction. The research also emphasise the fact that investor investigates the capital market thoroughly before making an investment decision. (**V. Shanmuga Sundaram and V. Balakrishnan, 2011).**

A study conducted by **P. Neelakantan et. al. (2011),** titled "Impact of Risk analysis in selection of investment avenues- A study on Debt Market Investors" analysed the fact that expecting returns is uncertain in debt market and an investor's objective is always to maximize the returns in debt market. Fluctuation in demand and return patterns confirms different levels of risk in debt market. A few factors like Market Price and rate of interest plays an important role in assessing the risks in debt market instrument.

Sanjay Sehgal et. al. (2009) in their article titled "Investor Sentiment in India: A Survey" made prolific contributions in the arena of research. The survey ensured the information collected from sources like institutional investors, market intermediaries and market regulators to grab better understanding of its relationships. The concept of investor sentiment was overlooked and only the factors that affected the most were listed in different categories.

V. Sachithanantham et. al. (2007) identified relationship between capital market reforms and total money invested by a prospect investor. The study led to understanding the behaviour of those investors whose perception develops to be positive or negative depending upon different capital market reforms. Capital Market Reforms also influence an investor negatively or positively while making investment decision. It is inferred from the study that there exists a negative interrelation between educative & attractive reforms and amount of investment in capital market.

Dr. V. L. Shobhana and J. Jayalakshmi (2006) conducted study on awareness of investor towards investment options and risks. The findings of the study stated, the educated professionals in working environment are more aware about investment options and the risk associated with them. Most of the investors prefer to invest in real estate at priority and the next most preferred option is investing in bank deposits. An investor's awareness varies more with regards to occupation but less with age as a criteria.

Gnana Desigan C. et. al. (2006) analysed the investment patterns of women investors and the risk associated therewith. The study also revealed the problems faced by women investors in small town such as lengthy documentation, formalities and commission. The study instigated the fact that, most women's prefer to invest in gold or bank deposits as a safe mode of investment getting influenced by factors like safety and liquidity.

Kirshnudu Ch, B. Krishna Reddy, and G. Rama Krishna Reddy (2005) analysed the fact that an investors takes investment decision after getting influenced from his family. A major contribution in field of investment research is led by **The Indian Household Investors Survey, (2004)** which states the fact that Indian economy is in great need of increase in household savings, so to contribute to corporates & enterprises.

Rajarajan V. (2003) in his research study titled "Investors Demographics and Risk Bearing Capacity" established co relation between demographic variables and the risk bearing capacity of Indian investors. He quotes the relationship to be very high in between age, income and the risk bearing capacity of the investors among all categories stated, salaried investors constituted the largest part of all risk categories.

Ranjith. V. K. (2002) in his study stated with the growing maturity and increase in age, investors tend to invest more and risk less. Education Qualification plays a vital role in investor's decision making like investors with graduation degree actively involve themselves in investment activities. A company's financial performance also attracts investors by creating awareness about investment decisions.

One of the research studies by **Pandurangan G. (1993)** identified the trend of investment and attitude of investors towards securities and concluded that the investors lying in age group between 20-40 years prefer securities as a mode of investment as compared to investors in age group of 50 and above, who are least interested in investing in securities. **Mudra - SAMIR'S (1992)** stated in their research that employed women's residing in urban area, save one-fifth of their earnings.

OBJECTIVES

- To study the investment behaviour on the basis of marital status in Indore.

HYPOTHESIS

H_{01}: "*There is no significant difference between married and unmarried individuals with respect to investment behaviour in Indore".*

RESEARCH METHODOLOGY

For this study, the researcher adopted a simple random sampling method. In this study, the researcher has taken the sampling unit as an individual from various occupation, gender and income groups. The sample was collected from Indore region with sample size of 50 individuals, from different demographic segments. The study is based on primary data. A well-structured questionnaire has been used for the analysis of investment behaviour of investors from different segments. The respondents were enquired on 40 questions analysing different investment behaviour patterns, out of which 12 respondents were married and 38 were unmarried. The secondary sources, which were used for data collection, were existing literature relevant to the study, journals, magazines, books and various web sites.

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DATA ANALYSIS AND INTERPRETATION

To analyse financial literacy level and personal financial management data on the basis of the gender, an independent sample t test was used to analyse the situation.

The analysis of data collected can be understood as:

Table-1

Group Statistics					
	Status	**N**	**Mean**	**Standard Deviation**	**Standard Error Mean**
TB	Married	12	45.0000	2.76340	.79772
	Unmarried	38	47.7895	3.97396	.64466

Sources: Authors Compilation

Table-2: Independent Samples Test

		Levene's Test for Equality of Variances		**Test for Equality of Means**				
		F	**Sig.**	**t**	**d.f.**	**Sig. (2-tailed)**	**Mean Difference**	**Std. Error Difference**
TB	Equal variances assumed	1.048	.311	-2.258	48	.029	-2.78947	1.23559
	Equal variances not assumed			-2.720	26.676	.011	-2.78947	1.02565

Sources: Authors Compilation

From the above table, it can be seen that F value of 1.048 for marital status with respect to investment behaviour is **not significant** at .05 level with degree of freedom equal to 1/50. It implies that the mean scores of **married** and **unmarried** does not **differ significantly** with each other.

Thus, it can be said that, the null hypothesis namely ***"There is no significant difference between married and unmarried individuals with respect to investment behaviour in Indore"*** is not rejected.

Further, it can be seen that mean score of **married** is 45, which is significantly in line with the **unmarried** (mean = 47.48). Hence, it may be concluded that **married and unmarried individuals does not differ significantly** with respect to individual investment behaviour.

These findings are in line with reported studies, experts by Dr. R. Sellappan, S. Jamuna & Tnr. Kavitha (2013) who stated in their study that Curiosity for investment is more in Married Women's as compared to unmarried women investors among which the young women's have an investment tendency to invest more in mutual funds, insurance, shares and fixed deposits, the women's lying in age between young and old invest in real estate than women in late forty's. Thus, different financial institutions, government bodies and bankers can launch certain schemes and offers considering marital status of investors.

Investment Behaviour of an individual is guided by certain set of circumstances which generally varies with Age, Gender and occupation but significantly found to be same in folks with different marital status. The Investment Tendency of Married and Unmarried folks is found to be similar on grounds of amount invested but differ with Modes of Investment as Married Investors tend to invest more in purchasing Gold, Real Estate, Home Purchase, Health Care and Retirement Plans whereas Unmarried Investors tend to invest their money on Education, Career Building, Stock market and Mutual Funds.

CONCLUSION

The study concluded that investment behaviour of married and unmarried is almost same in Indore city. Both groups put into their money into savings but objectives of investment or motto of investment, percentage of savings into investment vary from individual to individual. In terms of investment alternatives individuals priorities changes but is not strongly related to marital status. Thus, it can be said that marital status does not have much impact on investment behaviour of individuals in Indore city.

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A STUDY ON AWARENESS, PERCEPTION AND SATISFACTION LEVEL TOWARDS CROP INSURANCE AMONG THE FARMERS OF KHANDWA DISTRICT

Deepti Shastri Gupta[29] Kshema Shrivastava[30]

ABSTRACT

Crop Insurance is an efficacious institutional instrument to provide indemnity in the event of crop loss and failure. The present study is an attempt to find out the level of crop insurance awareness, benefits of subscription and satisfaction amongst the farming community in Khandwa district of Madhya Pradesh. The study also aims to analyse the impact of the demographic profile of the farmers on the subscription of insurance by the farmers.

KEYWORDS

Crop Insurance Schemes, Awareness, Perception, Benefits, Satisfaction Level etc.

INTRODUCTION

Indian economy is an agrarian economy and serves as the basis for two-third of the total population of the country for their livelihood. One more important feature Indian agriculture is its dependence on yearly monsoon, which last only for two and half months a year. Bad or poor rainfall and pests attacks on crops lead to the heavy loss to farmers, which pushed many famers to commit suicides in the last few years. Lately, the Government of India has taken several credit measures and introduced many agriculture insurance schemes in order to safeguard the interest of farmers. Crop insurance can be used as an effective tool to mitigate the risk associated with the failure of crops due to natural calamities and drought condition. Crop insurance also protects and safeguards the money invested by the farmers in producing their crops and to provide them regular income, even if their crops fails. With the enhanced risk, they can adopt bearing capacity of farmers, more upgraded technology in order to increase total produce. This encourages the farmers to increase their agricultural investments and to avoid the selling of their assets and livestock.

A BRIEF REVIEW OF WORK ALREADY DONE IN THE FIELD

Sundar J. & Ramakrishnan L. (2015) undertook the study on 360 farmers of Kunichampet and Mannadipet in Puducherry district. The research was an attempt to gauge level of awareness and contentment of the local farmers with the crop insurance schemes launched by the government. The research divulges that farmers are still having inhibitions in subscribing to crop insurance schemes and therefore, the Government should take required measures to enhance the end benefit of such schemes.

Mukesh H. V. (2015) in his study highlighted the importance of crop insurance schemes based on the weather, which safeguards the interests of farmers against crop failure due to poor monsoon or attack of crop pests. According to the study, it was observed that the insured farmers have the better usage of seeds and fertilizers.

Prakash R. & Sharma A. (2014) identified the role of mechanism of crop insurance in India and it suggests that there should be strict rules for the insurance and claim settlement related issues, which are constantly faced by the farmers. It further lays emphasis on improving the ways in calculating the mechanism of indemnity based on age-old basis like yield of unit or area of produce.

Deshmukh A. K. & Khatri D. (2012) made a comparative study on various crop insurance schemes viz. National Agricultural Insurance Scheme (NAIS), Weather Based Crop Insurance Scheme (WBCIS) and few others. They concluded that the crop insurance mechanism in India serve as a risk mitigation tool against uncontrollable natural factors viz. drought, poor monsoon and crop failure due to pests attacks. They further add that there are majority of farmers who are unable to reap the benefit of crop insurance only due to their non-loanee status.

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Dr. Lall M., Singh H. & Tripathi R. (2011) attempts to discuss and find the pressure points of the Indian agricultural insurance schemes and the financial setbacks faced by the farmers. It also focused on the ways of improving the overall structure of the NAIS in dealing with the issues related with crop insurance and their benefits.

Singh S. and Jogi (2011) undertook the study related with weather insurance schemes in India and found that there is low awareness level amongst the farmers having small land holding as compared to the crop-raisers hold large pieces of land. This research was conducted on 187 farmers to arrive at the above conclusion.

Selvaraj A. (2010) conducted the research on 100 crop-raisers of Gobichettipalayam and Perundurai in the district of Erode (Tamil Nadu) to assess the level of awareness and satisfaction amongst the farmers related to several crop insurance schemes in the region. The outcome of the study says that only half of the sample respondents were aware about the crop insurance schemes. When asked, around three-fourth of the respondents were dissatisfied with the ongoing schemes agri insurance.

OBJECTIVES OF STUDY

- To know about the various risk coping mechanisms used by the farmers and to ascertain the level of awareness of crop insurance schemes amongst the farmers of Khandwa district of Madhya Pradesh.
- To observe the perception of farmers towards crops insurance schemes and enquire into the benefits of crop insurance schemes to farmers of the study area.
- To examine the satisfaction level of the farmers with the crop insurance schemes.
- To assess the impact of the selected demographic variables of the farmers on the subscription of crop insurance by the farmers of the study area.

HYPOTHESIS

To pursue the objectives of the study following hypothesis were formulated:

H_{01}: There is no significant impact of age of the farmers on the subscription of crop insurance by the farmers.
H_{02}: There is no significant impact of income of the farmers on the subscription of crop insurance by the farmers.
H_{03}: There is no significant impact of education of the farmers on the subscription of crop insurance by the farmers.
H_{04}: There is no significant impact of landholding of the farmers on the subscription of crop insurance by the farmers.

RESEARCH METHODOLOGY

Research Design

The study is undertaken to explore the extent of crop insurance awareness, perception, benefits, satisfaction and impact of selected demographic variables of the farmers on subscription of insurance among 200 farmers of Khandwa region of Madhya Pradesh. Therefore, to pursue the objectives of the study Exploratory Research Design was used.

Sample Design

The study was conducted in and around Khandwa district of Madhya Pradesh and the sample of 200 farmers was selected from among the farmers of Atoot, Jawar, Sinhada, Borgaon and Bawadiya village in the district of Khandwa for conducting the study. Simple Random Sampling was used to collect the pertinent data from the respondents. The study has been carried in April and May 2017.

Tools for Data Collection

Primary data was collected by administering the self-structured questionnaire to the respondents (farmers). Secondary data was collected from various agricultural magazines and newspapers, and internet. Few of society managers and cooperative bank managers were also conferred to have their thoughts and opinion in this matter.

Tools for Data Analysis

Percentage Analysis is used in order to create a statistical table from the frequency distribution and to represent the collected data for better understanding and analysis. The above mentioned four hypotheses were tested using one sample t-test at 5% level of significance.

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ANALYSIS AND INTERPRETATION

Table-1: Demographic Profile of Respondent Farmers

Parameter	Categories	Insured		Non-Insured		ALL (N = 200)	
		F	%	F	%	F	%
Age (Years)	Age Less than 25	10	71%	4	29%	14	7%
	25 – 35	28	78%	8	22%	36	18%
	35 – 45	44	92%	4	8%	48	24%
	45-55	48	92%	4	8%	52	26%
	55 and Above	47	94%	3	6%	50	25%
	Total	**177**	**88.5%**	**23**	**11.5%**	**200**	**100%**
Annual Income (Rs.)	Income below 100000	7	35%	13	65%	20	10%
	1 Lac - 2.5 Lac	71	89%	9	11%	80	40%
	2.5 Lac -5 Lac	61	98%	1	2%	62	31%
	5 Lac and above	38	100%	0	0%	38	19%
	Total	**177**	**88.5%**	**23**	**11.5%**	**200**	**100%**
Education	Illiterate	24	80%	6	20%	30	15%
	Primary Educated	47	84%	9	16%	56	28%
	High School	49	91%	5	9%	54	27%
	Higher Secondary	39	93%	3	7%	42	21%
	Graduation & above	18	100%	0	0%	18	9%
	Total	**177**	**88.5%**	**23**	**11.5%**	**200**	**100%**
Landholding of Farmers (Hectares)	Marginal (1 hectare or less)	22	55%	18	45%	40	20%
	Small (1 - 2 hectare)	43	96%	2	4%	45	23%
	Semi Medium (2 - 4 hectare)	42	93%	3	7%	45	23%
	Medium (4 - 10 hectare)	40	100%	0	0%	40	20%
	Large (Above 10 hectare)	30	100%	0	0%	30	15%
	Total	**177**	**88.5%**	**23**	**11.5%**	**200**	**100%**

Sources: Authors Compilation

Out of 200 respondents, it was found that a significant portion of the sample (88.5%) was insured and this indicates that the majority of the farmers believe in the insurance scheme and only 23 (11.5 %) farmers are remained non-insured.

The mean age of all respondents is 43.34 years. About 51% of the respondents were aged 45 years and above, 42% of the respondents were aged between 25 to 44 years whereas 7% of the respondents were aged between 21 to 24 years. The mean age of farmers who have subscribed crop insurance is 44.19 years whereas the mean age of farmers who have subscribed crop insurance is 36.83 years. Majority (85%) of sample farmers were literate whereas only 15% were illiterate.The survey statistics also shows that there exist a direct relation between annual income and the crop insurance subscription.

The insured were distributed across different categories of land holding. The large and medium farmers fall under the slab of Cent percent insured farmers whereas most of the non-insured farmers are marginal ones, only 55% of them were insured and remaining 45% were categorized as non-insured farmers.

The first objective of the study is to know about the various risk coping mechanisms used by the farmers and to ascertain the level of awareness of crop insurance schemes amongst the farmers of Khandwa district of Madhya Pradesh.

Risk Coping Mechanismavailble with the Farmers in Case of Crop Loss and Failure

In the study, when farmers were asked to tell about their best risk coping tool against the various risks involve in agriculture and farming, 83% of the farmers still relied on traditional methods of taking loan from local money lenders followed by 69% of farmers responded by saying that they would use their personal savings to recover the loss from crops. 68% of the farmers said they rely on crop insurance scheme and they know their losses will be recovered from the compensation they will get due to any kind of crop loss or failure.

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Table-2: Risk Coping Mechanism

S. No.	Risk Coping Mechanism	F	%
1	Personal Savings	138	69%
2	Loan from Banks % FIs	110	55%
3	Sale of Personal Assets	83	42%
4	Borrowing from Money Lenders	165	83%
5	Government Grants & Aids	5	3%
6	Crop Insurance	136	68%

Note: Multiple responses total do not add to 100%

Sources: Authors Compilation

Awareness about Crop Insurance and Insurance Subscription

Out of the total of 200 respondents, 68% (136) farmers were found aware of the crop insurance and only 32% (64) farmers were not aware of the scheme related with crop insurance. When asked about whether they have taken insurance or not, a very large group of respondents 88.5% (177) farmers were come out to be as insured and only 11.5% (23) farmers were not insured under any crop insurance**. (Refer Table 1)**

Table-3: Awareness about Crop Insurance

Particulars	Response	F	%
Aware About Crop Insurance	Yes	136	68%
	No	64	32%
	Total	**200**	**100%**

Sources: Authors Compilation

The gap between the farmers who are aware about the crop insurance and the actually insured farmers is due to the fact that, all the loanee farmers are getting insurance of their crops by default with the auto deduction of their premium, even if they are unaware about the crop insurance scheme of Government.

Source of Information

The Khandwa region has around 159 cooperative societies, which are engaged in bringing awareness among the farmers regarding crop loan, and insurance schemes run by the Government. About 90-95 % of the farmers are registered with these societies. Consequently, the cooperative societies proved to be the major source of information, around 40% of the farmers responded in favor of the societies. It is followed by the bank and financial institutions (39%), relatives and fellow farmers (11%) and only 10% farmers said that they got the information about crop insurance from radio, television or print media.

Table-4

S. No.	Sources	F	%
1	Relatives and Fellow Farmers	23	11.5%
2	RRBs / Commercial Banks / Financial Institutions	78	39.0%
3	Radio / Television / Print Media	20	10.0%
4	Cooperative Societies	79	39.5%
	Total	**200**	**100%**

Sources: Authors Compilation

The next objective of the study was to observe the perception of farmers towards crops insurance schemes and enquire into the benefits of crop insurance schemes to farmers of the study area. The following results are revealed from the study:

Perception of Farmers towards Crop Insurance Scheme (CIS)

It was found that the majority of the farmers (112) think that the crop insurance scheme serves good for all the categories of farmers. Around 29% of the farmers opine that the crop insurance is favorable only for large farmers whose land holdings are above 10 hectares. Larger the land holding, greater the risk involved in the sowing of crops, they further added. Only, nine percent of the farmers said that there is no need for crop insurance at all as they receives compensation from the Government only in the case of full destruction of crops. If certain portion of the crop destroys, then it will not come under the radar of crop insurance and they themselves need to hold up under every one of the misfortunes.

Table-5: Perception of Farmers towards CIS

S. No.	Particulars	F	%
1	Only for Large Farmers	58	29%
2	Only for Small Farmers	0	0%
3	Only for Marginal Farmers	0	0%
4	For All Categories of Farmers	112	56%
5	Not Necessary	17	9%
6	Can't Say	13	7%
	Total	200	100%

Sources: Authors Compilation

Benefits of Crop Insurance

When asked about the benefits of crop insurance, 87% of the farmers divulge that crop insurance provides protection against crop failure and crop loss. 62% of the farmers said that their risk taking capacity enhanced with the crop insurance and 48% of the farmers responded saying, this risk mitigation tool accelerates the adoption of new agricultural practices. It minimizes the problem of rural indebtedness, which is traceable to the failure of crops, opined 34% of farmers.

Table-6: Benefits of Crop Insurance Schemes (CIS)

S. No.	Benefits of CIS	F	%
1	Provides protection to farmers against losses caused by crop failure and crop loss	173	87%
2	Able to take risk in farming	123	62%
3	Accelerates adoption of new agricultural practices	95	48%
4	Minimizes the problem of rural indebtedness, which is traceable to the failure of crops	68	34%

Note: Multiple responses total do not add to 100%
Sources: Authors Compilation

The next objective examines the satisfaction level of the farmers with the crop insurance schemes.

Level of Satisfaction of the Farmers with the Crop Insurance Scheme

The farmers of the Khandwa district are satisfied and contended with the Government's initiative of giving compensation to the farmers on the event of crop loss. Around 47% of the farmers are satisfied and 39% of the farmers responded that they are 'highly satisfied' with the crop insurance mechanism of the Government. Only 5% of the farmers found to be dissatisfied with the scheme and none of the farmer fall under the slab of 'highly dissatisfied' ones.

Table-7: Satisfaction with Crop Insurance Schemes

S. No.	Response	F	%
1	Highly Satisfied	78	39%
2	Satisfied	93	47%
3	Neutral	19	10%
4	Dissatisfied.	10	5%
5	Highly Dissatisfied.	0	0%
	Total	**200**	**100%**

Sources: Authors Compilation

The study further assesses the impact of the selected demographic variables of the farmers on the subscription of crop insurance by the farmers of the study area. For pursuing this objective, the demographic variables, age, annual income, education and size of landholding of the farmers were selected.

Table-8: Impact of Age, Annual Income, Education and Size of Landholding on Crop Insurance Subscription

Parameter	Mean	Std. Deviation	T Value	P Value	H_0 Accepted / Rejected
Age	35.400	16.334	4.846	0.008	Rejected
Annual Income	44.250	28.418	3.114	0.053	Rejected
Education	35.400	13.831	5.723	0.005	Rejected
Size of Landholding	35.400	9.099	8.699	0.001	Rejected

Sources: Authors Compilation

Table-8 examines the impact of the selected variables on the subscription of crop insurance by the farmers. One sample t-test at 5% significance level is applied to study the impact and according, to the 'p-value' as shown in the table above; all the null hypotheses are rejected.

Therefore, it is inferred that there exists a positive impact of all the four variables i.e., age, annual income, education and size of landholding of the farmers on the subscription of crop insurance.

FINDINGS & CONCLUSION

This study revealed that the reliance of farmers on crop insurance scheme as a risk management tool is developing but still most of the farmers considered the traditional and informal risk managing mechanisms like taking loan from money lenders as the major financing and risk management strategy. The study also revealed that most of the respondent farmers are institutional loanee and therefore whether they are aware or not, they are insured compulsorily under National Agricultural Insurance Scheme. Only the non-loanee farmers or the farmers who have defaulted on the loan repayment have to avail insurance cover voluntarily. The agricultural cooperative societies and the regional rural banks proved to be the major source of information about crop insurance.

Farmer's perception towards Crop Insurance is positive. The farmers of the Khandwa region are satisfied and contended with the Crop Insurance schemes of the Government.

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MARKETING STRATEGY OF PUBLIC BANK IN HOUSING FINANCE: SPECIAL REFERENCE WITH SBI IN CHENNAI

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ABSTRACT

Housing finance sector is fastest growing segment of the retail financing sector with a slew of tax breaks and sharp cut in of cost of owing housing, buying a house is easier. The agencies of public sector housing finance companies, Private sector housing companies and banks are competitors in housing finance market. Every citizen of the country dreams of having his own house. Change is continuous process in all sectors of the world. Another significant impact of banks today is the technology issue. In this study the business banking products of SBI bank, that best suits the needs of the borrower were analyzed. The Customer feels that loans to be obtained require a process that is extremely complicating and time consuming. The observation and findings of the study have helped to give useful recommendations to bank. The implementation of the suggestion can help to improve strategies and build competencies over that of their competitors.

KEYWORDS

SBI Bank, Business Banking Products, Customer Satisfaction, Bank Marketing Strategy etc.

INTRODUCTION

Every human being aspires to have his own house to live in. After food and clothing, housing is the third most important human requirement. A house is not an isolated structure but forms part of the neighborhood and the total community. Housing in its wide sense a comprehends a shelter designed to fit in with his social and cultural wants and located in proper environment supported by physical and social infrastructure. On an average, a person spends almost two-thirds of his life in a house, which is his sanctuary in his old age. Adequate housing is therefore a fundamental need of human beings and an essential pre-requisite for physical, intellectual and mental development. Blessed are those who live in their own house and fortunate are those who have the money to buy one. However, not all are privileged to buy a house of their own. For many such less privileged, buying a house has become possible in modern times through housing loans.

Though shelter was enshrined as a fundamental right in the constitution, housing did not get the attention it reserved. This might be due to the fact that during those days nobody expected the problem of housing to assume the present massive proportions. Inadequate housing facilities have led to the rapid growth of slums and unauthorized settlements, poor quality of services, housing land prices and increasing costs of construction.

The central and state government, public undertakings such as banks, housing development agencies, companies, private undertakings and many other institutes have been trying to tackle the problem but their efforts do not much even the fringe of the problem. In the light of bank reforms and government encouraged banking sectors to identify housing finance sector and its importance in lending.

After 1990s, all public sector banks were struggling with NPA problem. To overcome the ongoing problem, housing finance sector is an important way because of the less weighted risk, which is only 25% from the existing level of 100% due to marginal risk in housing finance against mortgaged home, most of the public sector banks, private housing company, and public sector housing finance companies jumped to housing finance market.

Marketing Strategy in Housing Finance

A process can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. A marketing strategy should be centered on the key concept that customer satisfaction is the main goal.

Marketing strategy is a method of focusing an organization's energies and resources on a course of action, which can lead to increased sales, and dominance of a targeted market niche.

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Marketing strategy determines the choice of target market segments, positioning, marketing mix, and allocation of resources. It is most effective when it is an integral component of overall firm strategy, defining how the organization will successfully engage customers, prospects, and competitors in the market arena.

The housing finance market specifically, deals with cross selling of products and services, which is popular. Thus, a person looking for a housing loan is also offered life insurance, home protection insurance, and other privileges on banking facilities. For a dedicated housing finance company, building up a large network is often time consuming and expensive.

Private Banks have played a major role in the housing finance. They have made banking more efficient and customer friendly. In the process, they have jolted public sector banks out of complacency and forced them to become more competitive. A countrywide survey reveals that while the private banks have a tight grip on the salaried class and professionals.

REVIEW OF LITERATURE

The paper has carried out a survey of literature review relating to Marketing of Housing Finance. An attempt has been made to summarize the important studies keeping the relevance of the present study.

Saritha. P and P. Mohan Reddy (2009), Marketing strategies vary industry wise. The marketing strategies of service industry are quite different form production sector. Within the service industry, financial services industry requires a unique advertising strategy. The present paper is an attempt through a light on marketing strategies in public and private sector banks. The prevalence of competition in the banking sector has necessitated banks to differentiate their products and services by adopting different marketing strategies; therefore, a comparative study of marketing strategies of public sector banks and private sector banks is done in this research paper.

M. Kumaraswamy (2014), explained about marketing strategy of housing finance said that, present housing finance sector covers only 50% of the total demand, remaining 50% is covered by housing sector through effective marketing by reducing the rate of interest, deploying more fund to housing sector and liberalizing the existing policies and also the agencies adopted marketing principles, techniques and slogans to face the ongoing competitions.

W. Boyd et. al. (1994), the result of the study revealed that reputation and image of a credit institution, interest charged on loans, interest on saving accounts are viewed as having great importance for the US market functions than other criteria such as friendliness of employees, modern facilities, and drive-in-service.

John Mylonakis (2007), studied about market segmentation factors, as well as, bank customer attitudes and beliefs towards housing loans and analysed about the primary criterion for selecting a bank in order to request information. He concluded that there is a strong tendency towards personal contacts with bank specialized staff, existing cooperation by existing customers with the bank, recommendations by brokers, real estate contractors, lawyers for those have not developed cooperation with any banks,, press for business people, internet for younger people, direct mail techniques and informational brochures sent along with credit card bills, monthly statements and other impersonal forms of communication etc., for the new clients through special programs.

Dr. P. S. Ravindra (2013) has evaluated the operational performance of LIC Housing finance Limited and HDFC. Top housing finance companies such as HDFC, LIC Housing Finance witnessed loan book growth of 22-37 per cent during the year ended March 2012, thereby increasing their market share. It was concluded that the success of the LICHFL and HDFC in the housing finance industry is in its marketing network. They have more number of marketing personnel than the regular office staff. Even though, these two housing agencies are good in sanctioning loan disbursal and delivery of service to the customers, they have to modify and differentiate their services from other financial companies, which assure maximum benefit to the customers.

OBJECTIVES

- To study the importance of marketing of housing finance in present day context.
- To apprise the marketing strategies practicing by the housing financial institutions.
- To suggest measures to make marketing of housing finance more effective of both public and private sector banks.

RESEARCH METHODOLOGY

Data Collection method

Sample Frame: The sampling frame plays an important role in any major study. Primary data collected through questionnaire, which was specially prepared for this study. The questionnaire-contained questions regarding the general and socio-economic

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characteristics of the respondents such as age, religion, educational qualification, etc. and secondary data also collected from journals, websites, newspapers and Magazine.

Sample for Study: 50 customers were selected from different areas of Chennai city for survey purpose on simple random sampling method.

ANALYSIS AND INTERPRETATION

Table-1: Frequency

Factors	Categories	Frequency	Percentage
Age	18 – 25	06	12.2
	26 – 35	22	44.9
	40 & above	21	42.9
Gender	Male	31	63.3
	Female	18	36.7
Annual Household Income	Less than Rs. 2 Lakhs	10	20.4
	Rs. 2 Lakhs to 5 Lakhs	22	44.9
	More than Rs. 8 Lakhs	17	34.7
Marital Status	Married	42	85.7
	Unmarried	07	14.3
Education	School Level	11	22.4
	Under Graduation	15	30.6
	Post Graduation	21	42.9
	Others	02	4.1
Occupation	Self Employed	08	16.3
	Salaried	35	71.4
	Professional	01	2.0
	Others	05	10.2

Sources: Authors Compilation

Interpretation: The above table reveals that 44.9% belongs to the age group of 26–35, Most of them are male (63.3%) availing for home loan, Married people whose income more than 2 lakhs mostly avail the loan, post graduates and salaried persons are more interested in availing home loan facilities from banks.

H_0: There is no association between occupation and the bank from where home loan taken.

Table-2: Name of the Bank from where you have taken home loan * Occupation

Crosstab							
			Occupation				**Total**
			Self-Employed	**Salaried**	**Professional**	**Others**	
Name of the Bank From where you have taken home loan	**SBI**	Count	8_{a}	11_{b}	$1_{a, b}$	5_{a}	25
		% within Occupation	100.0%	31.4%	100.0%	100.0%	51.0%
	Other bank	Count	0_{a}	24_{b}	$0_{a, b}$	0_{a}	24
		% within Occupation	.0%	68.6%	.0%	.0%	49.0%
Total		Count	8	35	1	5	49
		% within Occupation	100.0%	100.0%	100.0%	100.0%	100.0%

Sources: Authors Compilation

Table-3

Chi-Square Tests			
	Value	**d.f.**	**Asymp. Sig. (2-sided)**
Pearson Chi-Square	18.816[a]	3	**.000
Likelihood Ratio	24.334	3	.000
Linear-by-Linear Association	.294	1	.588
N of Valid Cases	49		

Sources: Authors Compilation

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Interpretation: Significant level at 5%

Since the p value (.000) is lesser than the value 0.05, hypothesis is rejected. Therefore, there is an association between occupation and the bank customers who have taken the loan.

Marketing Strategies of the Bank which is followed by SBI

In order to understand the significant relationship between marketing strategies with occupation, Chi- square test is applied and the results are shown below:

H_0: There is no association between fast sanction and occupation.

Table-4: Fast Sanction * Occupation

Crosstab							
			Occupation				Total
			Self-Employed	Salaried	Professional	Others	
Fast Sanction	Strongly Agree	Count	2_a	16_a	0_a	1_a	19
		% within Occupation	25.0%	45.7%	.0%	20.0%	38.8%
	Agree	Count	6_a	17_a	1_a	4_a	28
		% within Occupation	75.0%	48.6%	100.0%	80.0%	57.1%
	Disagree	Count	0_a	2_a	0_a	0_a	2
		% within Occupation	.0%	5.7%	.0%	.0%	4.1%
Total		Count	8	35	1	5	49
		% within Occupation	100.0%	100.0%	100.0%	100.0%	100.0%

Sources: Authors Compilation

Table-5

Chi-Square Tests			
	Value	d.f.	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.143[a]	6	.657
Likelihood Ratio	5.083	6	.533
Linear-by-Linear Association	.119	1	.730
N of Valid Cases	49		

Sources: Authors Compilation

Table-6: Symmetric Measures

		Value	Asymp. Std. Error[a]	Approx. T[b]	Approx. Sig.
Interval by Interval	Pearson's R	.050	.109	.342	.734[c]
Ordinal by Ordinal	Spearman Correlation	.015	.122	.102	.919[c]
N of Valid Cases		49			

Sources: Authors Compilation

Interpretation: Significant level at 5%

From the above table it is inferred that p value (0.657) is greater than 0.05. So the Hypothesis is accepted. There is no significant association between occupation and fast sanction.

H_0: There is no association between occupation and fast disbursement.

Table-7: Fast Disbursement * Occupation

Crosstab							
			Occupation				Total
			Self-Employed	Salaried	Professional	Others	
Fast Disbursement	Strongly Agree	Count	2_a	17_a	1_a	2_a	22
		% within Occupation	25.0%	48.6%	100.0%	40.0%	44.9%
	Agree	Count	6_a	16_a	0_a	3_a	25
		% within Occupation	75.0%	45.7%	.0%	60.0%	51.0%
	Disagree	Count	0_a	2_a	0_a	0_a	2
		% within Occupation	.0%	5.7%	.0%	.0%	4.1%

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Total	Count	8	35	1	5	49
	% within Occupation	100.0%	100.0%	100.0%	100.0%	100.0%

Sources: Authors Compilation

Table-8

Chi-Square Tests			
	Value	**d.f.**	**Asymp. Sig. (2-sided)**
Pearson Chi-Square	3.998[a]	6	.677
Likelihood Ratio	4.899	6	.557
Linear-by-Linear Association	.332	1	.565
N of Valid Cases	49		

Sources: Authors Compilation

Table-9: Symmetric Measures

		Value	**Asymp. Std. Error[a]**	**Approx. T[b]**	**Approx. Sig.**
Interval by Interval	**Pearson's R**	-.083	.121	-.572	.570[c]
Ordinal by Ordinal	**Spearman Correlation**	-.130	.128	-.897	.374[c]
N of Valid Cases		49			

Sources: Authors Compilation

Interpretation: Significant level at 5%

The above table reveals that the p value (0.677) is greater than the significant value 0.05. Therefore, there is no statistically significant association between occupation and fast disbursement.

H_0: There is no association between occupation and full staff cooperation.

Table-10: Full Staff Cooperation * Occupation

Crosstab							
			Occupation				**Total**
			Self-Employed	**Salaried**	**Professional**	**Others**	
Full Staff Cooperation	**Strongly Agree**	Count	3_{a}	12_{a}	1_{a}	2_{a}	18
		% within Occupation	37.5%	34.3%	100.0%	40.0%	36.7%
	Agree	Count	2_{a}	22_{a}	0_{a}	2_{a}	26
		% within Occupation	25.0%	62.9%	.0%	40.0%	53.1%
	Disagree	Count	2_{a}	0_{b}	$0_{a, b}$	1_{a}	3
		% within Occupation	25.0%	.0%	.0%	20.0%	6.1%
	Strongly Disagree	Count	1_{a}	1_{a}	0_{a}	0_{a}	2
		% within Occupation	12.5%	2.9%	.0%	.0%	4.1%
Total		Count	8	35	1	5	49
		% within Occupation	100.0%	100.0%	100.0%	100.0%	100.0%

Sources: Authors Compilation

Table-11

Chi-Square Tests			
	Value	**d.f.**	**Asymp. Sig. (2-sided)**
Pearson Chi-Square	13.870[a]	9	.127
Likelihood Ratio	13.646	9	.136
Linear-by-Linear Association	.695	1	.405
N of Valid Cases	49		

Sources: Authors Compilation

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Table-12: Symmetric Measures

		Value	Asymp. Std. Error[a]	Approx. T[b]	Approx. Sig.
Interval by Interval	**Pearson's R**	-.120	.165	-.831	.410[c]
Ordinal by Ordinal	**Spearman Correlation**	-.130	.174	-.898	.374[c]
N of Valid Cases		49			

Sources: Authors Compilation

Interpretation: Significant level at 5%

The above table indicates that the p value (0.127) is greater than significant value. Therefore, there is no significant association between occupation and full staff cooperation.

H_0: There is no association between occupation and extra banking hours.

Table-13: Extra Banking Hours * Occupation

Crosstab							
			Occupation				Total
			Self-Employed	Salaried	Professional	Others	
Extra Banking Hours	**Strongly Agree**	Count	0_a	$6_{a, b}$	1_b	$2_{a, b}$	9
		% within Occupation	.0%	17.1%	100.0%	40.0%	18.4%
	Agree	Count	6_a	14_a	0_a	1_a	21
		% within Occupation	75.0%	40.0%	.0%	20.0%	42.9%
	Disagree	Count	1_a	10_a	0_a	2_a	13
		% within Occupation	12.5%	28.6%	.0%	40.0%	26.5%
	Strongly Disagree	Count	1_a	5_a	0_a	0_a	6
		% within Occupation	12.5%	14.3%	.0%	.0%	12.2%
Total		Count	8	35	1	5	49
		% within Occupation	100.0%	100.0%	100.0%	100.0%	100.0%

Sources: Authors Compilation

Table-14

Chi-Square Tests			
	Value	d.f.	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.543[a]	9	.240
Likelihood Ratio	12.136	9	.206
Linear-by-Linear Association	1.013	1	.314
N of Valid Cases	49		

Sources: Authors Compilation

Table-15: Symmetric Measures

		Value	Asymp. Std. Error[a]	Approx. T[b]	Approx. Sig.
Interval by Interval	**Pearson's R**	-.145	.130	-1.007	.319[c]
Ordinal by Ordinal	**Spearman Correlation**	-.119	.137	-.822	.415[c]
N of Valid Cases		49			

Sources: Authors Compilation

Interpretation: Significant level at 5%

The table reveals that the p value (0.240) is greater than the significant value. Therefore, there is no significant association between occupation and extra banking hours.

H_0: There is no association between occupation and no guarantors need.

Table-16: No Guarantors Need * Annual Household Income

Crosstab Count		Annual Household Income			
		Less than Rs. 2,00,000	Rs. 2,00,000 to Rs. 5,00,000	More than Rs. 8,00,000	Total
No Guarantors Need	**Strongly Agree**	5	3	3	11
	Agree	2	12	9	23
	Disagree	3	6	5	14
	Strongly Disagree	0	1	0	1
Total		10	22	17	49

Sources: Authors Compilation

Table-17

Chi-Square Tests	Value	d.f.	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.516[a]	6	.276
Likelihood Ratio	7.557	6	.272
Linear-by-Linear Association	.700	1	.403
N of Valid Cases	49		

Sources: Authors Compilation

Table-18: Symmetric Measures

		Value	Asymp. Std. Error[a]	Approx. T[b]	Approx. Sig.
Interval by Interval	**Pearson's R**	.121	.149	.834	.409[c]
Ordinal by Ordinal	**Spearman Correlation**	.111	.154	.767	.447[c]
N of Valid Cases		49			

Sources: Authors Compilation

Interpretation: Significant level at 5%

Since p value more, than 0.05, the null hypothesis is accepted and there is no association between occupation and no guarantors need.

H_0: There is no association between occupation and transparent dealing.

Table-19: Transparent Dealing * Annual Household Income

Crosstab Count		Annual Household Income			
		Less than Rs. 2,00,000	Rs. 2,00,000 to Rs. 5,00,000	More than Rs. 8,00,000	Total
Transparent Dealing	**Strongly Agree**	4	12	8	24
	Agree	6	4	8	18
	Disagree	0	5	1	6
	Strongly Disagree	0	1	0	1
Total		10	22	17	49

Sources: Authors Compilation

Table-20

Chi-Square Tests	Value	d.f.	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.333[a]	6	.156
Likelihood Ratio	10.867	6	.093
Linear-by-Linear Association	.033	1	.856
N of Valid Cases	49		

Sources: Authors Compilation

Table-21: Symmetric Measures

		Value	Asymp. Std. Error[a]	Approx. T[b]	Approx. Sig.
Interval by Interval	Pearson's R	-.026	.105	-.179	.859[c]
Ordinal by Ordinal	Spearman Correlation	-.029	.123	-.199	.843[c]
N of Valid Cases		49			

Sources: Authors Compilation

Interpretation: Significant level at 5%

Since p value is more than 0.05, the null hypothesis is accepted and there is no association between occupation and transparent dealing.

FINDINGS

Maximum of the SBI respondent's age group fall under 26-35 years is opting for the borrower's loan tenure for the early repayment.

As for as marital status, house is required for the family meant that husband, wife and children. Hence, married people will go for taking home loan.

Education and income is positively correlated. Both will require the eligibility to avail home loan.

Sometimes behavior of public sector bank employees are not cooperative

Mostly salaried go for the home loan whose annual income is above two lakhs.

At the time of sanctioning housing loan, getting legal opinion from legal experts is quite common. It is more rigid in case of SBI (public sector bank) and it will not motivates the borrowers to get housing loans very easy and timely.

SUGGESTIONS

The bank should review the housing loan portfolio at periodical intervals for capturing the new market to avoid risk and for updating their schemes.

Branches can arrange customers meeting to popularize these lend schemes.

The banks can think of opportunities marketing agents for housing loans as is being done by financial institutions. At the apex level, a lot of publicity can be given on the advantages of bank loans.

All employees should be familiar with the details of the housing loan schemes of their banks.

Incentive and recognition should be given to banks and employees closing special work in this field.

The services provided by banks need to be automated.

The behavior of the staff of the bank toward the customer should be more personalized.

The banks need to improve on the customer satisfaction level due to stiff competition among the banks.

CONCLUSION

The successful housing finance lending companies share a strong focus and a heavy commitment towards marketing. The modern marketing seeks to attract real borrower by promising superior value and to keep current customers by delivering satisfaction. The sound marketing is critical to the success of all organization, whether large or small, profit or non-profit, and domestic or global. The people mostly think of marketing as only selling or advertising.

It is concluded that SBI is very popular among the customers these days. The trust level that customer have with this bank is very high in comparison to other banks. The success of this bank in the housing finance industry is in its marketing network. They have more number of marketing personnel than the regular office staff. If the service quality is improved, the profitability of the company is sure to increase.

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IMPACT OF GST ON RETAIL SECTOR

Richa Gupta[33] Shivani Dvivedi[34]

ABSTRACT

GST is also known as Goods and Services Tax is a consolidation of all indirect taxes levied by centre and state respectively. GST is most significant change in Indian Tax since 1947, which merge all indirect taxes. It is a vast concept that simplifies the giant tax structure by supporting and enhancing the economic growth of a country. More than 150 countries have implemented GST so far. It is believed that it would make the tax procedure more efficient, transparent and fair. GST is going to benefit mostly three sectors in India: Retail and consumer companies, FMCG (Fast-moving consumer goods) and logistics business. Indian retail industry is one of the fastest growing industries in the world. The main purpose of this paper is to show the vital thrust area of GST on retail sector, which covers the thrust on taxation part, possibility of input tax credit, competence in supply chain. GST will definitely have a significant impact on the way business operates and one of the sectors which would be significantly impacted by GST is the retail sector. The impact of GST on retail sector is going to be positive as it will bring down total indirect taxes, increase supply chain efficiency and facilitate seamless input tax credit.

KEYWORDS

Goods and Service Tax, Retail Sector, Taxation, Indian etc.

INTRODUCTION

Retail deals with the sale of goods from a single point (malls, market etc.) directly to the consumer in small quantities for his end use. The Indian retail industry is one of the fastest growing industries in the world. Retail industry in India is expected to grow to $ 1.3 trillion by 2020 with compound annual growth rate (CAGR) of 16.7 % over 2015-2020. India is the fifth largest preferred retail destination globally. The government of India has introduced reforms to attract foreign direct investment (FDI) in retail industry. The government has replaced 51 percent FDI in multi brand retail and increase FDI limit 100 % in single brand retail.

GST (Goods and Service Tax) GST means Goods and Service Tax. It is an indirect tax levied on sale of goods and services. In the retail sector, implementation of GST will mean a complete integration of goods and services transaction across the states. It will benefit the value chain at different stages. The state boundary will not be a hurdle anymore resulting in a low transportation cost and better access. Hence, not only retailers but also consumers are also going to be benefitted from this reform. This reform will also help the retail sector in building chain supply efficiency in the country and hence it is a win-win reform for all it will create one unified national market and hence make supply chain and Indian retail sector more efficient. It will positively affect the informal sector and will help unleash new entrepreneurial energy. Small retailers & Kiryanas will be able to scale up their businesses significantly.

REVIEW OF LITERATURE

Several studies have been undertaken in the field of retail sector and GST in India. In addition to this articles in newspapers and various reports relating to can be found in India. Few of them are given below.

Manyal and Nagpal (2016) tried to find out the implications of GST on e-commerce in the retail sector. They expected the end of the tussle between the states to tax e-commerce transactions. It can give them a much-needed relief from the recurrent sales tax demands, investigations, and stoppage of goods at the check post.

Muneendra and Mohan Prakash (2016) conducted a study to analyze finer strategic perspective for the retail sector in India and suggest measures for retailing in India. They also studied growth of retail sector in India, strategies, strength and opportunities of retail stores, retail format in India, recent trends, and opportunities and challenges.

Debanath, Pranesh (2016) conducted a study to know various benefits and challenges of implementing GST in India to government and various business organizations and GST's control over the Tax collection.

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A report by Ernst and Young published in 2015 gives an overview of GST mentioning various features, key points and benefits to consumers as well as businesses.

A report published by FICCI on September 2012 titled 'Indian Kaleidoscope Emerging trends in Retail' it focuses on all dimensions of Indian Retailing, It states the advantages of retail to India, Organized and Unorganized retail penetrations in India significant of Global positioning of Indian retail sector, strategy adopted by the successful retailers, Evolution of FDI in retail, Global retailers investment pattern in India and M&A in the Indian Retail sector.

OBJECTIVES OF STUDY

- To study thrust area of GST.
- To study the impact of GST on retail sector.
- To know various benefits of implementation of GST on retail sector in India.

RESEARCH METHODOLOGY

This is descriptive research in which data has been collected through secondary sources like-books, national & international journals, Government reports, articles, Websites and newspapers etc.

GST in India

GST is an attempt to unify the nation, an effort to create one single national market. The GST is an improvement towards the comprehensive tax reforms in the country and would give India a world class tax system and improve tax collections by the integration of goods and services taxation. It would end distortions of differential treatments of manufacturing and service sector. It will lead to the abolition of taxes such as octroy, central sales tax, state level sales tax, entry tax, stamp duty, telecom license fees, turnover tax, tax on consumption or sale of electricity, etc. GST is expected to create a business friendly environment, as price levels and hence inflation rates would come down overtime as a uniform tax rate is applied. It will also improve government's fiscal health, as the tax collection system would become more transparent, making tax evasion difficult. The GST at the central and at the state level will thus give more relief to the industry, trade, agriculture and consumers through a more comprehensive and wider coverage of input tax set off and service tax set off, inclusion of several taxes in the GST and phasing out of CST and thus in a way will help remove the shortcomings of VAT. GST will help to overcome the problem of double taxation as under this tax will be levied on supply of goods and services as it is based on "Destination Principle" which means tax will be levied at the place of final consumption. GST will be collected at last Point of Sale. GST paid by different intermediaries in the supply chain can claim it back which ultimately benefit the customers, as it will reduce the final cost of goods and services by eliminating double taxation.

GOODS

Table-1

Tax Rate	Items
0%	Essential food items, bindi, sindoor, judicial papers, newspapers, etc.
5%	Cream, frozen vegetables, coffee, tea, spices, pizza, bread, kerosene, coal, medicines, stents, etc.
12%	Butter, cheese, ghee, namkeen, tooth powder, cell phones, umbrella, sewing machines, etc.
18%	Refined sugar, pasta, pastries, cakes, ice cream, jams, note books, steel products, camera, speakers, monitors, etc.
28%	Luxury cars, pan masala, tobacco etc.

Sources: Authors Compilation

SERVICES

Table-2

Tax Rate	Services
0%	Hotel and lodges with tariff below Rs. 1000 and Grandfathering service.
5%	Transport Services (Railways, air transport) and small restaurants.
12%	Non-AC Hotels, business class air tickets, fertilizers and Work Contracts.
18%	AC Hotels that serve liquor, telecom services, IT services, branded garments and financial services.
28%	Luxury Hotel Services, Gambling, Race Course etc.

Sources: Authors Compilation

An additional 3% GST tax slab has been introduced for gold and other precious metals.

Advantages of GST for Retailers

GST will more transparent, simple and easy to understand taxation system. In the retail sector, the implementation of GST means a seamless integration of goods and service transaction across the states. It will have advantages at different stages of the value chain. New tax structure is expected to allow them to implement new innovative business models to avoid various taxes. E-commerce companies' act as a market place for various sellers to sell their goods hence considered as agents. Because of this business model, they are required to pay taxes on behalf of sellers. In present framework, some states have their own set of rules and regulations to tax E-Commerce firms and hence these firms have to pay double taxes. GST will provide some realistic and lucid solutions to this problem providing some relief to e-commerce firms. E-Commerce companies like Flipkart and Amazon are running under losses since incorporation. As GST will subsume many taxes, the procurement cost for the firms is expected to reduce considerably thereby improving their profitability. Facilitating ease of doing business integration of existing multiple taxes into single, GST will significantly reduce cost of tax compliance and transaction cost.

Under present framework of inter-state transactions, every retail company tries to locate its warehouses and branches in such a way that CST can be avoided. However, after the implementation of GST all interstate supply of goods shall be subject to IGST, which is a creditable tax. This will allow retailers to shut down some of the locations thereby saving huge amount of cost.

It is supposed that India will gain $15 billion a year by exercising GST, which would integrate a large number of taxes into a single legislation while making Indian products and services more competitive in the global market particularly promote the retail sector. More importantly, it will minimize the cascading effect of taxes, making available seamless tax credits across the chain. One problem with the current system is there's no credit for tax paid in earlier stages of production, resulting in 'Tax on Tax' and the burden being passed on to consumer. GST is designed with the motive of free flow of goods across the country without any kind of barriers like check post to check the documents accompanied with goods vehicle. This will give opportunities to retailers / suppliers / vendors to merge. Wider base of distribution will result into better access to goods and low transportation costs as state boundary paperwork will not be a problem.

Obstacles and Challenges of GST for Retailers

Inter-state stock transfer of goods from one branch to another is presently not liable to tax. However, the same would be liable to GST. While this would not be a cost in the system, this would increase the working capital requirements of the retailers. Retailers currently offer various marketing schemes such as "Buy one get one free", free samples, etc. to consumers. At present, the products given free of cost are not liable to sales tax. However, in the GST regime, supply of goods by one person to another person without consideration could also liable for taxation. This would lead to increased cost of promotion. Under GST discount will become part of transaction value unless it is linked with the relevant invoices.

A higher GST rate of 28% for consumer durables and some FMCG products may disappoint the market. Important fallout of GST could be shift from unorganized to organized segment. The unorganized sector will come into the tax net and will lose the benefit arising from non-payments of taxes and levies.

Under GST, interstate movement of goods will attract IGST even between same entities causing significant blockage of working capital. The branch, which is transferring goods to another branch of same entity, has to upfront pay the tax however; the receiver can book the credit and use this tax to pay his output GST liability in future. The value of supply of a goods and services under GST shall be transaction value provided the supplier and recipient are not related parties and price is the sole consideration for supply, so as in case of gifts, free samples, and buy one get one free offers. The valuation made by firms can be rejected by assessing authority if they have reason to doubt the truth or accuracy of value.

Impact of GST on Retail Sector

GST will significantly change the dynamics of the retail sector in India:

- In the current tax structure, most of the retail products are subject to 30 % indirect taxes on average. This includes excise duty, VAT, CST, service tax on warehousing, consulting and rent, Octroy and entry tax. The main impact of GST on retailers will be a significant reduction of the tax burden on the retailers.

- In the current tax structure, input tax credit is available on VAT but not available on service tax and import duty. In the proposed GST regime, there will be set off on taxation starting from producer's point to the consumer point. GST will make an impact by eliminating the cascading effect of taxes thereby reducing the total tax burden on the retail sector.

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- As per the model GST law, any supply without any consideration will attract tax. It is a common practice in Indian retail sector to offer free products for promotion or one plus one free offers. In the current taxation system; these free products, samples and gifts were tax-free. Once GST is implemented, such gifts will also be considered for tax and the retailers would have to rethink their promotional strategy.

- Upon implementation of GST, analysts predict unification of markets. Thus, biggest of the impacts of GST will be in the widening of potential markets for the retailers. Retailers would be ready to explore markets across diminished boundaries leading to better growth of the retail market.

CONCLUSION

GST is the most progressive step towards the widespread indirect tax amendment in our country since independence. Tax is charged on the all supply of goods and services as well as combination thereof under GST. All sectors of economy shall have to bear the impact of GST. GST directly show their effect on all sectors whether big, small, importer, exporter, wholesaler, retailers, consumers. GST will make the economy more powerful and healthy by creating a distinct and unified Indian Market. Under GST, the tax burden will be divided equitable between manufacturing and services through a lower tax rate by increasing the tax base and minimum exemption. Moreover, one point single tax benefit retails to decide their supply chain, price and in long run helps the consumers being goods competitive as price will no longer be the function of tax components.

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TREND ANALYSIS OF CUSTOMER BEHAVIOR WHILE BUYING A CELL PHONE WITH SPECIAL REMARK ON THE FAILURE OF BLACKBERRY

Rajshree Srivastava[35] Dr. Apoorva Trivedi[36]

ABSTRACT

This study has brought about certain unexplored trends regarding Blackberry cell phones in Thane district. Majority of the respondents are young adults pursuing academics or professional courses and technology savvy. Most of them look for cell phones with reasonable price. Comfort plays a vital role in selecting a brand for cell phone. The respondents are not quite satisfied with the Blackberry cell phones. There is a general Business perception about the Blackberry phone. Blackberry even though being a global giant still has not captured the complete Thane district market as of now. Hence, the company should come out with better marketing strategies specially pricing strategies in order to update the customers more about the new models and exclusive features.

KEYWORDS

Consumer Behaviors, Price Perceptions, Brand Perceptions, Marketing Trends etc.

INTRODUCTION

The consumer buying process can be briefly divided into 6 stages. Actual purchasing is only one stage of the process. Not all decision processes lead to a purchase. All consumer decisions do not always include all six stages, determined by the degree of complexity. **The six steps are as follows:**

Problem Recognition (Aawareness of Need) difference between the desired state and the actual condition. Deficit in assortment of products. Hunger-Food. Hunger stimulates your need to eat can be stimulated by the marketer through product information-Did not know you were deficient? i.e., see a commercial for a new pair of shoes, stimulates your recognition that you need a new pair of shoes.

Information Search

- Internal search, memory.
- External search if you need more information. Friends and relatives (word of mouth). Marketer dominated sources; comparison-shopping; public sources etc.

  A successful information search leaves a buyer with possible alternatives, the *evoked set*.

  Hungry, want to go out and eat, evoked set is:

  - Chinese food,
  - Indian food,
  - burger king,
  - Klondike kates etc.

Evaluation of Alternatives need to establish criteria for evaluation features the buyer wants or does not want. Rank/weight alternatives or resume search. May decide that you want to eat something spicy, Indian gets highest rank etc. If not satisfied with your choice then returns to the search phase. Can you think of another restaurant? Look in the yellow pages etc. Information from different sources may be treated differently. Marketers try to influence by "framing" alternatives.

Purchase Decision to choose buying alternative, includes product, package, store, method of purchase etc.

Purchase may differ from decision, time lapse between 4 & 5, product availability.

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Post-Purchase Evaluation - outcome: Satisfaction or Dissatisfaction. ***Cognitive Dissonance***, have you made the right decision. This can be reduced by warranties, after sales communication etc. After eating an Indian meal, may think that really you wanted a Chinese meal instead.

LITERATURE REVIEW

This part of the paper attempts to make a review of research articles in the related field of the study undertaken. A focused review of the available literature helped us to get in depth of the topic and to understand the contributions of others as well as to identify the research gap. Bitta (2002) observes the term customer as typically used to refer to someone who regularly purchase from a particular store or company. The term, consumer, more generally refers to any one engaging, acquiring, using or disposing or goods and services. According to a famous web portal (www.brint.com), the components of customer value are simple. Product quality, service quality, price and image shape a customer's perception value. A firm's strategy and performance in these areas are integrated by customers' perception of value proposition. This is particularly important for first time customers. In this highly competitive business environment, the customers will compare the perceived value of competitive offerings. The ultimate 'winner' in the battle for the customers' pocketbook is the firm that delivers the 'best value' from the customer's perspective. In the study by Gladwin (2003), the Lancaster model of consumer demand is referred as the product attributes model to evaluate brand positioning. This model assumes that consumer choice is based on the characteristics of a brand. According to Mason & Bequette (1998) perception of product performance are more important than actual performance. The authors opined that marketing managers should know the attributes that consumers expect in a product and positive or negative attributes help develop and promote a successful product.

Self-Perception

Self-perception theory attempts to explain how individuals develop an understanding of the motivations behind their own behavior. Self-perception by customers relates to values and motivations that drive buying behavior -- which is also an important aspect of consumer perception theory. For instance, a study by researchers at the University of Massachusetts at Amherst addressed how self-perception shaped consumers' buying behavior. The study considered the question of whether consumers believed their buying decisions had a real effect on issues such as environmental impact. The researchers concluded that consumers' self-perception was a driving factor in whether or not they placed a priority on socially conscious purchase and consumption practices. Consumers who viewed themselves as socially conscious tended to place more weight on issues such as environmental impact when making buying decisions than consumers who did not hold similar views of themselves.

Price Perception

While mass merchandisers such as Wal-Mart emphasize low prices as an inherent virtue, upscale merchants attempt to emphasize quality and value for money to appeal to potential customers. Researchers at the School of Business Administration at LaSalle University and LeBow College of Business at Drexel University considered several factors, including price perception -- whether consumers believed they were being charged fair prices -- in determining whether online shoppers would make repeat purchases through the same website. The researchers concluded that price perception strongly influenced whether customers were satisfied with their purchases and whether they would make future purchases. Two factors that shaped price perception were the perceived quality of the merchandise or service in question and price comparisons with merchants offering similar merchandise or services.

Benefit Perception

"It's good, and it's good for you." Many consumers are familiar with this phrase frequently associated with food advertising. Researchers from Marquette University, Louisiana State University and the University of Arkansas surveyed customers to determine how nutrition claims associated with food affected their perception of that food's nutritional value. The researchers found that consumers tend to reject general, unsupported claims of enhanced nutrition, especially concerning high nutritional value for foods that are traditionally viewed as unhealthy. The researchers also theorized that consumers would demonstrate a trend toward applying more scrutiny to nutrition claims and would demand more specific information about the foods they purchase.

Phones with BlackBerry Email Client

Several non-BlackBerry mobile phones have been released featuring the BlackBerry email client, which connects to BlackBerry servers. Many of these phones have full QWERTY keyboards.

- AT&T Tilt,
- HTC Advantage X7500,
- Nokia 9300
- Nokia 9300i
- Samsung t719
- Siemens SK65

- HTC TyTN
- Motorola MPx220, some models
- Nokia 6810
- Nokia 6820
- Nokia 9500
- Nokia E-series phones, except models Nokia E66, Nokia E71
- Qtek 9100
- Qtek 9000
- Sony Ericsson P910
- Sony Ericsson P990
- Sony Ericsson M600i
- Sony Ericsson P1

Third-party Software

Third-party software available for use on BlackBerry devices includes full-featured database management systems, which can be used to support customer relationship management clients and other applications that must manage large volumes of potentially complex data.

In March 2011, RIM announced an optional Android player that could play applications developed for the android system would be available for the BlackBerry PlayBook, RIM's first entry in the tablet market.

On August 24, 2011, *Bloomberg News* reported unofficial rumors that BlackBerry devices would be able to run Android applications when RIM brings QNX and the Android App Player to BlackBerry. On October 20, 2011 RIM officially announced that Android applications could run, unmodified, on the BlackBerry tablet and the newest BlackBerry phones, using the newest version of its operating system.

BlackBerry PIN

BlackBerry PIN is an eight character hexadecimal identification number assigned to each BlackBerry device. PINs cannot be changed manually on the device (though BlackBerry technicians are able to reset or update a PIN server-side), and are locked to each specific BlackBerry. BlackBerry devices can message each other using the PIN directly or by using the BlackBerry Messenger application. BlackBerry PINs are tracked by BlackBerry Enterprise Servers and the BlackBerry Internet Service and are used to direct messages to a BlackBerry device. Emails and any other messages, such as those from the BlackBerry Push Service, are typically directed to a BlackBerry device's PIN. The message can then be routed by a RIM Network Operations Center, and sent to a carrier, which will deliver the message the last mile to the device. In September 2012, RIM announced that the BlackBerry PIN would be replaced by users' BlackBerry ID starting in 2013 with the launch of the BlackBerry 10 platform.

RIM Patent Infringement Litigation

In 2000, NTP sent notice of its wireless email patents to a number of companies and offered to license the patents to them. NTP brought a patent-infringement lawsuit against one of the companies, Research in Motion, in the United States District Court for the Eastern District of Virginia. This court is well known for its strict adherence to timetables and deadlines, sometimes referred to as the “rocket docket”, and are particularly efficient at trying patent cases.

The jury eventually found that the NTP patents were valid, that RIM had infringed them, that the infringement had been "willful," and that the infringement had cost NTP $33 million in damages (the greater of a reasonable royalty or lost profits). The judge, James R. Spencer, increased the damages to $53 million as a punitive measure because the infringement had been willful. He also instructed RIM to pay NTP's legal fees of $4.5 million and issued an injunction ordering RIM to cease and desist infringing the patents. This would have shut down the BlackBerry systems in the US. RIM appealed all of the findings of the court. The injunction and other remedies were stayed pending the outcome of the appeals.

In March 2005 during the appeals process, RIM and NTP tried to negotiate a settlement of their dispute; the settlement was to be for $450 million. Negotiations broke down due to other issues. On June 10, 2005, the matter returned to the courts. In early November 2005, the US Department of Justice filed a brief requesting that RIM's service be allowed to continue because of the large number of BlackBerry users in the US Federal Government.

In January 2006, the US Supreme Court refused to hear RIM's appeal of the holding of liability for patent infringement, and the matter was returned to a lower court. The prior granted injunction preventing all RIM sales in the US and use of the BlackBerry device might have been enforced by the presiding district court judge had the two parties been unable to reach a settlement.

On February 9, 2006, the US Department of Defense (DOD) filed a brief stating that an injunction shutting down the BlackBerry service while excluding government users was unworkable. The DOD also stated that the BlackBerry was crucial for national security given the large number of government users.

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On February 9, 2006, RIM announced that it had developed software workarounds that would not infringe the NTP patents, and would implement those if the injunction were enforced.

On March 3, 2006, after a stern warning from Judge Spencer, RIM and NTP announced that they had settled their dispute. Under the terms of the settlement, RIM has agreed to pay NTP $612.5 million (USD) in a "full and final settlement of all claims." In a statement, RIM said, "all terms of the agreement have been finalized and the litigation against RIM has been dismissed by a court order this afternoon. The agreement eliminates the need for any further court proceedings or decisions relating to damages or injunctive relief." The settlement amount is believed low by some analysts, because of the absence of any future royalties on the technology in question.

Certification

More information on certifications is on the Blackberry.com website. The BlackBerry Technical Certifications available are:

- BlackBerry Certified Enterprise Server Consultant (BCESC).
- BlackBerry Certified Server Support Technician (BCSST).
- BlackBerry Certified Support Technician (BCSTR).

Table-1: The Global Number of Active Blackberry Users Since 2003

Number of BlackBerry Users Globally	As of:
534,000	March 1, 2003
1,069,000	February 28, 2004
2,510,000	February 26, 2005
4,900,000	March 4, 2006
8,000,000	March 3, 2007
14,000,000	March 1, 2008
25,000,000	February 28, 2009
41,000,000	February 27, 2010
70,000,000	August 27, 2011
77,000,000	March 3, 2012
79,000,000	December 1, 2012

Sources: Authors Compilation

DATA ANALYSIS

Table-2

Age	%	Qualification	%	Occupation	%
20 – 25	10	School level	8	Students	44
25 – 30	34	Graduates	38	Self Employed	24
30 – 35	40	Post Graduates	44	Others	32
35 - 40	16	Others	10		

Sources: Authors Compilation

In this section the age profile, educational profile and occupational profile of the respondents is analyzed. Age profile shows that 40% of the respondents belong to the age of 30 -35 years, 34% of the respondents in the age group 25–30 years, which together accumulated three quarters of the total sample size. The average age of the sample respondents has been estimated as 30.1. There is also general perception that people in the young age or middle age are more enthusiastic and involved in sports activities.

The educational background was done in order to find out how they perceive the product and whether it makes any impact on their buying judgment. The school students are not included in this particular research because of age factor. According to the survey majority of the respondents (44%) have a high educational background, with postgraduate degree holders such as Master of Management Studies, Master of Science. It is followed by a class of graduates working in different fields comprising 38% of the sample respondents. The least 10% of the respondents are other category as diploma holders, which includes polytechnic, diploma in pharmacy, catering technology, etc. Around 44% of the respondents belong to student category, pursuing graduation, post graduation and diploma courses in various institutions and 32% are working professionals. Only 24% of respondents are self-employed. This shows that the perception and attitude of the respondents are dependable for deriving conclusions of the study.

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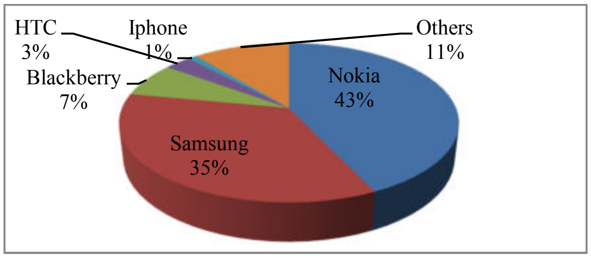
Question-1: Which Cell phone do you use?

Graph-1

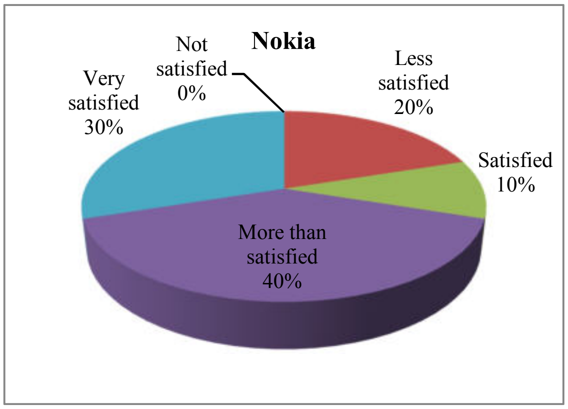


Sources: Authors Compilation

Interpretation: It can be interpreted from the data that Nokia has the maximum market share followed by Samsung, Blackberry, HTC, IPhone and other Phones.

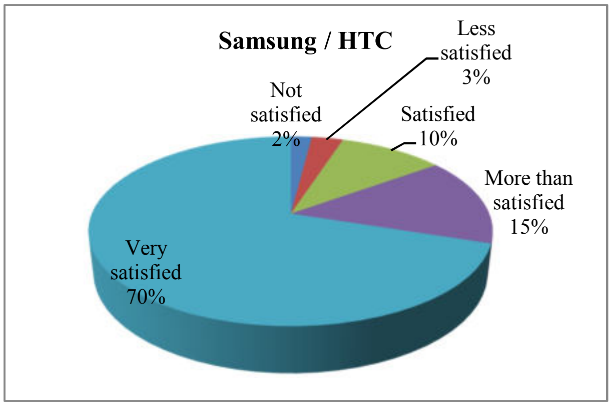
Question-2: Are you satisfied with your cell phone?

Graph-2



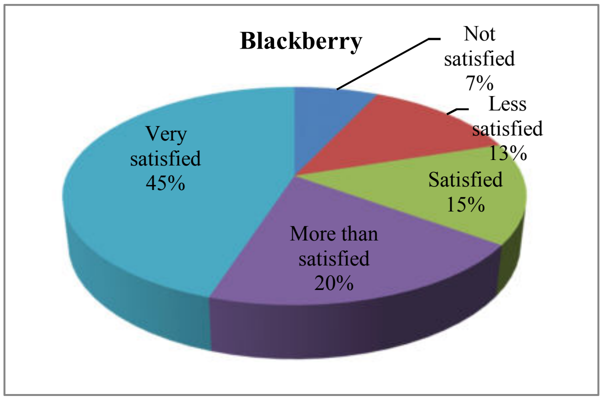
Sources: Authors Compilation

Graph-3



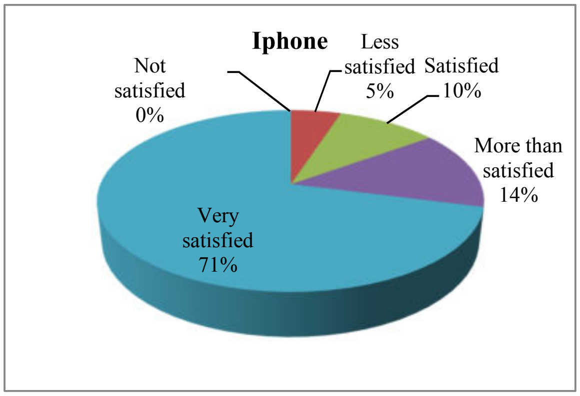
Sources: Authors Compilation

Graph-4



Sources: Authors Compilation

Graph-5



Sources: Authors Compilation

Interpretation: It is interpreted that as compared to other phones respondents of Blackberry did not seem very satisfied with the product. The satisfaction levels are high in IPhone and android phones like Samsung and HTC.

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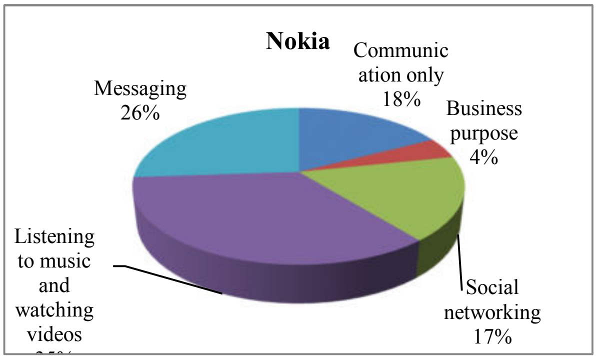
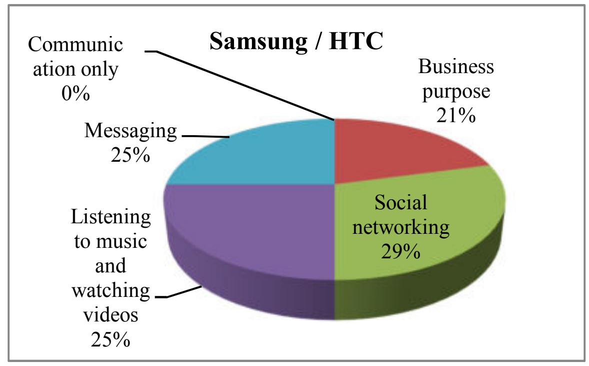
Question-3: For what purpose do you use your Phone?

Graph-6



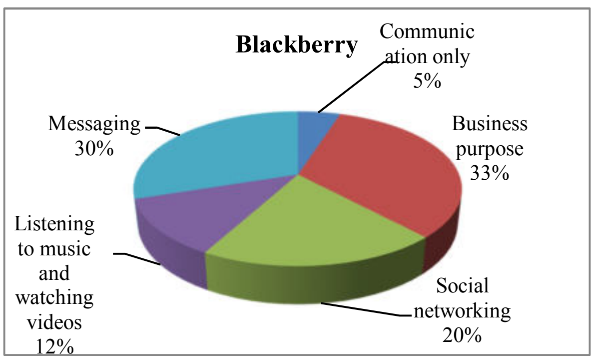
Sources: Authors Compilation

Graph-7



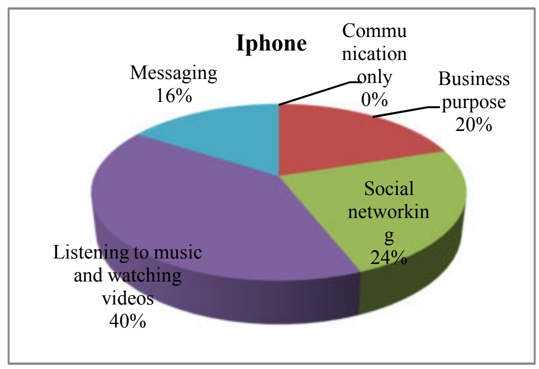
Sources: Authors Compilation

Graph-8



Sources: Authors Compilation

Graph-9

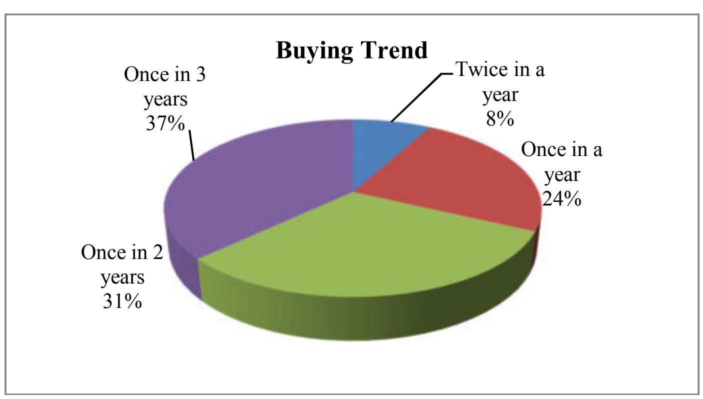


Sources: Authors Compilation

Interpretation: It can be interpret that blackberry is mostly used for Business purpose by the users i.e. 33%. As compared to the other phones i.e. 20%.

Questions: How often do you change your cell phone?

Graph-10



Sources: Authors Compilation

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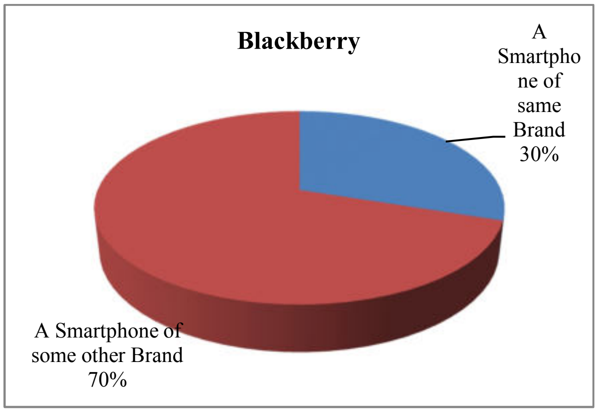
Interpretation: It is interpret that most of the people change their cell phone once in 3 years, followed by the no of people who change once in two years. There is a less percentage of people who change their phone as frequently as twice in a year.

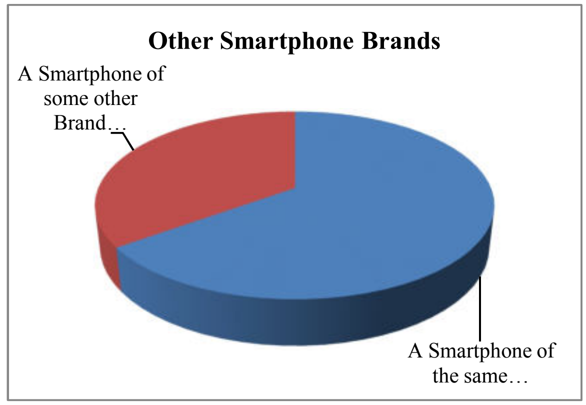
Question-5: Which phone are you planning to buy next?

Graph-11



Sources: Authors Compilation

Graph-12

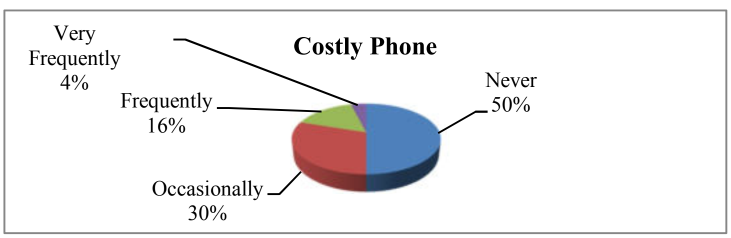


Sources: Authors Compilation

Interpretation: It can be interpret that only 30% of the Blackberry users are planning to buy a Blackberry again as their next phone.

Question-6: How often do you like to purchase costly phones?

Graph-13

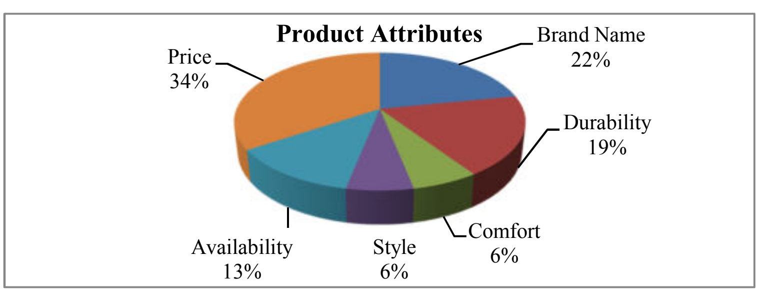


Sources: Authors Compilation

Interpretation: It is found that not many people tend to buy costly phone, however, there is still a considerable percentage of buys who buy costly phones occasionally.

Question-7: What are the main attributes that you consider while buying a cell phone?

Graph-14



Sources: Authors Compilation

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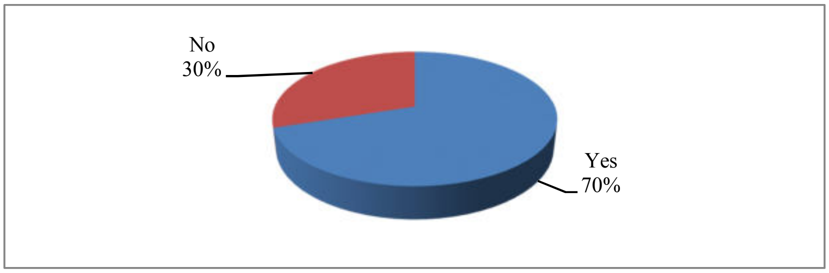
Interpretation: The main attribute that the respondents consider while buying a phone is its price followed by the brand name, durability, availability, style, comfort.

Question-8: Are you aware about the special features of Blackberry for e.g. BBM?

Graph-15

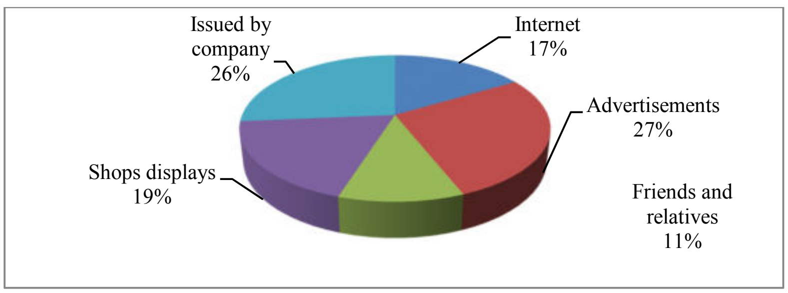


Sources: Authors Compilation

Interpretation: It is interpret that 70% of people are aware off the special features of the Blackberry mobile.

Question-9: How did you get to know about Blackberry?

Graph-16

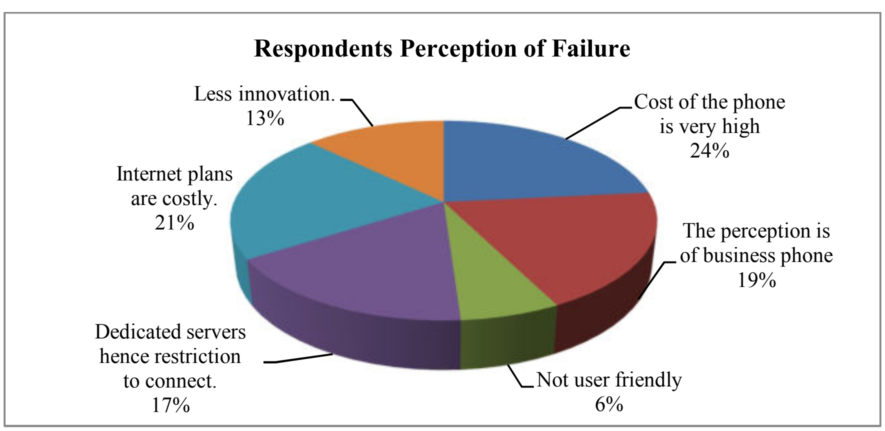


Sources: Authors Compilation

Interpretation: It is interpret that the awareness of blackberry is because of advertisements, followed by the issuing by company, shop displays, internet and friends.

Question-10: What do you think are the reasons for the failure of Blackberry?

Graph-17



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Interpretation: It is interpret that cost of the phone being high as compared to the features it is the main reason for the failure of Blackberry as others are providing phones with the same features in a much less cost. Even the costly internet plans are a major cause for the downfall.

CONCLUSION

Blackberry is perceived as a costly phone, with only 14% of non-Blackberry Smartphone users would switch to a Blackberry for their next purchase.

Compared with Blackberry users, iPhone users report a significantly higher overall satisfaction level with their phone.

33% of BlackBerry owners use their phones mostly or only for business purposes, compared with just 20% of all smartphone users

Only 45% of all BlackBerry users said they were "very satisfied" with their phones –compared with 71% of iPhone users and 70% of Android users.

Only 30% of all BlackBerry users would buy another BlackBerry for their next phone, while 70% of iPhone and Android users would stick with their current brands.

Blackberry is still considered by the business class for a genuine business Smartphone, and it has loyal users who can be a market for the future models of Blackberry provided it make innovations and continue its USP of secure data management.

The reason for the downfall of blackberry is considered its lack in innovations and high cost of internet plans, whereas the features provided are not cost effective.

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EFFECT OF DEMOGRAPHIC VARIABLES ON CELEBRITY ENDORSEMENT WITH SPECIAL REFERENCE TO DURABLE GOODS

Khushboo Makwana[37] Dr. Yogeshwari Phatak[38]

ABSTRACT

After globalization, competition has been reached to extreme limit. Brands are struggling to occupy distinctive position in the minds of their target customers. Companies are searching for innovative means to transform their effort into success with the help of effective communication. In this path, celebrity endorsement gained attention and became popular way of effective communication. Companies are spending billions to endorse a celebrity for their brand's success. This paper attempts to find the effect of demographic variables namely age, gender and income on celebrity endorsement in durable goods. An empirical study has been conducted and views of customers using durable goods have been tested using statistical tools. The study reveals that gender wise there was no significant difference on the celebrity endorsement. However, age- wise significant difference was observed on the celebrity endorsement in durable goods. In addition to this the respondents with the annual income between Rs. 500001 - Rs. 1000000 and above Rs. 1000000 has a significant difference on the durable goods, which are endorsed by the celebrity.

KEYWORDS

Celebrity Endorsement, Consumers, Demographic, Durable Goods etc.

INTRODUCTION

In the last two decades, advertisement-using celebrities has become common phenomenon in modern competitive marketing environment for high recognition and recall. The use of celebrities in advertisements has rapidly increased, as it is believed to have a positive impact on their sales (Endorgan, 2001). One very effective way of branding, especially in the durable goods, is the use of celebrity endorsement. Furthermore, the celebrities in India live a very public life; hence, several aspects of their lives are exposed to the public such as where they shop, what are the brands that use, their favorite food and so on and thus receives extensive coverage from the media. The best example to support this is the South Indian actor Rajnikanth who has temples dedicated to his glory (Dixit 2005).

Celebrities are people who enjoy public recognition by a group of people with attributes such as attractiveness, trustworthiness, expertise etc. In the journey of brand positioning, celebrity endorsement appeared and gained attention of many companies. The companies nowadays are spending huge amount of money on celebrity so that they can endorse their product and help to make their product a well- recognized brand. Branding influences customer's purchase intentions, especially of the youth and therefore companies are determined to build strong brands (Lazarevic, 2011).

The Indian consumer durables industry has witnessed significant changes in the past couple of years. Changing lifestyle, higher disposable income coupled with greater affordability and a surge in advertising has been instrumental in bringing about a change in the consumer behaviour pattern. India is progressively facilitating new avenues of growth for the durable goods market, which is ultimately proving beneficial for the entire Indian consumers. (Panwar, 2004). The amount of time and effort that a buyer puts into any particular purchase depends on the level of expenditure, the frequency of purchase and the perceived risk involved. Hence, in the case of Consumer Durable Goods, the actual amount of time spent on information search as well as the effort put in for shopping will be more as the expenditure will be normally high, the frequency of the purchase is low and the perceived risk is comparatively high.

LITERATURE REVIEW

According to M. C. Cracken (1989) one of the main reason for using celebrity endorsement is to create a better image of the product by relating the celebrity to the product. In his study he identified that celebrity endorsement enhances brand recall and brand awareness. There is a huge impact of celebrity endorsements on the consumers through television commercials in India, as Indians treat the celebrities as God and there is a huge fan following of them. A consumer who observes advertisements of two different Brands, one with a celebrity and the other without a celebrity, believes the celebrity-endorsed brand will be purchased more and therefore will be of higher value (Lalitha & C. Kumar, 2010). Now-a-days, Celebrity endorsement has become a

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common form of advertising. It is reported that 20% of all television commercials features a famous personality talking about various brands. A right selection of celebrity can make advertisement effective and create a point of difference. The focus of (R. Sathiya, 2014) study is that celebrity should have a perfect product match-up or the brand congruency should be high. Furthermore, it was concluded that the success of advertisements depends collectively upon the celebrity, the product, the message, the execution and the media.

The study was carried out to find the elements that make celebrity endorsement a win-win situation for the endorser and for the brand. Furthermore, the message delivered by celebrities has more appeal and increased brand recall than those of non-celebrity endorsement. According to (Bhargava, 2015) Indian worship celebrities and considered them as God and marketers use this as an opportunity to influence the potential of target customers. However, customer always prefers the brand, which has the maximum, fit with his / her image.

Every consumer is different and so the marketers and advertisers should make such compelling advertisement that every consumer must go out and buy it (Blackwell et al., 2001). Many studies have been carried out on the impact of demographic variables (Atkins and Block, 1983; Kanungo and Pang, 1973) such as age, income, gender, geography and personality on celebrity endorsement.

Anjum, Dhanda, & Nagra, (2012) in their study find the impact of celebrity-endorsed advertisement on consumers and on Sales. According to the study celebrity, endorsed advertisements have high association and sense of appeal than those delivered by non-celebrities. Ahmed, Mir, & Farooq, (2012) presented printed advertisement to respondents comprising celebrities and analyzed that celebrity endorsement has positive influence on the customer buying behavior and customers were motivated to purchase a product endorsed by celebrity. However, customer also considered celebrity product association in their buying decision.

OBJECTIVE OF STUDY

- To study the impact of age on consumer attitude for celebrity Advertisement in durable goods.
- To study the impact of gender on consumer attitude for celebrity Advertisement in durable goods.
- To study the impact of income on consumer attitude for celebrity Advertisement in durable goods.

METHODOLOGY OF RESEARCH

Research Type: Exploratory.
Sampling Technique: Convenient Sampling.
Sampling Unit: Viewers of celebrity endorsed advertisement of durable goods.
Sample Size: 500 Respondents.
Tools for Data Collection: Questionnaire based on seven point Likert scale. Questionnaire consists of 25 questions and it has been administered on Viewers of celebrity-endorsed advertisement of non-durable goods.
Tools for Data Analysis: T-test, Anova data was analyzed with the help of statistical package for social science.

Item Total Correlation

Questionnaire adopted in this study consisted of 25 questions; item total correlation was used in order to check the normality of the sample. As the sample size was 1000, item with correlation value less than 0.1948 should be dropped. All the items in the study had correlation values more than 0.1948 thus; no item was dropped from the questionnaire. Hence, it was found reliable for further analysis.

Hypothesis

$H_{01:}$ There is no significant effect of celebrity endorsement based on age with respect to durable goods.
$H_{02:}$ There is no significant effect of celebrity endorsement based on gender with respect to durable goods.
$H_{03:}$ There is no significant effect of celebrity endorsement based on income with respect to durable goods.

Reliability of the Measures

Reliability of the measures was assessed with the use of Cronbach's alpha on all the 25 items. Cronbach's alpha allows us to measure the reliability of different variables. It consists of estimates of how much variation in scores of different variables is attributable to chance or random errors (Selltiz et al., 1976). As a general rule, a coefficient greater than or equal to 0.7 is considered acceptable and a good indication of construct reliability (Nunnally, 1978). The overall Cronbach's alpha for all the 25 items is .937. Hence, it was found reliable for further analysis.

RESULTS & FINDINGS

Result of Independent Sample T-Test

Table-2 depicts that the F value for age groups is 4.064 and p value is .045 therefore, null hypothesis H_{01} namely there is no significant effect of celebrity endorsement based on age with respect to durable goods is not accepted at 5% level of significance. It means that the age category 20-39 years and 45-65 years are having significant difference in their mean values as far as celebrity endorsement is concerned. Customers in the age group of 45-65 years are having highest mean value of 5.15 (table 1), hence it has high perception towards celebrity endorsement while mean value of customers in the age group of 20-39 years is 4.97 (table 1) which represents less perception towards celebrity endorsement.

Table 4 depicts that the F value for gender is 1.50 and p value is .222 therefore, null hypothesis H_{02} namely there is no significant effect of celebrity endorsement based on gender with respect to durable goods is accepted. It means that based on gender there is no significant difference in their mean values as far as celebrity endorsement is concerned. Male Customers is having highest mean value of 5.107 (table 3), hence it has high perception towards celebrity endorsement while mean value of female customers is 5.02 (table 3) which represents less perception towards celebrity endorsement.

Results of One Way ANOVA

In order to find out effect of celebrity endorsement based on income with respect to durable goods ANOVA test was applied as indicated in Table 5. It represents that F value for between groups is 2.132 and p value is 0.097, this means null hypothesis H_{03} is rejected at 10% significance level. Hence, it can be inferred that there is significant difference among annual income group namely below Rs. 250000 and Rs. 250001 – Rs. 500000; below Rs. 250000 and above Rs. 1000000; Rs. 250001 – Rs. 500000 and Rs. 500001 – Rs. 1000000; Rs. 250001 – Rs. 500000 and above Rs. 1000000; Rs. 500001 – Rs. 1000000 and above Rs. 1000000 on the celebrity endorsement with respect to durable goods. In order to find out significant difference between five groups i.e., below Rs 250000 and Rs. 250001 – Rs. 500000; below Rs. 250000 and above Rs. 1000000; Rs. 250001 – Rs. 500000 and Rs. 500001 – Rs. 1000000; Rs. 250001 – Rs. 500000 and above Rs. 1000000; Rs. 500001 – Rs. 1000000 and above Rs. 1000000 with respect to celebrity endorsement Tukey test was applied (table-6). It represents that p value in groups 1, 2, 3 4 and 5 is 0.869, 0.134, 0.816, 0.371 and 0.091 respectively which means that impact of celebrity endorsement on the annual income level of Rs. 500001 – Rs. 1000000 and above Rs. 1000000 differs significantly while there is no significant difference in below Rs. 250000 and Rs. 250001 – Rs. 500000; below Rs. 250000 and above Rs. 1000000; Rs. 250001 – Rs. 500000 and Rs. 500001 – Rs. 1000000 ; Rs. 250001 – Rs. 500000 and above Rs. 1000000, as far as celebrity endorsement is concerned.

CONCLUSION

The present study identifies the impact of demographic variables on celebrity endorsement with respect to durable goods. The study explored the phenomena from different perspectives and revealed that the respondents in the age group of 45-65 years highly agreed that celebrity endorsement is most effective mode of advertisement. The study also showed that celebrity endorsement in advertisement is able to influence the consumers irrespective of the gender. All the durable goods where purchase involvement is high should use celebrity while endorsing their brand for the promotion of their product, as the consumers relate themselves with the celebrities when they want to get references, aspirational values with the high-end products. The respondents who have an annual income between Rs. 500001 – Rs. 1000000 and above Rs. 1000000 has impact on celebrity endorsement while the others mentioned groups do not have significant impact on celebrity endorsement as the demand curve of economics says that for normal goods the demand will increase if consumers have more money to spend on goods. Hence, celebrity endorsement is an effective marketing strategy to enhance the brand image.

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Appendix

Table-1: Group Statistics

	Age	N	Mean	Std. Deviation	Std. Error Mean
SCALE1	20-39 years.	117	4.9713	1.01415	.09376
	45-65 years.	133	5.1504	.92604	.08030

Sources: Authors Compilation

Table-2: Independent Samples Test

		Levine's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	T	d.f.	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
SCALE1	Equal Variances Assumed	4.064	.045	-1.459	248	.146	-.17907	.12273	-.42079	.06265
	Equal Variances Not Assumed			-1.451	236.677	.148	-.17907	.12344	-.42226	.06412

Sources: Authors Compilation

Table-3: Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
SCALE1	Male	122	5.1071	.93467	.08462
	Female	128	5.0279	1.00550	.08887

Sources: Authors Compilation

Table-4: Independent Samples Test

		Levine's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	T	d.f.	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
SCALE1	Equal Variances Assumed	1.501	.222	.645	248	.520	.07924	.12293	-.16288	.32137
	Equal Variances Not Assumed			.646	247.847	.519	.07924	.12272	-.16246	.32094

Sources: Authors Compilation

Table-5: ANOVA

Celebrity Endorsement					
	Sum of Squares	d.f.	Mean Square	F	Sig.
Between Groups	5.942	3	1.981	2.132	.097
Within Groups	228.557	246	.929		
Total	234.499	249			

Sources: Authors Compilation

Table-6: Multiple Comparisons

Celebrity Endorsement Tukey HSD						
					95% Confidence Interval	
(I) Income (in Rs.)	(J) Income (in Rs.)	Mean Difference (I-J)	Std. Error	Sig.	Lower Bound	Upper Bound
Below 250000	250001 to 500000	-.12987	.16928	.869	-.5678	.3080
	500001 to 1000000	.00649	.16928	1.000	-.4314	.4444
	above 1000000	-.43367	.19955	.134	-.9498	.0825
250001 to 500000	Below 250000	.12987	.16928	.869	-.3080	.5678
	500001 to 1000000	.13636	.15535	.816	-.2655	.5382
	above 1000000	-.30380	.18787	.371	-.7898	.1821
500001 to 1000000	Below 250000	-.00649	.16928	1.000	-.4444	.4314
	250001 to 500000	-.13636	.15535	.816	-.5382	.2655
	above 1000000	-.44017	.18787	.091	-.9261	.0458
above 1000000	Below 250000	.43367	.19955	.134	-.0825	.9498
	250001 to 500000	.30380	.18787	.371	-.1821	.7898
	500001 to 1000000	.44017	.18787	.091	-.0458	.9261

Sources: Authors Compilation

Table-7

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.937	.938	25

Sources: Authors Compilation

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DEMONETIZATION EFFECT: THE USES OF TECHNOLOGICAL TREND IN BANKING SERVICES

Gurumurthy K. H.[39]

ABSTRACT

Demonetization is calling back of two highest legal tender currency denominations the 500 rupee note and the 1,000 rupee note available in India on 8th Nov 2016. Banning of currency in the economy is a generations' memorable experience and is going to be one of the economic events of our time. The main object of demonetization is to curb block money, counterfeit currency and illegal activities carries by naxalite and terrorist. Though Indian banking started using technology early 90s, but after demonetisation customers of the bank indispensable depend on technology for the banking business. Technology has totally changed the banking services by evolving many new products / services to suit the growing needs of their customers. The paper focussed on use of Technological services in Banking Industry after demonetisation. For analysis and interpretation secondary sources (data) are used.

KEYWORDS

Technology, Technological Products, Core Banking, Services, Payments, Banking Transactions, Demonetization etc.

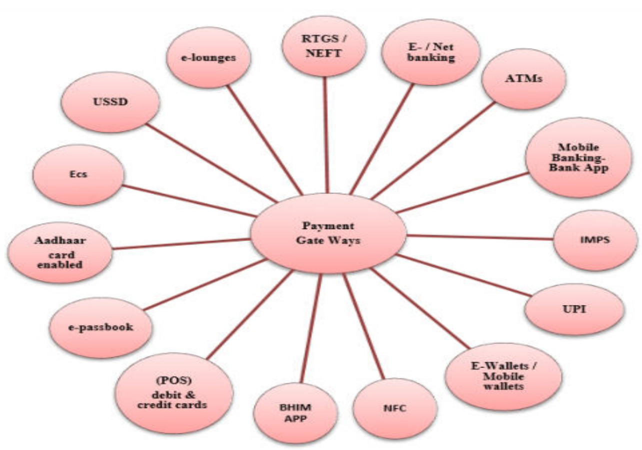
INTRODUCTION

The technological evolution of the Indian banking industry started in early 90s. The introduction of core banking solution and ATMs made the banking possible anywhere at any time. Technology has totally changed the banking services by evolving many new products / services to suit the growing needs of their customers. Today, India has more mobile users, they always connected and looking for a personalized, contextual experience with real-time online information. Now majority of bank customers will be able to open accounts and carry out all banking transactions from their Smartphone and through mobile app. Banks in India should also realize the role of social media like twitter and face book etc., using for transfer of funds. RBI guidelines and direction since 2005, Indian banks are providing services to customers through various new on line payment mode such as RTGS/NEFT/ECS products etc., with an aim to process large value, hassle-free, cost effective, Customer Convenience and Paperless Banking. Now these products have become customer driven and majority of funds transfers are taking place through this route,

Technological Products and Services

Banks now have complete range of technological products and services are as follow:

Figure-1



Sources: RBI Report – Authors Compilation

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Table-1: RBI Statistics- December 2016 to March 2017
Electronic Payment System
(Volume in Million, Value in Rs. Billion)

Period	RTGS		NEFT		IMPS		UPI	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
November 16	7.9	78479.2	123.0	8807.8	36.2	324.8	0.3	0.9
December 16	8.8	84096.5	166.3	11537.6	52.8	431.9	2.0	7.0
January 17	9.3	77486.1	164.2	11355.1	62.4	491.2	4.2	16.6
February 17	9.1	74218.8	148.2	10877.9	59.7	482.2	4.2	19.0
March 17	12.5	123375.8	186.7	16294.5	67.4	564.7	6.2	23.9

Period	USSD		Debit and Credit Cards at POS&		PPI		Mobile Banking	
	Volume (In Thousand)	Value (In Rs. Thousand)	Volume	Value	Volume	Value	Volume	Value
November 16	7.0	7302.6	205.5	352.4	59.0	13.2	72.3	1244.9
December 16	102.2	103718.4	311.0	522.2	87.8	21.3	70.2	1365.9
January 17	314.3	381760.2	265.5	481.2	87.3	21.0	64.9	1206.7
February 17	224.8	357055.2	212.3	391.5	78.4	18.7	56.2	1080.0
March 17	211.2	337962.4	229.7	416.2	90.0	21.5	60.8	1499.9

Trend percent taking November 2016 Taking as Base (Assumed =100)%

Period	RTGS	NEFT	IMPS	UPI	USSD	Debit & Credit Cards at POS	PPI	Mobile Banking
November 16	100	100	100	100	100	100	100	100
December 16	111.40	135.20	145.86	666.67	1640	151.34	148.81	97.09
January 17	117.72	133.50	172.40	1400.00	4486	129.20	147.96	89.76
February 17	115.19	120.50	164.92	1400.00	3211	103.30	132.88	77.73
March 17	158.23	157.80	186.20	2066.67	3017	111.80	152.54	84.09

Sources: RBI Report

Above trend percent table shows that Nov 2016 taking as base assumed equal to 100 (only volume taking into account). All other years' statement expressed as percentage. The trend percentage of all the gate way payment increases except mobile banking. It indicates that customers of the bank are using more banking technology for fund transfer and other services. After demonetization customers are migrated towards more on banking technology for banking transactions.

RTGS / NEFT: Both RTGS & NEFT are electronic fund transfer systems developed and maintained by RBI. RTGS - transactions are settled individually and in real time. While in NEFT-transactions are netted i.e., settlement of transactions in batches. It operates on a Deferred Net Settlement (DNS) basis. Fund settlement takes places in the books of RBI, the payments are final and irrevocable

E-Banking / Internet Banking: Banking customers can do all their banking operations from anywhere anytime by using the internet service from electronic device, are it desktop, notebook, tab or Smartphone. With Net Banking one can easily perform various functions: such as:

- Check Account Balance,
- Download Account Statement,
- Request for a stop payment of a cheque.
- Request for a new cheque book,
- Accesses demat account,
- Transfer funds, from one bank to other bank a/c,
- Facilitate bill Payments/ utility bills,
- Pay Credit Card dues instantly.

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ATMs (Automated Teller Machine) Services: ATM card holders can access anytime 24*7. And perform the following operations from ATMs:

- Cash Withdrawal,
- Cash Deposit,
- Balance Enquiry,
- For Mini/Short Statement,
- For Pin change,
- Fund transfer.

Mobile Banking: Now banks have come out with convenient, simple and secure applications in mobile which enable anytime and anywhere banking. Customer can operate banking functions by using concerned bank apps.

IMPS (Immediate Payment Service) are real payment service offered by National Payment Corporation of India (NPCI). Customers transfer money instantly through using banks Apps / internet banking options.

UPI (Unified Payment Interface) is a payment system Maintained by National Payments Corporation of India (NPCI) and regulated by the Reserve Bank of India **(**RBI**)** which facilitates the instant fund transfer between two bank accounts.

E-wallets / Mobile Wallets are mobile based virtual wallets, where a certain amount is pre-loaded in the account. The service provider can be used for spending at online and offline merchants listed with them.

NFC (Near Field Communication) is a software (NFC chips) which is already in embedded in smart phone for establishes wireless connection between a smart phone and a connector / reader in proximity to each other (i.e. another device just like a swiping machine. NFC will help the banking transactions by data exchange and making payments by Smartphone. The embedded NFC chips that can send encrypted data to a short distance ("near field") to a reader located (another device), customers who have their credit/debit card information stored in their NFC Smartphone can pay for purchases by waving their Smartphone near or tapping them on the reader, rather than using the actual credit / debit card. It works on RFID (Radio Frequency Identification). This technology is believed to be most beneficial in a growing card oriented market. So, banks should continuously equip themselves to meet the changing challenges and help the customers to benefit from the technological developments.

BHIM (Bharat Interface for Money) is a Mobile App developed by National Payments Corporation of India (NPCI), BHIM allow users to send or receive money to other UPI payment addresses or scanning QR code or account number with IFSC code or MMID (Mobile Money Identifier) Code to users who do not have a UPI-based bank account.

(POS) Point of Sales is a point where customers make payments to merchant by using Debit & Credit Cards at merchant establishment for exchange of goods and services.

E-Passbook - No need to go to branches for update passbook entries, now customer of the bank updates passbook entries on smart phone by downloading bank app.

Aadhaar Card Enabled Payment System (AEPS) is a new payment service offered by the National Payments Corporation of India to banks, financial institutions using 'Aadhaar' number and online UIDAI authentication through their respective Business correspondent service centres. This is approved by RBI. Each bank issued a ***six digit*** unique Issuer Identification Number (IIN). This number identifies the bank to which the customer has mapped his/her Aadhaar number. The customer service point/centre will display the IIN number bank logos/ bank names. Customers need not necessarily remember the IIN but aware of their bank name/logo. The input from the customer for enabling AEPS is (i) Finger print, (ii) Aadhaar No. and (iii) IIN. The service offered by AEPS are (i) Balance Enquiry (ii) Cash Withdrawal (iii) Cash Deposit (iv) Aadhaar to Aadhaar Funds Transfer.

Electronic Clearness Service (ECS) is an electronic mode of funds transfer from one bank account to another. It can be used by institutions for making payments such as distribution of dividend interest, salary, pension, etc. It can also be used to pay bills and other charges such as telephone, electricity, water or for making equated monthly instalments payments on loans and SIP instruments etc. ECS can be used for both credit and debit purposes.

Unstructured Supplementary Service Data (USSD) also referred to as "Quick Codes" or "Feature codes" Banking customers can avail this service by dialling *99#, a "Common number across all Telecom Service Providers (TSPs)" on their mobile phone (basic mobile is enough) and transact through an interactive menu displayed on the mobile screen. services offered under *99# code include, (i) fund transfer, (ii) balance enquiry, (iii) mini statement and so on. Fund transfer limit per day Rs 5000.

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E-Lounge is a facility provided banks to its customers with various products such as cash withdrawals and deposits, cheque deposits, pass-book printing, internet banking and online trading among others without any manual intervention under one roof.

CONCLUSION

Technology has got a major role in the banking sector. The biggest challenge is cyber security. So banks have to take all necessary steps to protect the interest of customer by adopt good control security measures and educate, up gradation among all players in the chain.

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CORPORATE SOCIAL RESPONSIBILITY: A STUDY OF STAKEHOLDERS' PERCEPTION

Rinkey Priya Bali[40] Dr. Savita Sindhu[41]

ABSTRACT

Corporate social responsibility (CSR) promotes a vision of business accountability to a wide range of stakeholders, besides shareholders and investors. The concept of CSR is underpinned by the idea that corporations can no longer act as isolated economic entities operating in detachment from broader society. A key challenge facing business is the need for more reliable indicators of progress in the field of CSR, along with the dissemination of CSR strategies. Transparency and dialogue can help to make a business appear more trustworthy, and push up the standards of other organizations at the same time.

In the present paper, an Index was developed and stakeholders' perception was analysed to find out the important factors affecting the corporate social responsibility of the companies. Study indicated that there is a relation between corporate performance and CSR practices of companies and stakeholders give more importance to environmental factors.

KEYWORDS

Corporate Social Responsibility, CSR Index, Stakeholders' Perception etc.

INTRODUCTION

Many companies nowadays are concerned about values like integrity and feel that they must meet the triple bottom line expressing the expectations of stakeholders with respect to the company's contribution to profit, planet and people. Firms that do not meet these expectations may see their reputation founder with a negative impact on market shares and profitability (Mcintosh et al., 1998). Corporate responsibility encompasses three dimensions - economic, environmental and social. In the past, the focus of corporate responsibility agenda was on economic and environmental dimensions. Hence, economic and environmental dimensions have been explored extensively in many business cases and academic researches. On the other hand, the social dimension was not well articulated in business discussions and many issues pertaining to it were not clear and not well understood. Recently, the growing interest in the social dimension of business sustainability and the increasing expectations by various stakeholders indicated that corporations should be socially responsible.

From a stakeholder theory perspective, corporate social performance is assessed in terms of a company meeting the demands of multiple stakeholders. Firms must at some level, satisfy stakeholder demands as an unavoidable cost of doing business. Society and business, social issues management, public policy and business, stakeholder management, corporate accountability are just some of the terms used to describe the phenomena related to corporate responsibility in society. The public will only correctly perceive the Corporate Social Responsibility (CSR) of a company, if its social and environmental value creation is transparent. One way of improving the transparency of the CSR efforts of companies is bench marking by independent institutes. Construction of an index that weights the contribution of companies into one number would clarify the position of individual companies and improve the comparability of their CSR efforts. The publication of such an index can potentially enforce the reputation mechanism and provide a competitive advantage to companies that are indeed actively fostering social and ecological values. This would provide other companies with a strong incentive to integrate CSR into the company's strategy (Graafland, 2002).Although transparency is an important advantage of benchmarking, ethicists have noticed several methodological problems. These problems relate to the assumption of monism, the assumption of commensurability of various values, the disregard of intentions, the subjectivity of valuation, the notion that the company is more responsible for some of its stakeholders than for others, the assumed context independence of a moral action, the possible lack of control of the company and finally the problem of communication.

In short, business in general, has come under increasing pressure from its stakeholders to act responsibly and to engage effectively with stakeholders via various dialogue practices. 'Stakeholder dialogue' has come to be seen by some as part of the broader spectrum of socially responsible action and activities that should be undertaken by companies. Stakeholder theory (Freeman 1984) suggests the idea that investing time and other resources in addressing stakeholders' interests is a justifiable managerial activity.

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REVIEW OF LITERATURE

Hall and Rieck (1998) examined the impact of voluntary positive corporate social actions on shareholder wealth. The firms included in the sample were those performing social actions during the 1982-1995 time. Event analysis methodology was used to examine the short-term market effects of positive corporate social events. Results indicated that socially responsible actions could have positive impacts on the market value of a firm. **Verschoor (1998)** stated a link between overall financial performance and an emphasis on ethics as an aspect of corporate governance. The study found that approximately one-fourth of the 500 largest public U.S. companies make a commitment to treat their stakeholder constituents in accordance with a code of ethical conduct in a report by management contained in their annual shareholder report. **Mc Williams and Siegel (2000)** examined the correlation between CSR and R&D, and estimated the impact of CSR on financial performance. Data series was created from a linkage of the KLD data and Compustat, containing 524 firms. Results of the study indicated that CSP and R&D were highly correlated. **Quazi and O' Brien (2000)** developed a two-dimensional model of corporate social responsibility. The two dimensions were the span of corporate responsibility (narrow to wider perspective) and the range of outcomes of social commitments of businesses (cost to benefit driven perspective). Study concluded that the proposed two-dimensional model of corporate social responsibility had been empirically supported by the emergence of two basic underlying dimensions in the data in the two divergent environments - Australia and Bangladesh. **Gelb and Strawser (2001)** examined the relationship between firms' disclosures and measures of social responsibility. The sample consisted of all non-banking firms in the AIMR rankings for the years 1989 through 1992. Multivariate regression equation was used to examine how the level of a firm's CSR influences its disclosure practices. Findings indicated a positive relationship between disclosure quality, particularly investor relations practices, and CSR. **Maignan (2001)** studied the consumers' readiness to support socially responsible organizations and examined their evaluations of the economic, legal, ethical, and philanthropic responsibilities of the firm. A five-item instrument was developed to measure consumers' support of responsible businesses and used a seven-point scale to rate the statements. Results indicated that French and German consumers were most concerned about businesses conforming to legal and ethical standards. **Boesso (2002)** examined the non-mandatory information available on the web sites of 36 leading companies across Italy and U.S. and found that each company disclosed only limited, accurately chosen, non-mandatory items. **Ismail (2002)** examined the extent of financial information disclosed on the Internet by the Gulf Co-operation Council (GCC) countries. Results indicated that the probability of a firm to publish financial information on the Internet did not only depend on individual characteristic, but on a combination of interaction effects among firm characteristics (size, leverage, and profitability), industry type, and country. **Rao and Gupta (2004)** examined the social responsibility disclosure practices in PSU's and the influence of key company characteristics on corporate social disclosure during 1999-2000. After scanning the annual reports of 30 sample companies, the results indicated that disclosures were affected by the size of the companies and the maximum disclosures found to be were of statutory in nature. **Tsoutsoura (2004)** examined the relationship between corporate social responsibility and financial performance. The survey covered the firms included in the S&P 500 index for the years 1996 - 2000. Cross-sectional time series regression analysis was used to test the hypotheses using financial performance as the dependent variable and controlling for size, debt level, and industry. Findings indicated that CSR was positively related to better financial performance. **Salmones, Crespo and Bosque (2005)** identified the dimensions of social responsibility from the consumer's point of view, as well as the weight of each dimension within the global construct of social responsibility. A principal components factor analysis was carried out and results found that the consumers in principle perceive three levels of corporate behaviour: economic, ethical, legal and philanthropic. **Almilia and Budisusetyo (2008)** compared the Internet Financial Reporting score of the banking sector and LQ 45 firms to explore which one group had a highest internet financial reporting score. Index developed Cheng et al. (2000) was used and the result indicated that banking sector had highest score on technology and user support component than LQ 45 firms. **Fauzi (2008)** concluded that corporate social responsibility / performance (CSP) had no effect on financial performance (FP) under slack resource and good management theory. In addition, it was also shown that only financial leverage could moderate the interaction between CSP and financial performance. **Amran and Haniffa (2011)** explored the sustainability reporting practices in Malaysia. The unit of analysis of this study was the annual report of the company that was listed in the Bursa Malaysia. Study used multiple regressions in assessing the variability in the extent of sustainability reporting. Results proved that only a government linked company in the plantation industry, which was large, had a significant amount of sustainability reporting. **Akrout and Othman (2013)** investigated environmental disclosure determinants in Arab Middle Eastern and North African (MENA) companies. Study investigated a sample of 153 websites of listed companies. Results found a negative and significant relationship between environmental disclosure and family ownership.

Thus, it can be observed that corporate social responsibility leads to better performance and is assessed in terms of a company meeting the demands of multiple stakeholders.

RESEARCH DESIGN

The study is exploratory in nature. The study identifies the major corporate social responsibility indicators and analyzes the stakeholders' expectations on CSR activities.

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STAKEHOLDERS' PERCEPTION

Sampling Technique

To know the perception of stakeholders towards CSR activities, thirty respondents were selected based on judgment sampling technique. These respondents include researchers, professors, NGOs, professionals and directors.

Primary data has been collected through structured and close-ended questionnaire. To assess the perception of respondents, a six-point scale ranging from 0 to 5 has been used.

Table-1: Index Development

Key Area	Elements	Code
Business Ethics (A)	Code of Conduct	A1
	Anti-Corruption & Bribery Policy	A2
International Social Issues (B)	Compliance to International Environmental Standards	B1
	Compliance to International Instruments of Labour	B2
Environmental Issues (C)	Energy Conservation	C1
	Water Management	C2
	Environmental Reporting	C3
	Environmental Certification (ISO 14000)	C4
	Environmental Impact Assessment (EIA)	C5
Customers (D)	Identification of Customer Wants	D1
	Providing Quality & Reliable Products / ISO Certification	D2
	Customer Loyalty	D3
Corporate Governance (E)	Corporate Governance Policy	E1
	Relation Between Corporate Governance & Socio Economic Development	E2
Stakeholders (F)	Separate Social / Environmental / Sustainable Reporting	F1
	Right to Information	F2
	Gri / Un Global Reporting	F3
Shareholders (G)	Maximization of Wealth	G1
	Disclosure of Past Data (Financial Highlights)	G2
	Participation of Minority Shareholders	G3
Research Methods Development (H)	R&D	H1
	Development of Environment Friendly Technology	H2
Business & Society / Social Issues (I)	Health Programmes	I1
	Education Programmes	I2
	Donations	I3
	Micro Finance	I4
	Collaborations with NGOs	I5
Employees (J)	Equal Opportunity Policy	J1
	HRA	J2
	T&D	J3
	Collective Bargaining	J4
Others (K)	Import Substitution	K1
	Foreign Exchange	K2

Sources: Authors Compilation

Above Index contains eleven key areas and thirty-three elements. These key areas and elements were decided based on in-depth analysis of information given in the websiteof the selected companies.

Reliability of the Responses

'Cronbach Alpha' method has been used to test the reliability of data.

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STAKEHOLDERS' PERCEPTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY PRACTICES

To know the perception of stakeholders, CSR elements were analyzed key area-wiseon the basis of perceived importance of these elements for the respondents.

Business Ethics

In this area of CSR, respondents have given more preference to code of conduct in business ethics-oriented elements with a mean score of 4.567 while the mean score given to anti-corruption & bribery policy was 3.967.

International Social Issues

Among international social issues-oriented elements, compliance to international environmental standards have received more preference with a mean score of 4.367. Mean score of compliance to international instruments of labour was 4.067.

Environmental Issues

In this area, respondents have given highest preference to water management with the mean score of 4.80. Energy conservation and environmental certification are ranked at the same level i.e. with mean score of 4.767. The mean score of environmental impact assessment was 4.433.

Customers

In customer-oriented elements, respondents have perceived product quality as the most important element with a mean score of 4.50 followed by the identification of customer wants with a mean score of 4.467.

Corporate Governance

In this, respondents have given more preference to corporate governance policy with a mean score of 4.567 while the mean score given to corporate governance & socio economic development was 4.40.

Stakeholders

Respondents have perceived right to information as the most important element with a mean score of 4.567 in stakeholder-oriented elements followed by GRI/UN global reporting with a mean score of 4.367.

Shareholders

Participation of minority shareholders has been perceived as the most important element with a mean score of 4.367. Maximization of wealth ranked at the second position with a mean score of 4.233 followed by the disclosure of past data (financial highlights).

Research Methods Development

In research-oriented elements, respondents have perceived R&D as the important element with a mean score of 4.733. Developments of environment friendly technology mean score was 4.667.

Business & Society / Social Issues

In business & society / social issues-oriented elements, education and health programmes have been perceived as the most important elements with mean scores of 4.567 and 4.433 respectively. Collaborations with NGOs (4.267), Micro finance (3.867) and Donation (3.833) got less preference.

Employees

In this area, respondents have perceived equal opportunity policy as the most important element with a mean score of 4.60. T&D and collective bargaining mean score was 4.433 and 4.30 respectively.

Others

This area indicates that foreign exchange has been perceived as the important element with a mean score of 4.40 followed by import substitution with a mean score of 4.20.

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Overall Analysis of Corporate Social Responsibility Index

Table-2 provides information relating to total score, rank and mean score of all thirty-three elements.

Table-2: Overall analysis of CSR Index Elements

S. No.	Codes	Elements	Total Score	Rank	Mean Score
1	C2	Water Management	144	1	4.8
2	C1	Energy Conservation	143	2	4.767
3	C4	Environmental Certification (ISO 14000)	143	2	4.767
4	H1	R&D	142	3	4.733
5	H2	Development of Environment Friendly Technology	140	4	4.667
6	C3	Environmental Reporting	139	5	4.633
7	J1	Equal Opportunity Policy	138	6	4.6
8	A1	Code of Conduct	137	7	4.567
9	E1	Corporate Governance Policy	137	7	4.567
10	F2	Right to Information	137	7	4.567
11	I2	Education Programmes	137	7	4.567
12	D2	Providing Quality & Reliable Products / ISO Certification	135	8	4.5
13	D1	Identification of Customer Wants	134	9	4.467
14	C5	Environmental Impact Assessment (EIA)	133	10	4.433
15	I1	Health Programmes	133	10	4.433
16	J3	Training and Development	133	10	4.433
17	E2	Relation Between Corporate Governance & Socio Economic Development	132	11	4.4
18	K2	Foreign Exchange	132	11	4.4
19	B1	Compliance to International Environmental Standards	131	12	4.367
20	F3	Gri / Un Global Reporting	131	12	4.367
21	G3	Participation of Minority Shareholders	131	12	4.367
22	J4	Collective Bargaining	129	13	4.3
23	I5	Collaborations With Ngos	128	14	4.267
24	G1	Maximization of Wealth	127	15	4.233
25	F1	Separate Social / Environmental / Sustainable Reporting	126	16	4.2
26	K1	Import Substitution	126	16	4.2
27	J2	HRA	125	17	4.167
28	B2	Compliance to International Instruments of Labour	122	18	4.067
29	D3	Customer Loyalty	122	18	4.067
30	A2	Anti-Corruption & Bribery Policy	119	19	3.967
31	G2	Disclosure of Past Data (Financial Highlights)	119	19	3.967
32	I4	Micro Finance	116	20	3.867
33	I3	Donations	115	21	3.833

Sources: Compiled from Primary Data

Overall analysis of CSR elements indicate that stakeholders' perceived water management as the most important element with a mean score of 4.80 followed by energy conservation (4.76) and environmental certification (4.76). Donations and micro finance were considered as the least important elements with mean scores of 3.833 and 3.867 respectively. This shows that stakeholders' give more importance to environmental factors.

CONCLUSION

Corporate reporting is expanding beyond financial and environmental performance (Kolk A, 2004).The study reveals that although not mandatory, Indian companies are providing social responsibility information in their annual reports. This suggests that these companies consider social responsibility information to be significant to the stakeholders. However, most of the information disclosed in annual reports is narrative in nature without specifically discussing the policy of the company. This need to be improved as narrative comments does not reflect the contribution of the company towards the betterment of the society. A major challenge to reporting community at large in India is to improve comparability among reports. Inviting inputs from stakeholders, while formulating guidelines, will be a valuable means of engaging stakeholders and enhancing mutual interests and

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priorities (Sustain Ability Ltd and UNEP, 1999). Such a bold participative approach would ensure benefits of enduring value to both the company and its stakeholders.

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GREEN BANKING PRODUCTS WITH SPECIAL EMPHASIS TO RETAIL BANKING

Shwetha[42] Shazia Khannum[43]

ABSTRACT

Green banking is a form of banking which the nation is getting environmental benefits. In today's banking world it focuses on promoting environmental friendly banking activities, Green banking is developing inclusive banking strategies which will ensure substantial economic development and environmental friendly practices there by reducing carbon foot prints. Banking industry impacts the environment in terms of increasing energy as well as paper consumption. This paper tries to examine the importance of green banking, currently available green financial products with special emphasis to retail banking, and its contribution to sustainable economic development.

KEYWORDS

Green Banking, Retail Banking, Products, Sustainable Economic Development etc.

INTRODUCTION

A sustainable economic growth and development of a country is not only concern with going on the right path to meet the demands of the growing population but in fact to focus on the human well-being, social equality by significantly reducing environmental risk and ecological scarcities. Sustainable development is possible only when a shift or focus of the business fraternity is from their traditional bottom line approach of profit to the approach of triple bottom line where the focus lies on three Ps i.e. People (society), Planet (environment) and Profit (economy). Banking sectors play a crucial role in protecting the environment through the system of green banking and play an intermediary role between economic development and environmental protection by overall reduction of external carbon emission and internal carbon footprints hence reduce pollution.

OBJECTIVES OF STUDY

The paper attempts to analyze the importance of green banking and contribution, currently available green financial products with special emphasis to retail banking and the contribution of green financial products to sustainable economic development.

RESEARCH METHODOLOGY

The present study is descriptive in nature, which relies on secondary data source, which has been collected through various research journals, magazines, reports, and websites.

GREEN BANKING

Green Banking is creating a buzz in the financial world. It is a form of banking taking into account the social and environmental impacts and its main motive is to protect and preserve environment. Although a new phenomenon, some countries have adopted it successfully in their day-to-day financial level. Banks are focusing on successfully performing dual roles such as to work towards ethically, socially responsible banking, and second important role of corporate social responsibility by protecting environment with this view green banking has made its footprints. Green banking refers to the environmental friendly banking practices where banking activities such as using online banking instead of branch banking, paying bills online instead of mailing them, opening of commercial deposits and money market accounts in online banks, adoption of Green Street lending etc. The Indian Banks Association defines it as "Green Bank functions like a normal bank along with considering the social and environmental factors for the protection of the natural resources". According to RBI (IDRBT, 2013), green banking is to make internal bank processes, physical infrastructure and Information Technology effective towards environment by reducing its negative impact on the environment to the minimum level.

IMPORTANCE OF GREEN BANKING

Green banking plays an important role in our country. Adopting of greener banking practices will not only be useful for environment, but also benefit in greater operational efficiencies, a lower vulnerability to manual errors and fraud and cost

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reduction in banking activities. Therefore, there is need for banks to adopt green strategies into their operations, buildings, investments and financing strategies. Green banking can help a lot in attaining sustainable development.

Green banking has neutralized the risk, save the cost and up brings the reputation of banks. Therefore, it serves both the commercial objective of the bank as well as its social responsibility. Green banking solves the problem faced by the environmental regulation and enforcements authorities related to size and location of the polluting unit. The green banking is important for both economy and the bank, by escaping from the risk, which is involved in the financial sector, which can be categorized as:

Legal Risk there is a relevant environmental legislation risk for banks if they do not comply with it. More particularly, there is more lender liability risk for paying up the claims and the cost of damages for pollution causing to the asset or depraved. The environmental management can help Banks by enhancing its image and reduce the cost, risk, and taking advantage of revenue opportunity.

Reputation Risk as now there is more awareness about the safety of environment and banks may loosen up their reputation if they involve with the big project, which are indulging in the environmental destruction. Environmental management system have a few cases as in good result in cost saving and increase in the value of the bond (Heim, G., et al, 2005).

GREEN BANKING PRODUCTS

Financial institutions around the globe are beginning to grab the green wave as well, by offering green products to attempt to appeal to more environmentally friendly consumers, due to the growing trend of green finances, there is a need to explore and clearly determine its products inside banking sectors. Jin Noh Hee so far gave the best division where he gave financial products and services within four banking sectors**: Retail Finance Corporate/Investment Finance, Asset Management and Insurance.**

Figure-1

Sources: Jin Noh Hee, Financial Strategy to Accelerate Innovation for Green Growth (2010)

GREEN RETAIL BANKING

Retail Banking is a bank, which covers personal, and business banking products and services designed for individual, households, SMEs rather than huge corporate or institutional clients and services in the retail space include loans and mortgage debit cards.

Today, retail banking being considered as one of the most innovative financial services provided by the various commercial public sector banks, private sector and foreign banks, retail banking sector wants to go green, the easiest way to do is to promote the usage of online banking. When we speaking about the green banking online banking is at the top. When banks go for green banking, its products and services reflect it. The green retail products implemented by banks are:

Green Cards: A broad family of green products includes debit and credit cards linked to environmental activities. Most green credit cards offered by large credit card companies offer to make NGO donations equal to roughly one-half percent of every purchase, balance transfer or cash advance made by the card owner. Annual Percentage Rates (APR) for affinity cards normally range between 15-22%.

Green Car Loans: It is popular in Europe and Australia, that carries lower rate of interest rate rather than regular car loans, interest rate should be at least 0.25%, lower than average car loans, can go up to 0.05% lower or even more in special cases with below market interest rates, many green car loans encourage the purchase of cars that exhibit high fuel efficiency.

Energy Efficient Mortgages: one of the most popular forms of a green banking product is a green home mortgages, green home mortgages (EEMs) as they are commonly known, offer a remarkably lower interest rate for customers who purchase new energy efficient houses to invest in green power

Green Home Equity Loans: Reduced rate home equity loans, sometimes referred to as 'second mortgages', can help to stimulate households to install inhabited renewable energy (power or thermal) technologies. In designing and offering these incentive-based products, a number of banks have also joined with technology providers and environmental NGOs.

Green Commercial Building Loans: Attractive loan designs and arrangements have started to appear for green commercial buildings, characterized by lower energy consumption (~15- 25%), reduced waste and less pollution than traditional buildings. Some appraisers are now recognizing reduced operating expenses, improved performance and longer lifetimes associated with these green functions and features. Lower project costs improve net operating income, a key factor when evaluating property using the income approach

Green Certificates of Deposits: are new certificates that use invested money energy efficient, pro-environmental projects. Most of the money from CDs is used to finance different solar energy projects. The maturity of these CDs is between one and two years, and they pay a bit higher interest rates than regular CDs to attract new investors.

CONTRIBUTION OF GREEN FINANCIAL PRODUCTS IN SUSTAINABLE ECONOMIC DEVELOPMENT

Sustainable development involves what decision take today do not compromise options for the future. This issue is a central to any serious commitment to sustainability that involves balancing economic interests with the community's social aspirations and minimizing environmental impacts. The process of sustainable development involves all sectors in the economy–Government, NGOs, Corporate, Citizens and of course, the financial sectors. Banking is often associated with formal and rigid approaches and the sectors generally environment friendly and do not affect the environment much through their own internal operations. In view of the relationship between the banking sectors and the firms who are users of banks products the external impacts on the environment through these entities is substantial. The banks are serious about sustainable development that put principles are the heart of decision-making. This includes fundamental issues such as how deals are done and loans are made in reading proactively for opportunities and even in establishing and adhering to policy frameworks the deliberately preclude involvement in certain investments. Through the green banking, banks are making efforts to keep the environment green and to minimize green house effects through in–house operational activities and green finance. The internal operations of the green baking includes online account opening, online banking, SMS banking, net banking, e-fund transfers, as well as the use of ATMS, and cash and cheques deposit machines, credit and debit cards etc.

The speakers at workshop organized by Bank of Asia observed that Green banking can be reduce Pollution and save the environment aiding sustainable economic growth. Geothermal heating and cooling systems, energy efficient lighting, using recycles materials for construction and adopting conservation policies are the green business principles adopted by Chicago's new green bank. Triodos Bank is a global bank with a focus on financing organizations such as organic food businesses, renewable energy enterprises and nature conservation project are the major green practices adopted by them. Bangladesh Bank issued policy guidelines for developing Green Banking practices and 138 Environmental Risk Management and circulars to handle climate change. Besides this The Central Bank introduced facility for financing solar energy, biogas and effluent treatment plant at only 5 percent interest rate. New York Bank focuses on Green Bank, which will expand the clean energy market by boosting private sector investment. The large number of the banks with introductions of green products endeavors to go green. For example, ICICI banks tried to reduce footprint by providing customers alternate and non-paper based channels. ICICI has collaborated with the Indian government, World Bank and UNAID to support SME projects in the area of green research and clean technology. Financial transactions through ATM and Mobile Banking leads to paperless trading which is a way to sustainable economic development. The number of the phases, which can be distinguished with respect to sustainable development. These phases follow a fixed a fixed pattern for most banks. Sustainable development should not be interrupted as a static concept, our understanding of sustainability will undergo continual enhancement.

CONCLUSION

Green banking is a proactive way of future sustainability. In a rapid changing market economy where globalization of markets has intensified the competition, Banks play an important role to take environmental and ecological aspects as a part of their principle. The banking and financial sector should be made to work for sustainable development. They are confronted by the variety of developments-economic, sociocultural, technological, political, and legislative as well as group interests. Green banking started in almost everywhere but still lot of channels were unutilized by the banks for greening their activities. Therefore, they should expand the use of environmental information in their banking activities, which will lead to the sustainable economic development.

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GLOBALIZATION AND INDIAN ECONOMY

Aparna K.[44] Navya Shedthy[45]

ABSTRACT

Globalization causes dramatic changes in business environments in terms of their both degree and swiftness. Globalization describes a process by which regional economies, societies, and cultures have become integrated through a global network of communication, transportation, and trade. The term is sometimes used to refer specifically to economic globalization: the integration of national economies into the international economy through trade, foreign direct investment, capital flows, migration, and the spread of technology. Globalization as a spatial integration in the sphere of social relations when he said "Globalization can be defined as the intensification of worldwide social relations which link distant locations in such a way that local happenings are shaped by events occurring many miles away and vice – versa." Globalization generally means integrating economy of our nation with the world economy.

KEYWORDS

New Economic Policy, Globalization, Sectors of Indian Economy etc.

INTRODUCTION

Globalization means the dismantling of trade barriers between nations and the integration of the nations' economies through financial flow, trade in goods and services, and corporate investments between nations. Globalization has increased across the world in recent years due to the fast progress that has been made in the field of technology especially in communications and transport. The government of India made changes in its economic policy in 1991 by which it allowed direct foreign investments in the country. The benefits of the effects of globalization in the Indian Industry are that many foreign companies set up industries in India, especially in the pharmaceutical, BPO, petroleum, manufacturing, and chemical sectors and this helped to provide employment to many people in the country. This helped reduce the level of unemployment and poverty in the country. Also the benefit of the Effects of Globalization on Indian Industry are that the foreign companies brought in highly advanced technology with them and this helped to make the Indian Industry more technologically advanced.

Advent of New Economic Policy

After suffering a huge financial and economic crisis, Dr. Man Mohan Singh brought a new policy, which is known as Liberalization, Privatization and Globalization Policy (LPG Policy) also known as New Economic Policy 1991, as it was a measure to come out of the crisis that was going on at that time.

The Following Measures were taken to Liberalize and Globalize the Economy

- **Devaluation**: To solve the balance of payment problem Indian currency were devaluated by 18 to 19%.
- **Disinvestment**: To make the LPG model smooth many of the public sectors were sold to the private sector.
- **Allowing Foreign Direct Investment (FDI):** FDI was allowed in a wide range of sectors such as Insurance (26%), defense industries (26%) etc.
- **NRI Scheme**: The facilities, which were available to foreign investors, were also given to NRI's.

The New Economic Policy (NEP-1991) introduced changes in the areas of trade policies, monetary & financial policies, fiscal & budgetary policies, and pricing & institutional reforms. The salient features of NEP-1991 are (i) liberalization (internal and external), (ii) extending privatization, (iii) redirecting scarce Public Sector Resources to Areas where the private sector is unlikely to enter, (iv) globalization of economy, and (v) market friendly state.

Consequences of Globalization

The implications of globalization for a national economy are many. Globalization has intensified interdependence and competition between economies in the world market. This is reflected in Interdependence about trading in goods and services and in movement of capital. As a result, domestic economic developments are not determined entirely by domestic policies and market

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conditions. Rather, they are influenced by both domestic and international policies and economic conditions. It is thus clear that a globalizing economy, while formulating and evaluating its domestic policy cannot afford to ignore the possible actions and reactions of policies and developments in the rest of the world. This constrained the policy option available to the government, which implies loss of policy autonomy to some extent, in decision-making at the national level.

Impact of Globalization on Agricultural Sector

Agricultural Sector is the mainstay of the rural Indian economy around which socio-economic privileges and deprivations revolve and any change in its structure is likely to have a corresponding impact on the existing pattern of Social equity. The liberalization of India's economy was adopted by India in 1991. Facing a severe economic crisis, India approached the IMF for a loan, and the IMF granted what is called a 'structural adjustment' loan, which is a loan with certain conditions attached, which relate to a structural change in the economy. Essentially, the reforms sought to gradually phase out government control of the market (liberalization), privatize public sector organizations (privatization), and reduce export subsidies and import barriers to enable free trade (globalization).

Globalization has helped in:

- Raising living standards,
- Alleviating poverty,
- Assuring food security,
- Generating buoyant market for expansion of industry and services, and
- Making substantial contribution to the national economic growth.

Impact on Financial Sector

Reforms of the financial sector constitute the most important component of India's programme towards economic liberalization. The recent economic liberalization measures have opened the door to foreign competitors to enter into our domestic market. Innovation has become necessary for survival. Financial intermediaries have come out of their traditional approach and they are ready to assume more credit risks. Therefore, many innovations have taken place in the global financial sectors, which have its own impact on the domestic sector also. The emergences of various financial institutions and regulatory bodies have transformed the financial services sector from being a conservative industry to a very dynamic one. In this process, this sector is facing a number of challenges. In this changed context, the financial services industry in India has to play a very positive and dynamic role in the years to come by offering many innovative products to suit the varied requirements of the millions of prospective investors spread throughout the country. Reforms of the financial sector constitute the most important component of India's programme towards economic liberalization.

Growth in financial services comprising banking, insurance, real estate and business services, after dipping to 5.6% in 2003-04 bounced back to 8.7% in 2004-05 and 10.9% in 2005-06. The momentum has been maintained with a growth of 11.1% in 2006-07. Because of Globalization, the financial services industry is in a period of transition. Market shifts, competition, and technological developments are ushering in unprecedented changes in the global financial services industry.

Advantages of Globalization

- There is an International market for companies and for consumers there is a wider range of products to choose from.
- Increase in flow of investments from developed countries to developing countries, which can be used for economic reconstruction.
- Greater and faster flow of information between countries and greater cultural interaction has helped to overcome cultural barriers.
- Technological development has resulted in reverse brain drain in developing countries.

Demerits of Globalization (Challenges)

- The outsourcing of jobs to developing countries has resulted in loss of jobs in developed countries.
- There is a greater threat of spread of communicable diseases.
- There is an underlying threat of multinational corporations with immense power ruling the globe.
- For smaller developing nations at the receiving end, it could indirectly lead to a subtle form of colonization.
- The number of rural landless families increased from 35 %in 1987 to 45 % in 1999, further to 55% in 2005. The farmers are destined to die of starvation or suicide.

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A Comparison with Other Developing Countries

- Consider global trade – India's share of world merchandise exports increased from .05% to .07% over the past 20 years. Over the same period, China's share has tripled to almost 4%.
- India's share of global trade is similar to that of the Philippines and economy 6 times smaller according to IMF estimates.
- Over the past decade, FDI flows into India have averaged around 0.5% of GDP against 5% for China and 5.5% for Brazil. FDI inflows to China now exceed US$ 50 billion annually. It is only US $4 billion in the case of India.

CONCLUSION

India gained highly from the LPG model as its GDP increased to 9.7% in 2007-2008. In respect of market capitalization, India ranks fourth in the world. However, even after globalization, condition of agriculture has not improved. The share of agriculture in the GDP is only 17%. The number of landless families has increased and farmers are still committing suicide. However, seeing the positive effects of globalization, it can be said that very soon India will overcome these hurdles too and march strongly on its path of development. The lesson of recent experience is that a country must carefully choose a combination of policies that best enables it to take the opportunity - while avoiding the pitfalls. For over a century, the United States has been the largest economy in the world but major developments have taken place in the world Economy since then, leading to the shift of focus from the US and the rich countries of Europe to the two Asian giants- India and China. Economics experts and various studies conducted across the globe envisage India and China to rule the world in the 21st century. India, which is now the fourth largest economy in terms of purchasing power parity, may overtake Japan and become third major economic power within 10 years. To conclude we can say that the modernization that we see around us in our daily life is a contribution of Globalization. Globalization has both positive and as well as negative impacts on various sectors of Indian Economy. Therefore, Globalization has taken us a long way from 1991, which has resultant in the advancement our country.

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FUNDAMENTAL ANALYSIS OF SELECTED AUTOMOBILE COMPANIES

Archana Shetty[46] Swathi[47] Dr. Kushalappa S.[48]

ABSTRACT

Fundamental analysis of the company is very useful to the investors, creditors, government and other stack holders of the company. Fundamental analysis not only gives a clear picture about the past, current performance of the companies under study but also helps to estimate the future performance of the companies. Fundamental Analysis can be classified into two categories: qualitative analysis and quantitative analysis. Qualitative analysis is the analysis of things such as the quality of a company's board members and key executives, its brand-name recognition, patents or proprietary technology etc. Quantitative analysis is the analysis of balance sheet and profit and loss account. In the present research, the authors have made a quantitative fundamental analysis of the selected automobile companies. The study aims at identifying the financial soundness of the selected automobile companies.

KEYWORDS

Fundamental, Profit, Solvency, Turnover etc.

INTRODUCTION

Fundamental analysis determines the health and performance of an underlying company by looking at key numbers and economic indicators. The purpose is to identify fundamentally strong companies or industries and fundamentally weak companies or industries. Investors go long on the companies that are strong, and short the companies that are weak. Fundamental analysis of the companies plays a crucial role for investors, creditors, government and other stack holders in their decision making process. Fundamental analysis not only gives a clear picture about the past, current performance of the companies under study but also helps to estimate the future performance of the companies. Fundamental Analysis can be classified into two categories: qualitative analysis and quantitative analysis. Qualitative analysis is the analysis of things such as the quality of a company's board members and key executives, its brand-name recognition, patents or proprietary technology etc. Quantitative analysis is the analysis of balance sheet and profit and loss account. In the present research, the authors have made a quantitative fundamental analysis of the selected automobile companies. The study aims at identifying the financial soundness of the selected automobile companies.

OBJECTIVES OF STUDY

Following are the objectives of the study:

- To analyses the profitability position of the companies.
- To find out the management efficiency of the companies.
- To compare the capital structure position of the companies under study.

HYPOTHESES

H_1: There is no significant difference in the profit position of various companies under study.
H_2: There is no significant difference in the asset turnover of various companies under study.
H_3: There is no significant difference in the capital structure of various companies under study.

SCOPE OF THE STUDY

The current study is intended to analyses the financial position of the automobile companies. Hence, the study is limited to automobile industry alone. The study period is limited to five years from 2012 to 2016. Only four factors like profitability, turnover, capital structure and investment ratios are being considered for the analysis.

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RESEARCH METHODOLOGY

The entire study is based on the secondary data extracted from various sources like books and websites. The study period is five years from 2012 to 2016. The sample size of the study is 10 top companies based on turnover in the year 2015. The sampling technique used in the study is judgmental sampling.

LIMITATIONS OF STUDY

- The entire study is based on secondary data.
- The study is limited to only one industry.
- Only quantitative factors have been considered and not the qualitative factors for analyzing the performance of the companies under study.

DATA ANALYSIS AND INTERPRETATION

Profitability ratios are used to measure the earning capacity of the companies. More the ratio, higher will be the earning capacity of the company and hence good for investment in such companies. The profitability ratios of the companies under study are presented in Table-1.

It is clear from the table that Echier Motars Ltd has highest Operating Profit Margin Ratio followed by Bajaj Auto Ltd, Hero Motocorp Ltd, Mahindra and Mahindra Ltd. Tata Motors has the lowest ratio.

Eicher Motars Ltd also has highest Net Profit Margin Ratio, followed by Bajaj Auto Ltd, Force Motors Ltd, and Hero Motocorp Ltd and again Tata Motors has the lowest ratio.

With regard to Return on Capital Employed, Hero Motocorp Ltd has highest ratio, followed by Eicher Motors Ltd, Bajaj Auto Ltd, Force Motors Ltd and Tata Motors has the lowest ROCE.

Hero Motocorp has the highest return on net worth ratio, followed by Eicher Motors, Sundarm Clayton Ltd, Mahindra and Mahindra. Tata Motors has the lowest RONW ratio.

Table-1: Profitability Ratios of the Companies under Study

S. No.	Name of the Company	OPM	NPM	ROCE	RONW
1.	Tata Motors	2.182	-1.716	3.716	-4.25
2.	Mahindra and Mahindra Limited	10.992	8.57	15.518	20.238
3.	Maruti Suzuki India Limited	8.768	6.352	13.218	13.892
4.	Hero Motocorp Limited	12.468	9.384	38.486	42.258
5.	Bajaj Auto Limited	21.992	15.156	33.892	35.6
6.	Ashok Leyland Limited	5.102	2.89	7.119333	11.68
7.	Sundaram Clayton Limited	9.178	6.038	14.738	20.922
8.	TVS Motor Company Limited	4.894	3.138	12.798	18.54
9.	Eicher Motors Limited	22.866	17.398	35.376	36.494
10.	Force Motors Limited	4.576	10.846	18.276	19.892

Sources: Authors Compilation

Table-2: Turnover Ratios of the Companies under Study

S. No.	Name of the Company	ITR	FATR	TATR
1.	Tata Motors	10.302	1.862	1.408
2.	Mahindra and Mahindra Limited	15.172	5.527318092	1.263658
3.	Maruti Suzuki India Limited	21.332	3.720974996	1.486607
4.	Hero Motocorp Limited	37.362	7.573432786	2.505862
5.	Bajaj Auto Limited	29.962	10.25567956	1.475711
6.	Ashok Leyland Limited	8.256	2.424604303	1.028134
7.	Sundaram Clayton Limited	5.994	2.960159347	1.205484
8.	TVS Motor Company Limited	13.3	7.022795004	3.95725
9.	Eicher Motors Limited	15.192	9.690844483	0.653141
10.	Force Motors Limited	5.578	3.620697213	1.733874

Sources: Authors Compilation

Turnover ratios are used to measure the efficiency of the management in utilization of its assets: current, fixed or total. Higher turnover ratio is the indication of higher efficiency of the management in managing the assets. The turnover ratios the companies under study are presented in Table 2. It is fact that Hero Motocorp is ranked as number one in inventory turnover ratio, Bajaj Auto Ltd., Maruti Suzuki India Ltd., follows it, and Force Motor obtains the last rank.

According to Fixed Assets Turnover ratio, Bajaj Auto Ltd. obtains the first rank, followed by Eicher Motors, Hero Motocorp, and TVS Motors. Force Motors has obtained the last rank.

With regard to Total Assets Turnover ratio, TVS Motor Company Ltd. has highest ratio, Hero Motocorp obtains the second rank, Force Motors in the third place, Maruti Suzuki India Ltd in the fourth position and Eicher Motors is in the last position.

Table-3: Investment Valuation Ratio

S. No.	Name of the Company	P/E Ratio	P/B Ratio
1.	Tata Motors	249.6284	6.619516
2.	Mahindra and Mahindra Limited	0.058668	0.289656
3.	Maruti Suzuki India Limited	0.04221	0.314222
4.	Hero Motocorp Limited	18.82784	0.130054
5.	Bajaj Auto Limited	18.29622	0.159393
6.	Ashok Leyland Limited	69.05553	0.345895
7.	Sundaram Clayton Limited	25.41221	0.384893
8.	TVS Motor Company Limited	22.01252	0.394381
9.	Eicher Motors Limited	54.94264	0.060291
10.	Force Motors Limited	15.40368	1.639082

Sources: Authors Compilation

Investment valuation ratios are widely used by the investment public for selecting the stocks for investment. Normally, a high investment valuation ratio indicates that the earnings are highly compensated by the market and further growth in the stock prices would be less. As such, investors prefer to invest in a stock, which has low investment valuation ratio expecting a huge growth in its price in the future. Table 3 presents the two important valuation ratios, namely; P/E ratio and P/B ratio.

Maruti Suzuki India Ltd. has lowest P/E ratio and Mahindra and Mahindra Ltd and Force Motors follow it. Tata Motors has the highest P/E ratio.

According to the P/B ratio, Eicher Motors has the lowest ratio, followed by Hero Motocorp and Bajaj Auto Ltd.; again, Tata Motors has the highest P/B ratio.

Table-4: Capital Structure Ratios

S. No.	Name of the Company	TD/E Ratio	LTD/E Ratio
1.	Tata Motors	1.760547042	0.685074609
2.	Mahindra and Mahindra Limited	0.817855455	0.289547561
3.	Maruti Suzuki India Limited	0.445947705	0.052275753
4.	Hero Motocorp Limited	0.67531343	0.019983359
5.	Bajaj Auto Limited	0.535792122	0.047791893
6.	Ashok Leyland Limited	1.735782016	0.675871389
7.	Sundaram Clayton Limited	1.837681964	0.438633383
8.	TVS Motor Company Limited	2.235294118	1.019607843
9.	Eicher Motors Limited	0.811557789	0.520100503
10.	Force Motors Limited	0.485788255	0.023036467

Sources: Authors Compilation

Capital structure ratios are used to measure the financial risk of the company. Use of high debt in the capital structure of a company increases its financial risk and hence a high debt equity ratio indicates high financial risk. Table 4 presents the Total Debt to Equity ratios and Long Term Debt to Equity ratios of the companies under study. It is true from the table that Maruti Suzuki India Ltd. has the lowest Total Debt to Equity ratio compared to other companies. Force Motors Ltd., has second least ratio, Bajaj Auto Ltd has third least ratio and Hero Motocorp has the fourth least ratio. TVS Motors has the highest ratio.

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Similarly, Hero Motocorp has the lowest Total Debt to Equity ratio and Force Motors, Bajaj Auto, Maruti Suzuki follow it and TVS motors have the highest ratio.

TESTING OF HYPOTHESES

H_1: There is no significant difference in the profit position of various companies under study.

Table-5: One-Way ANOVA Result for Profitability Ratios

Source of Variation	SS	d.f.	MS	F	P-value	F crit.
Between Groups	3073.80	9	341.53	4.97	0.00	2.21
Within Groups	2063.61	30	68.79			

Sources: Authors Compilation

As per the result of the ANOVA Test, it is clear that the F statistic is higher than F critical and hence there are no enough evidence to accept the hypothesis.

H_2: There is no significant difference in the assets turnover of various companies under study

Table-6: One-Way ANOVA Result for Assets Turnover Ratios

Source of Variation	SS	d.f.	MS	F	P-value	F crit.
Between Groups	497.97	9	55.33	0.64	0.75	2.39
Within Groups	1724.68	20	86.23			

Sources: Authors Compilation

As per the result of the One Way ANOVA test, it is clear that the F statistic is lower than F critical and therefore the hypothesis need to be accepted.

H_3: There is no significant difference in the capital structure of various companies under study.

Table-7: One-Way ANOVA Result for Assets Turnover Ratios

Source of Variation	SS	d.f.	MS	F	P-value	F crit.
Between Groups	4.53	9	0.50	1.41	0.30	3.02
Within Groups	3.56	10	0.36			

Sources: Authors Compilation

As per the result of the One Way ANOVA Test, it is clear that the F statistic is lower than F critical and therefore the hypothesis that there is no significance difference in the capital structure of the companies under study is to be accepted.

FINDINGS AND CONCLUSION

The fundamental analysis of the Automobile Companies under study results in the following findings:

- As the Operating Profit Margin Ratio of Eicher Motors is highest, it has high operational efficiency compared to the companies under study. It followed by Bajaj Auto Ltd, Hero Motocorp Ltd, Mahindra and Mahindra Ltd. The least operationally efficient company in the study is Tata Motors.

- Even according to Net Profit Margin, Eicher Motors Ltd is the best and it is followed by Bajaj Auto Ltd, Force Motors Ltd, Hero Motocorp Ltd and again Tata Motors has the lowest ratio.

- Hero Motocorp Ltd offers highest return on capital employed and then Eicher Motors Ltd, Bajaj Auto Ltd, Force Motors Ltd and so on. Tata Motors has the lowest ROCE.

- Hero Motocorp also offers highest return on net worth and Tata Motors offers the lowest return on net worth.

- In terms of inventory turnover ratio, Hero Motocorp is ranked as the best, followed by Bajaj Auto Ltd., Maruti Suzuki India Ltd., and Force Motor obtains the last rank.

- According to Fixed Assets Turnover ratio, Bajaj Auto Ltd. obtains the first rank and Force Motors has obtained the last rank.
- TVS Motor Company Ltd. has highest Total Assets turnover ratio followed by Hero Motocorp Force Motors in the third place, Maruti Suzuki India Ltd and Eicher Motors is in the last position.
- In terms of P/E ratio, Maruti Suzuki India Ltd. is the best company with lowest ratio and Mahindra and Mahindra Ltd and Force Motors follow it. Tata Motors has the highest P/E ratio.
- According to the P/B ratio, Eicher Motors has the lowest ratio, followed by Hero Motocorp and Bajaj Auto Ltd. Again, Tata Motors has the highest P/B ratio.
- With regard to total debt to equity ratio, Maruti Suzuki India Ltd. has the lowest ratio Force Motors Ltd., Bajaj Auto Ltd, Hero Motcorp are the other companies with lowest ratio. TVS Motors has the highest ratio. Similarly, Hero Motocorp has the lowest Total Debt to Equity ratio and Force Motors, Bajaj Auto, Maruti Suzuki follow it and TVS motors has the highest ratio.

After an analysis of the selected automobile companies, it is found that Hero Motorcorp is one of the best companies in its fundamentals. It has high profitability ratios, turnover ratios and the debt equity ratios. The other fundamentally strong companies are Maruti Suzuki India Ltd., Bajaj Auto Ltd., Eicher Motors and TVS motors. According to all most all ratios, Tata Motors is treated as the least performer. As an investor, one should not depend upon one particular factor or ratio. Instead of that, he has to analyses the company considering multiple factors so that he would be able to select the best company/companies for his investment. According to the research, we suggest the investor to include the best companies identified here to include in their portfolio.

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DETERMINING THE FACTORS FOR ADOPTING ENVIRONMENTAL MANAGEMENT SYSTEM IN CHEMICAL INDUSTRIES: AN EMPIRICAL STUDY

Amrita Nayak[49] Dr. Rajendra Singh[50]

ABSTRACT

In the past decades, there were many discussions on environmental issues. Poisonous Chemical Products which were formed in a way that were lethal to animals, the waste material was also greatly expands Pollution. The environment is polluted by industrial activities globally. Harmful industrial activities should be cut out; chemical industries were hesitant in adopting environmental management system. Firms have different reasons, which prove necessity of EMS. First, is awareness of environmental protection and another point is consumers whom industries have to convince for the manufacturing processes; it shows that they are also concerned about the environment. In particular, industries work under the EMS so that they improve their performance. To comprehend the term, one must understand the issues that relate to it. Development activities related to population growth can lead to environmental degradation in a number of ways, not least depletion of resources. The purpose of this paper is to determine the factors those are responsible for adopting the environmental Management System in Chemical Industries.

KEYWORDS

Environmental Management System, Chemical Industries etc.

INTRODUCTION

Today's scenario many environmental problems faced by India along with world. It includes the various activities which require for dealing with polluted atmosphere and focus for reducing discharges that are taking place and think what change can do with resources and surplus products that have been cast-off and have to spread towards landfill area or port to degeneration (or not). This Environmental Management (EM) considered most concerned and preferred topics and can study under strategic Management for innumerable research studies in different places. This environmental management (EM) contains internal policies, plans for assessments and actions to implement, while it affecting the industrial area and its interactions with natural environment (Tiwari and Rawani). It considered most disputed and debated point, which is elevated at various communities, governmental and business groups; there is a question that at what level these policies of environmental management are practiced in different organizations, which matters more. However, nowadays awareness of environmental issues has been growing and considered it as a permanent asset.

In India, chemical industries consist of both production and service zone enterprises in a wide band of industry zone. In addition to the unrelated enterprises nature, these industries play a major role in chain form links to the large industry area too. The different strategy of Indian has clearly accepted the importance of area development. Therefore, various programs directed at making chemical industries additionally competitive by spread on modern equipment to improve invention processes and leading towards the more efficiency. However, this area in India is usually associated with great adversative impact of environment due to number of divisions, and some are more resource full whereas some are rich in trade.

LITERATURE REVIEW

Low H. H. et al. (2015) this done to develop an activities, which measure the adoption of EMS in SMEs at Malaysia. This important measure marks views of industrial employees‟ for EMS adoption. It is considered unique meanwhile it mentions internal responses of EMS adoption instead of technology. The findings revealed that organizations require to offer the essential support, allowing for their workers‟ capability and to support EMS survival.

Bansal D., Narsi R. B., Sharma M. (2015) study explained the challenges and benefits, which notice during implementing EM. It indicated challenges like availability of time and resources, corporate attitude, company‘s working environment. Whereas achieved benefits like reduction in manufacturing cost, increased compliance with legal requirements, customer satisfaction, improved company‘s image and environmental management cost etc.

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Tambovceva T. (2014) Environmental management reflecting the interaction of ecological awareness, appropriate policies and strategies to develop ecology in companies. This indicated that different variables like size of industry, Liberalization, industrial area and values of managers on the preparation and execution of environmental policies might be partially, while considering effects on seeming stakeholder pressure.

Tiwari J. K. and Rawani A. M. (2014) they explained the motivating points, which require during an execution of environmental management system. They emphasized on customers and revealed that customers were not aware about environmental management and because of this companies are least effected by customer pressure. This study concluded that the most significant motivator is cost saving for private sector whereas concern for environment is significant factor for public sectors plants.

Souitaris V. and Pujari D. (1998) it explored the management of environmental of huge chemical producing industries in Greece, via case study. They reviewed and find differences of companies based on environmental response. The findings suggested that, Greek chemical industries were environmentally aware; they follow rather than advocate environmental problems.

RATIONALE

Environmental management has turn out to be a strategic commercial issue in India. There is a pressure on the industries to equate the increasing over-all demands in society by environmental safety. The rationale of the study is to explore the constituent factors to adopt environmental management. This study will help chemical industries for adopting proper system of management for achieving desired goals without ignoring environment.

OBJECTIVE

To explore the constituent factors determining adoption of environmental management system in chemical industries.

RESEARCH METHODOLOGY

The study was exploratory in nature mainly based on primary data to explore factors for adopting environmental management system in chemical industries of Madhya Pradesh. Survey method was used to collect the primary data of this empirical study. The sample of the study constituted of EM supervisors and employees of operation department as a respondents from different chemical industries.

Stratified sampling method was used to select the respondents. Self-designed Questionnaire used to collect primary data of the study. 521 responses were time-honored from 140 industries. Leaving these, 72 questionnaires were nearly not completely filled, that is why not considered during analysis whereas 449 responses considered valid and therefore included for study.

Statements used in questionnaire were based on proper literature review. SPSS 16.0 did the analysis of collected data. Factor analysis (Principal component Method) was used to explore factors by using Varimax Rotation.

RESULT AND DISCUSSION

Table-1: Reliability Test

Cronbach Alpha Value	Number of Items
0.941	43

Sources: Authors Compilation

Table-2: KMO and Bartlett's Statistics Test

KMO Measure of Sampling Adequacy		.913
Bartlett's Test	App. Chi-Square	6.018E3
	d.f.	903
	Sig	.000

Sources: Authors Compilation

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Table-3: Factor Analysis

S. No.	Statements / Items	Factor	Item Load	Factor Load	% of Variance
1	Employees Recruitment, Selection And Training	I **Human Resource factor**	.630	3.809	8.810
2	Employees Motivation		.606		
3	Employees Safety		.587		
4	Employees Awareness		.553		
5	Personnel Policy		.550		
6	Behavioral Attitude of Staffs And Volunteers		.506		
7	Capability of Management		.377		
8	Modifications in Legislation	II **Legal and Compliance factor**	.657	4.568	8.339
9	Organizational Processes		.618		
10	Accounting and Audits		.498		
11	Fund Management		.484		
12	Environmental Legislation		.481		
13	Government Policies		.471		
14	Condition of Certification Body		.458		
15	Assessment of Conformity		.453		
16	Industrial Relations and Labour Laws		.448		
17	Market and Competitors Risk	III **Risk factor**	.714	2.889	7.877
18	Financial Risk		.642		
19	Environmental Risk		.622		
20	Techno Genic Risk		.583		
21	Production Risk		.328		
22	Organizational Structure	IV **Organizational Performance factor**	.694	2.541	6.018
23	Quality Management		.489		
24	Internal Potential		.488		
25	Standardization		.464		
26	Financial Strength		.406		
27	Ecological Situations	V **Climatic and ecological factor**	.704	2.46	5.871
28	Ecological Norms And Privileges		.702		
29	Conditions of Work Place		.633		
30	Climate Change		.421		
31	Changes in Price and Taxes Norms	VI **Financial factor**	.739	1.852	5.781
32	Financial Condition		.681		
33	Cost Savings		.432		
34	Modifications in Techniques and Product Design	VII **Technological factor**	.772	1.969	5.438
35	Process Reorganization		.771		
36	Variations in Produced Goods		.426		
37	Social Policy	VIII **Social Factor**	.643	1.691	5.296
38	Mass Media		.597		
39	Demographic Changes		.451		
40	Ethical Policies	IX **Ethical factor**	.705	1.969	4.466
41	Image Benefits		.488		
42	Ethical Pressures from NGOs		.422		
43	CSR and Sustainability		.354		
Total					**57.896**

Sources: Authors Compilation

According to the interpretation, Legal and compliance factor is considered the important by industries as for proper environmental management process require proper certifications from regulatory bodies and have to fulfill all criteria of government policies. Human resource is considered as an asset for every industry therefore for organizing environmental management system requires employees concern and safety. Chemical industries adopt environmental management system also due to risk factors, which play major role in organizational performance. In the same way for maintaining balance in ecosystem have to control the pollution by management of environment therefore ecological factor is considering by the chemical industries because they producing chemicals which may affect the society. Financial strength is major factor because it influences the complete environment of the industry; insufficient fund may lower the employee morale, which affects the organizations work. Technology are rapidly changing therefore it creates a pressure to organization. Social and Ethics are definitely sounds to be important as various regulatory bodies and government policies pressurizing to the organization.

This result shows the factors those considering as the motivating factors for adopting the environmental management system by chemical industries.

CONCLUSION

Nine Factors were explored with total 57.896 % of Variance that determine adoptability of environmental management system in chemical industries of Madhya Pradesh. These factors are useful to evaluate the confidence level of supervisors towards the adaptability of environmental management system.

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WOMEN EMPOWERMENT IN INDIA: A LEGAL PERSPECTIVE

Chandrika Soni[51]

ABSTRACT

Empowering Women is a multi-dimensional social process, which helps the people to gain control over their own lives as well as to resources. This allows them to reach their full potential; improve their participation in the society, and to believe in their own capabilities. As per constitutional and legal provisions of our country, women enjoy an equal status with the men but that are only in theories. Therefore, the main aim of this paper is to observe some of the legal provision, which safeguard women in Indian context.

KEYWORDS

Women Empowerment, Legal, Act etc.

INTRODUCTION

Empowerment is not a new concept. It has been there for many centuries but the subject has become a burning issue all over the world including India in the last few decades. Swami Vivekananda has quoted that, "There is no chance for the welfare of the world unless the condition of women is improved, and it is not possible for a bird to fly on only wing." Nobel Laureate Malala Yousafzai famously quoted "I raise up my voice not so I can shout, but so that those without a voice can be heard….we cannot succeed when half of us are held back." Such kind of statement reveals the sentiment of the new age women empowerment. In our country, women enjoy an equal status with the men as per constitutional and legal provisions but only in theories.

Women Empowerment refers to complete women emancipation from social, economic and political shackles of dependency and deprivations. This term is often used synonymous to gender equality; however, the term Women Empowerment contains a very vast set of principles. Women Empowerment allows them to reach their full potential; improve their participation in the society, and make them to believe in their own capabilities. It is a multi-dimensional social process, which helps the people to gain control over their own lives as well as to resources. Women's empowerment have been explicitly recognized as a key factor for economic development of our nation. India's National Population Policy (2000) has aimed at empowering women through health and nutrition as one of its crosscutting strategic themes. Further, empowering of women is one of the eight Millennium Development Goals (MDG) to which India is a signatory.

Many scholars and academicians have defined the concept of women empowerment in different manners. Women empowerment is a process by which women's power of self is promoted and reinforced. Women Empowerment is the all-round development of women personality and to develop their logic, scientific and analytic capabilities, which make them able to participate in the construction of value, based society (Uttar Pradesh Policy Draft 2001). Batliwala (2007) stated that the concept of women empowerment emerged from several critiques and debates generated by the women's movement throughout the world. The term empowerment was a socio-political process in three critical ways –by challenging the ideologies that justify social inequality such as gender or caste by changing prevailing patterns of access to and control over economic structures such as the family, state, market, education and media. Bose (2000) emphasized that the Government runs various programmes to empower women. These programmes are important for creating awareness and advocacy of grass roots democracy but these programmes are not sufficient to empower women.

Indian Constitution has given an important place for empowerment of women in its Preamble, Fundamental rights, Fundamental Duties and Directive Principles of State Policy. The Constitution of India gives the right to state to adopt measures of positive discrimination in favor of women. Thus, Constitution played an important role in laying a strong foundation for women's participation in decision making at all levels. There are numerous rights enshrined in the constitution to protect women from discrimination but gender inequality persists. Women may be victims of any of the general crimes such as murder, robbery, cheating, rape, dowry death, kidnapping, harassment, etc., but only those crimes, which are directed specifically against women, are treated as "Crimes against Women". The proportion of IPC crimes committed against women with respect to total IPC crimes has increased from 9.4% in the year 2011 to 11.1% during the year 2015. Majority of cases were reported under Cruelty by Husband or His Relatives (34.6%); followed by Assault on Women with Intent to Outrage her Modesty (25.2%); Kidnapping & Abduction of Women (18.1%); and Rape (10.6%) during 2015 (NCRB, 2015).

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There are various laws to combat crime against women, which are broadly classified into two categories; they are given below (NCRB, 2015):

Under The Indian Penal Code (IPC)

- Rape (Section 376 IPC);
- Attempt to commit Rape (Section 376/511 IPC);
- Kidnapping & Abduction of Women (Section 363, 364, 364A, 365, 366 to 369 IPC);
- Dowry Deaths (Section 304B IPC);
- Assault on Woman with Intent to Outrage Her Modesty (Sec. 354 IPC);
- Cruelty by husband or his relatives (Sec. 498A IPC);
- Importation of Girl from Foreign Country (up to 21 years of age) (Sec. 366 B IPC); and
- Abetment of Suicide of Women (Sec. 306 IPC).

Under the Special & Local Laws (SLL)

- The Dowry Prohibition Act, 1961,
- The Indecent Representation of Women (Prohibition) Act, 1986,
- The Protection of women from domestic Violence Act, 2005,
- The Commission of Sati Prevention Act, 1987,
- The Immoral Traffic (Prevention) Act, 1956.

In India, some of the important legal acts as well as provisions that safeguard women are described below. **They are:**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal Act, 2013: The main objective behind this act is to provide protection, prevention and Redressal of complaints against sexual harassment of women at all workplaces both in public and private sector, whether it is in the organized or unorganized. It extends to the whole of India.

Criminal Law (Amendment) Act, 2013: This Act came into force on the 3rd day of February 2013. This makes recommendation and further amendments on a number of aspects including Indian Penal Code (IPC), the Code of Criminal Procedure, 1973, the Indian Evidence Act, 1872 and the Protection of Children from Sexual Offences Act, 2012.

Protection of Women from Domestic Violence Act (PWDVA), 2005: This Act came into force on 26th October, 2006. The main objective of this act is to provide for more effective protection of the rights of women guaranteed under the Constitution who are victims of violence of any kind occurring within the family and for matters connected therewith or incidental thereof.

Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994: This act prohibits sex selection before or after conception. Further, this also prevents the misuse of pre-natal diagnostic techniques for sex determination leading to female foeticide.

The Commission of Sati (Prevention) Act, 1987 (No. 3 of 1988): This act provides more effective prevention of the commission of Sati and its glorification on women. This act was enacted by Parliament in the 38th Year of Republic of India. This act extends to the whole of India except the State of Jammu & Kashmir.

The Indecent Representation of Women (Prohibition) Act, 1986: This Act was enacted in 1986. The objective behind this act is to prohibit indecent representation of women through advertisements or in publications, writings, paintings, and figures or in any other manner and for the matters connected therewith or incidental thereto. This Act extends to the whole of India except the State of Jammu & Kashmir. Any violation of this Act is treated as offence and punishable with imprisonment up to two years.

Muslim Women (Protection of Rights on Divorce) Act, 1986: This act protects the rights of Muslim women who have been divorced by or have obtained divorce from their husbands.

Family Courts Act, 1984: This act provides for the establishment of Family Courts for speedy settlement of family disputes.

Medical Termination of Pregnancy Act, 1971: This act provides for the termination of certain pregnancies by registered medical practitioners on humanitarian and medical grounds.

The Dowry Prohibition Act, 1961 (28 of 1961) (Amended in 1986): This act was enacted in order to prohibit the giving as well as taking dowry at or before or any time after the marriage from women. Our government has passed The Dowry Prohibition Act in 1961. This Act has been amendment in the year 1984 and again in 1986. This Act extends to the whole of India except the State of Jammu & Kashmir.

Equal Remuneration Act, 1976: This Act provides for equal remuneration to men and women workers for same work or work of a similar nature i.e., there is no gender bias. It also prevents discrimination on any ground such as sex, against women in the matter of employment.

Maternity Benefit Act, 1961: This Act regulates the employment of women in certain establishment's period before and after childbirth.

The Immoral Traffic (Prevention) Act, 1956: This act provides redressal in pursuance of the International Convention signed at New York on the 9th day of May 1950, for the prevention of immoral traffic.

Hindu Succession Act, 1956: This Act recognizes the right of women to inherit parental property equally with men.

Hindu Marriage Act, 1955: This act introduced monogamy and allowed divorce on certain specified grounds. It provided equal rights to Indian man and woman in respect of marriage and divorce among Hindus.

Minimum Wages Act, 1948: This act came into force in 15th March 1948. It sets the minimum wages that must be paid to skilled as well as unskilled labour. It does not allow discrimination between male and female workers or different minimum wages for them.

Dissolution of Muslim Marriages Act, 1939: This act grants permission to Muslim women to seek the dissolution of her marriage under Muslim law.

Government of India has played an important role from time to time to safeguard as well as to protect women, still women are not empowered. As it is clear, that women empowerment is particularly hard to achieve within a generation itself because it is driven not only by information about choices, but also by the acceptance of these choices. Society is often governed by strict social norms, which can both be driven by and drive the choices traditionally made by women in the village. Empowerment will only be reached when the women take part actively in the decision making process of the family, community, society and country.

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CONTRIBUTION OF FOREIGN TRADE POLICY (2015-2020) IN ENHANCING INDIA'S EXPORT COMPETITIVENESS

Pratibha Giri[52]

ABSTRACT

India's Foreign Trade Policy also known as Export Import Policy (EXIM) in general, aims at developing export potential, improving export performance, encouraging foreign trade and creating favourable balance of payments position. Foreign Trade Policy is prepared and announced by the Central Government (Ministry of Commerce). It is a set of guidelines and instructions established by the DGFT (Directorate General of Foreign Trade) in matters related to the import and export of goods in India. The vision underpinning the Foreign Trade Policy for 2015-2020 is to make India a significant participant in world trade by the year 2020 and to enable the country to assume a position of leadership in the international trade discourse.

The policy aims at boosting India's exports and Central Government's pet projects, 'Make in India' and 'Digital India' is being integrated with the new FTP 2015-20. It describes the market and product strategy envisaged and the measures required not just for export promotion but also for the enhancement of the entire trade ecosystem. The policy of market diversification which has stood India in good stead during the global economic downturn will continue to be a key determinant of the country's trade policy, together with product diversification.

The objective of this paper is to study and analyse the contribution of new FTP in enhancing India's trade with the rest of the world. The paper also examines the effectiveness of various measures taken by foreign trade policy for enhancing India's export competitiveness in a global market place.

KEYWORDS

Foreign Trade Policy (2015-20), Market Diversification, Product Strategy, Export Competitiveness etc.

INTRODUCTION

Foreign trade is exchange of capital, goods, and services across international borders or territories. In most countries, it represents a significant share of gross domestic product (GDP). While international trade has been present throughout much of history, its economic, social, and political importance has been on the rise in recent centuries.

Indian EXIM Policy contains various policy related decisions taken by the government in the sphere of Foreign Trade, i.e., with respect to imports and exports from the country and more especially export promotion measures, policies and procedures related thereto.

On 1st April 2015, the new Foreign Trade Policy (FTP) for the period 2015-20 was announced which replaces the 2009-14 FTP which expired on 31st March 2014.

The integration of the domestic economy through the twin channels of trade and capital flows has accelerated in the past two decades which in turn led to the Indian economy growing from Rs 32 trillion (US$ 474.37 billion) in 2004 to about Rs 153 trillion (US$ 2.3 trillion) by 2016. Simultaneously, the per capita income also nearly trebled during these years. India's trade and external sector had a significant impact on the GDP growth as well as expansion in per capita income.

Total merchandise exports from India grew by 17.48 per cent year-on-year to US$ 24.49 billion in February 2017, while overall trade deficit declined by 24 per cent year-on-year to US$ 41.8 billion in April-February 2017, according to data from the Ministry of Commerce & Industry.

According to Ms Nirmala Sitharaman, Minister of State (Independent Charge) for Commerce and Industry, the Government of India is keen to grow exports and provide more jobs for the young, talented, well-educated and even semi-skilled and unskilled workforce of India.

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HISTORY AND EVOLUTION OF TRADE POLICY OF INDIA

In a broader sense, after independence for almost forty years or so India adopted inward oriented strategy. The basic rationale behind it was that it would help rapid industrialization through import substitution and at the same time save valuable foreign exchange. This strategy covers the period from First Five Year Plan (1951-56) to the Seventh Five Year Plan (1985-90). This period is considered as the period of "Licence – Quota Raj" wherein there was a controlled and restrictive environment. However, the decade of 1990 is marked with a near U turn as India adopted gradually a path of economic liberalization. It followed the policy of Liberalization, Privatization and Globalization (LPG) to solve its BOP and related problems.

A series of economic reforms were introduced in various sectors to tackle the BOP and other problems. Hence, the Indian economy which was a closed economy for almost forty years now became relatively more open posing challenges for macroeconomic management. Thus, from 1990 onwards India adopted an outward oriented strategy which can be considered as a significant turnaround from the earlier period. The adoption of outward oriented strategy was a major departure from the relatively protectionist trade policies pursued in earlier years.

There is no doubt that in the broader sense of the term India followed an inward - oriented trade policy after independence till 1990. However, an in depth analysis of India's trade policy shows that there were certain shifts in policy stance from time to time. Taking this into account trade policy of India can be broadly divided into the following phases:

Phase I – Import Restriction and Import Substitution (From 143 1950s to 1970s),
Phase II – Export Promotion & Import Liberalisation (From 1970s to 1990s), and
Phase III – Outward Orientation – (From 1990 onwards).

COMPOSITION OF INDIA'S TRADE

Factor endowments, trade policies, technology, and movements in global commodity prices have had a strong bearing on the composition of India's trade over time. The global financial crisis of 2008 in conjunction with commodity price shocks significantly affected the composition. There was a rebound in 2010-11 in terms of robust global growth, relatively stable global commodity prices and a pick-up in trade.

The top eight export sectors - petroleum products, gems and jewellery, textiles, chemicals and related products, agriculture and allied sector, transport equipment, base metals and machinery-- continue to dominate India's export basket, accounting for nearly 86.4 per cent of total exports in 2014-15 (as compared to 78.1 per cent in 2010-11). Petroleum, crude and products occupy top position among the top eight export sectors with an 18.3 per cent share of total exports in 2014-15 (as against 14.6 per cent in 2010-11). The share of gems and jewellery exports declined from 17 per cent in 2010-11 to 13.3 per cent in 2014-15 (Table1).

The shares of agriculture and allied exports, chemicals and related products and transport equipment in total exports have increased from 7.1 per cent, 8.3 per cent and 6.6 per cent respectively in 2010-11 to 9.7 per cent, 10.2 per cent and 8.6 per cent in 2014-15. Overall export growth declined by 1.3 per cent in 2014-15, but this was a mixed bag of a decline in exports of petroleum products, gems and jewellery and agriculture and allied products, which constituted 41.3 per cent of India's total exports in 2014-15, as against growth in exports of transport equipment, base metals and machinery which exhibited growth rates of 20.2 per cent, 10.6 per cent and 12.2 per cent respectively in 2014-15.

Low growth rates of 0.5 per cent and 3.0 per cent were exhibited by exports of textiles and chemical and related products. Although the share of marine products and leather and leather manufactures is low in India's total exports, they registered high growth rates of 9.8 per cent and 8.3 per cent respectively in 2014-15. Data available on commodity wise performance this year (April-December 2015) indicates that the decline in export was broad-based. Similarly imports into India declined by 0.5 per cent to US$448 billion in 2014-15 as compared to US$450.2 billion in 2013-14, on account of a fall in POL imports by 16.0 per cent. The decline in POL imports owed to a fall in international crude oil prices (Indian basket) from US$105.5 per barrel in 2013-14 to US$ 84.2 per barrel in 2014-15.

Petroleum, crude and products, chemicals and related products, gold, electronic goods and machinery accounted for 62.5 per cent of India's total imports in 2014-15. Major items of imports like chemicals and related products, electronic goods and gold registered growth rates of 8.2 per cent, 13.8 per cent and 19.9 per cent respectively in 2014-15 (Table 2). Imports of petroleum crude and products, transport equipment and pearls, precious and semi-precious stones witnessed a decline in growth rates by 16.0 per cent, 5.4 per cent and 5.8 per cent respectively.

During 2015-16 (April-December), total imports declined by 15.9 per cent to US$295.8 billion as against US$351.6 billion in 2014-15 (April-December). Detailed commodity breakup shows that imports of electronic goods, agriculture and allied products

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and fertilizers registered growth rates of 11.5 per cent, 6.9 per cent, and 19.4 per cent respectively. Machinery, an important item of capital goods import, registered low growth of 0.8 per cent while transport equipment imports witnessed negative growth of 12.6 per cent in 2015-16 (April-December).

Table 1: Sector wise share and growth rate of exports

	Share				Growth rate			
	2013-14	2014-15	2014-15 (Apr-Dec)	2015-16	2013-14	2014-15	2014-15 (Apr-Dec)	2015-16(P)
Plantation	0.5	0.5	0.5	0.6	-11.7	-7.5	-6.1	3.4
Agri & allied products	10.5	9.7	9.6	9.2	0.9	-8.5	-4.4	-21.5
Marine products	1.6	1.8	1.8	1.9	44.8	9.8	15.4	-14.8
Ores & minerals	1.1	0.8	0.8	0.7	-2.6	-32.7	-30.1	-22.0
Leather & leather manufactures	1.8	2.0	2.0	2.1	17.2	8.3	13.5	-11.3
Gems & jewellery	13.2	13.3	13.0	14.6	-3.7	-0.3	1.4	-8.1
Chemicals & related products	9.8	10.2	9.9	12.2	6.5	3.0	5.6	0.3
Plastic & rubber articles	2.2	2.1	2.2	2.5	11.0	-3.6	1.7	-7.1
Base metals	7.1	8.0	7.7	7.3	4.2	10.6	13.8	-22.5
Electronics items	2.4	1.9	1.9	2.1	-5.2	-21.3	-21.7	-9.8
Machinery	5.6	6.3	6.1	7.2	5.8	12.2	15.1	-4.5
Transport equipment	7.0	8.6	8.5	8.1	15.2	20.2	28.4	-21.6
Textiles & allied products	11.8	12.0	11.4	13.6	12.4	0.5	4.3	-1.7
Petroleum crude & products	20.1	18.3	20.2	12.2	3.8	-10.1	1.1	-50.6
Others	5.3	4.5	4.4	5.8	-0.6	-16.0	-15.6	7.5
Total exports	**100.0**	**100.0**	**100.0**	**100.0**	**4.7**	**-1.3**	**3.5**	**-18.0**

Source: **Calculated from Directorate General of Commercial Intelligence and Statistics (DGCI&S), Kolkata data.**
Note: **Growth rate is in US dollar terms: P stands for provisional.**

Table 2: Sector wise share and growth rate of imports

	Share				Growth Rate			
	2013-14	2014-15	2014-15 (Apr-Dec)	2015-16	2013-14	2014-15	2014-15 (Apr-Dec)	2015-16
Plantation	0.2	0.2	0.2	0.2	3.5	-3.5	-3.2	14.5
Agri & allied products	3	4.2	4.2	5.4	-19.6	40.9	40.9	46.4
Ores & minerals	5.5	6	5.7	5.3	-5.4	9.4	9.5	-21
Of which								
coal, coke, briquilles,	3.6	4	3.7	3.4	-3.5	5.5	0.4	-21
Gems & jewellery	13	13.9	13.6	15.2	-30.3	6.7	3.7	-5.7
Of which								
Pearls, precious and semi-precious stones	5.3	5	5.1	4.9	5.7	-5.5	-2.1	-15.2
Gold	6.4	7.7	7.4	9	-46.7	19.9	10.7	2.4
Silver	1	1	1	1.1	129.9	-0.4	-7.7	-7.5
Chemicals & related products of which	7.9	8.6	5.6	9.9	-4.8	5.2	9.9	-3.4
Fertilizer	1.4	1.7	1.7	2.4	-28.5	18.1	8.1	19.4
Organic chemicals	2.5	2.5	2.6	2.6	9.6	2.5	9.4	-17.1
Plastic & rubber	2.5	3.2	3.2	3.6	2.1	12.2	18.3	-5.3
Base metals	4.8	6	5.8	6.5	-19.3	25.4	25.9	-6.37
Electronics items	7.2	8.2	7.9	10.4	-1.5	13.8	12.1	11.5
Machinery	6.9	7.1	6.8	8.1	-12.9	3	2.1	0.8
Transport equipment	3.6	3.4	3.1	3.2	-8.5	-5.4	-10.4	-12.6
Petroleum crude & products	36.6	30.9	33.1	23.1	0.4	-16	-4.6	-41.5
Others	8.5	8.1	7.7	9	5.9	-4.9	-2.4	-1.4
Total imports	**100**	**100**	**100**	**100**	**-8.3**	**-8.5**	**3.7**	**-15.9**

Source: Calculated from DGIC&S
NOTE: Growth rate is in US dollar terms : P stands for Provisional

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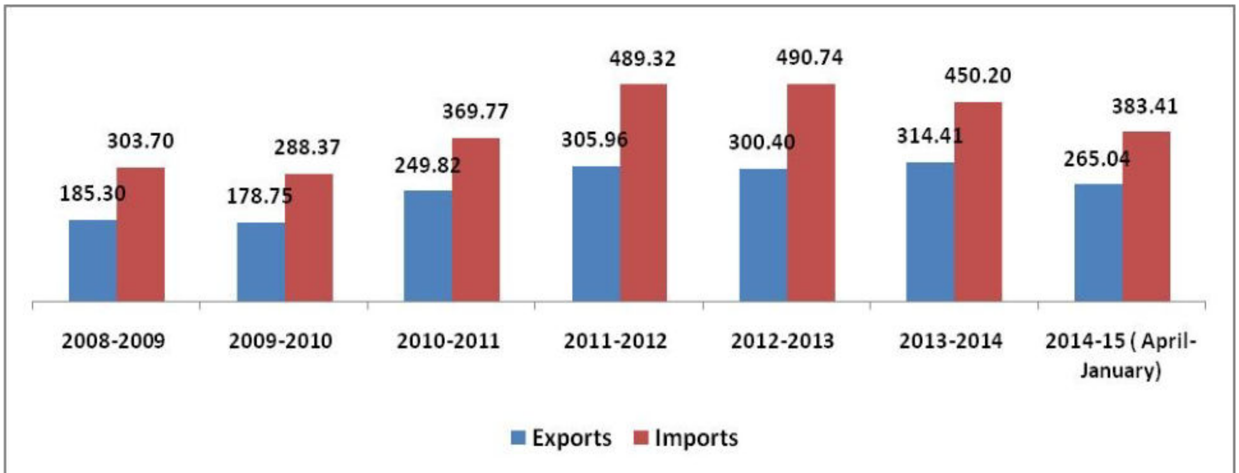
INDIA'S TRADE PERFORMANCE

Despite the global slowdown, India's merchandise exports increased from USD 83.5 billion in 2004-05 to USD 314.4 billion in 2013-14. 13. The cumulative value of imports in 2013-14 was USD 450.1 billion as against USD 490.7 billion during the previous year registering a decline of 8.3 percent. Coupled with the moderate growth in exports, this resulted in a decline in India's trade deficit from USD 190.3 billion in 2012-13 to USD 137 billion in 2013-14, contributing to a lower Current Account Deficit (CAD). India's two-way merchandise trade crossed USD 760 billion in 2013-14 or 44.1 percent of the GDP. If services trade is added, India's trade reached nearly USD 1 trillion. This has been achieved despite the global contraction and is indicative of India's resilience and increasing integration with the global economy.

Chart-1: India's Foreign Trade (in USD billion)



Sources: Authors Compilation

According to the WTO, in merchandise trade, India was the 19th largest exporter in the world with a share of 1.7 percent and the 12th largest importer with a share of 2.5 percent in 2013. In commercial services, India was the 6th largest exporter in the world with a share of 3.2 percent and the 9th largest importer with a share of 2.8 percent.

Table-3: India's Share in Global Trade (Figures in USD billion)

India's Exports of Merchandise		India's Imports of Merchandise	
Value	**Share / Rank**	**Value**	**Share / Rank**
313	1.7% (19th)	466	2.5% (12th)
India's Exports of Commercial Services		**India's Imports of Commercial Services**	
Value	**Share/Rank**	**Value**	**Share/Rank**
151	3.2% (6th)	125	2.8% (9th)

Sources: WTO's World Trade Report, 2014

Both external and domestic factors have posed a challenge to export growth such as the global trade slowdown from 2008-09 onwards, exchange rate fluctuations and non-tariff barriers imposed by India's trading partners and loss of competitiveness in many product areas. The inherent limitations of manufacturing in India, the lack of diversity and focused efforts on services exports, the under achievement of the potential of SEZs, high transaction costs, high cost of trade finance and infrastructural bottlenecks are the domestic challenges to be overcome. The heavy dependence on imports of essential commodities including crude oil, gas, coal, pulses, edible oils, fertilizers and electronics has kept India's trade deficit at a high level.

While there has been a gradual shift in India's exports away from the advanced economies of the European Union and North America, the United States of America continues to be the topmost destination for India's exports with a share of 12.4 percent in 2013-14 followed by the United Arab Emirates (9.7 percent) and China (4.7 percent) in 2013-14 .The IMF WEO update presents a mixed picture for these key markets for India's exports.

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OBJECTIVES OF THE FTP 2015-2020

- The FTP for 2015-2020 seeks to achieve the following objectives:
- To provide a stable and sustainable policy environment for foreign trade in merchandise and services;
- To link rules, procedures and incentives for exports and imports with other initiatives such as "Make in India", "Digital India" and "Skills India" to create an "Export Promotion Mission" for India;
- To promote the diversification of India's export basket by helping various sectors of the Indian economy to gain global competitiveness with a view to promoting exports;
- To create an architecture for India's global trade engagement with a view to expanding its markets and better integrating with major regions, thereby increasing the demand for India's products and contributing to the government's flagship "Make in India" initiative;
- To provide a mechanism for regular appraisal in order to rationalise imports and reduce the trade imbalance.

In order to achieve these objectives, the way forward requires measures to:

- Help improve India's export competitiveness and deepen engagements with new markets;
- Operationalise institutional mechanisms in existing bilateral and regional trade agreements;
- Deepen and widen the export basket;
- Reduce transaction costs;
- Make efforts to reduce the cost of export credit;
- Help improve infrastructure e.g., ports, laboratories and Common Facility Centres;
- Promote product standards, packaging and branding of Indian products;
- Rationalise tax incidence - introduce the Goods and Services Tax (GST);
- Help improve manufacturing by mainstreaming exports;
- Incentivise potential winners for promising markets;
- Promote and diversify Services Exports; and
- Mainstream States and Ministries in India's Export Strategy.

These measures cut across several Departments and Ministries of the Government of India and also State Governments. The success of trade policy is critically dependent on the coordinated efforts of the Government of India as a whole as well as State Governments.

SALIENT FEATURES OF THE FTP 2015-2020

Merchandise Export from India Scheme: The six different schemes of the earlier FTP (Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agriculture Infrastructure Incentive Scrip, Vishesh Krishi and Gram Udyog Yojana and Incremental Export Incentive Scheme) which had varying sector-specific or actual user only conditions attached to their use have been merged into a single scheme, namely the Merchandise Export from India Scheme (MEIS). Notified goods exported to notified markets will be incentivized on realized FOB value of exports. Countries have been grouped into three categories--namely Category A: traditional markets, Category B: emerging & focus markets and Category C: other markets-for grant of incentives. The government has expanded the coverage of the MEIS on 29 October 2015 by adding 110 new items. The incentive rate/country coverage of 2228 items has been enhanced.

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Service Export from India Scheme: The Served from India Scheme (SFIS) has been replaced with the Service Export from India Scheme (SEIS). The SEIS applies to 'service providers located in India' instead of 'Indian service providers'. Thus it provides for incentives to all service providers of notified services who are providing services from India, regardless of the constitution or profile of the service provider. The rates of incentivization under the SEIS are based on net foreign exchange earned. The incentive issued as duty credit scrip, will no longer carry an actual user condition and will no longer be restricted to usage for specified types of goods but be freely transferable and usable for all types of goods and service tax debits on procurement of services / goods.

Incentives (MEIS & SEIS) to be available for SEZs: FTP 2015-20 extends the benefits of the MEIS and SEIS to special economic zones (SEZ) as well, which will give a new impetus to the development and growth of SEZs.

Duty Credit Scrips are Freely Transferable and Usable for Payment of Custom Duty, Excise Duty and Service Tax: All scrips issued under the MEIS and SEIS and the goods imported against these scrips are fully transferable. Scrips issued under these schemes can be used for the following:

- Payment of customs duty on import of inputs / goods including capital goods.
- Payment of excise duty on domestic procurement of inputs or goods, including capital goods as per notification of Department of Revenue (DoR).
- Payment of service tax on procurement of services as per DoR notification. Basic customs duty paid in cash or through debit under duty credit scrip can be taken back as duty drawback as per DoR rules, if inputs so imported are used for exports.

Other measures

- Under the Export Promotion Capital Goods (EPCG) scheme, in case capital goods are procured from indigenous manufacturers, specific export obligation has been reduced to 75 per cent. This is designed to help the indigenous capital goods manufacturing industry.
- Under the MEIS, export items with high domestic content and value addition have generally been provided higher levels of incentives.
- Hard copies of applications and specified documents which were required to be submitted earlier for incentive schemes and duty exemption schemes have now been dispensed with.
- Landing documents of export consignments as proof for notified market can now be digitally uploaded as specified.
- There will be no need to submit copies of permanent records / documents repeatedly with each application, once the same are uploaded in the exporter / importer profile.
- Dedicated e-mail addresses have been provided for faster and paperless communication with various committees of the Directorate General of Foreign Trade (DGFT), e.g. Norms Committee and Exim Facilitation Committee.

TRADE POLICY MEASURES

In the wake of declining exports, the government took various measures to boost exports in the Union Budget 2015-16 and a new Foreign Trade Policy (FTP). A new FTP for the period 2015-20 was announced on 1 April 2015, with a focus on supporting both manufacturing and services exports and improving the 'Ease of Doing Business'. The new FTP aims to increase India's exports to US$900 billion by 2019-20. It also provides the road map adopted by the government to improving the 'Ease of Doing Business'. The new FTP aims to increase India's exports to US$900 billion by 2019-20. It also provides the road map adopted by the government to align it with the 'Make in India' and 'Digital India' programmes and to ease trade.

RECENT MEASURES FOR TRADE FACILITATION

- The government has reduced the number of mandatory documents required for exports and imports to three each, which is comparable with international benchmarks. The trade community can file applications online for various trade-related schemes. Online payment of application fees through credit/debit cards and electronic funds transfer from 53 banks has been put in place.

- **Customs Single Window Initiative:** The Union Budget 2014-15 announced an Indian Customs Single Window Project to facilitate trade. This project envisages that importers and exporters will electronically submit their customs clearance documents at a single point with customs. Any permissions required from other regulatory agencies (such as animal quarantine, plant quarantine, drug controller and textile committee) could be obtained online without the importer / exporter having to separately approach these agencies. The single window will thus provide importers / exporters a single point interface for customs clearance of import and export goods, thereby reducing personal interface with

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governmental agencies, dwell time and cost of doing business. With effect from 1 April 2015, an electronic exchange facility has been established between customs and the Food Safety and Standards Authority of India (FSSAI), the Department of Plant Protection, Quarantine and Storage (PQIS) at the Jawaharlal Nehru Port Trust (JNPT) (Nhava Sheva), inland container depot (ICD), Tughlakabad and ICD, Patparganj, for online message exchange, including no objection certificates (NOC) with/from these agencies. Other regulatory agencies such as animal quarantine, the textile committee, the drug controller of India and wildlife authorities are also being brought within the ambit of single window customs clearance.

- **24x7 Customs Clearance**: With effect from 31 December 2014, the facility of 24x7 customs clearance for specified imports, namely goods covered under 'facilitated' bills of entry, and specified exports, namely factory stuffed containers and goods exported under free shipping bills, have been made available at 18 seaports. Similarly, the facility of 24x7 customs clearance for specified imports, namely goods covered by facilitated bills of entry and all exports, namely goods covered by all shipping bills has been extended at 17 air cargo complexes. This will help in faster clearance of such import and export goods, reduce dwell time and lower the transaction cost.

- One of the major objectives of the new FTP is to move towards a paperless 24x7 working environment.

- A new facility has been created to upload documents in exporter/importer profile so that exporters are not required to submit documents repeatedly.

- Attention has also been paid to simplifying various 'aayat niryat' forms, bringing in clarity in different provisions, removing ambiguities and enhancing electronic governance.

- The Directorate General of Foreign Trade (DGFT) has launched a new-look website, making it more user-friendly and easy to navigate. The DGFT website has a large dynamic component whereby the trade community can file applications online for importer exporter code (IEC) and various other schemes of the DGFT. Exporters can also see the status of their electronic bank realization certificates almost in real time.

- The website is rich in content with all documents related to FTP along with a responsive online grievance redressal system.

- The DGFT launched a 'DGFT' mobile application in June 2015. The application allows exporters/importers to access foreign trade policy and other related documents in an easy-to-use searchable format and check status of transmission of various authorizations and shipping bills, etc.

- Training / Outreach Programmes for Exporters:

  The Niryat Bandhu Scheme has been galvanized to achieve the objectives of Skill India. Outreach activities are being organized at MSME (micro, small and medium enterprises) clusters with the help of export promotion councils (EPCs) and other willing 'industry partners' and 'knowledge partners'.

  More than 20,000 entrepreneurs have been given exposure by DGFT regional offices under the Niryat Bandhu Scheme. In September 2015, the DGFT in collaboration with the Indian Institute of Foreign Trade (IIFT) has launched 'Niryat Bandhu at Your Desktop', an online certificate programme in export import business. The programme has elicited very good response. Four programmes have been completed.

- An ambitious outreach programme has been launched by the Department of Commerce (DoC) for exporters located in the major export clusters/cities. The programme focuses on:

  Training exporters to utilize free trade agreements (FTA).

  Taking inputs from exporters on FTAs under negotiation, for example the Regional Comprehensive Economic Policy (RCEP).

  Promoting awareness about the contents of the www:indiantradeportal.in launched by the DoC.

Other Important Measures

- A Council for Trade Development and Promotion has been constituted in July 2015 to ensure continuous dialogue with the governments of states/ union territories (UT) on measures for providing an international trade-enabling environment and for making the states active partners in boosting India's exports. The first meeting of the council was held on 8 January 2016.

- The state / UT governments have been requested to develop their export strategy, appoint export commissioners, address infrastructure constraints restricting movement of goods, facilitate refund of value-added tax (VAT) / octroy / state-level cess, address other issues relating to various clearances and build capacity of new exporters in order to promote exports. States and UTs have also been issued user-ids and passwords to facilitate access to the foreign trade database maintained by the Directorate General of Commercial Intelligence & Statistics (DGCI&S) to extract the export data relating to their states.

CONCLUSION

India is presently known as one of the most important players in the global economic landscape. Its trade policies, government reforms and inherent economic strengths have attributed to its standing as one of the most sought after destinations for foreign investments in the world. Also, technological and infrastructural developments being carried out throughout the country augur well for the trade and economic sector in the years to come.

Boosted by the forthcoming FTP, India's exports are expected reach US$ 750 billion by 2018-2019 according to Federation of India Export Organisation (FIEO). Also, with the Government of India striking important deals with the governments of Japan, Australia and China, the external sector is increasing its contribution to the economic development of the country and growth in the global markets. Moreover, by implementing the FTP 2014-19, by 2020, India's share in world trade is expected to double from the present level of three per cent.

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GREEN MARKETING: A STUDY OF CONSUMERS' BUYING BEHAVIOR IN RELATION TO GREEN PRODUCTS

Rakesh Dondapati[53] Dr. S. Rabiyuthal Basaria[54]

ABSTRACT

Environmental issue is a sizzling topic nowadays as almost every country's government and society has started to be more aware about these issues. This leads to a trend of green marketing used by the firm as one of the strategies in order to gain profit and protect the environment. This paper will be discussing the green marketing and its sustainability as well as the tools and marketing mix of green marketing. Other than that, the green consumer and branding will be discussed in further in this paper as this will attract more consumers. Lastly, firm will be benefited once green marketing strategy is applied.

KEYWORDS

Marketing, Green Marketing, Sustainability, Green Marketing Benefits, Green Marketing Tools etc.

INTRODUCTION

Green Marketing is the most latest and popular trend market, which facilitated for the environment-friendly in individual, animal and planet. Due to Increase in climate change and global warming, the public concern for environmental problems is continuously increased over the past decades. The businesses and consumers have started to challenge eco-friendly products as they become more concerned on the environment, health and wealth in order to protect the earth's resources and the environment. In addition, the firms have slowly applied green marketing practices in their projects as a part of social conscience and they are demanding to reach the consumers with their green messages (Nagaraju & Thejaswini, 2014). For instances, the firms remain to introduce different forms of green packaging programs through the recommendation of recyclable and reusable packages as the importance of green marketing to market success has been increased. Furthermore, firms today are experienced with consumers who are environmentally conscious when making a purchase as green marketing is a current focus in business enterprises. Therefore, consumers are becoming more conscious towards their environmental approaches, desires and purchases. Therefore, this has led to increased motive of consumers to purchase environmentally friendly products and services. They are more concern on environmental issues and hence will consider purchasing products that are more environmentally friendly, even if these products are charged in higher prices. The consumers have become more interested with the importance of natural environment and are understanding that their production and consumption purchasing behavior will have direct impact on the environment. As a result, the increasing number of consumers who are willing to buy environmentally friendly products are building opportunity for businesses that are using "eco-friendly" or "environmentally friendly" as an element of their value proposition. Businesses that provide products, which are manufactured and designed with an environmental marketing mix, have a stable competitive advantage. A better understanding of consumers' buying behavior will support businesses to achieve more market-applicable approach to maintain in the competitive market. Moreover, it also allows businesses to bring more consumers and shape their products or services according to their demands or change consumers' behavior towards their products or services. (Agyeman, 2014).

GREEN MARKETING AND SUSTAINABLE DEVELOPMENT

The American Marketing Association (AMA) defines green marketing as marketing of products that are believed to be environment-friendly, which organizes into various activities such as product adjustment, modification of production processes, packaging, labeling, advertising strategies as well as increases awareness on compliance marketing amongst industries (Yazdanifard, 2011). According to Business Dictionary, the definition of green marketing is promotional exercises intended at taking benefits of shaping consumer behavior towards a brand. These adjustments are progressively being affected by a company's practices and policies that influence the characteristic of the environment and indicate the standard of its concern for the community. On the other hand, it can be recognized as the promotion of environmentally secure or advantageous goods (Yazdanifard, 2015). According to the World Commission on Environmental Development (1978), Sustainable Development defines "meeting the needs of the present without compromising the ability of the future generations to meet their own needs" (p. 134). The typical idea during the whole of this strategy of sustainable development is the desire to merge economic and ecological developments in decision making by constructing policies that conserve the standard of agricultural advancement and

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environmental conservation. The environment conservation for the current and the future generation is what the outcome product of green marketing. (Vandhana, Karpagavalli, & Ravi, 2013).

GREEN MARKETING TOOLS

Eco-label, eco-brand and environmental advertisement are part of the green marketing tools, which can make perception easier and increase awareness of eco-friendly products features and aspects. Consequently, this will lead the consumers to purchase the environmentally friendly products. Practicing these policy tools plays an important role in changing consumer-purchasing behavior to purchase environmental friendly products, thus, decreasing the adverse effect of artificial products on the environment (Delafrooz, Taleghani, & Nouri, 2014).

Eco-labeling

Eco-label is one of the important green marketing tools used on eco-friendly products. Eco-label is characterized as a tool for consumers to assist the progress of making a decision to choose eco-friendly product. It also allows them to understand how the processes of products are made. Environmental labels are used by marketing to facilitate the labeling of green products. Labels made up of a series of small pieces of paper, up to very complicated diagrams that are involved as a part of the goods packaging. Labels can include merely the brand products or a series of mixed information. In some conditions, the seller may want a direct 'Label', but law obliges them to contribute more information. (Delafrooz, Taleghani, & Nouri, 2014).

Environmental labels allow consumers to easily distinguish environmentally friendly products over normal standard products. Eco-label is positively correlated with consumer enthusiasm to buy (Awan & Raza, n.d.). The recognition of eco-label has a positive impact between the information of a green product and consumer's willingness to buy. In addition, previous researches that were finalized in western nations have agreed that most consumers have positive green consciousness on eco-labeled products (Cherian & Jacob, 2012). Eco-labels are appealing tools notifying consumers about the environmental impact of their buying determination. (Rashid, 2009).

To guide consumers to classify products those are more environmentally favored than other identical products, eco-labeling schemes were proposed in order to facilitate environmental consumerism. The very first eco-labeling schemes have been developed since the late 1977 in Germany (Blue Angel eco-label). In modern day, there are relatively 30 various green label schemes worldwide. Asian countries such as China, Japan, Korea, India, Thailand, Malaysia and Singapore have launched their own eco-labeling schemes. The Malaysian business sector is not far behind in reacting to protests rising from interest made from the consumers for eco-friendly products. Malaysian green label schemes were committed to launch in 1996 by the Standards and Industrial Research Institute of Malaysia (SIRIM) in the time of there were eco-labeling schemes connected to degradable, agricultural products, energy conservation, electronic equipment, hazardous metal-free electrical, non-toxic plastic packaging material, recycled paper and biodegradable cleaning agents. (Rahbar & Wahid, 2015).

Eco-brand

The American Marketing Association interprets a brand as "a name, term, sign, symbol, or design, or the combination of them, engaged to recognize the goods or services of one seller or group of sellers and to distinguish them from those of a competitor." This description can be concluded for the eco-brand as well. Eco-brand is a name, symbol or image of products that are harmless to the environment. Applying eco-brand aspects can help consumers to distinguish them by some means from other non-green products (Delafrooz, Taleghani, &Nouri, 2014). Consumers will pursue to purchase eco-friendly options for products that produced high level of environmental impact correspond to those with low level of environmental impact. Malaysian consumers consider aerosols, household cleaning, glass based, pesticides and plastics as non-green product classifies with high level of impact to environments. (Rahbar & Wahid, 2015).

For that reason, it can be anticipated that consumers will react positively to products with environmental aspects known as eco-branded products. The earlier research in western countries encourages this opinion as consumers in the Germany and USA take action positively to eco-branded products such as green energy and Body Shop (Wustenhagen & Bilharz, 2016). A consumer's interpretation on the environmental conduct of brands should be positively impressed by environmental labels. Recognition of the impact of brands on consumers' purchasing opinion is very critical for marketers and marketing researchers. This impact is recognized as brand equity. Brand equity can be defined as a particular impact that brand awareness has on a consumer's reaction to the marketing of that brand from a consumer's viewpoint.

Green brands should be used to point out the situation that green products functions the same as non-green ones. In addition, green brands should be used to assist consumers distinguish green brands from other identical brands with same actions. The critical aspect persuading consumers to change actual purchase behavior to buy eco-friendly products is emotional brand benefits. Hence, the purchasing behavior will change to purchase environmental friendly products because of concerning of the Advantage of green brands. The consumers who widely recognized themselves as an environmental responsible consumers suggest to picks the green products in their actual purchase to meet their emotional desires. (Rahbar & Wahid, 2015).

Environmental Advertisement

In order to improve green movements worldwide and raise public attention to environmental problems, most organizations prefer environmental advertisements through media or newspapers as green techniques for introducing their products to environmentally responsible consumers. Green advertisement is one of the ways to influence consumers' purchasing behavior that will strongly encourage consumers to buy products that are eco-friendly to our environment. Besides, direct their attention to the positive consequences of their purchasing behavior, for themselves as well as the environment. (Delafrooz, Taleghani, & Nouri, 2014).

Davis (1994) describes there are three elements in green advertisement. Firstly, the company will start a statement that is related to the environment. Secondly, the company will demonstrate its concern and dedication to improve the environment by its changed procedure from the green advertisement. Thirdly, specific environmental actions in which the company is involved will be promoted by green advertisement (Rahbar & Wahid, 2011). When the population of companies using environmental interest in their advertisement is getting higher, even though some of them are just simply green washing, it will lead consumers to be suspicious towards environmental advertising. For marketing managers, who tries to be environmentally responsible and anticipates a reward from consumers for their responsible behavior, the reliability and influences of green advertising is a major issue. Marketing managers and advertising professionals need to master environmental information communication and presentation of environmental information in the ads. (Alniacik & Yilmaz, 2012).

BUSINESSES AND GREEN MARKETING

There are significant alterations for activation in the business world in relation to the importance towards the environment and the society. Corporate ethical code of the 21st century is being green. Without a doubt, the main objective of companies is profitability but it is highly difficult for companies with the particular objective of making profit to achieve sustainability. Companies should be mindful of their duties towards the environment and the community similarly as towards customers, workers and shareholders. Climate change, environmental problems and social problems will confront the leaders of future generation for engaging effective and inclusive determinations. In the practice of engaging these determinations, the first concern of Business society should be placed on the key of conserving the environment instead of improving the profitability of the business (Boztepe, 2012). In order to improve profitability, which is a direct advantage for the business itself, green marketing can advantage society by promoting not only the communication about but also the practice of green business process. The companies actually have a strong possibility to enhance their attitude if they engaged in environmental business activities. This is because to allege that their products are eco-friendly they have to absolutely assess the product in a way that matches valid requirements to acquire certified eco-labels. In addition, they do not wish to lose the trust of the environmentally conscious consumers they focus on ("Fact Sheet-Green marketing," n.d.).

MARKETING MIX IN GREEN MARKETING

The marketing mix is derived from conventional marketing (Kontic, Biljeskovic, & Brunninge, 2010). Marketing mix are the different ways invented by a company to bring a good or service to the market. In green marketing, environmental concern is an element that marketing mix must give on fully accountability. Marketing mix ordinarily known as 4P's comprises of components such as product, price, place and promotion. In the extended marketing mix as in case of service sector, three other components such as people, physical evidence and process are combined to make up 7P's. According to green marketing principle every components in the marketing mix will have a green perspective from establishing to introducing a product to the market (Arseculeratne & Yazdanifard, 2014). When a product is manufacture under a process of eco-friendly and harmless to the environment, the product may be named as green product. During production process, environmental pollution is an issue that business has to reduce. Natural resources ought to be preserved during physical removal of raw materials from a product. Significant area must be form by waste management in this connection. Ecofriendly design product should be manufactured and packaging process should lessen contamination and pollution. Product enhancements certainly involve a significant amount of sunk costs but they are worth the resolution since development in the product would bring about a turnaround in sales. The manner of reversed logistics whereby customers return to the business used wrapping, packaging and even the recycled product itself would considerably help to conserve the environment (Arseculeratne & Yazdanifard, 2014). Going green is pricey as they comprise various costs such as teaching nation, gadget, establishment of modern technology, absorbing extrinsic costs, converting waste into recycled products. Undoubtedly, these will cause the products to be more expensive. Therefore, green price is termed as premium price. These will have additional stress on promotions due to premium price. Marketing exertion must rationalize these expenses and consumers need to be convinced to pay a premium, so that realistic messages in adverts are needed. Nevertheless the fare of green products may be decrease when deal with packaging material. Indeed some businesses have established this to be an attractive scheme when packaging costs develop a huge part of the unit cost (Arseculeratne & Yazdanifard, 2014). Green distribution comprise appointing pathway in a manner to diminish environmental impairment. Most of the damages are induced during shipping of goods. Therefore, safety precautions must be implemented in the shipping of goods (Arseculeratne & Yazdanifard, 2014). Promotional material of a business is necessary in green marketing. The major information of go green has to transmit to the customers through direct marketing, sales promotions, advertising and public relations. Public relations and advertising indeed have become the most broadly used platforms to launch the green perspective of a business. Going green occasionally develop into a major national connections exercise as it form a bridge between the business and the society. Green advertising might be used to promote products, justify their features and price (Arseculeratne & Yazdanifard, 2014). Due to deficiency of information, most customers are not exactly aware the significance of green product thus green promotional strategy should realize this fact. To forward this void in the lack of information, a business may exercise numerous green promotional strategies. Customers need to be cognizant of the kinds of environmental issues a product would clarify in the first place for them to evince an interest in a green product. (Arseculeratne & Yazdanifard, 2014).

GREEN CONSUMER

Consumerism can be defined as a progress, which originally started as a practice, which was presented to safeguard consumers against operations of unethical business. Over time, this has widespread and grow into wider in nature. When today's agenda about consumer advocacy is taken into study, it can be recognized that conservation of the environment is the most important element (Dono et al., 2010). There is an impact growth in the concern revealed towards environmental conservation leading to "green consumerism"(Eriksson, 2002).The green consumer is typically known as one who support eco-friendly attitudes and/or who purchases green products over the standard alternatives (Boztepe, 2012). Almost all consumers are conceivably green consumers. For instance, when a consumer has option to choose from two similar products, the consumer will choose to buy environmentally friendly product (Awan & Raza, n.d.). There have been a total of various circumstances, which are influential in encouraging green consumers to buy green products. Far-reaching research over the years classify that intensive understanding of green issues heightened level of knowledge opportunity on environmental subsistence; green advertising by corporations raised concern for the environment; expanded in recognition of green products by environmental and social charities as some circumstances. This overpowering advance in the general environmental awareness among various consumer biography have been attempt undertaken by companies to "go green" by introducing the idea of corporate environmentalism. (Cherian & Jacob, 2012).

CONSUMERS' ENVIRONMENTAL CONCERNS

Consumers' environmental concerns are connected to the benefit towards the biophysical environment and its issues connected to the consumer and the surroundings. Initially, gender plays an essential role in consumerism and environmental consciousness (Kaufmann, Panni, or phanidou, 2012). It has been recognized by prior research that women were more concerned about the environment than men. Besides, it has been told that consumers show environmental concerns depending on product features, precision of green product claims, information provided on the products and its advantages (Suki, 2013).For consumer packaged goods purchases, women are usually the primary target audience as they still do the bulk of today's household shopping. For instances, Seventh Generation, a viable personal care and household cleaning products manufacturer, targets the middle along with new mothers, whom they find to be specifically concerned in creating the world a better place for their newborns. Other the other hand, packaging plays a crucial role in the product's sustainability. Consumers are conscious of environmental packing choices progressively and are shaping their behavior as a consequence. A well-known example of this is with water bottles. Many consumers have made the switch from buying single-use plastic water bottles to using refillable water containers. In year of 2008, 2.5 million tons of plastic bottles and jars were thrown away. The intensely slow decomposition rate of plastic bottles leaves them to remain in litter oceans for years. Because of increased consumer awareness and consumer demand, sales of reusable water bottles from environmentally friendly producers such as Sigg and Kleen Kanteen have come onto the market. Consumers even demand hygienic, filtered water, and firms, such as Brita and PŪR, producers of water filters, have seen, a 22.2 percent and 15.2 percent increase in sales during 2009, accordingly. Moreover, another powerful consumer-packaging trend is the use of reusable shopping bags at grocery stores. Americans use one hundred billion plastic shopping bags every year and over five hundred billion are consumed globally. In this regard, four billion become general litter. Now it is almost trendy to bring your reusable shopping bags to grocery store as consumers and retailers are recognizing this new environmental behavior. In the year of 2011, more than two-thirds of consumers signified that they now use reusable shopping bags. (Gittell, Magnusson, Merenda, 2015).

BENEFITS OF GREEN MARKETING

Nowadays consumers gradually acknowledge the need to take care of the environment and become more culturally responsible. Therefore, accountability of companies to consumers' inclinations for environmentally harmless or neutral products is essential (Saini, 2013). Green Marketing has many important benefits for those communities whose accept these new concepts. First important benefits are revenue increased. Consumers prefer every new and positive concept, so that innovator plays an essential role in this segment. A successful product that fulfills consumer satisfaction will definitely have an increase in sales and revenue. Second important benefits are cost reduced. In green marketing, the cost of raw materials is low thus, it will increase the productions and save money. On top of that, green marketing can build brand value. A great green practices company will get a good brand value in the heart of the consumers. Another important benefit of green marketing is getting tax breaks and loans from

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government because those innovative companies, which help the nation, who are living in a rural or un-employment will bear uncertain risks. Besides, they save environment and health of nation so they receive subsidies from government. Lastly, the most crucial advantage of green marketing is world salvation. Disposal and treatment of wastage, production process of companies will produce emissions of several greenhouse gases, which contribute to global climate change, which can causes greenhouse effect. By following a great way of green practices, the companies could save the world in the way of saving the health of peoples and the environment. (Rajeshkumar, 2012).

DISCUSSION

The main objective of this paper was to determine the study of green marketing and it is sustainability on the environment and companies as well as the tools and marketing mix of green marketing. Moreover, this paper also focuses on the behavior of consumers and branding to attract more consumers. This finding is important because the earth's resources are gradually depleting and earth is getting more and more polluted. Green marketing is a strategy, which benefits the environment and the firms; it is a win-win strategy. The company can definitely reduce costs and impress a positive image on the consumers. A company's reputation plays an important role because having a good reputation has been justified being beneficial to the company. Green marketing not only benefits the company but also acts as a very important strategy in preserving our environment. Therefore, each company, regardless of its industry, should consider integrating sustainability into their marketing strategy. Those that do will seek recognition of their efforts. These companies should consider green marketing, keeping in mind that green marketing is not a cure-all for increasing sales.

Companies should keep in mind that there is no universal green marketing strategy. Companies engaged in green marketing should structure their effort to minimize green washing risks. For instance, few strategies can be used to practice green marketing. The companies adopt marketing mix concept in green marketing, this enables the companies to manage the 4Ps appropriately. Firstly, the companies have to understand the customers' needs and wants, so that the companies can produce a suitable product for the customers. Moreover, the price of the products is a very important element. The price has to be affordable to the majority of the consumers. Lastly, the places that distribute green products have to be convenient to the consumers. After all, company that adopting green marketing as one of their strategy will benefits the firm.

CONCLUSION

As environmental issues continue to affect human activities, society is now regards them with much concern. Most firms have started using sustainable development framework, which is known as green marketing, and most of the organizations have acknowledged green products, which are environmentally friendly. Marketing managers can use green marketing to earn profits. In addition, green marketing is able to preserve the environment while satisfying customers' needs. Therefore, green marketing is a tool now used by many companies to increase their competitive advantage as people is presently very concerned about environmental issues.

In the time applying green marketing, the companies have to comply with the consumers' needs and wants. Consumers want to recognize themselves with companies that are green compliant and are willing to pay more for a greener life style. For this reason, green marketing is not only an environmental protection tool but also a marketing strategy (Yazdanifard, 2011). Other than that, marketers can provide training to their employees, especially sales representative. This is to give them knowledge on how to promote the green product effectively by clearly presenting the main message to the consumers. Green marketing covers a Wide range of business activities and it is similar to marketing mix. Therefore, marketers should adopt a suitable single green marketing mix and strategy corresponding to company in which they conduct and target consumers conduct and target consumers' demands and personality. In addition, companies that carry out green marketing in the right place and on the right person may support the company to achieve their competitive advantage.

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LIFE INSURANCE CONSUMER'S BEHAVIOUR IN TAMIL NADU: A STUDY

Karthick R.[55] Dr. K. Chandrasekar[56]

ABSTRACT

India where there is high level of unemployment and where social security systems are absent, life insurance offers the basic cover against life's uncertainties. Recent study attempts to presents the summary of customer based analysis focused on Life Insurance Customers of various insurance companies in Tamil Nadu. The Analysis has been made to assess the relationship between age, income and investment in policyholders and to assess the customer preferences regarding investment issues and customer fidelity about Life Insurance Companies.

KEYWORDS

Consumer Behaviour, Investment Awareness, Life Insurance etc.

INTRODUCTION

An Indian insurance sector has huge potential and competitiveness among the market. Indians people are always thought general and life insurance as a tax saving device. Now a day insurance sectors are providing new products and variety for their choice. The evidence of the enlargement of the market can be seen in various other parameters. It was also recognized that India has a vast potential that is waiting to be taped and this could be achieved when sufficient competition is generated and it is exposed to the development. Last decade experience of the public and private sector together opening in the insurance market plays a significant role in shaping the economy and at the same time strengthens the risk taking ability. It also has a great social significance.

The Insurance sector has obviously started growing at a rapid place after the sector was opened up. The credit for enlarging the market should however go to the private sector as they came up with an aggressive market strategy to establish their presence. The public sector has in its turn, redrawn its priorities, revamped their marketing strategy, and together the public and private sectors have enlarged the market. All these efforts have brought life insurance closer to the customer and made it more relevant. The insurance companies are increasingly tapping the semi-urban and rural areas to take across the message of protection of life through insurance cover. Looking back in the previous decade, one can be reasonable of the period of the strides made by the insurance industry.

Recognition of the benefits of foreign participation to the Indian economy and consumers is at the heart of the Indian Finance Ministry and IRDA's support for a proposal now before the Indian Parliament to increase the foreign investment limit in the insurance sector from 26 per cent to 49 per cent. This increase will allow insurance companies to absorb new capital, which will facilitate industry expansion, the deployment of technical competencies, and the inflow of the latest products and services.

REVIEW OF LITERATURE

There are various studies related to Insurance Sector in India and abroad. It was found that the numerous numbers of literatures is available on insurance industry and its various aspects. Few relevant reviews are discussed here under:

Palli M. (2004), founds that in present scenario while boundaries between various financial products are innovating, people are looking not just at products, but at integrated financial solutions that can offer stability of returns along with total protection with flexible options, benefits unbundled and customized to suit their diverse need.

Vijaykumar A. (2007), found that the need of the nation and its people has finally prevailed and privatization of insurance is now a reality towards further liberalization of the Indian economy. The success of the insurance industry will primarily depend upon meeting the rising expectations of the consumers who will be the king in the liberalized insurance market in future.

Palande et. al., (2007), found that the present indications are that all economic actors are now in a mood to face the situation and have started preparing themselves for the challenges. The indications are that there is a bright future for the insurance industry in India.

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Rao, C. S. (2007), reported that Insurance is a vital economic activity and there is an excellent scope for its growth in the emerging markets. The opening up of the insurance sector has raised high hopes among people both in India and abroad. The recent dettarification in the non-life domain has provided a great deal of operational freedom to the players.

Arora & Mehta (2010), shown that Insurance companies will have to take initiative in educating people about the benefits of taking insurance and also they should come with more innovative and flexible plans so that the people are encouraged to take policies. If people aware of the insurance policy, they should understand the reality of why they are insured and should try to understand its essence.

Selvakumar & Priyan (2010), found that insurance companies are increasingly taping the semi-urban and rural areas to take across the message of protection of life through insurance cover. Higher level of protection implies that customers are more conscious of the need for risk mitigation, grater security, and about the future of their dependents. Insurance sector has been evolving and improving its underwriting and risk management abilities.

RESEARCH METHODOLOGY

In this study evaluative research methodology has been applied. Primary Data were collected via questionnaires from existing customers of the insurance industry.

The study is based on 430 random samples which are collected from major cities of Tamil Nadu with the help of questionnaire and personal interview.

Purpose of Investment: Investment in Insurance policy fulfilled so many purposes at a time. It may be financial compensation, family safety, tax rebate, risk cover and returns. Analysis done between Investment purpose and different income Ranges of the respondents. Purpose of investment of the respondents in insurance policies shown in below

Table-1: Investment Purpose (In INR)

Income Range (Rs.)	Tax rebate	Secure Retirement	Financial Compensation	Family Safety	Risk cover	Maximum Return
Less than 50000	4	14	7	23	17	9
50000 - 100000	12	13	7	27	11	7
100000 - 300000	7	9	21	18	24	15
300000 - 500000	15	11	17	23	19	26
More than 500000	12	5	13	12	11	21

Sources: Authors Compilation
Note: Data in parentheses is showing the percentage of actual data.

Table-1 shows out of 430 respondents, 103 respondents are invest their money for family safety. 82 respondents are invest for covering their Risk through the insurance policy. 78 respondent are invest their money for expecting huge returns. 65 respondent invest only for financial compensation, 52 respondent are invest money for secure and retirement.

Mediators for Getting Insurance Plans: In present competitive scenario of the Insurance Industry 24 Life Insurance companies providing their services throughout the country. They provide their services through various distribution channels like Bank, Broker, and Insurance Agent etc. In study attempt to find out what is the most Mediators source for getting insurance policy/product for customers. This analysis takes two variables Income group and various insurance policy provider agencies.

Table-2: Mediators for getting Insurance Plans (In INR)

Income Range (Rs.)	Insurance Agent	Bank	Financial Institutions	Brokers	Direct Insurance Company
Less than 50000	18	23	12	27	9
50000 - 100000	27	15	14	23	12
100000 - 300000	31	19	16	21	11
300000 - 500000	23	11	15	17	15
More than 500000	12	15	19	13	12

Sources: Authors Compilation
Note: Data in parentheses is showing the percentage of actual data.

Out of 430 respondents 111 respondents are selected insurance agent as a channel of investing their money, 101 respondents were select brokers as a mediator for their investment 83 respondents were investing through bank, 76 respondents selected financial institution and 59 respondents were directly investing their money in insurance companies itself.

FINDINGS

Earlier, Indian peoples were invest in insurance for the tax saving benefit. Now peoples were well aware about the schemes and investing their money for a useful purpose.

People investing their money in life insurance mainly for their family safety.

People having an age of 27 to 55, being awareness of different insurance policy with their purpose.

IT industry peoples are investing in the policy which has a high return for their investment.

In the age group below 25 years in the people are not aware of the insurance and in the age group of above 55 years they are well known about the insurance products but they are not interested to invest in the life insurance.

Upper middle class people, who belongs to Rs. 3,00,000 – 5,00,000 their income range buying more insurance policies/products as compared to other income groups.

CONCLUSION

In earlier days, customers could only buy limited pre-packaged products pushed by agents chasing quick sales. Life insurance has today become a mainstay of any market economy since it offers plenty of scope for garnering large sums of money for long periods of time. In present customers have access to more and better products that suit their specific needs and a new breed of insurance advisors has taken birth. These agent advisors build enduring relationships with their clients and help them better understand the value of life insurance and sell customized solutions in a needs-based manner. This higher quality of sales interaction has been among the key benefits of privatization.

A well-regulated life insurance industry which moves with the times by offering its customers tailor-made products to satisfy their financial needs is, therefore, essential if we desire to progress towards a worry-free future. That's why now is the time to discover the powerful advantages of Customer Relationship Management for the insurance industry. This comprehensive, fully integrated solution provides everything to build a cutting-edge, customer-centric, and highly profitable organization.

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PROTECTION OF INVESTOR'S INTEREST IN INDIAN LEGAL REGIME

Abhishek Manchanda[57]

ABSTRACT

Investor being such an important part of not only company but of the country's economy itself also happens to be the most vulnerable in this atmosphere. An investor is prone not only to the fluctuations of the market but also is at risk of falling victim to acts of insider trading, price rigging, unfair trade practice, frauds by intermediaries and many more. The protection of interest of investors should be of utmost importance for any country let alone India, the SEBI was established with an aim to increase the confidence of investors in the system, not only this till date many committees like the Kumar Mangalam Birla Committee, Narayan Murthy Committee, Dr. J. J. Irani Committee and more, have been constituted to look into the issue of Corporate Governance. The Legislature has enacted the Companies Act, 2013 to further empower both the SEBI and the investors and come up with concept like Class Action suits and appointment of an Independent Director by minority shareholders, etc. The following paper briefly discusses the problems faced by investors in current scenario, further focusing on the various legislations enacted for investor's interests.

KEYWORDS

Investors, Interest, SEBI, Shareholder, Companies Act, Legislations, Capital Market etc.

INTRODUCTION

Over the span of few decades, the Indian economy has seen a phenomenal progress in the capital market atmosphere with one of the highest growth rate in the world and such progress was never imagined even in recent years. The Investors, especially in densely populated countries such as India, are the backbone of the economic structure and with such an important role to play, it is essential to protect the investors from the evils of the delicate capitals market. Scams like the Satyam incident, Harshad Mehta scam and so on have proven that an investor is the most vulnerable from wrongdoers in the share market. The Legislature has also not been keeping silence over this issue and is making efforts to rectify the same, learning from its mistakes but the culprits are also not left behind as they find new ways to take advantage of the loopholes of the legal system.

Protection of Investor

Investors being the insiders of the Company are known as Shareholders or members of the company. It is not necessary that all members are Shareholders, but all Shareholders are the members of the company. An investor is an individual or a legal body corporate who invests his capital in another venture or business. Protection of investors means safeguard and enforcement of the rights and claims of a person in his role as an investor. The term investor protection is a wide term encompassing various legal measures designed to protect the investors from malpractices of companies, merchant bankers, depository participants and other intermediaries. The investor is a heterogeneous group as they may be large or small, reach or poor, expert or lay & all investor need an equal degree of protection for their invested amount in different corporates[1]. An investor is exposed to various risks because the utilizer of his money might commit mistakes. They are contributing funds for the productive purpose of the company but do not know about any activity of the company and therefore exposes them to risk.

Problems Faced by Investors

The average investor can face many problems in the market, which might result in loss of confidence in the legal system of the country. The following are few of the main issues faced by investors:

Frauds on the Minority: Fraud in the context of derivative action means abuse of power whereby the directors or majority, who are in control of the company, secure a benefit at the expense of the company.

[1]Ranjan Rahul, Provisions for the Protection of the Investor under the Companies Act, 2013, available at https://blog.ipleaders.in/provisions-protection-investor-companies-act-2013/ (Last accessed on: 13/05/2017)

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Control of the Company: Although Investors are the owners of the company they are not in control of the same, this is due to various reasons like the investor lives hundreds or maybe thousands of miles away from the company keeping in view the fact that it's much easier now to invest in a company as ever because of technological advancement, also it is impractical to travel back and forth long distances to manage day to day affairs of a company. Another reason can be that the investor is a minority Shareholder and does not have much say in the management of the company. As the investors don't have a control over the company they delegate their powers to the Board of Directors to manage daily affairs of the company which again in a way put them into a risk as the integrity of the Board of Directors is crucial in protecting the interest of the investors. Therefore, the control of a company is in the hands of the Board of Directors and just like a government in a democracy, they have many responsibilities towards the investors being their representatives. This opens up a Pandora box for the investors, as they become too vulnerable in a sense to the activities and decisions made by the Board of Directors. A perfect example can be of the Satyam scam regarded as countries' biggest ever-corporate accounting scandal where the company misrepresented its accounts to both its board, stock exchanges, regulators, investors and all other stakeholders.[2]

Stock Market Scams: Stock market scams are not uncommon in Indian capitals market, from the most recent Sahara Group scam of issuing bonds to investors without following the SEBI guidelines, to the CR Bhansal Scam, the Speak Asia Scam, the Harshad Mehta Scam, and so on[3]. All of these scandals have resulted in loss of confidence of the small investors in the system.

Price Rigging / Collusion or Inside Trading: Price rigging happens when trader(s) with inside information collude with other traders to benefit of the inside information, likewise, seller(s) might inflate the price of an asset to realize more profits[4]. This is at the cost of the investors' money.

Apart from the above, the investors in India faces many other problems like shortage of application forms, preferential allotment to the financial institutions, miss-statements, and pushing the issue through advertisement, fraudulent company management, price volatility, price manipulation, lack of liquidity, scarcity of floating securities, lack of transparency, high volatility in the secondary market, dominance of public sector and financial institutions.[5]

Functional Committees on Protection of Investors' interest

Working Group on the Companies

One of the very first of such committees i.e. the Working Group on the Companies Act was set up by the Government of India, which recommended many financial and non-financial disclosures, which called for a better transparency in the accounting of the organization. The principal of, greater the quality of disclosure, the more loyal are the Company's Shareholders was enshrined by this Committee.[6] A few recommendations made by this committee were to make disclosures of the debt exposure of the Company, to provide details of the relatives of Directors, either as employees or Board members of the Company to be part of the Director's Report, a register to be maintained by the Companies which disclose interests of Directors in any contract or arrangement of the company and the same is open for inspection needs to be made known to the Shareholders in the Annual General Meeting, among many others.

Kumar Mangalam Birla Committee

The SEBI, as the custodian of investor interests, on 7 May 1999 constituted an 18-member committee, chaired by Kumar Mangalam Birla on corporate governance, mainly with a view to protecting the investors' interests. The committee made recommendations, 19 of them were 'mandatory' and hence enforceable. The listed companies were obliged to comply with these because of the contractual obligation arising out of the listing agreement with stock exchanges.[7] Following are few of the recommendations made by this Committee:

[2]News report by Hindustan Times, available at http://www.hindustantimes.com/business/satyam-scam-all-you-need-to-know-about-india-s-biggest-accounting-fraud/story-YTfHTZy9K6NvsW8PxIEEYL.html (Last accessed on 10/05/2017)
[3]Mishra Mayank, 8 scams that rattled the Indian stock markets, available at http://www.rediff.com/business/slide-show/slide-show-1-special-8-scams-that-rattled-the-indian-stock-markets/20140730.htm#1 (Last accessed on 11/05/2017)
[4]Available at http://www.investinganswers.com/financial-dictionary/economics/price-rigging-3171 (last accessed on 11/05/2017)
[5]Agnihotri Abhay, Protection of the interest of the investor, available at http://www.legalservicesindia.com/article/article/protection-of-the-interest-of-the-investor-1560-1.html (Last accessed on 19/05/2017)
[6]Fernando A. C., Business Ethics: An Indian Perspective, Published by Dorling Kindersley (India) Pvt. Ltd. (2012) at p. 7.3, 7.4
[7]Ibid at 7.4

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On formation of an Audit Committee

Kumar Mangalam Birla Committee recognized the importance of an Audit Committee as a supplement in building confidence of an investor in a Company he is willing to invest in. The committee emphasized that as the management is accountable to the board, the board in same way, is accountable to the Shareholders. It recommended that the audit committee should be constituted having at least three non-executive members with at least two Independent directors and the Chairman of the Committee should be an Independent Director.

On Shareholders

As per this committee's report, a good corporate framework is one that provides adequate avenues to the Shareholders for effective contribution in the governance of the company while insisting on a high standard of corporate behavior without getting involved in the day to day functioning of the company.[8]

On Responsibilities of the Shareholders

The Committee emphasized greatly on the importance of General Body meetings for ensuring that the company is being properly managed keeping in view the interest of shareholders is protected. In addition, these meetings must provide platform to the Shareholders to raise their concerns to the Board of Directors and review or may demand any explanation on the annual report or on the management of the company's affairs.

It also mandated to provide a brief resume of the director, his expertise and other necessary details to the Shareholders in case of the appointment of a new director or re-appointment of a director.

On the Rights of the Shareholders

This Committee recommended that companies should put information like quarterly results, presentation made by the companies to analysts, on the company's website or may disclose the same through the stock exchange's website where it is listed;

Participation of Shareholders in General meetings was also given paramount importance and the companies are required to inform the Shareholders of the rules and voting procedures of the General meetings for their active participation.

On Shareholders Grievances

The committee recommended formation of a Board Committee under the chairmanship of a non-executive director to look into the grievances of Shareholders. Further, the committee recommended that the process of share transfers must be expedited.

On Institutional Investors

Institutional Shareholders/investors are the ones who acquire large stakes in the equity share capital of listed Companies.[9] They have much more weightage and influence because of their collective stake they can very well influence the policies of a company due to their voting capabilities than the average Shareholder. The committee found that Institutional Shareholders must take active interest in the crucial matters of company like composition of the Board of Directors, quality of management of the company etc.

On Empowering the SEBI

The committee recommended that the stock exchanges must take deterrent and appropriate action in case of violation of the provisions of the listing agreement by imposing monetary penalty and in grave situations even winding up of the company.

Naresh Chandra Committee

The Naresh Chandra Committee recommended that all audit committee members should be independent directors. The committee recommended strict regulations requiring auditors to make relevant disclosures and suggested to establish quality review boards for the Institute of Chartered Accountants of India (ICAI), the Institute of Company Secretaries of India (ICSI) and the Institute of Cost and Works Accountants of India, (ICWA) and a Public Oversight Board similar to the one in the United States.

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[8]Ibid at 7.5

[9]Report of the Committee Appointed by the SEBI on Corporate Governance under the Chairmanship of Shri Kumar Mangalam Birla available at http://www.nfcgindia.org/pdf/KumarMangalamb_report.pdf (last accessed 23/05/2017).

Narayana Murthy Committee

The SEBI appointed this Committee to file its report on corporate governance and the same was submitted on 08.02.2003. It was recorded to state that, "The management needs to act as trustees of the Shareholders at large and prevent asymmetry of benefits between various sections of Shareholders, especially between the owner-managers and the rest of the Shareholders"[10]. This committee adopted the recommendations of the Kumar Mangalam Birla Committee regarding the appointment/re-appointment of the directors and the information needed to be provided to the Directors regarding the same. The committee further recommended a facility of postal ballot to those Shareholders who cannot attend the Annual General Meeting of the company, to improve the quality of active participation of all members in the decision-making process.

Dr. J. J. Irani Committee on Company Law, 2005

The Government of India on 02.12.2004 constituted an expert committee headed by Dr. J. J. Irani to make recommendations on changes to be made to the Companies Act, 1956. This committee deliberated on a shift from a "Government approval" regime to a "Shareholder approval and disclosures" regime,[11] thereby empowering the Shareholders' rights and giving more power to them as the crucial matters of a company will be decided by the Shareholders instead of the Company Law Administration. The committee criticized the poor legal system existing in India. It also stated that up until that position in time no directors or promoters of vanishing companies[12] had been prosecuted either by the Registrar of Companies or by the SEBI itself. Out of the many recommendations of this committee, one was to maintain a balance between the rule of the majority and the rights of the minority Shareholders, wherein it emphasized to create a mechanism to keep the power of the majority Shareholders within reasonable bounds to protect the oppression of minority and mis-management of the company. It also stated that it was important for investors to not only be protected but also be educated to empower them and improve their confidence in the capital markets.

Laws Enforced

Investor Protection and Education Fund (IPEF)

The SEBI vide Notification dated 19.05.2009 passed the Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009 establishing the IPEF deemed to have been established on 23.7.2007[13] with the following aims and objectives:

- To educate investors about the functioning of the market;
- Equip them with the tools to take informative and calculative decisions;
- Increasing awareness about market volatilities;
- To make them aware of their various rights and duties under different acts / laws;
- To make them cautious of the existing risks and unfair trade practices prevailing in the market;
- Increase the confidence of new investors and get new investors to participate in the securities market.

SEBI

SEBI was established in 1988 but was granted legal status only in May 1992, since then it has been the epitome of protecting the interests of investors. Among many functions that are performed by the SEBI, following are the few:

- Educating the investors / Shareholders is currently one of the focuses of the SEBI; it has come up with the IPEF, and is regular in putting out advertisements in order increase general public awareness;
- SEBI is keeping a check on price rigging of securities and is imposing heavy penalties on the price riggers;
- SEBI has strict policies against insider trading and keeps a check when the insiders of a company such as Directors, Promoters, etc. purchase shares of the company;

[10]Murthy N. R. Narayana, Report of the SEBI Committee on Corporate Governance, February 8, 2003 available at http://www.nfcgindia.org/library/narayanamurthy2003.pdf (last accessed 17/05/2017).
[11]Dr. Irani Jamshed J., Report on Company Law, 31/05/2005 available at http://primedirectors.net/pdf/JJ%20Irani%20Report-MCA.pdf (Last accessed on 15/05/2017)
[12]A Company, which raises funds though IPOs and subsequently fails to comply with the listing/filing requirements of the Registrar of Companies (ROC) and stock exchanges for a period of two years and is not found at its registered address at the time of inspection done by the authorities/Stock Exchange.
[13]Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009, 19/05/2009 available at http://www.sebi.gov.in/sebi_data/commondocs/Investorpro2009_p.pdf (Last accessed on 18/05/2017)

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- SEBI is also regulating the Stock Exchanges and the brokers etc., thereof, to prevent unfair trade practices and fraudulent transactions and is the authority to register and regularize the stock exchanges and brokers etc.;[14]
- SEBI has proven to be very vigilant towards the wrongdoers in the capitals markets and has definitely set out big examples of taking actions against the rich and powerful like Subrata Roy of the Sahara Group, K. P. Singh of the DLF, Reliance industries etc.;
- The SEBI on 23.04.2010 came out with a notification, whereby, the SEBI standardized the norms to be followed by stockbrokers and depository participants while obtaining Power of Attorney from the clients. SEBI also made it mandatory for the brokers to maintain a record of getting instructions from their client before executing a transaction including telephonic conversation with their client to prevent arbitrary misuse of their brokering powers.[15]

Companies Act, 2013

Section 151 of the new Act gives right to the minority Shareholders to appoint a director as their representative and as such gives the minority to raise their concerns before the management.[16]
Section 178 of the Act provides for constituting Stakeholders Relationship Committee, which shall resolve the grievances of the Securities holders of a company.
Section 188 of the Act provides that every contract or arrangement entered into under sub-section (1) shall be referred to in the Board's report to the Shareholders along with the justification for entering into such contract or arrangement.
Section 221 provides for freezing of the assets of the Company on injury and / or investigation, where it appears to the Tribunal, on a reference made to it by any other person having a reasonable ground to believe that the removal, transfer or disposal of funds, assets, properties of the company is likely to take place in a manner that is prejudicial to the interests of the company or its Shareholders or creditors or in public interest, it may by order direct that such transfer, removal or disposal shall not take place during such period not exceeding three years as may be specified in the order or may take place subject to such conditions and restrictions as the Tribunal may deem fit.
Section 241: any member of a company may approach the Tribunal if he or she is of the belief that the affairs of the company are being conducted in a manner prejudicial to the Public interest.[17]

Class Action: The option of class action suits is a profound principle very well enshrined in the USA and other foreign jurisdiction. A Class Action suit is a representative suit where one of the parties is a group of people with the same / similar grievance / injury caused by the Defendant. Satyam fraud that broke out in 2009 was the first time when this concept came into the spotlight. What happened in this scam was that Indian investors in India could not take any legal action against the company while their counterparts in the USA filed a class action suit claiming damages from the Company[18] this aggravated the need for the current Section 245 of the Companies Act, 2013 i.e. "Class Action". The New Act states that any 100 or more members of the company or members equal to or exceeding 10% of the total number of its members, whichever is less or any member(s) jointly or singly holding at least 10% of the issued share capital, find that the affairs of the company are not being managed in its best interest, can collectively approach the NCLT for redressing the situation.

Cases to Remember

In Ranbaxy Laboratories Ltd. vs. Smt. Indra Kala[19]*,* the Rajasthan High Court stated that Company collects money from the public at large by selling its shares and the provisions of the Companies Act govern transactions of sale and purchase. Registration of the transferred shares is one of the duties of the company in the course of conducting its business according to the provisions of law. Therefore, the interest of the members of the public transacting such business cannot be allowed to be defeated on the plea that relief to the aggrieved persons can be granted only at the place where the office of the company is located.

[14]S. Samiksha, SEBI: The Purpose, Objective and Functions of SEBI, available at http://www.yourarticlelibrary.com/education/sebi-the-purpose-objective-and-functions-of-sebi/8762/ (Last accessed on: 18/05/2017).
[15]SEBI Circular dated 23/04/2010 available at http://www.bseindia.com/downloads/invdesk/file/Execution%20of%20Power%20of%20Attorney%20%28PoA%29%20by%20the%20Client%20in%20favour%20of%20the%20Stock%20Broker.pdf (Last accessed on 19/05/2017).
[16]Moorjani Harsh, Protection of Minority Shareholders under the Companies Act, 2013, available at https://blog.ipleaders.in/protection-minority-Shareholders-companies-act-2013/ (Last accessed on 20/05/2017)
[17]The Companies Act, 2013
[18]Dhanpal CS. S., Class action suits under Companies act, 2013 available at http://taxguru.in/company-law/class-action-suits-companies-act-2013.html (last accessed 01/06/2017)
[19]Ranbaxy Laboratories Ltd. vs. Smt. Indra Kala, (1997) 24 CLA 203 (Raj.)

In Life Insurance Cooperation of India V. Escorts Ltd. & others[20], the Supreme Court in Para 86 of its judgment observed that there are certain fundamental rights of Shareholders which are as follows:

- To elect directors and to participate in the management through them;
- To enjoy the profit of the company in shape of dividends;
- To apply to the court for relief in case of oppression and mismanagement;
- To apply to the court for winding up of company;
- To share the surplus on winding up of the company.

In Bajaj Auto Ltd. v. Company Law Board & Ors. [21], the Supreme Court held that even if it was assumed that the Bajaj Auto was trying to purchase shares with a view to get a controlling interest in the company, that itself cannot be a ground for refusing to transfer the shares unless and until it can be shown that the purchasers were undesirable persons and after gaining control of the company they will act against the company and the Shareholders interest.

*In Relia*nce *Industries Ltd. v. Securities and Exchange Board of India,* [22] before the SAT, the Court held that the appellant (RIL) was under an obligation under Regulation 7 to inform the target company about its shareholding having exceeded 5 per cent.

CONCLUSION

Despite a weak start, the Indian legal system has now refined the edges and somewhat gotten rid of many loopholes which were misused and taken advantage of by the wrongdoers, and is now pointed towards the right direction and development. With a dream of Digital India, there is a vibe of applying optimal use of technological advancements and decrease the gap between the company and the investors, SEBI is also persistently making efforts to increase the confidence of the small investors in the capitals market, which in my opinion should be a high priority as it increases flow of money in market and also is crucial in economic growth of any country. Of course, it is essential that scams like the Satyam incident be not repeated, it is also necessary for the investors to be more vigilant in their approach and with the establishment of IPEF, investors should really take advantage of the same for their betterment and get more educated in matters relating to the capitals market.

The SEBI is the all powerful guardian of investors' interests. In a span of few years, it has shown tremendous efforts in taking strict actions against the wrongdoers of investors.

In my view the Companies Act, 2013 has empowered the investors on multiple footings, and the statutory introduction of Class Action suits has been groundbreaking, not only that, minority Shareholders are not shadowed by this Act instead by this Act the Legislature has placed the small investors on a higher platform than ever before. It is left on the investors to make good use of the provisions of this Act not only for their own improvement but also of the nation and the public.

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THE IMPACT OF COLLABORATION BETWEEN FINTECH START-UPS & COMMERCIAL BANKS IN DEVELOPMENT OF SMALL & MEDIUM SIZED START-UPS

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ABSTRACT

Fintech companies cater to the entire spectrum of financial services ranging from propositions that compete with core banking businesses to innovative lending facilities, seamless payment solutions and products that hit banking third-party revenue streams. Driven by digital technologies, analytics and exceptional customer experience, these companies are well on their way to competing with the behemoths of the industry, both globally and in India. Newly developed Commercial banks utilize these Fintech companies in gaining in roots into the markets by collaborating with them. This paper focuses about the development in small and medium sized start-ups due to the collaboration between fintech start-ups and commercial banks in India.

KEYWORDS

Fintech Start-ups, Commercial Banks, SME Start-ups etc.

INTRODUCTION

Start-up is an entrepreneurial venture which is typically a newly emerged, fast-growing business that aims to meet a marketplace need by developing or offering an innovative product, process or service. The Government of India has announced 'Start-up India' initiative for creating a conducive environment for start-ups in India. An entity shall be considered as a 'start-up' up to five years from the date of its incorporation/registration, If its turnover for any of the financial years has not exceeded Rupees 25 crore and it is working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.

Indian Small and Medium Enterprises (SME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. SMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural areas. SMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country. SMEs also play a significant role in Nation development through high contribution to Domestic Production, Significant Export Earnings, Low Investment Requirements, Operational Flexibility, Location Wise Mobility, Low Intensive Imports, Capacities to Develop Appropriate Indigenous Technology, Import Substitution, Contribution towards Defence Production, Technology – Oriented Industries, Competitiveness in Domestic and Export Markets thereby generating new entrepreneurs by providing knowledge and training.

OVERVIEW OF FINTECH START-UPS IN INDIA

Fintech or financial technology is the term used to refer to any technology applied to financial services. More specifically, we can define fintech as a complex combination of financial services and technological innovations in an ever-changing ecosystem of customer expectations and regulators.

As a generic term, fintech applies to processes used by traditional financial services to align and modernise their business processes and disruptive technologies. Fintech covers diverse areas across banking and caters to new business models. It encompasses the full gamut of innovations in financial services, where technology is the key enabler.

Fintech start-up firms engage in external partnerships with financial institutions, universities and research institutions, technology experts, government agencies, industry consultants and associations. Through these partnerships, they create a highly-Integrated ecosystem that brings with it the expertise, experience, technology and facilities of all the entities together. Growth and market success of any fintech hub originate from an integrated ecosystem. A successful fintech ecosystem is where all the market

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participants connect, engage and share ideas across vibrant communities and networks, as well as identify and convert opportunities into business.

SIGNIFICANCE OF COLLABORATION BETWEEN FINTECH START-UPS AND COMMERCIAL BANKS

In the collaboration between fintech companies and Commercial banks the later will be beneficiated in the following ways:

- Banks will have access to the start-up's small and medium enterprise customer base as well as its loan origination and underwriting technologies.
- Help the banks reach out to larger geographies without having physical presence.
- The Fintech Companies on the other hand will have the following benefits.
- Fintech start-ups will be able to channel higher sums in loans to SME borrowers.
- The collaboration will able them to provide the customers with debit and credit card facility.
- The SME's will have the following benefits from the collaboration between the Fintech Start-ups and Commercial banks.
- Advanced banking services at their Doorstep.
- Better digital transactions.
- Better banking services without visiting the banks.
- Easy credit card facility even to the remote locations.

IMPACT OF COLLABORATION IN SME'S DEVELOPMENT

Indian customers (both consumer and enterprise) have shown an unexpectedly fast rate of adoption to fintech offerings. Decades of usage behaviour fixated on cash, branch banking and relationship-driven service expectations are being fast replaced with larger ticket size of cashless transactions, full-suite mobile banking and customized advice and service irrespective of location, language and grade classifications.

In this digitally vibrant world, the Internet and the smartphone have been the two most prominent factors behind the change in the consumption of financial services sector offerings. Traditional banks face the threat of irrelevance at each stage of this disruption, given the emergence of newer and preferable modes of accessing banking and related services. The last decade has witnessed a transition in banking services from the traditional brick-and-mortar model to a greater virtual presence, with the new age customer being lured into their digital web. Engaging the customer through the most relevant, preferred and convenient channels has become key to maximising customer value and creating newer and more innovative revenue streams for banks.

The Small and Medium Sized Enterprises that are in the rural part of India will be most benefited from the collaboration between Fintech start-ups and Commercial banks. The Fintech Start-ups provide the customer with very good and easy digital transaction environment which will encourage even the rural customers to engage in Digital transactions. With Commercial banks on board these customers will also get the required fund for their business easily. The collaboration will provide the banks more virtual presence which in turn will provide the SME's digital banking facility.

CONCLUSION

The Banks and Fintech Start-ups instead of working solo and attempting to target the same customer segments, if collaborated will benefit from cooperating and combining their positives to compensate for each other's negatives. Banks can provide a rapid reach with significant funding and support, and sustain customers' growing demands. The fintech sector, on the other hand, can offer the most efficient customer service solutions. The SME's will be benefited by better digital environment and easy access to funding.

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PROBLEMS AND PROSPECTS OF ORGANIZED RETAIL SECTOR

N. Selvakumar[60] Dr. K. Baranidharan[61]

ABSTRACT

The study aims to analyses the impact of these measures on customer's satisfaction, to know the factors influencing customers in purchase of products in Big Bazaar, to analyze the loyalty status of the customers, to identify the reason for the brand preference over the competing brands and to give recommendations to Big Bazaar in the ways of improving sales. The study is conducted with the help of Big Bazaar customers. The objectives were achieved with the help of set of questionnaire. The questionnaire contained open ended and closed ended questions. The data was obtained through collection of questionnaire from a sample of 150 customers. The samples are selected using non-probability technique-convenience sampling method. Primary data was collected through questionnaires. The collected data was tabulated and then analyzed by using Percentage method and Statistical Analysis (Kruskal-Wallis Test and Multiple Regression). The findings of the study during the research are the customers have been satisfied with the offers, discounts, customer services and other benefits that they receive from Big Bazaar and they are self-satisfied with their purchase.

INTRODUCTION

The word 'Retail' is derived from a French word with the prefix re and the verb tailor meaning "to cut again". Evidently, retail trade is one that cuts off smaller portions from large lumps of goods. Goods are transported to final consumers through a process. In other words, retailing consists of the activities involved in selling directly to the ultimate consumer for personal, non-business use. It embraces the direct-to-customer sales activities of the producer, whether through his own stores by house-to-house canvassing or by mail-order business. Manufacturers engage in retailing when they make direct-to-consumer sales of their products through their own stores (as Bata and Carona shoe companies, D.C.M. Stores, Mafatlals and Bombay Dyeing) by door-to-door canvass or mail order or even on telephone. Even a wholesaler engages in retailing when sells directly to an ultimate consumer, although his main business may still be wholesaling.

A retailer is a merchant, occasionally an agent, or a business enterprise, whose main business is selling directly to ultimate consumers for non-business use. He performs many marketing activities such as buying, selling, grading, risk-trading, and developing information about customer's wants. A retailer may sell infrequently to industrial users, but these are wholesale transactions, not retail sales. If over one-half of the amount of volume of business comes from sales to ultimate consumers, i.e. sales at retail, he is classified as a retailer. Retailing occurs in all marketing channels for consumer products.

IMPORTANCE OF RETAILING

The retailer is an intermediary in the marketing channel because he is both marketer and customer, who sells to the last man to consume. He is a specialist who maintains contact with the consumer and the producer; and is an important connecting link in a complex mechanism of marketing. Though producers may sell directly to consumers, such method of distributing goods to ultimate users is inconvenient, expensive and time consuming as compared to the job performed by a specialist in the line. Therefore, frequently the manufacturers depend on the retailers to sell their products to the ultimate consumers. The retailer, who is able to provide appropriate amenities without an excessive advance in prices of goods are rewarded by larger or more loyal patronage.

RETAIL MANAGEMENT

The various processes which help the customers to procure the desired merchandise from the retail stores for their end use refer to retail management. Retail management includes all the steps required to bring the customers into the store and fulfill their buying needs. Retail management makes shopping a pleasurable experience and ensures the customers leave the store with a smile.

Retail Strategies

A retail strategy can be defined as "a clear and definite plan that the retailer outlines to tap the market and build a long-term relationship with the consumers." A retail strategy is the fundamental to the existence of the retail organization. It helps define the

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organization, the purpose and how the retailer will face various challenges in the environment and marketplace retail determines the tactics.

The definition of retail strategy enables other areas within the organization to determine their strategies. **Primary among these are:**

- Store location,
- Merchandising,
- Pricing,
- Marketing.

High quality customer service is a key way in which a business can differentiate itself from another. Customer service strategy is simple: to provide the best customer service by developing the best-trained and motivated colleagues within an environment where the top large supermarkets compete for market share. Its specialist in-store butchers, bakers and fishmongers work on Market Street to ensure customers get a personalized service from a trained professional. By building high levels of customer satisfaction, it creates a significant competitive advantage.

To provide the best customer service, a business needs to know what its customers expect of it and then meet these expectations. Customer satisfaction is vital for keeping customers happy and loyal to the business. It can often be much more cost-effective to retain customers than to attract new ones. To achieve this by offering products and services, through its Market Street, that is not offered by its competitors therefore maximizing customer retention. Company has invested heavily in training and developing colleagues to generate its high quality customer service and has attracted more customers this past year than ever before. Customers are becoming more satisfied with its focus on personal service, efficiency, reliability, quality and freshness. Quality customer service adds value as it improves customers' experience, making them feel valued and therefore more likely to become a repeat customer.

Indian Retail Industry

Indian retail industry is the largest industry in India, with an employment of around 8% and contributing to over 10% of the country's GDP. Retail industry in India is expected to rise 25% yearly being driven by strong income growth, changing lifestyles, and favorable demographic patterns. It is expected that by 2016 modern retail industry in India will be worth US$ 175- 200 billion. India retail industry is one of the fastest growing industries with revenue expected in 2007 to amount US$ 320 billion and is increasing at a rate of 5% yearly. A further increase of 7-8% is expected in the industry of retail in India by growth in consumerism in urban areas, rising incomes, and a steep rise in rural consumption. It has further been predicted that the retailing industry in India will amount to US$ 21.5 billion by 2010 from the current size of US$ 7.5 billion.

Shopping in India has witnessed a revolution with the change in the consumer buying behavior and the whole format of shopping also altering. Industry of retail in India, which has become modern, can be seen from the fact that there are multi- stored malls, huge shopping centers, and sprawling complexes, which offer food, shopping, and entertainment all under the same roof. India retail industry is expanding itself most aggressively as a result a great demand for real estate is being created. Indian retailers preferred means of expansion is to expand to other regions and to increase the number of their outlets in a city. It is expected that by 2010, India may have 600 new shopping centers. India retail industry is progressing well and for this to continue retailers as well as the Indian government will have to make a combined effort. Every day, Future Group brings multiple products, opportunities and services to millions of customers in India. Through over 15 million square feet of retail space, we serve customers in 85 cities and 60 rural locations across the country. Most of all, we help India shop, save and realize dreams and aspirations to live a better quality of life every day.

Future Group understands the soul of Indian consumers. As one of India's retail pioneers with multiple retail formats, we connect a diverse and passionate community of Indian buyers, sellers and businesses. The collective impact on business is staggering: Around 220 million customers walk into our stores each year and choose products and services supplied by over 30,000 small, medium and large entrepreneurs and manufacturers from across India. In addition, this number is set to grow. Future Group employs 35,000 people directly from every section of our society. We source our supplies from enterprises across the country, creating fresh employment, affecting livelihoods, empowering local communities and fostering mutual growth.

We believe in the 'Indian dream' and have aligned our business practices to our larger objective of being a premier catalyst in India's consumption-led growth story. Working towards this end, we are ushering positive socio-economic changes in communities to help the Indian dream fly high and the 'Sone Ki Chidiya' soar once again. This approach remains embedded in our ethos even as we rapidly expand our footprints deeper into India.

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Key Group Companies

- Pantaloons - Fresh fashion Store,
- Big Bazaar - Hypermarket Chain,
- Food Bazaar - Supermarket Chain,
- EZone - Electronics Superstore,
- Home Town - Home Improvement and Building Materials Store,
- Central - Seamless Department Store,
- Planet Sports - Sportswear Retailer,
- Aadhaar - Rural Retail Chain,
- KB's Fairprice - Urban low-frills Neighborhood Store,
- Futurebazaar.com - Shopping Portal.

NEED FOR STUDY

Retail Industry in India symbolizes a promising industry and at the same time creating new employment opportunities for the people of India. Today, for any organization or firm to survive in this competitive world depends on its ability to be dynamic and be different from competition to be unique in the industry. Retail strategies used by every organization helps to retain the existing customer and to build new customer. This study enables the organization to identify customer expectation, to improve sales and to identify where improvements are needed.

OBJECTIVES OF STUDY

- To understand the Retail strategies used at Big Bazaar for promoting the products to the customer.
- To know the factors influencing customers in purchase of products in big bazaar.
- To analyze the loyalty status of the customers.
- To identify the reason for the brand preference over the competing brands.
- To give recommendations to Big Bazaar in the ways of improving sales.

SCOPE OF STUDY

This report is based on the study conducted at Big Bazaar, Phoenix Market city, Velachery, Chennai. It aims at understanding the company establishment, organization structure, departments, techniques, marketing strategies and the advantages it is having over the competitors. An attempt is made to analyze the company's performance in comparison of theoretical aspects. It aims to understand the skills of the company in areas like technological advancements, competition, and sales promotion.

REVIEW OF LITERATURE

Shally Iyer, MPH (2011) identified from multidisciplinary search indexes, backward searches of Cited articles, review articles, industry reports, and online sources. Only articles that focused on Physical grocery stores and food products were included. Data collection occurred in 2010 and 2011.

Am J Prev Med (2012) Findings suggest several strategies for in-store marketing to promote healthful eating by increasing availability, affordability, prominence, and promotion of healthful foods and/or restricting or de-marketing unhealthy foods. Key results of research in controlled laboratory studies should be adapted and tested in real-world in-store settings. Industry methods for assessing consumer behavior, such as electronic sales data and individually linked sales information from loyalty cardholders can help public health researchers increase the scientific rigor of field studies.

RESEARCH METHODOLOGY

Table-1

Research Design	Descriptive Research
Data Sources	Primary Data & Secondary Data
Research Instruments	Yes or No Questions Dichotomous Questions Multiple Choice Questions
Sampling	Convenience Sampling

Sample Size	200 Respondents
Sampling Unit	Big Bazaar
Area of Study	Thanjavur District
Period of Study	2016 - 2017
Analytical Tools	Chi-square Test / Multiple Regression

Sources: Authors Compilation

LIMITATIONS

- The reliability of the analysis and conclusion is restricted to the data given in the area.
- Reports are prepared only with the availability of facts and charts.
- The studies limited to customers are in Chennai area.
- Due to busy schedule, the respondents were fast in answering the question, so the responses may be biased.

Statistical Analysis

Chi-Square Test

Null Hypothesis (H_0): There is no significant relationship between frequency of Age and the Opinion of shopping period.
Alternative Hypothesis (H_1): There is significant relationship between frequency of Age and the Opinion of shopping period.

The Relationship between Frequency of Age and the Opinion of Shopping Period

Table-2

Test	Period of buying
Chi-Square	8.500[a]
Degree of period	4
Asymp. Sig.	.075

Sources: Authors Compilation

Interpretation: The calculated p value is greater than 0.05, so H_0 is accepted. Thus, there is no relationship between frequency of Age and the Opinion of shopping period.

Multiple Regression

Null Hypothesis (H_0): There is no relation between overall customer satisfaction (dependent variable) and independent variables such as products, services, ambience, sales persons and parking facilities provided to customers.

Alternative Hypothesis (H_1): There is no relation between overall customer satisfaction (dependent variable) and independent variables such as products, services, ambience, sales persons and parking facilities provided to customers.

The Relationship between Dependent Variable and Independent Variables

Table-3

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	**0.760**	**0.577**	**0 .566**	**0.259**

Sources: Authors Compilation

Interpretation: The calculated R square value is greater than 0.50, so H_0 is rejected. Thus, there is a significant relation between overall customer satisfaction (dependent variable) and independent variables such as products, services, ambience, sales persons and parking facilities provided to customers.

FINDINGS

28.5% of respondents are in the age group of 24-35 while 25.5% of respondents are in the age group of 35-50, 24% of them are in the age group of 18-23, 12% of them are more than 51 years of age, and 10% of them are in the age group of below 18.

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47% of respondents are male while the rest 53% of them are female.

66% of respondents are married while the rest 34% of them are unmarried.

65.5% of respondents are in the income of above 20000 per month while 27% of respondents are in the income of 10000- 20000 per month, and 7.5% of them are below 10000 per month.

23.5% of respondents are selecting product for offer, 21% of respondents are preferring quality while 20.5% of respondents are preferring price, 18.5% of them are in the preferring service, and 16.5% of them do more prefer brand.

26% of respondents are getting information through words of mouth, 22% of respondents are getting information through advertising, 16.5% of respondents are getting information through banners, 16% of respondents are getting information through pamphlets, 14% of respondents are getting information through employees, and 5.5% of respondents are getting information through friends and relation.

31.5% of respondents are selecting product for offer & discounts, 26.5% of respondents are preferring price, while 22% of respondents prefer best service and 20% of respondents are preferring quality.

34% of respondents are in satisfied while 27.5% of respondents are highly satisfied, 28% of them are neutral, 9% of them are dissatisfied, and 1.5% of them are highly dissatisfied.

Statistical Finding

- There is no relationship between frequency of Age and the Opinion of shopping period.
- There is a significant relation between overall customer satisfaction (dependent variable) and independent variables such as products, services, ambience, sales persons and parking facilities provided to customers.

SUGGESTIONS

- It is suggested that, some of the respondent's satisfaction level is neutral with price, service, and quality. Therefore, company has to relook at the service, offers and price processes.
- It is suggested by most of the customers that they are expecting after sale service so the company has to make better arrangement for after sale service for their product.
- It is suggested that the advertisement for FBB has to be increased in order to increase the customers as well as sales.
- The company should focus on t24 free recharge (Big bazaar telecom service), because this scheme was not reach for many customers. Many of the customers are said need better improvement, so that the employee from t24 department should clearly explain about that.

CONCLUSION

Today's retail sector has evolved into a living, breathing concept from yesteryear. Retail organizations must be in the forefront and understand how the latest technologies, fluctuations in the economy, and the changing needs and wants of the modern consumer, impact on their businesses. This is especially true for the South African retail sector as it establishes an international presence in Africa and globally. The change in consumer behavior and the global economy has forced retail organizations to review their strategies on how to deliver excellent customer service. Best-practice organizations realize that traditional customer relationship management programs contain a few limitations and have therefore implemented.

Retail strategy has increasingly become one of the most important functions that need to be addressed in today's retail industries. This paper attempts to gain more knowledge about importance of retail strategy. As the world and economy continue to change quality, service and customer satisfaction will continue to be at the forefront of survival for our organization.

Once an organization identifies their customers, they can begin to understand if the customer is satisfied with the services, they are receiving or if they would like varied or additional services.

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AN ASSESSMENT OF INDIA – UNITED KINGDOM TRADE RELATIONSHIP WITH SPECIAL REFERENCE TO SELECTED COMMODITIES

Shabana Anjum[62] Arifa Khan[63] Faraz Khan[64]

ABSTRACT

India and the United Kingdom share close and friendly ties. There are many bilateral trade agreements between the two nations intended to strengthen this bond. United Kingdom is among India's major trading partners and is listed 18th among the top 25 trading partners of India.

The paper examines the trend of India's trade with UK since 2000. Since India's major items of exports to UK are readymade garments, cotton yarn, marine products, drugs and pharmaceuticals, gems and jewellery and engineering goods, this paper tries to find out the recent changes in the trade pattern of these commodities. The paper further analyses the changing pattern of India's imports of major commodities from UK.

The study found that India has a favourable trade balance with UK having an average export surplus of 1411.02 US$ Million during the period 2000-01 to 2015-16. In addition, it is observed that the share of engineering goods is highest in India's exports to UK and out of total imports from UK, 41.47 percent imports on an average are of precious and semi-precious metals. Therefore, it is being concluded that India and UK has a strong relationship with each other. Both the countries depends on each other for exchange of various commodities.

KEYWORDS

Bilateral Trade, Exports, Imports etc.

INTRODUCTION

India is one of the fastest growing economy in the world. Due to globalisation India's trade with other foreign countries have increased. Trade is being the most important tool in reducing the gaps between countries and it brings harmonisation among them. Foreign trade plays an important role in the development of a country. It helps to produce those commodities which have a comparative cheaper cost than others so that their cost of production become less. If all the countries adopt this procedure to produce these goods in which they have less comparative cost, it will lead to goods at a lower price. Secondly, foreign trade increases the opportunity of market because of domestic demand and foreign demand for the product resulting in bulk production. If the production of goods increases, average cost declines and also the price of goods declines. Thirdly, foreign trade helps people to get various selections of goods both in quantitative terms and qualitative terms. Lastly, foreign trade helps a developing country like India in its economic development. India has been trading with various developing and developed countries.

The India-UK trade having a strong relationship, with a shared history for centuries, and now a shared vision of the future. The UK and India have more than 200 years of shared history, strong democracies, connected ethnic association and the English language. The Indian dispersion, which totals about 1.5 million people and is the largest cultural minority group in the UK, plays a very important role to reinforce the links between the two countries. UK and India remain committed to working together to significantly increase trade and investment opportunities.

On November 12-14, 2015, Prime Minister of India Narendra Modi visited UK. The Prime Ministers of both the countries agreed at the India-UK Summit 2015 to continue working towards strong, sustainable and balanced growth and agreed on the importance of structural reforms and following reliable fiscal policies in order to increase living standards. The two leaders addressed the strength of the economic partnership between India and the UK: India already invests more in the UK than in the rest of the EU combined, and the UK is the largest G20 investor in India. Both sides committed to further strengthening the economic relationship, including through deepening the bilateral trade and investment relationship. The British government has chosen India as one of its most significant trade partners because it is one of the "fastest growing economies in the world. They share close and friendly bonds.

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The bilateral relationship that was upgraded to a planned partnership in 2004. : UK is among India's major trading partners and throughout the year 2014-15, UK ranked 18th in the list of India's top 25 trading partners. UK is importing more and more from India, though the level of its exports to the country has recently begun to falter after several years of growth. India's main exports to the UK are garments and textiles, gems and jewellery, engineering goods, and marine products. The main imports from the UK to India are machinery and equipment, precious and semiprecious stones, beverages, machinery, engineering goods, and other professional instruments other than electronics, non-ferrous metals and chemical.

India-UK Joint Economic and Trade Committee (JETCO) was established on January 13, 2005. It represents a business determined institutional framework to develop a strategic economic relationship. JETCO allocations meet annually under the leadership of the Minister of Commerce and Industry (CIM) and the Secretary of State for Business, Innovation and Skills (BIS) consecutively in Delhi and London. The 10th JETCO meeting was held on January 19, 2015 in London which observed both industry and Government stakeholders coming together for productive discussions in three Working Groups created on the themes of Education & Skill development, smart cities and technological association, advanced manufacturing and engineering.

OBJECTIVES OF STUDY

- To study the trend of exports and imports between India and United Kingdom.
- To analyse the recent changes in the trading pattern of selected export and import commodities.

HYPOTHESES OF STUDY

Null Hypothesis H_0: There has been no change in the value of India's exports to UK over the years.
Alternative Hypothesis H_1: There has been significant increase in the value of India's exports to UK over the years.

Data Source and Research Methodology

The study is based on the secondary sources of data which has been taken from:

- Ministry of Commerce, Government of India,
- Handbook of statistics, Reserve Bank of India,
- Economic Survey, various issues,
- World development indicators.

Annual data of 15 years spanning from 2000-01 to 2015-16 has been used for the analysis of trade between India and UK. The Compound Annual Growth Rates (CAGR) were computed by using the formula:

$Y=ab^te$

Where,
Y= Dependent variable;
a=Intercept;
b= Regression Coefficient;
t=Time variable;
e= Stochastic term

The above equation can be transformed into logarithmic form as follows:

$$LnY= Lna+tLnb+e$$

The compound growth rates were worked out as follows:

$$CGR= [\text{Anti Ln of Ln (b)-1}] \times 100$$

Coefficient of variation (CV) was calculated using the formula:

$$C = \frac{s \quad d}{m} \times 100$$

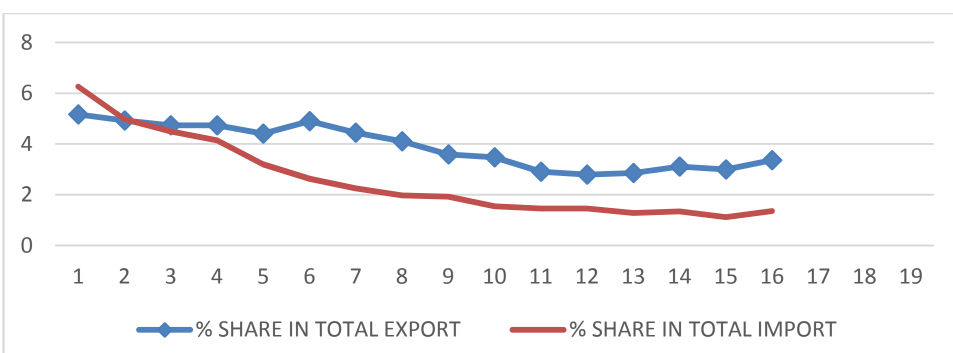
Table-1: Trend of Exports and Imports between India and UK
(Values in US $ Million)

Year	India's Exports to UK	% share in Total Export	India's Imports From UK	% Share in Total Import
2000-01	2298.71	5.16	3167.92	6.26
2001-02	2160.87	4.93	2563.2	4.98
2002-03	2496.41	4.74	2777.01	4.5
2003-04	3023.25	4.74	3234.33	4.14
2004-05	3681.09	4.41	3566.2	3.2
2005-06	5059.28	4.9	3930.3	2.63
2006-07	5622.93	4.45	4177.87	2.25
2007-08	6705.5	4.11	4953.68	1.97
2008-09	6649.53	3.59	5872.32	1.93
2009-10	6221.39	3.48	4461.67	1.55
2010-11	7284.96	2.91	5369.78	1.46
2011-12	8589.93	2.8	7134.3	1.46
2012-13	8612.54	2.86	6293.09	1.28
2013-14	9779.07	3.11	6045.1	1.34
2014-15	9319.73	3	5018.28	1.12
2015-16	8828.71	3.36	5192.54	1.36
Average	6020.87		4609.85	
CV	44.03		29.29	
CAGR	11.12		5.91	

Sources: Authors Compilation

The above table presents the value of India's exports to UK and imports from UK during the period 2000-01 to 2015-16. It also shows the percentage share in total exports and imports. It is observed that the average value of exports to UK (6020.87 US $ Million) is much higher than the average value of imports from UK (4609.85 $ million). This highlights the very important aspect of India- UK trade emphasising the fact that India on an average has favourable trade balance with UK during the concerned period. But it must be noted that the variability is higher in case of exports implying the greater fluctuations in the value of India's exports to UK. Also, we observe that both exports and imports have increasing trend over the years. India's exports to UK have increased from 2298.71 US $ Million in 2000-01 to 8828.71 US $ Million in 2015-16 with the compound annual growth rate of 11.12 percent. **This leads to rejection of our null hypothesis that there is no change in the value of India's exports to UK and hence we accept our alternative hypothesis that there has been significant increase in the value of India's exports to UK over the years.**

Figure-1: India's Export to and Import from UK



Sources: Authors Compilation

The figure shows the percentage share of India's exports and imports from UK to total exports and imports of the country. It is found that the share has been declining since 2000-01 with exception in 2005-06 for exports and 2013-14 for imports and in 2015-16 the share of both has increased marginally as compared to the previous period.

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Exports are the source of earning foreign exchange for the country. As observed above, in case of India- UK trade, India has favourable trade balance or export surplus. The major items of exports to UK are Gems and Jewelleries, Engineering goods, cotton yarn etc., readymade garments and marine products. The trend in the value of these exports and its growth rate are shown in table 2.

Table-2: Exports from India to UK
(Values in US $ Million)

Year	Gems & Jewellery	Gr	Engineering Goods	Gr	Cotton Yarn	Gr	Readymade Garments	Gr	Marine Products	Gr
2000-01	144.5	7.61	430.3	21.91	195.6	0.72	405.2	14.39	60.9	24.47
2001-02	170	15.00	363.9	-18.25	171.2	-14.25	422.3	4.05	54.4	-11.95
2002-03	203	16.26	443	17.86	155.6	-10.03	510.6	17.29	68	20.00
2003-04	221.1	8.19	725.9	38.97	162.1	4.01	537.1	4.93	64.4	-5.59
2004-05	221.8	0.32	902.2	19.54	154.9	-4.65	656.9	18.24	81.4	20.88
2005-06	226	1.86	1077.1	16.24	147.3	-5.16	944.2	30.43	79	-3.04
2006-07	278.1	18.73	1276.8	15.64	154.1	4.41	945.5	0.14	91.5	13.66
2007-08	285.2	2.49	1543.5	17.28	151.9	-1.45	1196.1	20.95	83.3	-9.84
2008-09	563.4	49.38	2028	23.89	134	-13.36	1290.6	7.32	65.1	-27.96
2009-10	348.8	-61.53	1729.3	-17.27	84.9	-57.83	1280.8	-0.77	81.4	20.02
2010-11	349.5	0.20	1991.4	13.16	140.7	39.66	1314.8	2.59	78.9	-3.17
2011-12	506.1	30.94	2470.9	19.41	173	18.67	1494.9	12.05	99.4	20.62
2012-13	486.9	-3.94	2652	6.83	189.5	8.71	1494.1	-0.05	91.9	-8.16
2013-14	428	-13.76	2724.9	2.68	195.2	2.92	1661	10.05	145.4	36.80
2014-15	478.8	10.61	2717.3	-0.28	304.2	35.83	1858.1	10.61	162	10.25
2015-16	516.4	7.28	2278.5	-19.26	273	-11.43	1801.7	-3.13	135	-20.00
Average	339.23		1584.69		174.2		1113.37		90.13	
CV	41.07		54.18		30.01		44.40		34.71	
CAGR	8.77		14.84		2.23		11.21		5.82	

Sources: Authors Compilation
Note: GR is the Growth rate in Percent.

It is observed that exports in absolute terms have increased over the period for the above selected commodities. We find that on an average the export value is higher for engineering goods, followed by readymade garments and is minimum for marine products. However, the variation is also higher for engineering goods and readymade garments which means that the fluctuations in the export value is higher for these commodities. But it can be interpreted from the above table that India has made progressive improvement in its exports of selected commodities with compound annual growth rate of 8.77 percent for gems and jewellery, 14.84 percent for engineering goods, 2.23 percent for cotton yarn etc., 11.21 percent for readymade garments and 5.82 percent for marine products.

Table-3: Share of Selected Commodities in Total Exports to UK
(In percent)

Year	Gems & Jewellery	Engineering Goods	Cotton Yarn	Readymade Garments	Marine Products
1999-2000	6.56	16.51	9.54	17.05	2.26
2000-01	6.29	18.72	8.51	17.63	2.65
2001-02	7.87	16.84	7.92	19.54	2.52
2002-03	8.13	17.75	6.23	20.45	2.72
2003-04	7.31	24.01	5.36	17.77	2.13
2004-05	6.03	24.51	4.21	17.85	2.21
2005-06	4.47	21.29	2.91	18.66	1.56
2006-07	4.95	22.71	2.74	16.82	1.63
2007-08	4.25	23.02	2.27	17.84	1.24
2008-09	8.47	30.50	2.02	19.41	0.98
2009-10	5.61	27.80	1.36	20.59	1.31
2010-11	4.80	27.34	1.93	18.05	1.08
2011-12	5.89	28.77	2.01	17.40	1.16

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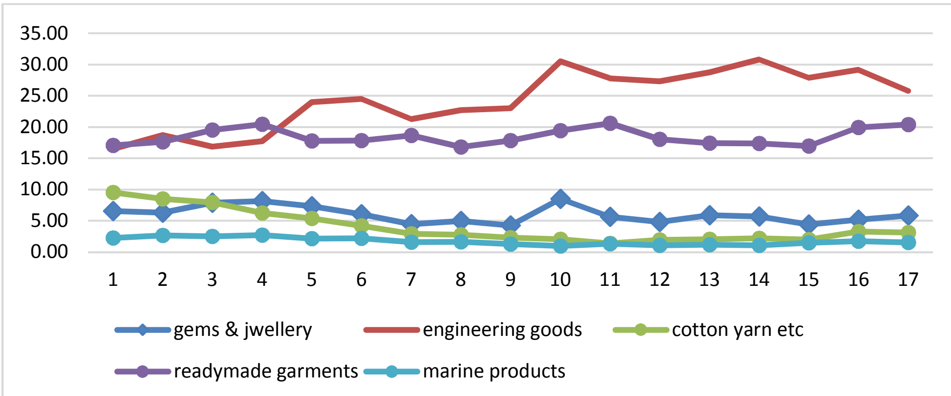
2012-13	5.65	30.79	2.20	17.35	1.07
2013-14	4.38	27.86	2.00	16.99	1.49
2014-15	5.14	29.16	3.26	19.94	1.74
2015-16	5.85	25.81	3.09	20.41	1.53
average	5.98	24.32	3.97	18.45	1.72
cv	22.09	19.62	65.01	7.16	33.83

Sources: Authors Compilation

Figure-2: Share of Selected Commodities in Total Exports to UK



Sources: Authors Compilation

The above figure shows that the share of engineering goods is highest in India's exports to UK. It has increased from 16.51 percent in 1999-2000 to 25.81 percent in 2015-16. The share of readymade garments have also increased from 17.05 percent in 1999-2000 to 18.45 percent in 2015-16. On the other hand, we found that the share of gems and jewellery, cotton yarn etc., marine products have declined in 2015-16 as compared to 2000-01.

India depends to a great extent on UK for imports of various commodities. The main imports from UK to India are machinery and equipment, precious and semiprecious stones, beverages, machinery, engineering goods, and other professional instruments other than electronics, non-ferrous metals and chemicals.

Table-4: Value of India's Imports from UK
(Values in US $ Million)

Year	Beverages, Spirits & Vinegar	GR	Precious & Semi-Precious Stone	GR	Machinery & Mechanical Appliance	GR	Iron & Steel	GR
2000-01	5.14		2204.01		193.24		96.13	
2001-02	5.68	9.51	1471.47	-49.78	208.29	7.23	156.21	38.46
2002-03	5.42	-4.80	1566.67	6.08	254.9	18.29	106.98	-46.02
2003-04	10.91	50.32	1709.64	8.36	303.57	16.03	150.26	28.80
2004-05	17.38	37.23	1904.62	10.24	39.97	-659.49	217.27	30.84
2005-06	25.53	31.92	1676.84	-13.58	519.32	92.30	354.52	38.71
2006-07	38.82	34.23	1659.43	-1.05	677.07	23.30	183.9	-92.78
2007-08	56.78	31.63	1688.66	1.73	970.21	30.21	204.26	9.97
2008-09	64.22	11.59	2156.67	21.70	848.33	-14.37	484.19	57.81
2009-10	54.29	-18.29	1158.05	-86.23	636.83	-33.21	513.74	5.75
2010-11	88.71	38.80	1760.09	34.21	783.22	18.69	419.66	-22.42
2011-12	137.12	35.30	2612.94	32.64	853.51	8.24	687.39	38.95
2012-13	171.78	20.18	1965.45	-32.94	807.34	-5.72	761.58	9.74
2013-14	184.87	7.08	2554.05	23.05	639.57	-26.23	421.45	-80.70
2014-15	214.11	13.66	1151.51	-121.80	699.33	8.55	482.54	12.66
2015-16	204.4	-4.75	1504.97	23.49	723.89	3.39	398.02	-21.24

Average	80.3225		1796.57		572.41		352.38	
CV	95.20		23.60		49.57		57.94	
CAGR	31.82		-0.10		12.10		12.24	

Sources: Authors Compilation
Note: GR is the growth rate in percent.

The above table shows that the value of India's imports from UK have increased for beverages, spirits & vinegar, Machinery & mechanical Appliance and Iron & steel from 5.14, 193.24 and 96.13 US$ Million in 2000-01 to 204.4, 723.89 and 398.02 US$ Million in 2015-16 with CAGR of 31.82, 12.10 and 12.24 percent respectively. The imports of precious and semi-precious metals on the other hand have declined from 2204.01 US$ Million in 2000-01 to 1504.97 US $ Million in 2015-16. Despite of the decline in its value, we find that imports of precious and semi-precious metals is the highest among the selected commodities.

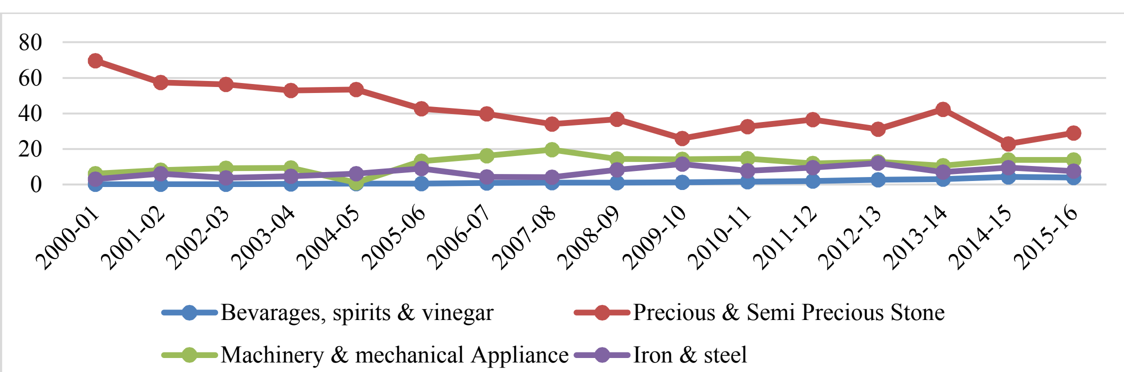
Table-5: Share of Selected Commodities in Total Imports from UK
(In percent)

Year	Beverages, Spirits & Vinegar	Precious & Semi-Precious Stone	Machinery & Mechanical Appliance	Iron & Steel
2000-01	0.16	69.57	6.10	3.03
2001-02	0.22	57.41	8.13	6.09
2002-03	0.20	56.42	9.18	3.85
2003-04	0.34	52.86	9.39	4.65
2004-05	0.49	53.41	1.12	6.09
2005-06	0.65	42.66	13.21	9.02
2006-07	0.93	39.72	16.21	4.40
2007-08	1.15	34.09	19.59	4.12
2008-09	1.09	36.73	14.45	8.25
2009-10	1.22	25.96	14.27	11.51
2010-11	1.64	32.61	14.51	7.78
2011-12	1.92	36.63	11.96	9.64
2012-13	2.73	31.23	12.83	12.10
2013-14	3.06	42.25	10.58	6.97
2014-15	4.27	22.95	13.94	9.62
2015-16	3.94	28.98	13.94	7.67
Average	1.50	41.47	11.84	7.17
CV	88.88	31.55	36.95	38.46

Sources: Authors Compilation

India depends to a great extent on UK for imports of precious and semi-precious stones. Out of total imports from UK, 41.47 percent imports are of precious and semi-precious metals. However, we observe that its share has declined from 57.41 percent in 2000-01 to 41.47 percent in 2015-16. On the other hand, the share of other selected commodities in total imports have increased over the years.

Figure-3: Share of Selected Commodities in Total Imports from UK



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Thus, we have seen that the major item of import from UK is precious and semi-precious stones and it is shown in figure 3 that the trend has been declining. This means that India's dependence on UK for imports of precious and semi-precious stones has declined over the period.

CONCLUSION

An attempt was made to study the trend of exports and imports between India and UK. It was found that India on an average has favourable trade balance with UK during the period 2000-01 to 2015-16. Also, we observe that both exports and imports have increasing trend over the years. India's exports to UK have increased with the compound annual growth rate of 11.12 percent and imports have increased with CAGR of 5.91 percent. We find that on an average the export value is higher for engineering goods, followed by readymade garments and is minimum for marine products. However, the variation is also higher for engineering goods and readymade garments which means that the fluctuations in the export value is higher for these commodities. It was observed that the share of engineering goods is highest in India's exports to UK.

Also the study finds that the value of India's imports from UK have increased for beverages, spirits & vinegar, Machinery & mechanical Appliance and Iron & steel and the imports of precious and semi-precious metals on the other hand have declined during the study period. Despite of the decline in its value, we find that imports of precious and semi-precious metals is highest among the selected commodities. Out of total imports from UK, 41.47 percent imports on an average are of precious and semi-precious metals. Therefore, it is being concluded that India and UK has a strong relationship with each other. Both the countries depends on each other for exchange of various commodities. Interestingly, we found in our study that India has a favourable trade balance with UK having an average export surplus of 1411.02 US$ Million during the period 2000-01 to 2015-16.

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REACTION OF STOCK MARKET ON THE ANNOUNCEMENT OF ELECTION RESULT IN FAVOUR OF NDA GOVERNMENT

Pradeep[65] Dr. Kushalappa S.[66]

ABSTRACT

Capital market discounts every new piece of information; whether it is internal to the concerned stock or external. Changes in the existing political system are one of the pivotal information for which the stock market will react immediately. In the present study, the researchers have attempted to investigate the reaction of Indian capital market for the announcement of election result in favour of NDA government in the year 2014. We made it as an event study and the date of announcement of the election result (16/05/2014) is being taken as the date of the event. The sample size of the study is 182 companies listed in NSE.

KEYWORDS

Abnormal Returns, Announcement, Election, Government etc.

INTRODUCTION

Impact of the change in the political system of a country depends on the expectations of the citizens of the country from the leading party in the election. They expect elections to bring a new direction to improve the economy and it results in a positive movement of stock market indices. On the other hand, if they feel that the economic direction is going to be messy, the stock market index would be negative. It is said popularly that emotion, not rational logic determines the stock market. News about future economic policies can be derived from political events such as election, dissolution etc. Furthermore, a political evolution, such as a democratic transition, which is the most common, could change the country's economic architecture. However, the news content of these events depends on the governmental system. In modern democracies, elections are national events that bring political affairs into a sharp focus. Participation of the electorate plays a central role in the political development of the nation.

Every party has an election manifesto in which it wishes to do certain things after its party is elected either in the center or at the state to form a government. So if there are reforms pertaining to a particular sector than people would buy the companies in that particular sector in anticipation of the fact that if the government comes in power than the reform might improve the condition of the concerned sector and there might be a change in fortune for the companies in the sector.

If the BJP win the election comfortably, meaning that they gain enough seats to build a stable coalition expected to push through significant economic reforms, then markets will rally. Markets have been rising in recent weeks in anticipation of this, and a resounding victory for the BJP will confirm these movements.

On the other hand, if other small parties do better than expected, this would hinder the likelihood of economic reforms getting put in place, and will affect the markets negatively as a result. For example, if the Aam Aadmi Party performs well, this would weaken the power of the ruling party. If the BJP does worse than expected, or the Congress does better than expected, markets will likely take a large hit following the elections.

In the present research, we have attempted to investigate the impact of the results of parliament election, 2014.

OBJECTIVES OF STUDY

The main aim of the study is to investigate the reaction of stock market for the election results in favour of NDA government in 2014.

SCOPE OF STUDY

The current research is an attempt to know the impact of changes in political environment from UPA government to NDA government. The researchers have taken eight industries to represent companies belong to IT, Personal care, Housing, Banking, Pharmaceutical, Automobile, Infrastructure and Logistics industries. The study is limited to companies listed in NSE only.

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METHODOLOGY USED

The entire research is based on secondary data extracted from various sources like websites, books and various e-journals. Stock prices of 182 companies have taken as the sample for the study. As a statistical tool for analysis, the researchers have used descriptive statistics like mean, standard deviation and variances. We used Wilcoxen Signed Rank test for the same to clarify the doubts in the normal distribution of population.

Tools Used

This part of the study deals with the analysis of the study. For the purpose of the analysis daily returns for each index has been computed for the estimation period and for the event period as:

$$\mathbf{R_i = L} \quad \left(\frac{P_1}{P_0}\right)$$

Where, P_1 = Closing price of the company and P_0 is the opening price of the company

$$\mathbf{R_m = L} \quad \left(\frac{M\ _1}{MP_0}\right)$$

MP_1 = Closing market price of the CNX Nifty and MP_0 is the opening market price of the CNX Nifty

In the next step, the market model has been utilized to calculate the expected returns on the stock.

Daily Expected Return

$$\mathbf{E\ (R_{it}) = \alpha + \beta \times R_m + \mathcal{E}_t}$$

In the Equation **E(R)** is the expected return of a particular company on day t,

α and **β** are calculated as follows

$$\beta = \frac{n\sum x\ \ -\sum x \times \sum y}{n\sum x^2 - \sum(x^2)}$$

$$\alpha = \overline{y} - \overline{\beta x}$$

R (m) = Return on the CNX Nifty

Then the abnormal return on day t is calculated as:

Abnormal Returns

Daily abnormal return on a particular day *t* is the excess of the actual return on the day t over the expected return on that day.

$$\mathbf{AR = R_{it} - E\ (R_{it})}$$

RESULTS AND DISCUSSION

Table-1: Pre and Post mean Abnormal Returns of Various Industries during the Period of Election Result

Company / Event Window		Short Term Window		Medium Term Window		Long Term Window	
		11	21	41	61	81	101
Housing Industry	Pre	-0.08%	0.08%	0.18%	0.43%	0.33%	0.25%
	Post	2.31%	1.20%	0.49%	0.68%	0.54%	0.29%
Infrastructure	Pre	1.00%	0.74%	0.50%	0.80%	0.64%	0.65%
	Post	3.48%	1.59%	0.87%	0.74%	0.45%	0.33%
Automobile	Pre	0.02%	0.00%	-0.02%	0.04%	0.07%	0.05%
	Post	2.70%	0.73%	0.51%	0.52%	0.28%	0.17%
Banking	Pre	0.35%	0.19%	0.30%	0.45%	0.45%	0.47%
	Post	2.38%	1.00%	0.54%	0.45%	0.26%	0.20%
Logistics	Pre	-0.62%	-0.69%	-0.34%	0.17%	0.30%	0.36%
	Post	4.19%	1.66%	1.32%	0.90%	0.78%	0.79%

Personal Care	Pre	-0.33%	-0.21%	-0.22%	-0.10%	0.00%	-0.06%
	Post	0.09%	0.18%	0.23%	0.15%	0.13%	0.14%
Computer Software	Pre	-0.73%	-0.63%	-0.47%	-0.28%	-0.28%	-0.33%
	Post	1.20%	0.81%	0.54%	0.40%	0.31%	0.28%
Pharmaceuticals	Pre	-1.19%	-0.50%	-0.04%	0.24%	0.14%	0.09%
	Post	0.94%	0.33%	0.39%	0.44%	0.32%	0.31%

Sources: http://www.moneycontrol.com/stocks/histstock.php

The mean abnormal returns of various industries during the Election result announcement period are presented in Table-1.

Short-term Performance: It is found that under logistics, infrastructure, banking, automobile, and housing industries, higher mean abnormal returns are found during the post announcement period of the election results. Personal care, computer software and pharmaceuticals industries have shown lower mean returns are found during the post announcement period. In the short-term window, logistics industry has shown highest mean abnormal return of 4.19% and personal care industry has shown lowest mean return of 0.09%.

Medium-term Performance: Housing, infrastructure, logistics, banking and automobile industries have shown highest return and pharmaceutical, personal care and computer software industries have shown low returns for medium term event windows during the post announcement period. In medium term window, logistics industry has shown highest mean return of 1.32% and personal care industry has shown lowest mean return of 0.15%.

Long-term Performance: Logistics, housing, infrastructure and banking industries have shown higher mean returns and pharmaceutical, automobile, computer software and personal care industries have shown lower mean abnormal returns during the post announcement period. In the long-term window, logistics industry has shown highest mean return of 0.79% and personal care industry has shown lowest mean return of 0.13%.

Table 2 presents the variances of abnormal returns of various industries during various event windows:

Short-term Performance: In the short run, housing, infrastructure and logistics industries have shown higher variance during post announcement period. Computer software, personal care, automobile, pharmaceutical and banking industries have shown the lower variance during the post announcement period of the election results. In short, term window, housing industry has shown the highest variance of 5.35% and personal care industry has shown lowest variance of 1.23%.

Medium-term Performance: In the medium term window period, housing, infrastructure and logistics industries have shown the higher variance during post announcement period. Computer software, personal care, automobile, pharmaceutical and banking industries have shown the lowest variance during the post announcement period. In medium term window, infrastructure and logistic industry have shown the highest variance of 2.94% and pharmaceutical industry has shown lowest variance of 1.05%.

Long-term Performance: In the long run, housing, infrastructure and logistics industries have shown higher variance during post announcement period. Computer software, personal care, automobile, pharmaceutical and banking industries have shown lowest variance during the post announcement period. In long-term window, infrastructure industry has shown the highest variance of 2.46% and personal care industry has shown lowest variance of 0.85%.

Table-2: Pre and Post Variances of Abnormal Returns of Various Industries during the Election Result Announcement Period

Company / Event Window		Short Term Window		Medium Term Window		Long Term Window	
		11	21	41	61	81	101
Housing Industry	Pre	1.950%	1.340%	1.480%	1.370%	1.230%	1.200%
	Post	3.010%	2.600%	2.410%	2.070%	2.110%	2.040%
Infrastructure	Pre	1.650%	1.200%	1.280%	1.280%	1.180%	1.090%
	Post	4.700%	3.890%	2.940%	2.450%	2.460%	2.320%
Automobile	Pre	0.320%	0.450%	0.580%	0.600%	0.630%	0.640%
	Post	1.440%	2.450%	1.880%	1.550%	1.540%	1.440%
Banking	Pre	1.980%	1.370%	1.090%	1.170%	1.060%	1.010%
	Post	1.780%	2.060%	1.850%	1.570%	1.530%	1.430%
Logistics	Pre	1.220%	0.830%	0.930%	1.210%	1.400%	1.390%
	Post	3.500%	3.630%	2.940%	2.570%	2.700%	2.520%
Personal care	Pre	0.600%	0.470%	0.370%	0.400%	0.480%	0.510%

	Post	1.200%	1.370%	1.170%	0.980%	0.910%	0.850%
Computer Software	Pre	0.870%	0.850%	0.770%	0.830%	0.810%	0.870%
	Post	1.770%	1.360%	1.310%	1.140%	1.150%	1.090%
Pharmaceuticals	Pre	1.420%	1.250%	1.260%	1.170%	1.090%	1.120%
	Post	1.220%	1.230%	1.260%	1.050%	1.130%	1.070%

Sources: http://www.moneycontrol.com/stocks/histstock.php

Table-3: Wilcoxon Signed Ranks for Difference between Abnormal Returns during the Election Result Announcement Period

Industry / Event	11 Days	21 Days		41 Days		61 Days		81 Days		101 Days	
	Z	**Z**	**P**	**Z**	**P**	**Z**	**P**	**Z**	**P**	**Z**	**P**
Housing	-1.21	-0.86	0.38	-0.67	0.50	-0.17	0.86	-0.01	0.99	-0.07	0.94
Infra	-0.94	-0.15	0.88	-0.37	0.71	-0.48	0.63	-0.68	0.49	-1.43	0.15
Auto	-2.02	-1.07	0.28	-1.12	0.26	-1.61	0.10	-0.86	0.39	-0.25	0.79
Banking	-1.48	-0.86	0.38	-0.26	0.79	-0.40	0.68	-1.22	0.22	-1.13	0.25
Logistics	-2.02	-1.68	0.09	-2.27	0.02	-1.47	0.14	-0.84	0.39	-1.14	0.25
Personal care	-0.67	-0.76	0.44	-1.41	0.15	-1.30	0.19	-0.94	0.34	-1.26	0.20
Computer Software	-1.75	-2.29	0.02	-2.65	0.00	-2.76	0.00	-2.50	0.01	-3.07	0.00
Pharmaceuticals	-1.75	-1.68	0.09	-0.44	0.65	-0.62	0.52	-1.12	0.25	1.096	0.27

Sources: http://www.moneycontrol.com/stocks/histstock.php

Wilcoxon Signed Rank test is conducted for various event windows for different industries in the Table 3. Only Housing industry has significant Z value at the 81-day event window, none of the other industries has significant Z values at 5% level of significance, and therefore it could be concluded that the election result of 2014 had no significant impact on the behavior of the stock prices.

CAAR and T value for each industry for various event industries are shown in the Table 4. The result reveals the fact that the CAAR for all the event windows are lesser than the critical value (1.96) and thus it is concluded that the event had no significant impact on the price behavior of the stock market.

Table-4: CAAR and T Value for Various Industries during the Election Result Announcement Period

Company / Event Window		Short Term Window		Medium Term Window		Long Term Window	
		11	**21**	**41**	**61**	**81**	**101**
Housing Industry	CAAR	0.1481	0.1645	0.1712	0.3699	0.3847	0.3096
	T Value	4.0516	3.2575	2.4264	4.2977	3.8782	2.7954
Infrastructure	CAAR	0.2545	0.2633	0.3047	0.4924	0.4662	0.5211
	T Value	6.9149	5.1789	4.2887	5.6817	4.6685	4.6736
Automobile	CAAR	0.1251	0.0622	0.0872	0.1567	0.1307	0.1015
	T Value	4.3898	1.5787	1.5852	2.3357	1.6907	1.1758
Banking	CAAR	0.1636	0.1460	0.1951	0.2966	0.3145	0.3651
	T Value	4.6980	3.0341	2.9014	3.6167	3.3281	3.4595
Logistics	CAAR	0.1867	0.1046	0.2041	0.3278	0.4382	0.5839
	T Value	4.1830	1.6970	2.3694	3.1189	3.6187	4.3178
Personal care	CAAR	-0.0190	-0.0103	-0.0049	0.0085	0.0442	0.0337
	T Value	-0.7607	-0.2969	-0.1014	0.1443	0.6513	0.4452
Computer Software	CAAR	-0.0001	-0.0053	-0.0053	0.0142	-0.0121	0.0448
	T Value	-0.0028	-0.1330	-0.1816	0.2101	-0.1552	0.5143
Pharmaceuticals	CAAR	-0.0309	-0.0359	0.0525	0.1847	0.1625	0.1817
	T Value	-1.2336	-1.0374	1.0840	3.1291	2.3889	2.3915

Sources: http://www.moneycontrol.com/stocks/histstock.php

FINDINGS AND CONCLUSION

As per the mean abnormal returns logistics, infrastructure, banking, automobile, and housing industries are benefited out of the election results in the short-term event window. In the medium term event window, housing, infrastructure, logistics, banking and automobile industries have shown higher returns for the announcement of the election result. Logistics, housing, infrastructure and banking industries have benefited in the end form the election result.

In the short run, housing, infrastructure and logistics industries have shown higher variance in returns during the post announcement period. In the medium term window period, housing, infrastructure and logistics industries have shown the higher variance in returns during the post announcement period. In the end, housing, infrastructure and logistics industries have shown higher variance in returns during the post announcement period.

The researchers have used the Wilcoxon Signed Rank test and T test for testing the CAAR and the results have proved that the Parliament Election, 2014 had no significant impact on the performance of the stock market. Hence, we conclude that, even though the descriptive statistics of abnormal returns shows an impact on the stock prices of some of the industries, the tools used for testing the significance of abnormal returns during the study period reveals that there was no significant impact from the event on the price behavior of the stock market.

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A STUDY ON THE CUSTOMERS PERCEPTION TOWARDS SUN FEAST MARIE BISCUITS: A CASE STUDY OF NELLORE

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ABSTRACT

In this paper, we have discussed the customer's perception towards sun feast Marie biscuits in Nellore. A structured questionnaire was administered among 220 respondents using simple random method. 20 questionnaires were not considered since they were not completely filled. The information gathered is analysed with the help of simple percentage method. From the study it is found that majority of respondents fall below age group of 20. From the study it is observed that most of respondents eat packaged snacks. From the study it is observed that majority of the respondents are interested to buy cream biscuits and remaining prefer to buy salt or milk biscuits. From the study it is clear that majority of the respondents are aware of sun feast Marie light oats biscuits. From the study it is found that majority of consumers buy Sun feast Marie light oats from the Super Market. The study reveals that ITC is the first mover to produce oats biscuits.

KEYWORDS

Consumer, Perception, Food Industry, Marketing Strategy etc.

INTRODUCTION

Indian Biscuits Industry is the largest among all the food industries and has a turnover of around Rs. 3000 cores. India is known to be the second largest manufacturer of biscuits, the first being USA. It is classified into two sectors namely organized and unorganized. Bread and biscuits are the major part of the bakery industry and covers around 80 percent of the total bakery products in India. The unorganized sector of the bakery Industry covers 70% of the total production. Indian Biscuits Industry came into limelight and started gaining a sound status in the bakery industry in the later part of 20th century when the urbanized society shifted to readymade food products. Biscuits were assumed as sick-man's diet in earlier days. Now, it has become one of the most loved fast food products for every age group. Biscuits are easy to carry, tasty to eat, cholesterol free and reasonable at cost. The rural sector consumes around 55 percent of the biscuits among the bakery products. Biscuits contribute to over 33 percent of the total production of bakery. Above 79 percent of the biscuits are manufactured by the small scale sector of bakery industry comprising both factory and non-factory units. The production capacity of wafer biscuits is 60 MT. Few years back, large scale bakery manufacturers like Cadbury, Nestle, and Brooke bond tried to trade in the biscuit industry but couldn't hit the market. The Federation of Biscuit Manufacturers of India has confirmed a bright future for Indian Biscuits Industry. According to FBMI, a steady growth of 15 percent per annum in the next 10 years will be achieved in India.

REVIEW OF LITERATURE

Mittal and Kamakura (2001) address the link between satisfactions and repurchase behaviour. Their major findings indicate that despite identical rating on satisfaction due to respondent characteristics such as age, education, marital status, sex and area of residence, significant difference was observed in repurchase behaviour. Over the past decade, retailers use manufacturer brands to generate consumer interest, patronage and loyalty in a store.

Jegan, A. and Dr. Sudalaiyandi, S. (2013), study on consumer buying behaviour towards various types of Sunfeast (ITC) biscuits in Kovilpatti is conducted to know the consumers' taste, awareness about various brands, about the choice and their frequency of purchase of Sunfeast Biscuit. The result shows that Sunfeast biscuits have a good market share in Kovilpatti city.

Dr. M. Arutselvi (2012), a study on Consumers' Preference towards Various Types of Britannia Biscuits in Kanchipuram Town". The topic deals with the study of consumer behaviour towards Britannia Biscuits. The consumer behaviour varies from brand to brand on the basis of quality, quantity, price, taste, advertisement etc. The market study on biscuits at Kanchipuram town has helped to know the market share of various brands.

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NEED FOR STUDY

Due to increasing competition, changing consumer lifestyle, increasing people's awareness we witness a paradigm shift in the food habits of Indian consumers. Consumers are moving towards nutritional products day by day. As a part of producing a nutritional product, to satisfy changing tastes and preferences of consumers ITC's research & development department came with the concept of OATS BISCUITS. This contains high nutritional values with 0% Transfat. To promote this product nationally company has to reposition its marketing strategy. A comprehensive study on the preferences of consumers on product, price, place and promotion will help the company to serve its products to the satisfaction of the customers.

OBJECTIVES OF STUDY

- To study the popularity of the Sun Feast Marie light oats biscuits in Nellore.
- To identify the satisfaction level on various factors of Marie light oats biscuits.
- To know the awareness level of consumers about new products in sun feast Marie light oats biscuits.
- To know the customer perception towards the price of the biscuits.
- To provide suggestions for the Improvement of sun feast Marie light oats biscuits

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LIMITATIONS OF STUDY

The sample size is 200, hence it cannot be universalized.
Convenience sampling has its own limitations, being biased and unsatisfactory.
The study is based on the prevailing conditions, which are subjected to changes in future.

RESEARCH METHODOLOGY

Data Sources

Secondary Data: It has been collected from the compendiums, Journals, annual reports, manuals, materials from net and the theoretical concept compiled from various books.

Primary Data: Primary data has been collected directly from the customers of various age groups.

Research Approach	:	Survey method
Research Instrument	:	Structured Questionnaire
Sampling Plan	:	
• Sampling Unit	:	People of Nellore
• Sampling Procedure	:	Convenience sampling
• Sampling size	:	200
Contact Method	:	Personal Interview
Statistical Tool	:	Percentage Analysis

DATA ANALYSIS AND INTERPRETATION

Table-1: Statistics & Inference

		Number of Respondents	%	Inference
Age	< 30	100	50%	50% of people fall below age group 30, 33% all between 30-50 and 17% fall above 50 years.
	30-50	66	33%	
	>50	34	17%	
Gender	Male	38	19%	19% of people who purchase biscuits are male and 81 % of them are female
	Female	162	81%	
Consumer Choice in the Evening Time.	Biscuits	86	43%	51% Respondents eat packaged snacks, 43% Respondents prefer biscuits, and 4% & 2% Respondents will go for savories & bread slices respectively.
	Snacks	102	51%	
	Savories	08	04%	
	Bread Slices	04	02%	
Consumer Preference on Different Types of	Salt Biscuits	36	18%	Most of the respondents are interested to eat cream biscuits. They are about 35%, Crunchy
	Milk Biscuits	30	15%	

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Biscuits.	Cream Biscuits	70	35%	biscuits got 32% preference from respondents, 18% &15% want to go for salt & milk biscuits respectively.
	Crunchy Biscuits	64	32%	
Consumer Preference on Different Brands of Biscuits.	Sun Feast	70	35%	Most of the respondents are interested to eat sun feast biscuits. They are about 35%, Britannia biscuits 18%, Parley biscuits 32% and 15% want to go for Horlicks biscuits.
	Britannia	36	18%	
	Parle	64	32%	
Consumer Awareness towards Sun Feast Marie Light Oats Biscuits	Yes	166	83%	83% of the respondents are aware of sun feast Marie light oats biscuits and 17% are not aware.
	No	34	17%	
Awareness on Presence of Oat Fibre and Natural Fibre	Yes	130	65%	65% of the respondents are aware that Sun Feast Marie light oats biscuits are enriched with oat fibre and remaining 35% are not aware.
	No	70	35%	
Awareness About Presence of Oat Fibre & Soluble Oat Fibre	Yes	128	64%	64% of the respondents are aware of Sun Feast Marie Light Oats Biscuits with Natural Wheat fibre & Soluble Oats Fiber and 36% are not aware.
	No	72	36%	
Awareness on Previous Products of Sun Feast Biscuits	Yes	140	70%	70% of the respondents are aware of sun feast biscuits and 30% are not aware.
	No	60	30%	
Consumer Awareness Towards 0% Cholesterol Transfer in Sun Feast Marie Light Oats Biscuits	Yes	106	53%	53% of the respondents are aware of 0% cholesterol & Trans-fat in Sun Feast Marie Light Oats Biscuits. 47% are not aware of it.
	No	94	47%	
Consumer Preference in the Way of Eating Biscuits	With Tea	94	47%	47% of the respondents are interested to eat sun feast Marie light oats biscuits with tea. 43% percentage of people are willing to take biscuits plainly. Only 7% & 03% are interested to take with jam and honey.
	With Jam	06	03%	
	With Honey	14	07%	
	Plain	86	43%	
Place of Purchase of Marie Light Oats Biscuits	Super Market	106	53%	53% & 43% of respondents are purchasing biscuits from their nearby super Markets & General stores and 4% of the respondents are purchasing from medical shops.
	General Stores	86	43%	
	Medical Shop	08	04%	
Preference Towards Different Aspects of Biscuits	Flavor	60	30%	50% of the respondents prefer Sun Feast Marie Light Oats biscuits because of its taste, 30% of people for its flavour and 20% for its crispiness.
	Crispiness	40	20%	
	Taste	100	50%	
Consumer Preference Towards Special Features	More Fiber	120	60%	60% respondents prefer more fibre in biscuits, 30% of the respondents prefer 0% Cholesterol and 10% prefer Transfat.
	0% Cholesterol	60	30%	
	0% Transfat	20	10%	
Consumer Opinion Towards Marie Light Oat Biscuits	Excellent	126	63%	63% respondents rated excellent, 32% rated Good and 05% as average.
	Good	64	32%	
	Average	10	05%	
	Bad	0	0%	
	Worse	0	0%	
Satisfaction Towards Packing Style	Satisfied	140	70%	70% of the respondents are satisfied and 30% are not satisfied with the packing style.
	Not satisfied	60	30%	
Opinion Towards Price	High	40	20%	20% of the respondent s feel that the prices of Sun Feast Marie Biscuits are high, 30 % feel Moderate and 50% feel low.
	Moderate	60	30%	
	Low	100	50%	
Choice of Medium	Online	20	10%	10% of the respondents feel that online promotion is the best medium, 25% feel paper is the best medium and 65 % feel television is the best medium for promoting the biscuits.
	Paper	50	25%	
	Television	130	65%	

Sources: Authors Compilation

FINDINGS

50% of the respondents are in the age category of below 30 years, 33% are in the category of 30 – 50 years and 17% are in the category of above 50 yrs.

81% of the customers are female and 19 % are male.

43% of the respondents prefer biscuits and 51% of the respondents prefer snacks in the evening time.

18% of the respondents prefer salt biscuits, 15% prefer milk biscuits, 35% prefer cream biscuits and 32% prefer crunchy biscuits.

35% of the respondents prefer to buy Sun Feast biscuits as against 18% Britannia, 32% Parle and 15% Horlicks.

83% of the customers are aware of Sun Feast Marie biscuits and 17% of the respondents are not aware of it.

Around 65% of the people are aware of features like Oat Fiber, Natural Wheat fiber and soluble oat fiber.

47% of the respondents prefer Marie biscuits with tea, 3% with Jam, 7% with honey and 43 % prefer to eat plain biscuits.

53% of the respondents buy in super markets, 43% in general stores and 4% in medical shops.

53% of the respondents are aware that the Sun feast has 0% Cholesterol, 0% Transfat Biscuits.

30 % of the people prefer flavor, 20% crispiness and 50% taste.

60% of the respondents prefer more fiber biscuits, 30% prefer 0% cholesterol biscuits, and 10 % prefer 0% Transfat biscuits.

63% of the customers are of the opinion that Sun feast biscuits are excellent, 32% of the respondents feel that they are good, and 5% express that they are average. Nobody feels that they are bad.

70% of the respondents are satisfied with the packing style of Sun feast biscuits and 30% are not satisfied.

20% of the respondents feel that the prices of Sun feast biscuits are high, 30% feel moderate and 50 % feel low.

10% of the respondents are aware of the product features through online, 25% through newspapers and 65% through television.

SUGGESTIONS

Most of the customers who purchased biscuits are below 30 years age. The company's marketing mix should be strategically designed to meet the aspirations of this segment,

The company has to understand the buying behavior of women to ensure higher satisfaction since 81% of the customers are female.

Company has to concentrate on those customers who prefer snacks in the evening time to convert them into consuming biscuit to increase its sales phenomenally and to improve its market position.

Company has to attract the respondents who prefer cream biscuits since 35% of the total respondents prefer them.

There is a neck-to-neck competition between Sun Feast and Parle brands in Madanapalle town. An appropriate promotional strategy will provide a competitive edge to the company.

The company has to adapt market penetration strategy to add new customers since 83% of the people are aware of Sun feast Marie biscuits already.

The company has to initiate measures to improve the awareness level of features such as presence of Oat fiber, natural wheat fiber and soluble oat fiber.

The company has to tie up with leading tea manufacturers in promotional campaigns to improve its sales since 47% of the customers prefer to take biscuits with tea.

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Company has to display point of purchase material at all the super markets and general stores to improve its sales since 96% of the respondents are buying from these locations.

Awareness level towards 0% cholesterol and 0% Transfat biscuits is only 53%. Company has to encourage its channel partners and sales people to promote the awareness level so that it can increase the overall sales.

The company has to concentrate on taste of the products since 50% of the respondents prefer the biscuits based on taste.

Company has to promote 0% cholesterol biscuits and 0% Transfat biscuits since very few respondents are consuming it because of lack of awareness of these products.

95% of the customers are having very good opinion on Sun feast biscuits. A proper marketing program will definitely convince these respondents to switch over to Sun feast biscuits from rival brands.

The company has to adapt innovative packing styles to make their biscuits more attractive and to increase the shelf life.

The company has to highlight the prices of its products vigorously since many customers are not aware that the prices of Sun feast are relatively low comparing to the competitors.

Television is the most effective medium to promote the product. The company has to allocate an appropriate budget to promote the product through local and national channels.

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IMPACT OF GLOBALISATION ON TURNAROUND OF A COAL COMPANY: A CASE STUDY OF SINGARENI COLLIERIES COMPANY LIMITED

Dr. K. Srinivasa Rao[70] AJM Muralidhar Rao[71]

ABSTRACT

The companies around the world are focusing on exploring new possibilities in the market, coming across new threats in competition, and diffusing new business models as part of their organizational restructuring. This has resulted in cutting costs and improving the revenues. The globalisation as part of the New Economic Policy has brought in a new era of technology, quality consciousness and competition, which compelled Indian business to wake up from its sleepwalking and reassess its assumptions for dealing with the 'compete-or-perish' situation. The current study makes an attempt to learn about the turn around, situation from deep losses to profitable organisation by way of restructuring a coal mining company, Singareni Collieries Company Limited.

KEYWORDS

Globalisation, Voluntary Retirement, Turn Around, Trade Union, Industrial Relations etc.

INTRODUCTION

The government introducing the New Economic Policy in 1991, massive changes occurred in the form of organizational restructuring set up, financial restructuring, introduction of modern management practices, greater autonomy for PSUs, disinvestments of public enterprises to raise resources for other needs and encourage wider citizen and worker participation in the ownership of industries that were under government monopoly, Memorandum of Understandings signed between PSU & PSE and centre and state governments greater efficiency, autonomy and accountability, and privatization.

Full finance and operational autonomy has been granted by Union government to the nine leading PSUs through the Navratna status and the lesser autonomy status conferred on others under the Maharatna and Miniratnas status. These are only granted to profit making PSUs and Undertakings thus saving them from red tapism and process of going through the Expenditure Finance Committee and Project Investment Board (EFC & PIB) and will be free to raise resources domestically as well as internationally and enter into financial and technical joint ventures with them.

Thus LPG into the economy has definitely helped the efficiency and growth of PSUs in India. However, private support under guidance and facilitation of State is more needed then privatisation of public enterprises as that will lead to a total domination of market in our economy which is not favourable. There is still a need to reduce bureaucratic way of functioning and upgrading the techniques of management and technology and also more effective accountability, retention and pay policies.

PSUs are still very important as they play a very important role in neutral and impartial implementation of a planned economy as well as socio-economic development and justice and regulating the monies in the economy efficiently.

PSUs IN INDIA

In 1954, the then prime minister of India, Jawaharlal Nehru christened public sector units as the "temple of modern India". Today India Inc. proudly boasts of over 2 crore people employed in PSUs, which are largely owned and managed by the Central Government. Over the years, the number and significance of PSUs grew enormously. In the first five year plan, there were just five central PSUs. By 1980, the number had grown to 163. Just before India embarked on the privatization or disinvestment drive in 1991-92, the number was 244.

As on March 2006, according to CAG, there were 404 central PSUs, including six corporations and 94 deemed government companies, operating across a wide spectrum of businesses that included sectors such as banking, coal, engineering, power, oil, steel, textiles, etc.

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During the same period, there were 1062 state Government companies. PSUs were set up to play a pivotal role as envisaged in the economic model adopted by the country in the post-independence era. This was essentially a socialist model, inspired by the Soviet model. A large number of PSUs were set up across sectors and they played a significant role in terms of job creation, social welfare, and overall economic growth of the nation.

This is because the policy of the public sector was guided not purely by profits but also by efforts to spur growth in remote and backward areas of the country and to provide employment. It has succeeded in both. In fact, if the public sector had not ventured into extremely backward and tribal areas like Jharkhand, Orissa, and Chhattisgarh, among others, the fruits of development that people of these regions enjoy would have eluded them.

Even though the public sector has had its share in the Indian success story and transformed the economy from being agro-based industry-led, it has attracted criticism and adverse opinion. The critics charge that the PSUs are in the black only because they have the financial backing of the Centre. However, much has changed since the economy opened up.

In today's changing times, our PSUs have realized that for them to become successful businesses, they must shed their lackadaisical approach and transform not only their approach to their business objectives, but also their people management practices.

PROFILE OF ORGANISATION: SCCL

In the year 1871, Dr. William King, the British Geologist discovered coal near the village of Yellandu in Khammam District of Telangana. The Singareni Collieries got its name since coal was discovered in Singareni village first. As a mark of respect to the British geologist who discovered coal in Singareni - the SCCL bears one of the underground coal seams was named as "King Seam". The Hyderabad (Deccan) Company Limited incorporated in England acquired mining rights in 1886 to exploit coal found in Yellandu area. In 1889 the coal production started and it was named as Hyderabad Deccan Company incorporated in England and its shares were listed in London Stock Exchange.

The present Company was incorporated on 23rd December 1920 under the Hyderabad Companies Act as a public limited company with the name, The Singareni Collieries Company Limited' (SCCL). It acquired all the assets and liabilities of the Hyderabad (Deccan) Company Limited Best & Co., acted as secretaries and selling agents. The State of Hyderabad purchased majority shares of the Company in 1945 thus making the Singareni Collieries Company Limited as the first Government managed Coal Company in India. From 1945 to 1949, the Hyderabad Construction Company Limited was acting as Managing Agent. In 1949 this function was entrusted to Industrial Trust Fund by the then Government of Hyderabad. The controlling interest of the Company devolved on the Government of Andhra Pradesh in 1956 pursuant to the reorganization of states. Thus, the SCCL became a Government company under the Companies Act in 1956. Now the Government of Telangana is having 51% stake and the Govt. of India the remaining 49% stake in the Company. By the year 1990 - 1991 the SCCL employed 1,16,918 people, recording the highest ever number of employees on its roll.

Performance of SCCL in recent (2015-16)

Table-1: Performance over Last Year

#	Description	2015-2016	2014-2015	% Growth
1	Production in M.T.	60.38	52.54	15.0
2	Despatch in M.T.	58.67	52.66	11.4
3	OB Removal in M.Cu.Mtrs	311.36	262.82	18.5
4	Number of Rakes	10,070	8,110	24.1
5	Estimated PAT (Cr)	1,020	490	108.2
6	Gross Turn Over (Cr)	16,516	14,078	17.3
7	Taxes Paid (Cr)	4,651	3,859	20.5

Sources: Authors Compilation

Table-2: SCCL vs CIL Performance

#	Description	SCCL	CIL
1	Production	15.0 %	8.5 %
2	Despatch	11.4 %	8.8 %

Sources: Authors Compilation

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Table-3: SCCL Coal Production for last 5 Years

Year	Production (in M.T.)	Growth (in M.T.)	% Growth
2010 - 11	51.33	0.91	1.8%
2011 - 12	52.21	0.88	1.7%
2012 - 13	53.19	0.98	1.9%
2013 - 14	50.47	-2.72	-5.1%
2014 - 15	52.54	2.07	4.1%
2015 – 16	60.38	7.84	15.0%

Sources: Authors Compilation

Table-4: SCCL Dispatches for last 5 Years

Year	Despatches (in M.T.)	Increase (in M.T.)	% Growth
2010 - 11	50.05	0.78	1.6%
2011 - 12	51.40	1.35	2.7%
2012 - 13	53.28	1.88	3.7%
2013 - 14	47.89	-5.39	-10.1%
2014 - 15	52.66	4.77	9.9%
2015 – 16	58.67	6.01	11.4%

Sources: Authors Compilation

Performance of Coal Companies in India for 2015-16

Table-5: Production

#	Company	Production in M.T.	% Growth
1	SCCL	60.38	15.0
2	CIL	536.5	8.5
3	MCL	137.9	13.5
4	NCL	80.2	11.1
5	CCL	61.3	9.8
6	WCL	44.8	9.0
7	SECL	135.7	5.7
8	BCCL	35.9	3.9
9	ECL	40.2	0.6
10	NEC	0.48	-39.1

Sources: Authors Compilation

Table-6: Despatches

#	Company	Despatches in M.T.	% Growth
1	SCCL	58.67	11.4
2	CIL	532.4	8.8
3	MCL	140.3	14.0
4	SECL	136.6	10.8
5	CCL	59.6	7.9
6	BCCL	36.2	7.5
7	NCL	78.5	6.6
8	WCL	42.4	2.7
9	ECL	38.6	0.2
10	NEC	0.3	-52.7

Sources: Authors Compilation

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Manpower

During the year 1990-1991, there was manpower of 116918 employees on rolls of company and with the closure of mines and redeployment of manpower was done. During those times the Industrial relations were not good and healthy and with the Naxalite movement was in swing in Northern Telangana Districts (Karimnagar, Warangal, Khammam and Adilabad Districts) where the Coal is being exploited, with all these and settlement of wage boards which is under JBCCI – at Central Government level, frequent strikes took place and at one stage it was even referred to BIFR.

In such a situation after the globalization, a review on manpower to get the industry on the reigns back – an effort was made through VRS-GHS.

The SCCL in 1999 decided to introduce Voluntary Retirement Scheme (Golden Handshake Scheme) for the surplus non-executive (NCWA) employees on the same lines as is being followed in the subsidiaries of Coal India Limited, which are broadly in conformity with Bureau of Public Enterprises-Government of India guidelines. So far SCCL has implemented 15 times from 2000 to 2009, in these say ten years 24,165 employees have opted VRS. In this connection it is pertinent to mention that the VRS was implemented at the free will of the employees and none of them are sent forcibly. It was with their free will and also family member's consent that the employee has opted and was paid lump sum amount in addition to his normal terminal benefits like coal mines provident fund, gratuity and monthly pension.

Table-7: Details of Employees Retired under VRS (GHS) and VRS (LPE)

S. No.	VRS Batch No.	Period of Operation	Category of Work Men Eligible for Applying VR Under VRS(GHS)	Number of Workmen Retired Under VRS(GHS)	Ex-gratia Paid Rs.
1	I	01.01.2000 to 31.03.2000	General Mazdoors	366	6,39,98,763.54
2	II	01.07.2000 to 31.08.2000	General Mazdoors	518	9,44,15,025.18
3	III	01.11.2001 to 30.11.2001	43 Categories of employees (33 Categories only applied)	4536	129,47,56,135.33
4	IV	06.12.2001 to 20.12.2001	45 Categories of employees (33 Categories only applied)	177	5,15,29,149.39
5	V	21.10.2002 to 20.11.2002	*54 Categories of employees* (38 Categories only applied)	668	16,31,17,480.05
6	VI	01.08.2003 to 15.09.2003	61 Categories of employees	1312	34,65,02,314.01
7	VII	16.09.2003 to 30.09.2003	12 Categories of employees	127	3,75,19,202.44
8	VIII	01.07.2005 to 31.07.2005	45 Categories of employees	4516	184,36,95,955.30
9	IX	01.04.2006 to 30.04.2006	91 Categories of employees	2602	110,82,01,289.16
10	X	09.02.2007 to 28.02.2007	121 categories of employees of various designations	3478	160,58,86,572.14
11	XI	11.07.2007 to 25.08.2007	176 groups of categories. VR Scheme for low productive Employees. Compensation of Rs. 4000/- p.m.	505	
12	XII	25.09.2007 to 31.10.2007	164 groups of employees of Various designations	1244	58,44,66,566.69
13	XIII	04.03.2008 to 15.04.2008	176 groups of categories. VR Scheme for low productive Employees. Compensation of Rs. 4000/- p.m.	187	
14	XIV	01.05.2008 to 14.06.2008	164 groups of employees of Various designations (presently in operation)	3592	210,78,97,364.07
15	XV	01.05.2009 to 31.05.2009	102 groups of employees of various designations	362	28,02,47,780.00
		Total		**24165**	**958,22,33,597.30**

Sources: Office of GM (Personnel), RC, IR&PM

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Awards Received by SCCL in Recent Time

- The Performance Excellence Award from Indian Institution of Industrial Engineering for the year 2015.
- The National Award for Excellence in Cost Management–2015 in Large Mining PSUs Division.
- Best Management Award for the year 2016, organised in connection with May Day Celebrations by Ministry of Labour, Government of Telangana.

INDUSTRIAL RELATIONS SCENARIO IN SCCL

Though coal mining activities were started in SCCL in the year 1889, the organised labour movement started on a later date. This was due to the illiteracy and ignorance of workers and also due to repressive methods adopted by the labour contractors and the then Government of Hyderabad. Workers organised strikes during the year 1921, 1922 & 1935. But the real movement of trade unionism started with the establishment of AITUC under the name of Singareni Collieries Workers' Union on 16th July, 1945 at Kothagudem as its Head Office.

The Tandur Coal Mines Labour Union was started at Bellampalli in February, 1949 under the influence of INTUC leaders. It is after 1950 the trade union movement grew in leaps and bounds in SCCL and a number of new unions came up. In 1990, there were 32 registered trade unions operating in SCCL. Out of which 17 were craft unions representing sectional interests of the workers and the remaining 15 were general unions, affiliated to different national level unions. With the growth of the organised movements of workers from time to time by way of increase in the number of trade unions, the disunity and inter union rivalry also increased substantially.

The industrial relations scenario in SCCL has been plagued by a number of catcall/illegal strikes. The name of Singareni has become synonymous with strikes. The problems have been compounded because of multiplicity of unions and inter union rivalry leading to enormous loss of production to the Company and wages to the workmen affected by the illegal strikes. There has been mushrooming of trade unions in the Company, the number going up to as high as 77 by May, 1998 (which figure has gone up to 90 by February 2003, out of which 65 are craft unions/associations).

There are no details of actual patronage of workers of a particular union. The management felt that the existence of such unions are on the principle of "might is right". All the unions vied with each other for supremacy thereof leading to inter-union rivalries marring industrial peace. The multiplicity of the unions, which lead to inter-union rivalry paved way for the wild cat strikes and the illegal stoppage of work. At one stage it was so disappointing that in a year there were more than 475 strikes in the company. Due to this the management was all the time engaged in resolving the IR related issues due which attention to production got reduced. During the period of 1996-2002 many strikes had occurred over various issues. The causes for these strikes could be categorized as in the following table:

Table-8: Strikes along with reasons at SCCL

S. No.	Reason for Strike	Percentage of Strike on Issue
01	Unsatisfactory working conditions	44.3
02	Wage related issues	29.0
03	Protest against disciplinary action	10.16
04	Sympathy for accidental deaths	10.66
05	Bandh call given by various organizations	02.83
06	Employment of Dependants	00.83
07	Other reasons	04.0

Sources: Authors Compilation

Problems

- All the unions vied with each other for supremacy i.e. inter-union rivalry, raised false aspirations among workmen of various categories, put forth even unlawful, unreasonable and unjustifiable demands.
- As a result, the number of catcall/wildcat flash strikes on frivolous and minor issues increased causing enormous loss of production to the Company and wages to the workmen thus creating industrial unrest.
- The managerial personnel were engaged on tackling the industrial relations and could not give full attention to production and welfare related matters.

Naxalite & Trade Union

The Naxalite movement is very active and in interior parts of Telangana Region, where coal mines are also located and affected naturally. Peoples War Group (PWG), a major Naxalite group is having a labour wing named Singareni Karmika Samakhya (SIKASA). SCCL was worst hit by the destruction activities of SIKASA/PWG especially during the period 1988-1998.

The following are the details of the strikes that have taken place, man days lost and production lost for the last 5 years prior to 2002-2003, in response to the strikes organised by SIKASA, a banned outfit of PWG.

Table-9

Year	Area	Duration	Man days lost	Production Lost (T)	Reasons
1998-99	BPA	6.4.98	1201	609	SIKASA had given Bandh call.
	BPA	21.5.98	822	417	SIKASA given Bandh call.
1999-00	BPA, MM, RKP, SRP.	2 days 13.4.99 & 14.4.99.	68,848	38,040	Bandh call given by SIKASA in protest against the encounter death of Sri Seshagiri.
	SK Mine / BPA.	15.12.99	370	99	Bandh call given by SIKASA.
	KTK.2A / BHPL.	15.12.99	188	101	Bandh call given by SIKASA.
2000-01	RK.7 & SRP.3 of SRP.	27.10.00	2083	1580	Bandh call given by SIKASA in protest against alleged fake encounter death of Sri Manikyam alias Janardhan, Central Organiser of SIKASA.
	MVK.1 / BPA.	22.4.00	166	84	Bandh call given by SIKASA in protest against death of SIKASA activist in an encounter.
2001-02	NIL				
2002-03	BPA, MM, RKP, SRP.	2 days. 11th & 12th July 2002.	24,769	15,875	SIKASA given Bandh call due to alleged fake encounters

Sources: Authors Compilation

Thus, we can understand by going through the above table that the industrial relations scenario in SCCL has been plagued by a number of catcall/illegal strikes. The name of Singareni has become synonymous with strikes. The problems have been compounded because of multiplicity of unions and inter union rivalry leading to enormous loss of production to the company and wages to the workmen affected by the illegal strikes. There has been mushrooming of trade unions in the Company, the number going up to as high as 77 by May, 1998 (which figure has gone up to 93 by February 2001, out of which 65 are craft unions / associations).

Industrial Relations from 1984-1985 to 1997-1998

The salient features of the Industrial Relations policy are as follows:

- Verification of the strength of the unions functioning in the Company will be done through secret ballot once in two years by the appropriate authority.
- Only one union will be recognised at Company level.
- There will be one Representative union in each Area.
- The recognition or representative status accorded will be valid for two.
- The Union recognised at the Company level may represent and discuss any issue on behalf of the workers either at Company level or Area level.
- The Representative Union for an Area can represent the issues pertaining exclusively to that area.
- Any indulgence in or any encouragement of violence, intimidating tactics, illegal strikes or violation of Code of Discipline shall render the recognised/representative Unions liable to forfeit the status of 'recognition'.

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Table-10

S. No.	Year	Number of Strikes	Man Days Lost	Production Lost (Tonnes)
01	1984-85	406	18,28,028	16,86,580
02	1985-86	128	2,07,662	1,92,149
03.	1986-87	217	5,68,038	5,70,984
04	1987-88	354	21,47,571	23,83,167
05	1988-89	378	7,63,209	9,44,383
06	1989-90	435	32,23,544	24,55,490
07	1990-91	445	34,19,209	27,84,166
08	1991-92	475	14,22,159	13,53,120
09	1992-93	430	8,88,878	8,41,242
10	1993-94	214	4,17,508	4,11,141
11	1994-95	268	5,52,123	5,27,310
12	1995-96	191	36,79,892	33,02,740
13	1996-97	310	10,04,021	9,64,759

Sources: Authors Compilation

The table above reveal that there have been number of strikes organised by SIKASA, a banned outfit of People's War Group, particularly in Bellampalli Region. This has contributed to gross indiscipline and deterioration in work norms in the Company in general and in Bellampalli Region in particular. The Company has incurred accumulated losses totalling Rs. 1219 crores as on 31.03.1997. As per the officers in the organisation, they feel that these strikes were organised by the workmen on frivolous and minor issues. From the above, it can be understood that in the year 1991-1992 in a year there are 365 days but in Singareni there were 475 strikes which resulted in the company being referred to BIFR. The Industrial Relations Policy approved by the Board of Directors of SCCL in August, 1991, made a provision for verification of strength of different unions functioning in the company with a view to decide the bargaining agent at corporate level and area level.

The Central Labour Department nominated the Regional Labour Commissioner (Central), Hyderabad as Returning Officer to conduct secret ballot on 09.09.1998. Although 77 unions were functioning in SCCL, only 13 unions contested the elections as craft unions were ineligible to contest as they did not represent the cross-section of workmen of SCCL. As the tenure of two years of the Recognised Union expired on 06.03.2003, the Ministry of Labour, GOI and the Central Labour Department were requested to fix the tenure for four years from the next election. Ministry of Labour GOI has decided that the grant of the period of recognition now onwards would be for four and appointed the Regional Labour Commissioner (Central), Hyderabad as Returning Officer during the last week of March, 2003. Notification for conducting verification of membership of the registered trade unions operating in SCCL through secret ballot was issued by the R.O. & RLC (C), HYD on 07.04.2003 and the date of election was fixed as 14.05.2003. When the relative strength of the trade unions operating in SCCL was put to test i.e. by way of holding secret ballot on 09th September, 1998, only 13 trade unions as against 77 as on May, 1998 were considered for contesting in the trade union elections and the number of votes polled by each union is as under: (the highlighted are the unions affiliated to National Level) Trade Unions.

Table-11: Table showing Voting pattern (Union-wise)

S. No.	Name of the Union	Number of Votes	Percentage of Votes Polled
01.	S. C. Workers' Union (**AITUC**)	31,938	33.24
02.	S. C. Staff & Workers Union (SAAJAC)	21,118	21.98
03.	S. C. M. L. Union (**INTUC**)	15,208	15.82
04.	G. L. B. K. Sangham (IFTU)	12,674	18.19
05.	S. M. & E. W. Union (**HMS**)	3,785	3.93
06.	S. C. Employees Union (**CITU**)	3,277	3.41
07.	S. C. Labour Union (TNTUC)	2,599	2.70
08.	A. P. Colliery Mazdoor Sangh	2,083	2.16
09.	S. C. M. K. Sangh (**BMS**)	2,026	2.10
10.	SS GLBK Sangham	777	0.80
11.	S. G. K. Sangham	411	0.42
12.	G. L. B. K. Union	114	0.11
13.	Coal Mines Employees Union	66	0.07

Sources: Authors Compilation

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Recognised Union at Company Level in various elections to trade unions were as follows:

Table-12

S. No.	Date of Election	Periodicity / Tenure	Name of the Union got Recognition	% of Votes Polled
01	09.09.1998	02 years	Singareni Collieries Workers Union - SCWU (AITUC)	33.24%
02	19.02.2001	02 years	Singareni Collieries Workers Union - SCWU (AITUC)	20.79%
03	14.05.2003	02 years	Singareni Collieries Mines Labour Union - SCMLU (INTUC)	39.59%
04	09.08.2007	04 years	Singareni Collieries Workers Union - SCWU (AITUC)	42.83%
05	28.06.2012	04 years	Telangana Boggu Gani Karmika Sangham - TBGKS	38.69%

Sources: Office of GM (Per), RC, IR&PM, SCCL Corporate Office

WORKERS PARTICIPATION IN MANAGEMENT SYSTEM

At unit level, Works Committees are functioning on equal representation basis. Pit Safety Committees are also constituted as required under Mines Rules, 1955 at unit level. At Area level, GMs of the Area are holding monthly meeting with Area level representatives. At corporate level, structured meetings are arranged bi-monthly with recognised union. Once in 3 months, meeting with 8 representatives of recognised union at C&MD level are arranged.

All major settlements are entered into with the Recognized at company level with a view to discourage the craft unions.

Table-13: Industrial Relations from 1998-99 onwards to 2016

S. No.	Year	Number of Strikes	Man Days Lost	Production Lost (Tonnes)	Strike Free Months
01	1998-99	124	18,84,48	15,79,194	--
02	1999-00	98	13,18,55	15,80,840	--
03	2000-01	47	2,95,277	3,56,762	August 2000
04	2001-02	54	13,33,051	12,54,813	March 2000
05	2002-03	35	16,30,798	6,47,426	May, December & April 2003
06	2003-04	15	1,02,942	1,21,647	August, November 2003 & March 2004
07	2004-05	13	91,818	57,499	April, September, October, December 2004 & January 2005
08	2005-06	11	2,40,403	1,10,189	May, July, August, December 2005 & January 2006
09	2006-07	03	5,587	9,872	May, June, July, September, October, December to March 2006
10	2007-08	NIL	NIL	NIL	April 2007 to March 2008
11	2008-09	02	23,065	19,072	April to July 2008 and September to October 2008
12	2009-10	02	1430	4,893	August 2009 to September, & November to March 2010
13	2010-11	02	168760	4,22,984	April to August 2010, October 2010 to January 2011 & March 2011
14	2011-12	04	1628931	40,11,353	April to May 2011, August 2011 to January 2012
15	2012-13	02	93418	1,28,519	April 2012 to July 2012 & September 2012 to February 2013
16	2013-14	01	37,504	79,752	April 2013 to November 2013, January 2014 to March 2014
17	2014-15	NIL	NIL	NIL	April 2014 - March 2015
18	2015-16	01	43,177	79,614	April 2015 to August 2015, October 2015 to February 2016

Sources: Office of GM (Per) RC, IR&PM: SCCL: Corp

From the above it could be understood that the more number of working days were created for the workmen consequent upon reduction of Strikes, thereby the production as well as wages to the workmen increased, the company's overall performance as well as the profits increased which could be seen from the table below:

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Table-14

Year	Target	Actual	OMS	Profit after Tax
1999-2000	310 Lt	295.56	1.16	357.03
2000-2001	316.7	302.74	1.22	88.79
2001-2002	310.	308.11	1.34	305.17
2002-2003	325	332.36	1.51	417.64
2003-2004	335	338.54	1.47	145.47
2004-2005	350	353.03	1.62	361.26

Sources: Authors Compilation

With a view to motivate the employees and workers of SCCL to increase the production and productivity and profitability of the Company by putting in all out efforts, the Govt. of A.P., had announced for the first time in the Month of April, 2000 to pay 10% of the net profits for the year 1999-2000 as Special Incentive. As decided by the then Government Of A.P., every financial year certain percentage of amount was being distributed to all the employees below board level on the profits earned by the company since, 1999-2000 onwards – the first of its kind in the Coal Industry and other PSEs which is termed as the Special Performance Incentive to have a feel of owning of the Company among employees and to say it's their company – they earned profits and govt., declare % of profits for their betterment.

Special Incentive paid to employees (including officers) consequent upon earning profits – first time in history of SCCL and also in PSUs declared by the then Chief Minister of Andhra Pradesh to inculcate the feeling of belongingness towards the company.

Table-15

S. No.	Year	Production Achieved MT	Profits Earned Rs. (Cr.)	%age of Profits Distributed as Special Performance Incentive	Amount Rs. (Cr.)	Date of Special Incentive Payment
01	1999-00	29.556	300.00	10%	30.00	17/18.06.2000
02	2000-01	30.27	85.00	10%	8.50	07/08.07.2001
03	2001-02	30.81	290.00	10%	29.00	07/08/09.07.2002
04	2002-03	33.23	417.00	11%	45.87	02/03/04.09.2003
05	2003-04	33.85	164.43	12%	19.73	24.07.2004
06	2004-05	35.30	361.25	12%	43.35	15/16.09.2005
07	2005-06	36.13	184.63	12%	22.15	22.09.2006
08	2006-07	37.71	63.80	15%	9.57	7th, 8th & 9th October 2007
09	2007-08	40.60	176.17	16%	28.19	09.09.2008
10	2008-09	44.44	132.83	16%	21.25	26.11.2009
11	2009-10	50.42	268.00	16%	42.88	14.10.2010
12	2010-11	51.33	351.37	16%	56.21	20.08.2011
13	2011-12	52.21	358.27	17%	60.90	22.10.2012
14	2012-13	53.19	401.00	18%	72.18	11.10.2013
15	2013-14	50.40	418.74	20%	83.74	16.10.2014
16	2014-15	52.50	490.44	21%	102.99	30.09.2015
				Total	676.51	

Sources: Office of GM (P), RC IR&PM, SCCL Corporate.

To overcome the constraints and to maintain better industrial relations, the company has taken a number of steps, which in turn improved production and productivity. Besides, the statutory machinery provided under the Industrial Disputes Act, the Company has taken a lot of steps to maintain harmonious human relations.

In the interest of smooth running of any industry, it is essential to redress the grievances of workers. Keeping this in view, besides prompt redressal of day-to-day grievances of employees, the Company has been implementing the Grievances Procedure as envisaged under Code of Discipline in Industry. The grievance redressal machinery is functioning in SCCL as per statute. Grievance redressal procedure is designed to suit SCCL conditions and implemented.

Realising that the human resources is a major asset of the Company, the Management of SCCL has given utmost importance to the welfare of its employees. All the workers' colonies have been provided with well laid roads, lighting and water supply and drains. All the Areas of the Company have been provided with Hospitals/dispensaries to cater to the needs of the employees and their families. Even though education is a state subject, the Management of SCCL has established a good number of schools in different Areas of the Company for the benefit of the employees' children. An exclusive women's college was established at Kothagudem with Intermediate, Degree, and Post Graduation for the employee's daughters with hostel facility. Employees and their families have been provided with recreational facilities through construction of various AC recreational clubs in all areas and big Stadiums. The management of SCCL has taken up the following steps / methods for betterment of employer-employee relationship so as to continue harmonious and cordial industrial relations in SCCL:

- The management of SCCL could bring a sea change in the attitude of workmen.
- Transparencies in Management / managerial decisions were improved.
- Letters were addressed to workers individually by C&MD on Independence Day, Republic Day, New Year Day, Dasara / Diwali festivals etc., covering future of coal industry, financial health of the Company, welfare measures etc.

Improvement in further communication with workmen by way of:

- Telecasting programmes on local Siti Cable pertaining to various activities of the Company.
- Starting Communication Cells in all the Areas.
- Displaying Wall Posters on various issues in the Mines & Departments and colonies.
- Interaction with the workmen by Multi Departmental Teams.
- Visit to colonies by the Team of Officers to have first-hand report about welfare measures implemented in the colonies and also to take suggestions from the workmen and their family members.
- Holding press meets regularly.

Improvement in discipline by way of:

- Maintenance of strict timings.
- Disciplinary action on chronic absentees.
- Improvement in work norms.
- Controlling of payday and over time.
- Regulating provision of dependant employment.

With all the efforts put by the Company, the employer-employee relationship improved and thus resulted in harmony.

CONCLUSION

The management of SCCL had a consistent and comprehensive written Industrial Relations policy in dealing with unrecognised unions after holding elections has led to disappearance of many of the craft unions/small unions. Further to note that the other unrecognised unions have also realised that management is following the Industrial Relations Policy and Code of Discipline strictly without any deviation and hence they have no role to play in representing major issues in the Company, which rightly comes under the purview of recognised union.

Holding periodical meetings with the Recognised Union and Representative status unions of the Areas are yielding good results in redressing the genuine problems of the workmen and maintaining harmonious industrial relations blended with transparent management policies.

The researchers have found the three areas of employee relations, industrial relations and employee which are instrumental in bringing success to the organisation. So, these activities will bring with them plan involving consultation, communication and engagement. It is important to ensure that these are co-oriented in an integrated way. The Employee Relations plans are an opportunity to make sure that employees understand and are engaged in the strategy and that their representatives are to support such strategies. The company was successful in coming out of the clutches of the BIFR during the period (1992-1995) and with implementation of the above management strategies, the SCCL made a turnaround and today in India the company stands as role model in Public Sector Undertakings in India.

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COST ACCOUNTING STANDARDS IN INDIA AND IT'S RELEVANCE: CASE STUDY

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ABSTRACT

Due to open competition for globalization, the cost management has gained special importance in the business activities. Cost Accounting Standard Board (CASB) set up by the council of the Institute of Cost Accountants of India (ICAI). The main function of CASB is to develop Cost Accounting Standard on important issues / topics relating to cost and management accounting. It recommends the cost accounting standards to be followed by companies in India to which statutory maintenance of cost records applicable. The CASB has primarily identified 39 areas / items on which cost accounting standards are to be developed. Issue of Cost Accounting Standards (CAS) is a pioneering initiative by the Institute of Cost Accountants of India. The institute issued the first CAS (CAS-1) in the year 2002. ICAI has so far issued twenty-four CASs. It is a very slow progress, presumably because target users of cost accounting standards do not appreciate the need for CAS. The institute has now decided to accelerate the process and to issue significant number of CAS within the coming years. This paper intends to discuss the concept of Cost Accounting Standards, its development and relevance in India.

KEYWORDS

Cost Accounting Standards (CAS), ICAI, CASB, Cost, Relevance etc.

INTRODUCTION

In India due to open competition for globalization, the cost management has gained special importance in the business activities. The Cost Accounting Records Rules set by the Government for 44 industries deal with the various items of cost and the way in which they have to be reported in the Cost Statement in accordance with the cost accounting principles. Since there were no generally accepted cost accounting principles, these were left to be understood by each company, by each cost accountant, as they understand, or with reference to the explanations given in various textbooks on the subject. This led to adoption of practices with a lack of uniformity in preparation and presentation of cost statements. To promote uniformity in cost statements, there was an urgent need to integrate, harmonize, and standardize the cost accounting principles and practices. Therefore, the Generally Accepted Cost Accounting Principles have been clearly defined and well documented in the form of the Cost Accounting Standards.

The Cost Accounting Standards:

- Provide a structured approach to measurement of costs in manufacturing process or service industry;
- Integrate, harmonize, and standardize cost accounting principles and practices;
- Provide guidance to users to achieve uniformity and consistency in classification, measurement, assignment, and allocation of costs to products and services;
- Arrive at the basis of computing the cost of product, activity, or service where required by legal or regulatory bodies;
- Enable practicing members to make use of Cost Accounting Standards in the attestation of General Purpose Cost statements; and
- Assist in clear and uniform understanding of all the related issues by various user organizations, government bodies, regulators, research agencies, and academic institutions.

For issuing Cost Accounting Standards in India Cost Accounting Standard Board (CASB) set up by the council of the Institute of Cost Accounts of India (ICAI) previously known as the Institute of Cost and Works Accountants of India (ICWAI). The main function of CASB is to develop Cost Accounting Standard on important issues / topics relating to cost and management accounting with the following objectives.

- To equip the profession with better guidelines on standard cost accounting practices.
- To assist the cost accountants in preparation of uniform cost statements.

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- To provide guidelines to cost accountants to make standard approach towards maintenance of cost accounting record rules and undertaking cost audit under Section 209(1)(d) and Section 233 B of companies law respective and various other Acts like Income Tax Act, Central Excise Act, Customs Act, Sales Tax Act etc.
- To assist the management to follow the standard cost accounting practices in the matter of compliance of statutory obligations.
- To help Indian industry and the government towards better cost management.

SCOPE AND APPLICABILITY

The CASB has primarily identified 39 areas / items on which cost accounting standards are to be developed. It recommends the cost accounting standards to be followed by companies in India to which statutory maintenance of cost records applicable. The cost accounting standards shall be mandatory with effect from period commencing on or after 1st April 2010 for being applied for the preparation and certification of general-purpose cost accounting statements. Companies (Cost Accounting Records) Rules, 2011 issued on 3rd June 2011 i.e. revised 209(1) (d) makes cost accounting standards applicable for:

- All companies from Financial Year 2011-12 engaged in Production, Processing, Manufacturing, or Mining activities (including many services) and Net worth for preceding year exceeds Rs. 5 crore or Turnover for preceding year exceeds Rs. 20 crore.
- Mandatory for cost audit compliance U/S 233-B.
- Valuation of captive consumption for excise.

List of Cost Accounting Standards: The CASB has identified 39 areas for developing the CASs, which include the 24 standards so far. Of these, 21 areas relate to components of cost and the remaining 18 areas are on cost accounting methodologies. These areas are broadly in line with the Cost Accounting Records Rules already framed by the government and in vogue for different industries. So far, even 24 cost accounting standards have been issued by the ICAI. Following are the list of CASs issued by ICAI until date.

Table-1: Cost Accounting Standards

CAS No.	Title	Objective
CAS-1 (Revised 2015)	Classification of Cost	For preparation of Cost Statements.
CAS-2 (Revised 2015)	Capacity Determination	To bring uniformity and consistency in the principles and methods of determination of capacity with reasonable accuracy.
CAS-3 (Revised 2015)	Production and Operation Overheads	To bring uniformity and consistency in the principles and methods of determining the Production or Operation Overheads with reasonable accuracy.
CAS-4	Cost of Production for Captive Consumption	To determine the assessable value of excisable goods used for captive consumption.
CAS-5	Average (equalized) Cost of Transportation	To determine averaged/equalized transportation cost.
CAS-6	Material Cost	To bring uniformity and consistency in the principles and methods of determining the material cost with reasonable accuracy in an economically feasible manner.
CAS-7	Employee Cost	To bring uniformity and consistency in the principles and methods of determining the Employee cost with reasonable accuracy.
CAS-8	Cost of Utilities	To bring uniformity and consistency in the principles and methods of determining the Cost of Utilities with reasonable accuracy.
CAS-9	Packing Material Cost	To bring uniformity and consistency in the principles and methods of determining the Packing Material Cost with reasonable accuracy.
CAS-10	Direct Expenses	To bring uniformity and consistency in the principles and methods of determining the Direct Expenses with reasonable accuracy.
CAS-11	Administrative Overheads	To bring uniformity and consistency in the principles and methods of determining the Administrative Overheads with reasonable accuracy.
CAS-12	Repairs and Maintenance Cost	To bring uniformity and consistency in the principles and methods of determining the Repairs and Maintenance Cost with reasonable accuracy.
CAS-13	Cost of Service Cost Centre	To bring uniformity and consistency in the principles and methods of determining the Cost of Service Cost Centre with reasonable accuracy.
CAS-14	Pollution Control Cost	To bring uniformity and consistency in the principles and methods of determining the Pollution Control Costs with reasonable accuracy.

CAS-15	Selling and Distribution Overheads	To bring uniformity and consistency in the principles and methods of determining the Selling and Distribution Overheads with reasonable accuracy.
CAS-16	Depreciation and Amortization	To bring uniformity and consistency in the principles and methods of determining the Depreciation and Amortization with reasonable accuracy.
CAS-17	Interest and Financing Charges	To bring uniformity and consistency in the principles, methods of determining and assigning the Interest and Financing Charges with reasonable accuracy.
CAS-18	Research and Development Costs	To bring uniformity and consistency in the principles and methods of determining the Research, and Development Costs with reasonable accuracy and presentation of the same.
CAS-19	Joint Costs	To bring uniformity and consistency in the principles and methods of determining the Joint Costs.
CAS-20	Royalty and Technical Know-How Fee	To bring uniformity and consistency in the principles and methods of determining the amount of Royalty and Technical Know-how Fee with reasonable accuracy.
CAS-21	Quality Control	To bring uniformity, consistency in the principles, methods of determining and assigning Quality Control cost with reasonable accuracy.
CAS-22	Manufacturing Cost	To bring uniformity and consistency in the principles and methods of determining the Manufacturing Cost of excisable goods
CAS-23	Overburden Removal Cost	To bring uniformity, consistency in the principles, methods of determining and assigning Overburden Removal Cost with reasonable accuracy.
CAS-24	Treatment of Revenue in Cost Statements	To bring uniformity and consistency in the principles and methods for treatment of revenue in cost statements with reasonable accuracy.

Sources: www.icwai.org

Issue of Cost Accounting Standards (CAS) is a pioneering initiative by the Institute of Cost Accountants of India. The institute issued the first CAS (CAS-1) in the year 2002. ICAI has so far issued Twenty four CASs. It is a very slow progress, presumably because target users of cost accounting standards do not appreciate the need for CAS. The institute has now decided to accelerate the process and to issue significant number of CAS within the coming years. Financial accounting standards control accounting policies of companies to protect investors' interest. They protect investors from window dressing of financial statements, bring transparency, consistency and uniformity in financial reporting, and thus improve the capital market efficiency. The needs for financial accounting standards are well understood by all user groups. However, it is not so in case of cost accounting standards. There are reasons for the same.

Cost accounting principles and practice evolved over years to fulfill needs of managers. They are the primary users of cost (and revenue) information. They need cost information for planning and control and ask for specific cost information that they require. A cost accounting system generates information primarily for internal use. Therefore, it is generally felt that there is no need for cost accounting standards. Globally, there is no practice of issuing cost accounting standards. ICAI's initiative being innovative in nature, it is natural questions are raised about the utility of CASs being issued by ICAI.

Managers are not the only users of cost information. Government and regulators are also users of cost information. Regulators use cost information to protect the interest of customers. For example, cost information is important to assess whether a service/goods provider is cross subsidizing different services / goods or different customer segments.

The government some time uses cost information to determine the tax liability. For example, Excise department in certain situations use cost information to determine the excise duty payable by producers of goods. Cost Accounting Standards (CAS) provide the reference point and thus, help settling disputes between different parties (e.g. the regulator and regulated service providers). For example, to levy excise duty on goods used for captive consumption, the cost of production is determined based on principles stipulated in CAS-4. CAS also provides guidance to cost auditors. Therefore, ICAI thro-ugh its pioneering decision to issue CAS is fulfilling needs of users who are not necessarily managers.

There are many who often question whether ICAI is adding any new knowledge by issuing CAS. They argue that CAS only codifies the existing cost accounting practices. Perhaps they do not appreciate that the objective of formulating standards is to codify the best (or most acceptable) practices. Once the best practices are codified, they are improved through research and inputs from various users of cost information.

CONCLUSION

Issue of Cost Accounting Standards (CAS) is a pioneering initiative by the Institute of Cost Accountants of India. The institute issued the first CAS (CAS-1) in the year 2002. Cost Accounting Standard Board (CASB) set up by the council of the Institute of

Cost Accounts of India (ICAI) for developing cost accounting standards on important issues. In the process of formulating standards, the standard-setting bodies benchmark the Indian practices with global practices and select the best practices from diverse practices available globally. Therefore, the CAS improves cost accounting practices and the body of knowledge available in India. This by itself justifies issuance of CAS by ICAI. There is a need to popularize CAS among target users. The government should support the ICAI's initiatives. It should use the ICAI as a think tank to take India to the next level of maturity in management accounting practices. This will improve the global competitiveness of Indian industry.

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AN ANALYSIS OF PRODUCTIVITY: A CASE STUDY OF STEEL AUTHORITY OF INDIA LIMITED

Dr. K. Aparna[73]

ABSTRACT

Productivity is one of the parameters, which are used to measure the efficiency of a business unit. Resources are employed in turning the raw material into finished goods or providing services. Productivity involves an assessment of the quantities of goods or services produced and the quantities of resources employed to produce these goods and services. The technical relationship between inputs and output is expressed in the form of production function. In the present study, an attempt is made to assess the relationship between inputs and output of Steel Authority of India Limited (SAIL) using the Cobb-Douglas production function. Ten years of period from 2005-06 to 2014-15 is selected for study. It is found that constant returns to scale are not in operation during the study period by rejecting null hypotheses. An attempt is also made to know whether economies of scale operate in SAIL through the study of relationship between size and cost as well as size and earnings. It is empirically evident that a negative relationship does not exist between size and cost. However, between size and earnings a positive relationship exists.

KEYWORDS

Productivity, Cobb-Douglas Production Function, Returns to Scale etc.

INTRODUCTION

Productivity is one of the parameters, which are used to measure the efficiency of a business unit, may be a production or service unit. Resources are employed in turning the raw material into finished goods or providing services. If employing of same quantity of resources results in increased output, productivity results. Productivity involves an assessment of the quantities of goods or services produced and the quantities of resources employed to produce these goods and services. The technical relationship between inputs and output is expressed in the form of production function. Among various production functions, Cobb-Douglas production function is a linear homogeneous production function, which proved handy for empirical work. In the present study, an attempt is made to assess the relationship between inputs and output using the Cobb-Douglas production function.

The profit of an entity depends on the cost and earnings of that business entity. These in turn depends on the size of the entity. The larger the size of the business unit, the higher will be the turnover and the cost of production per unit reduces. As the size increases, the turnover of the entity increases resulting in high revenue. Decrease in the cost on one side and increase in the revenue on another side results in increased profits. The concept of economies of scale examines the relationship between size and cost. Economies of scale result from the efficient use of resources used for production i.e. capital and labour. An attempt is also made to know whether economies of scale operate in SAIL through the study of relationship between size and cost as well as size and earnings.

Steel Authority of India Limited (SAIL) is selected for study, which is one of the Maharatna Central Public Sector Enterprise in the steel sector, which was established in the year 1973 by the Government of India. SAIL is India's largest producer of iron ore. The vision of SAIL is 'To be a leader in Indian steel business in quality, productivity, profitability and customer satisfaction'. SAIL produces Iron, Steel, and other by-products through its nine manufacturing plants. During the year 2014-15, the capacity utilization of SAIL is 116 percent with a production of saleable steel of 13 million tons[1].

OBJECTIVES OF STUDY

The objectives of this study are:

- To examine the returns to scale in operation in SAIL.
- To know whether economies of scale operate in SAIL.

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LITERATURE REVIEW

A panel data production function analysis for the period 1986-1994 indicated very large gains in total factor productivity whereas market shares and profits declined as observed by Donald A. Hay (2001) in his paper entitled 'The Post-1990 Brazilian Trade Liberalisation and the performance of Large Manufacturing Firms: Productivity, Market share and profits'. Further, it is observed that trade liberalisation had a profound effect on performance of Brazilian firms. The import competition stimulated to improve their efficiency. To know the impact of liberalisation on productivity, analysis is done using Cobb-Douglas production function for a sample of 318 firms taking three variables i.e., net sales, capital stock and employees involved in production. Regression statistical technique is used to identify the impact of liberalisation on market share and profits.

Patricio Meller (1975) with an objective of examining whether all firms of the same industry have the same or different production function, made an attempt to study Chilean industrial establishments. First on the basis of their sizes author has classified 3650 firms from 21 industrial establishments and single equation models i.e., CES and Cobb-Douglas production function were estimated. Author has estimated these production functions to study the relation between size of the firm and the technological characteristics. The outcome of this study is that the size of establishment is an important element in determining the technological characteristics of an industrial establishment.

In an attempt to measure and analyse the productivity performance of the Indian public sector steel industry (Vijayakumar A., 2002) it is found that constant returns to scale is in operation by estimating Cobb-Douglas and CES production function. Annual growth rates of Total Factor Productivity have shown a rising trend during the period of study from 1981-82 to 1993-94. He has suggested that productivity can be improved by generation of economics of scale, improving management-labour relations and adoption of more efficient technologies.

METHODOLOGY

Data for a period of ten years from 2005-06 to 2014-15 is collected from the annual reports of SAIL and PE survey reports of Department of Public Enterprises of various years. Data is analysed using SPSS.

1. Cobb-Douglas Production Function is used to examine the returns to scale in operation in SAIL.

Cobb-Douglas Production Function is presented in equation form as:

$Q = a\, K^{\alpha} L^{\beta}$ ………………Eq-1

$\text{Log } Q = \log a + \alpha \text{ Log } K + \beta \text{ Log } L$ ………………Eq-2

Where

Q indicates Output measured by total value of production,
'a' is constant; 'K' is index of Capital measured by total productive capital,
'L' is index of Labour measured by total number of employees,
and α and β are coefficient of Capital and Labour.

If the value of α and β is equal to one, it indicates that Constant Returns to Scale is in operation.
If the value of α and β is more than one, it indicates that Increasing Returns to Scale is in operation.
If the value of α and β is less than one, it indicates that decreasing Returns to Scale is in operation.

In the present study, Production is the value of own production taken from Value Added Statement of SAIL. Employees are the number of regular employees working in SAIL. Productive Capital is the total of Capital Employed plus Net Current Assets.

2. To know whether economies of scale operate in SAIL, regression equations have been designed to examine the relationship between size and cost as well as size and earnings. Total assets are used in the study to measure the size of the business entity.

$Y = a + b_1 X + e$ …………………Eq-3

$\text{Log } Y = \log a + b_1 \log X + e$ …………………Eq-4

Where Y is the Operating expenses, X is the Total Assets

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$Y = a + b_1 X + e$ …………………Eq-5

$\text{Log } Y = \log a + b_1 \log X + e$ …………………Eq-6

Where

Y is the Total Revenue, X is the Total Assets
b_1, is coefficient of regression
'a' is constant, and 'e' is the error term

HYPOTHESES OF STUDY

To examine the objectives of the study the following hypotheses have been designed:

H_0: Constant Returns to Scale is in operation in SAIL during 2005-06 to 2004-15.
H_0: There is a negative relationship between size and cost.
H_0: There is a positive relationship between size and earnings.

ANALYSIS AND INFERENCES

Table-1 depicts the estimates of Cobb-Douglas production function for ten years i.e. from 2005-06 to 2014-15 of SAIL. A variation in output as result of variations in inputs, the Capital and Labour is represented by the value of R^2 in the regression equation. In case of SAIL, it is 0.81. This indicates that 81 percent of variation in output because of changes in two inputs i.e. capital and labour. Moreover, the value of 'F' is significant at 1 percent significance level, indicating the justification of the model. The value of coefficient of labour is negative. It indicates that, keeping capital constant and increasing the Labour by one percent, the output will decrease by 0.36 percent.

Table-1: Regression Estimates of Cobb-Douglas Production Function of Sail
(2005-06 to 2014-15)
($\text{Log } Q = \log a + \alpha \text{ Log } K + \beta \text{ Log } L$)

Variable	Coefficient	Standard Error	t-value
Constant	5.24	2.03	2.58**
Capital (K)	0.27	0.12	2.24
Labour (L)	-0.36	0.31	-1.19
R	0.90		
R^2	0.81		
F ratio	14.66*		
Significance of F ratio	0.003		

Sources: Authors Compilation
Note: *Significant at 1% level, ** Significant at 5% level.

Another independent variable is capital with a coefficient of 0.27. This indicates that keeping labour constant, a one percent increase in capital will result in 0.27 percent in output, depicting a positive correlation between capital and output. The sum of coefficient of labour and the coefficient of capital is less than one; therefore, the hypothesis is not accepted. Thus, it can be concluded that the Constant Returns to Scale is not in operation. The study reveals that in SAIL decreasing returns to scale is in operation during the study period.

EMPIRICAL RELATIONSHIP BETWEEN SIZE AND COST

Economies of scale arise from the big size of the firm. The bigger the size, the more will be the benefits. Economies of scale arise due to efficient use of resources, the men, material and machines. The fixed costs will be spread over output resulting in lower fixed cost per unit. An attempt is made in the present study to examine the relationship between the size and cost of SAIL.

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Table-2: Relationship between Size and Cost
Regression Results

	Log Function
Constant - a	2.93 (11.89)*
Total assets (Independent variable) - b	0.36 (6.79)*
R	0.92
R^2	0.85
F ratio	46.11*

Sources: Authors Compilation
Note: *Significant at 1% level, Figures in the parentheses are t-values.

Empirical relationship between size and cost is presented in Table-2. R^2 is a measure of the extent of movement in the dependent variable that will be explained by the independent variable. It is apparent from the results of R^2 (0.85) that the strongest structural determinant of cost appears to be the total assets, which indicate the size of the firm in the present study. The regression coefficient is found to be statistically significant at 1 percent. The positive value of coefficient (0.36) between cost and size results in rejecting the null hypothesis that is, there is a negative relationship between size and cost. It is concluded that, economies of scale does not subsist in SAIL with respect to costs during the study period.

EMPIRICAL RELATIONSHIP BETWEEN SIZE AND EARNINGS

Empirical relationship between size and earnings is presented in table-3. The earnings increase with increase in size of the firm. In the study, the positive correlation between size and earnings is significant at 1 percent with a value of 0.84 and R^2 value is 0.71.

Table-3: Relationship between Size and Earnings
Regression Results

	Log Function
Constant - a	3.63 (16.12)*
Total assets (Independent variable) - b	0.21 (4.46)*
R	0.84
R^2	0.71
F ratio	19.88*

Sources: Authors Compilation
Note: *Significant at 1% level, Figures in the parentheses are t-values.

From this positive relationship between size and earnings, we can accept null hypothesis and conclude that economies of scale operate in Sail with respect to earnings. Though the regression coefficient is found to be positive and statistically significant at 1 percent, it indicates that only 0.27 percent increase in earnings resulting from one percent increase in total assets.

CONCLUSION

Productivity acts as a parameter to measure the efficiency of a production unit. The study concludes that decreasing returns to scale is in operation in SAIL during the study period. Moreover, there exists a positive relationship between size and costs, which demonstrates that the economies of scale are not operating in SAIL with respect to cost. Though the positive relationship is evident between size and earnings, the variation in dependent variable i.e. earnings in response to one percent change in size is only 0.27 percent.

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CASE STUDY ON TRANSITION: FROM UNORGANISED RETAIL TO MANUFACTURING UNIT

Kajal D. Chheda[74] Capt. Dr. Ashok V. Giri[75]

ABSTRACT

A case of self-made entrepreneur Mr. Kishore Saliya a Standard 7th school dropout who migrated from Kutch Gujarat to Mumbai in the early 70's in dream of seeking employment opportunities to support his mother and 5 younger siblings as his father had an early demise. The case is one of the classic examples of rags to riches but with full of hard work, determination and a vision of staying ahead of times and diversifying from unorganized retail to a manufacturing venture. The difficulties and problems encountered by Mr. Saliya at each phase of business have been discussed and how Kishore Stores reached the journey of Pooja Farsan as a fastest growing ready foods brand in the suburban Mumbai.

KEYWORDS

Self-Made, Hard work, Migration, Employment, Vision, Manufacturing, Retail, Rags to Riches, Journey etc.

CASE OBJECTIVES

- The purpose of the case is to evaluate the changing scenario of unorganized retail by diversifying its business with the only aim of sustainability.
- Students should consider the problem faced by the proprietor and the vision of owner of small-unorganized retailer to withstand the changes and give suggestion for the same.
- Students should then discuss the possibility of organized retail and online business to be adopted for the survival of the unorganized unit. Particular attention needs to be given for impacts of the organized sector on minor business.
- Economies of scale to be considered while doing business should be discussed along with manufacturing of snack items and explore possibilities of exporting ready food items to countries especially where Indian diaspora is concentrated.
- Students can also ponder over India's acceptability about change and the difficulties faced by small retailers and steps taken accordingly to face the difficulties.

INTRODUCTION: ENTREPRENEUR KISHORE SALIYA

Mr. Saliya a school dropout who still signs the cheques in Gujarati language had few attributes like honesty, hard work, moving ahead with times and envisaging contingencies in advance. Coming from a Jain family, he had the compassion and knew how it is important to have ends to ends meet for a family. He was amongst the only Kutchis in the strong 3500 households predominantly Tamilians, Catholics, and North Indians. He started giving merchandise on credit thereby winning hearts of the people. The quality of food grains offered were the best one could afford. Mr. Kishore Saliya proprietor of Kishore Stores chose Bhandup suburb to start his retail shop of food grains as his early stints of doing jobs was not yielding the desired results. At the same time as per tradition, he got married and then there was an added responsibility. However along with his wife he took the risk of setting up a small shop in densely middle class populated Tembi Pada His wife being more educated than him started helping out people with their problems of school admissions, utility bill disputes and daily chores of life. He earned tremendous respect and it was a balanced lifestyle for him until the advent of organized retail formats and redevelopment of Tembi Pada. (See Table-1).

Table-1

Census Year	Population	Density Per Square Km	% Change in Population from Previous Year	Sex Ratio (Females / 1000 Males)
1981	2,97,108	7860	NA	740
1991	5,68,028	15,027	91%	813
2001	6,91,227	10,800	21%	823

Sources: Authors Compilation

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Table-1: The Population of Bhandup has grown exponentially in the last 40 years and is currently one of the most densely populated suburb of Mumbai with highest number of unorganized / small medium retail shops.

The setting up of Crompton Greaves, Ceat Tyres, Asian Paints, BASF, The Indian Smelting & Refining Company Ltd etc., paved the way of a strong labour force settling in Bhandup and Tembi Pada becoming a hub of chawls, small settlements and colonies. It was said that when you have very less money but still want to set up a shop, then come to Bhandup.

Ventures of Mr. Kishore Saliya

Kishore Stores started as a retail shop offering good quality food grains at reasonable prices. As the time demanded, Mr. Saliya started keeping some stock of fresh vegetables and fruits since the population nearby comprised more of migrants from Tamil Nadu, Uttar Pradesh, Bihar, Orissa who bought their day-to-day groceries from shops offering all under one roof. As the family of Mr. Saliya grew with his own children and their schooling, he thought this was not enough and he was amongst the first ones to own a refrigerator to stock cold drinks and ice cream in 80's especially to encash on the summer heat and changing need of customers. The rise of chawls being constructed on the hills of Tembi Pada (See Figure-1) gave the idea to Mr. Saliya to venture into vertical offering Bricks, Cement, Asbestos Sheets, Plumbing & Electric Material.

Figure-1

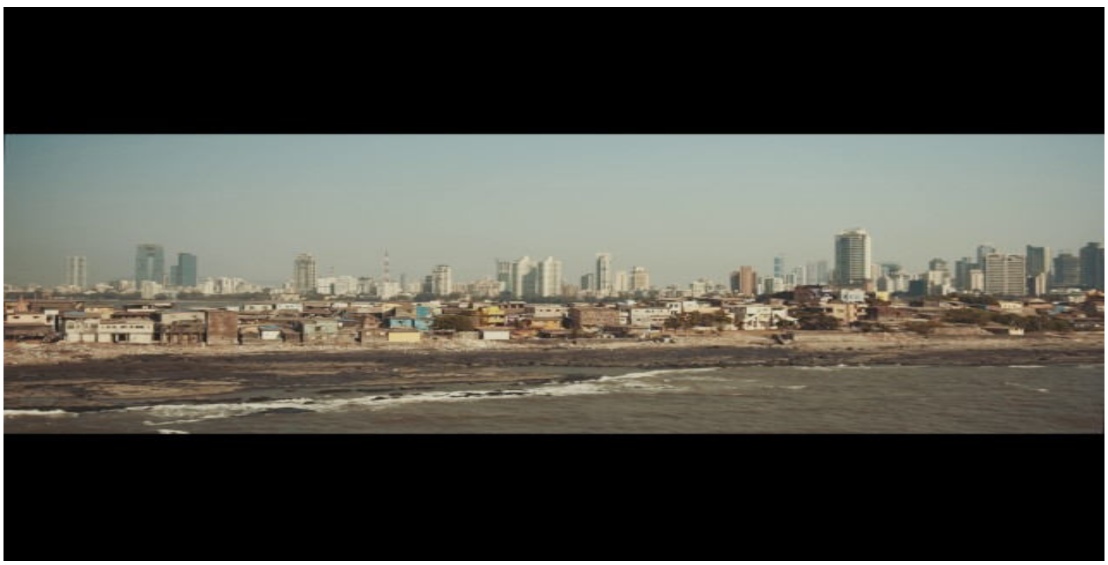

Figure-1: The Rising Population in Tembi Pada has encroached the Hills and is now a Significant Part of the Suburb.

The downtrend started since the year 2000 with big factories of Bhandup, Mulund and Kanjurmarg closing down paving way for big residential complexes. The API factory located on LBS Marg close to Bhandup Station is now Dream Residential Complex with more than 2500 households and approximately 1,110,000 square feet of commercial space. With this, the face of Bhandup started changing from a lower middle class chawl residing suburb to upper middle class and a strong purchasing power family oriented suburb. By this time, the financials of Mr. Saliya also increased.

Table-2

Year	Monthly Sales (INR)	Operating Cost (INR)	Number of Shops
1971 - 75	10000 - 15000	5000 - 7500	1
1976 - 80	15000 - 20000	7500 - 10000	1
1981 - 85	20000 - 30000	10000 - 15000	2
1985 - 90	30000 - 50000	15000 - 20000	3
1991 - 95	50000 - 100000	25000 - 50000	4
1996 - 2000	100000 - 200000	50000 - 100000	5

Sources: Authors Compilation

Table-2: The average monthly sales and operating cost of Mr. Saliya's retail businesses.

Apart from the two godown, food grain stores, Mr. Saliya had two godowns of building material supply and one shop for electric and plumbing material.

Change in Preferences, Habits, Lifestyle

The years 2005-2010 were very critical for Mr. Saliya. It was not that sales were not happening but footfalls had decreased because the old generation was still faithful, albeit younger generation wanted new experience in the terms of air-conditioning, infrastructure, packaging etc. The cost of operating the stores was higher than the returns. People had started to buy groceries in bulk from super markets like Big Bazaar, D-Mart and Metro, which not only offered better prices but also had the option of many things under one roof. This had taken a serious berating on many small shops of Bhandup and Mr. Saliya was one of them. He quickly transformed his shop into more neat, more organized, more visible format and stopped the food grains and started more of ready foods like snacks, bakery products, cold drinks, ice creams etc. However, the charm of getting more turn over which was earlier visible in food grains was not evident in this new format. (See Table-3).

Table-3

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Value of trading	21.55	36.76	40.65	52.49	77.64	119.49
(₹ In lakh crore)	(274)*	(70)*	(11)*	(29%)*	(47.91)*	(53.90)*

* Figures in parenthesis are % change over previous year.

Sources: Authors Compilation

Table-1.3: The average monthly sales and operating cost of Mr. Saliya has diversified businesses.

Business Diversification

After serious brain storming with his wife and doing research in his own personal capacity he came up with the idea of manufacturing ready foods. His thought process was that he had the place, he had money, and he had the heck of running a business, the only thing was will to go for a new vertical. He converted his existing two godown into a small manufacturing unit and named it Pooja Farsan offering ready to eat Namkeen (ready to eat snacks) in the year 2010. There is no looking back at Pooja Farsan since then. What started as a small setup manufacturing few snacks today offers 55 varieties of namkeen. (See Table-4).

Table-4: Pooja Farsan's Product Mix

S. No.	Type	Variants
1	SEV	5
2	CHIPS	7
3	GATHIYA	3
4	MIXTURE	5
5	CHIVDAS	3
6	KACHORIS	3
7	BHEL	3
8	DAL SNACKS	3
9	BOONDI	3
10	OTHERS	20
	Total	55

Sources: Authors Compilation

India's snack food market is growing at 25% CAGR, according to industry sources. In 2013, the market was estimated at close to Rs 8000 crore as compared to Rs 2400 crore in 2008. The growth rate is expected to remain robust, since at this level, the market is less than 0.5% of total food expenditure in India. Mr. Saliya has not studied any report nor done any market research of big brands like Pepsico (Lays), Haldiram, Balaji etc., but he went with his intuition of fast moving sales, which were easy to sell in packaging of Rs. 5, Rs. 10 with a wide variety offering in many variants. The retail experience and all the hard work, which he had put in last 25 years, helped him to sail through the manufacturing and selling in these changing turbulent times. Today Pooja

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Farsan has an annual turnover of Rs. 2.5 – 3 Crores and is growing at rate of 7.5% annually. Apart from two manufacturing units in Bhandup, Pooja Farsan has an exclusive retail outlet in the same shop where earlier Kishore Stores was operating. In the year 2015, Pooja Farsan gave its first franchise store in Ghatkopar and in the year 2016, another store was added in Navi Mumbai. Pooja Farsan supplies more than 1000 kgs of Farsan on a daily basis using its own transportation to areas in and around Bhandup, Mulund, Kanjur Marg and Navi Mumbai. (See Graph-1).

Graph-1

Sources: Authors Compilation

Table-5: Comparative sales and operating cost of Mr. Saliya has diversified businesses.

DISCUSSION

Kishore Stores saw the boom of Retail and developed his business as per the changing scenarios. He also invested in real estate as and when he had liquidity, His Wife was equally partner in all his endeavours.

- In the light of changing culture of consumer behavior to what extent, will Pooja Farsan survive?
- With Demonetization and with the advent of Organized Retail, should Mr. Kishore change his strategy of doing Business?
- With health being given priority in Urban areas, will the snack items provided by Mr. Kishore see the future?
- Should diversification be suggested again to keep his minor business growing?
- What impact do you see in long run?
- Should the legal compliances be followed by Pooja Farsan?

MY FINDINGS

- Lack of best practice in inventory management and supply chain management.
- Lack of standardization.
- Stiff competition from organized retail sector.
- Lack of knowledge, skills and training.
- Consumers shifting towards organized retail markets.
- Lack of capital.
- Lack of government policies discouraging the unorganized retailer.

CONCLUSION

- The purpose of the study was to have in depth understanding of unorganized retail sector in Mumbai with respect to retailer Mr. Kishore Saliya.
- Research highlighted how Indian urban consumers are showing rapid changes by shifting their buying attitude from unorganized outlets to organized outlets.
- In the emerging Indian retail environment, this study also brought insights on importance of diversification of retail sector in India.
- This study will thus help unorganized retailers like Mr. Kishore to frame strategies to face the opportunities and challenges in this sector.

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MULTIDIMENSIONAL EFFECTS OF FDI ON WORLD ECONOMY

Dr. Parul Khanna[35] Kanika[36]

ABSTRACT

Globalisation has resulted in the rapid transformation of the economies of the world which Foreign Direct Investment (FDI) is the result of mutual interest of the host countries and MNC's with the purpose of obtaining a long term relationship between the enterprise and the direct investor. The main objective of the paper is to discuss the multidimensional effects of FDI covering the time-period of 1961 to 2013. The findings of the study states that FDI is having a positive impact on the macro-economic indicators, numerous factors like GDP, Tax rates, Government policies etc are affecting the flow of FDI and making India as one of the favourable investment destination and the flow of FDI is more popular in sectors like manufacturing, pharmaceuticals and retail.

KEYWORDS

FDI, Macro-economic Variables, Growth, Factors, MNC's etc.

INTRODUCTION

Globalisation also called as internationalisation is a process of development of the world into a single integrated economic unit (Jain, 1994)**.** It is the result of the collective efforts of the business firms of a nation. To check the level of internationalization it is important to know how the domestic firms opt the way for globalization (Kumar, 2000). It is the process of removal of restrictions on foreign trade, investment, innovations in communications and transport systems. The developing countries of the world now-a-days have set out a premeditated plan to speed up the rate of their economic development. Every country whether developed or developing is in the need for resources in order to accomplish a target rate of growth and industrialisation. The basic source of resources mobilization are Domestic and Foreign, however domestic saving is always less than the required amount of investment (Akhtar, 2012). For Industrialisation, the developing countries require capital goods which need to be procured from outside which raises the need for foreign resources.

Among the different types of foreign resources, Foreign Direct Investment (FDI) streams are generally favoured over different types of outer funds since they are non-obligation making, non-unpredictable and their profits relies upon the execution of tasks financed by the financial specialists. Foreign Direct Investment means when the non resident investor acquires 10% or more of voting power/ ordinary shares of a firm located in a foreign economy (IMF, 2004). To both the host and the nations of origin, FDI gives a win – win circumstance. The home nations need to take the benefit of the tremendous markets opened by robust industrial development and the host nations need to obtain upgraded technological and managerial abilities and supplement local funds with much needed foreign exchange. Additionally, keeping in mind the end goal to conquer the insufficiencies of a wide range of resources i.e. monetary, capital, business enterprise, innovative know-how, abilities and practices, access to business sectors abroad - in their financial improvement, creating countries acknowledged FDI as a sole evident cure for all the deficiencies .Foreign resources helps the host country by providing extra foreign exchange to import essentials for economic development, supplements to domestic savings and filling the gap of Saving, Investment and Foreign Exchange (Akhtar, 2012).

As numerous studies have already conducted in this area but no conclusive results have derived yet. This paper has divided into five different sections to study the spill over effect of FDI from 1961 to 2013. Section I discusses the Introduction and the background of the study. Section II discusses various issues pertaining FDI like Impact of FDI on the macro-economic variables, Arguments in favour and against FDI etc and Section III will throw light on conclusions.

ISSUES PERTAINING FDI

FDI and its Spill over Effect

FDI is having multi-benefit, which is cascading through various aspects as increase in productivity, profitability, employment etc. Many studies have been conducted to throw light on the spill over effect of FDI.

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Aditya and Nigam (2007) had studied FDI spill over effect in terms of domestic productivity and competitiveness in Indian pharmaceutical industry. After the introduction of WTO patent regime in 2005, inflow of FDI in India had increased and domestic players competed bravely with incoming foreign firms by increasing their productivity and profitability. Bergman (2006) analysed the spill over effect of FDI on Indian Pharmaceuticals Industry. The study showed positive relation between the expansion of Pharmaceutical Industry and FDI. Blomstrom and Kokko (2005) stated that the government of the developing nations are giving financial subsidies and investment incentives to foreign affiliates so that our local industry can get the spill over benefit of foreign technology and skills. Haskel et al. (2004) had focussed on the amount of investment incentive should a host country pay to attract FDI to their country and found whether FDI caused productivity spill over to host nation or not and found a positive correlation between TFP(Total Factor Productivity), share of foreign affiliates and domestic plants.

The multidimensional effect of FDI on productivity, competitiveness, R&D, Technology up gradation has made it the most vital asset of every economy of the world and the various determinants that cause the flow of FDI are discussed below.

Factors Affecting Growth of FDI in Developing Countries

There are numerous factors which act as stimulators for accelerating the growth of FDI in developing countries like Government policies, GDP rate, rate of unemployment, Trade restrictions, Tax incentives etc.

Azhar (2012) had analysed the impact of FDI in growth of India. They had studied the determinants of FDI, sector-wise and year-wise analysis and reasons as well as sources behind FDI and found a positive impact of FDI on the overall growth of the country. Rai (2008) had found that only patent protection may not result in FDI inflow. GDP, Trade openness, Market Size, Economic reforms are the dominant determinants of FDI in the pharmaceutical sector. Gakhar (2007) had examined various stimulators and hindrances that may affect the flow of FDI in India. Montreevat (2006) had emphasised rules strengthening on foreign investment and found Thailand in the favour of welcoming foreign investment to enhance economic growth. Kumar (2005) had studied the FDI inflows and development in India and found that much of the FDI has taken place into consumer goods and services industry rather than manufacturing and technology intensive industry due to lack of policy direction. Johnson (2005) examined the relationship between the FDI inflow and its impact on the host country's Economic growth and found that there are two important channels which can enhance economic growth in a particular country i.e. Technology Spill over and Physical Capital. Johnson (2004) had enumerated the cause and effect relationship between the economic growth and Foreign Direct investment and found that FDI may cause economic growth and economic growth may cause FDI inflow. Pradhan (2003) had studied the role of FDI played towards economic growth of Developing countries and found that FDI played an imperative part in the development of Latin America and Caribbean Countries but not for Asia and Africa. Banga (2003) had analysed the impact of the policies of the host country on the flow of FDI and found infrastructure, labour costs, electricity, labour productivity, education as an important factor in attracting FDI. Kumar (2001) enumerated Infrastructure as an important determinant to attract export oriented MNCs. Velde (2001) had studied various issues related to Best Policies and Practices towards various policies towards FDI in Developing Countries and suggested that the government of the developing countries should focus on FDI up gradation and not only about FDI attraction. Weinhold (2001) had found that the trade openness of a host country is highly affecting the FDI efficiency in that host country. Agrwal (2000) found a positive relationship between FDI and economic growth of South Asia included India, Pakistan, Bangladesh, Sri Lanka and Nepal. Kumar (2001) had analysed the global patterns of MNE activity, policies of host country along with WTO regulations and regime. He opined that a more provisional FDI policy management in general may affect the environment for investment in host country but in particular it may improve the quality of inflows that come in host country. Peter Nunnenkamp (2001) stated that the host country should do its best in attracting foreign investors but should avoid bidding wars from its domestic players. Soto (2000) had found that their existed a positive and significant relationship between the economic growth and FDI through the transfer of technology and amassing of capital. Maskus (1998) had stated that among a wide range of factors for encouraging FDI, IPR was one of the important elements. Mansfield (1994) studied the relationship between IPR, FDI and Technology Transfer and found a different perception regarding IPR-FDI linkage among different industries. Kirim (1985) had studied the Turkish Pharmaceutical Industry and found that there is no relationship between IPR (patents) and FDI. Agarwal (1980) had found the general determinants of FDI in less developed countries as labour costs, political instability, size of the country, exchange rate regulations etc. He emphasised on the quantitative aspect of population and skills in the host country so that it can absorb the foreign investment.

Thus numerous factors that pertains in the host country like GDP, Technology, Government policies, Employment, Taxes, Education etc plays a great role in attracting FDI and the effect of FDI on various macroeconomic factors is mentioned below.

Impact of FDI on Macroeconomic Variables

FDI plays a greater role in the development of the economy of the developing countries like India, China, Thailand, Malaysia etc. To check the impact on the economy, various macro-economic indicators are considered like exports, foreign exchange reserves, GDP, GCF etc.

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Sharma (2013) had found the impact of FDI on macroeconomic indicators like exports, foreign exchange reserves, GDP, GCF (Gross Capital Formation) and Employment in India and China and also compared the economic performance by finding the impact of FDI on economies of these countries. Pradhan et al. (2006) had studied the basic factors that may determine the predisposition of foreign affiliates to undertake export activities and found that the host countries export activity had a strong influence on foreign firms' passion for export. Mathiyazhagan (2005) had analysed the impact of FDI on Indian Economy examining the relationship between GO (Gross Output), LPR (Labour Productivity), EX (Export) in the Indian Economy and found a positive relationship between the variables and the FDI. Balamurli and Bogahawatte (2004) had examined the economy of Sri Lanka by establishing the relationship between various variables like FDI, GDP, domestic investment and Trade openness and found a causal relationship between FDI and economic growth. Singh and Nag (2000) had studied in the Indian context, the effect of FDI on the Economic Development and found correlation between FDI and Per Capita Income. Gurumoorthy (2000) had studied the relationship between FDI and GDP in India and found a positive effect. Bhukta (2000) had studied the main causes behind less FDI inflow in India as compared to South East Asian Countries including China because Infrastructure and per capita income are not on par with these countries. Mello (1999) had studied the relationship between FDI, Total factor Productivity, Growth, Output and Capital accumulation and caused output growth in both developing and developed countries. Aitken and Harrison (1999) had analysed the relation between FDI and productivity growth and concluded that FDI lead to higher productivity of labour, increased wages, increase in foreign exchange. Dua and Rashid (1998) had studied the relationship between FDI and Economic Activity in India in the post liberalization era and concluded that a large number of developing countries are adopting economic reforms to be competitive enough.

Thus numerous factors that pertains in the host country like GDP, Technology, Government policies, Employment, Taxes, Education etc. plays a great role in attracting FDI and the effect of FDI on various sectors is mentioned below.

Impact of FDI on Different Sectors

Many studies have been conducted which had established relationship between FDI and different factors like Manufacturing, Services, Pharmaceutical and Retail etc. and found whether a particular sector had witnessed growth or decline.

Chadha (2009) had examined the relationship between FDI and manufacturing sectors and found a powerful relationship between supplier oriented linkages (backward) and customer oriented linkages (forward) with the economy. Mathiyazhagan and Sahoo (2008) had studied the Sector-wise impact of FDI on the Indian economy with four variables i.e. FDI, Labour productivity, export and gross output and found a positive relation between FDI and export is witnessed only in drugs and pharmaceutical sector. Kumar (2005) had studied the FDI inflows and development in India during 1990s and found that much of the FDI has taken place into consumer goods and services industry rather than manufacturing and technology intensive industry due to lack of policy direction. Sahoo (2005) had conducted an experiential study and found the impact of FDI on TFP (Total Factor Productivity) in General engineering, drugs and pharmaceuticals, food products, electrical and electronics in India and found positive effects of FDI on domestic production of the host country.

Thus, the proportion of FDI allowed in different sectors by the government as well as the interest shown by the foreign players play a great role in the development of the specified sector and the and the various studies that are in the favour of FDI are discussed below.

Arguments in Favour of FDI

Many research studies have been done which states that FDI should be allowed in developing countries to promote employment, technology transfer, managerial expertise and good source of foreign exchange reserves.

Sethi (2008) had analyzed the effect of Foreign Direct Investment and Foreign Institutional Investment on the financial development of the creating economy and found that FDI helped in the generally and long run improvement of the economy as compared to FII. Hooda (2007) stated that the home' and host' countries both are benefitted from the opening up of wide markets, acquisition of technological and managerial skills, source of foreign exchange as well as a supplement to domestic savings. Rochananonda (2006) had studied the relationship between the Tax incentives given by Thailand Government and the Flow of FDI. The study had highlighted the positive impact of FDI on the host country like technology transfer, managerial expertise etc. Mukherjee and Patel (2005) had highlighted the positive impact of FDI on the retail sector of developing nations. FDI in retail would help in the formation of organised sectors which will provide qualitative products at less-price and will increase the employment as well as the customer satisfaction. According to Lall (1993) Retail sector and FDI always has a dubious relation in host country particularly related to developing countries. In recent years this relation has taken a positive move. Pant and Sigdel (2004) had analysed the positive impact of FDI over the past two decades and the changing policies of the developing countries towards the welcoming approach towards foreign nationals. The paper reviewed 16 foreign firms on different FDI related issues and reviewed various determinants and policies of the Government of various countries including South Asia and China and found small countries with limited resources are uncomfortable in attracting FDI like Nepal as compared to China. Schmitz and

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Helmberger (1970) had supported the view that FDI should be encouraged in developing economies as it will increase the amount of retail trade through vertical integration. Many developing economies like India had come up with new policies related to trade, industrialisation, FDI and new investment policies particularly related to retail trade as it results into overall benefits. Rodan (1961) had studied the retail sector in early 1960s and found a positive relationship between FDI and Retail sector of host country.

Thus, both the host as well as home countries are benefitted from the presence of each other like technological transfers, opening of the world economy, managerial expertise, increase in foreign exchange and the studies which states that FDI should not be encouraged are discussed below.

Arguments against FDI

Many studies have been conducted which states that FDI should not be allowed in developing countries as it would hamper the profitability of traditional players in the economy which will result in lockouts, unemployment and unrest in the economy.

Mohanty et al. (2005) was of the mix view. He was neither fully against FDI in retail nor completely in the favour of it. The author was of the view that the government should not speed up this process of allowing FDI in retail sector and should take all the measures to protect our domestic players as taken by Japan also. Sharma (2005) examined critically the impact of allowing FDI in the retail sector. The author was of the view that our government should consider all the possible problems which our traditional retailers can face with the incoming of foreign players and they should be well protected. Reddy (2005) explained the negative impact of allowing FDI in retail sector. He was of the view that after the entry of foreign players in the domestic retail market, the producers will get the minimum margin and the number of traditional retailers will get reduced with low margin. Robbins (2004) reasoned that opening the retailing division to FDI implies separating millions from their occupation and pushing a ton of families under the neediness line.

Thus, FDI is both a boon as well as a bane. It resulted in shutting down of the traditional businesses, increased unemployment, dumping up of the domestic market with low quality products and the factors that makes India as the most promising investment destination are discussed below.

India as the Most Attractive Destination

India, the most promising Asian developing country is however late in terms of Globalisation as far as other Asian countries like China is concerned as after 1991 India had opened its door for the foreign countries to invest in different sectors.

Ernst & Young's attractiveness survey (2012) FDI projects had shown a strong increase and the global investors viewed India as an attractive destination. More than 50% of the respondents of the survey stated India as a favourable destination. Singh (2011) had analysed the impact of globalization on the developing countries particularly in East Asia. As far as India is concerned, it has been a latecomer to the FDI sight but it comes out as the most favourable destination due to its liberalized policy and momentous market potential. Hooda (2011) from 1991 onwards, India has liberalised its FDI policy and is considered as one of the most preferred global destination for FDI during the post-liberalisation era. The positive impact of FDI is found on the sectors like Infrastructure, Education, R& D, healthcare etc. Nisa (2007) had mentioned India as one of the leading economies on the globe in terms of PPP (Purchasing Power Parity) with a population of more than a billion that comprises of 300 million of working middle class. Basu et al. (2007) had studied the India for last fourteen odd years as the hottest destination for FDI inflow particularly in R&D activities. Srivastava (2003) had compared the FDI augmentation in India with rest of East Asia. The study showed that India is not a favourable destination of foreign investors when compared with China and rest of East Asia.

The views are mixed related to India as the most favourable destination. The LPG reform during 1991 has opened the doors for the foreign investors and as India is the second most populated country in the world which consists of 60-70% young people from the age of 20-35 yrs, liberalized government policies, tax incentives, subsidiaries has made India as the most promising place for investment.

CONCLUSION

FDI has proved to stimulate growth and development of the countries. In addition to direct capital financing, FDI can be a source of valuable technology and know-how while fostering linkages with local firms, which can help jumpstart an economy. In order to promote competitive markets, restrictions on FDI must be reduced. FDI's potential for impact can be greater because of the combination of scale, capital, and global capabilities which allow MNCs to close existing large productivity gaps more aggressively. The LPG reform during 1991 has opened the doors for the foreign investors liberalized government policies, tax incentives, subsidiaries has made India as the most promising place for investment. Both the host as well as home countries are benefitted from the presence of each other like technological transfers, opening of the world economy, managerial expertise, and increase in foreign exchange. FDI is both a boon as well as bane. It resulted in shutting down of the traditional businesses,

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increased unemployment, dumping up of the domestic market with low quality products. The proportion of FDI allowed in different sectors by the government as well as the interest shown by the foreign players play a great role in the development of the specified sector. The multidimensional effect of FDI on productivity, competitiveness, R&D, Technology up gradation has make it the most vital asset of every economy of the world.

FDI plays a great role in enhancing the Growth, GDP, National income, Employment, Technology Transfers in the developing countries. It should be promoted and the developing countries should ease their entry norms, provide incentives to the new entrants. After going through extensive literature review, various conflicting views were found. This paper is an attempt to comprehend the various aspects related to FDI and create an opportunity for further research work.

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IMPACT OF U.S. FINANCIAL CRISIS ON THE PERFORMANCE OF SELECTED EQUITY IPOS IN INDIA

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INTRODUCTION

A corporate may raise capital in the primary market by way of an initial public offer, rights issue or private placement. An **Initial Public Offer (IPO)** is the selling of securities to the public in the primary market. It is the largest source of funds with long or indefinite maturity for the company *(http://www.nseindia.com/products/content/equities/ipos/about_ipos.htm).*

It is a process through which an unlisted company can be listed on the stock exchange by offering its securities to the public in the primary market. The object of an IPO may be relating to expansion of existing activities of the Company or setting up of new projects or any other object as may be specified by the Company in its offer document.

IPOs by their nature are generally higher risk financial instruments bearing in mind the fact that the issuer company is usually a young enterprise and lesser is known to the public about it. The inclination of an investor to subscribe to an IPO should largely depend on the risk and return profile of the issue. This in turn shall be greatly impacted by the general economic environment. The U.S financial crisis of 2008 was a phenomenon which had global impact. The IPOs could not have escaped this menace. Masih (1997) in his study titled "Dynamic linkages and the propagation mechanism driving major international stock markets: An analysis of the pre- and post-crash eras" found " (1) the crash does not appear to have affected the relative leading role played by the US market over other markets; (2) the German and, British markets seem to have become more dependent on other markets over the post-crash era relative to the pre-crash; and (3) provide confirming evidence that, in general, the crash has brought about a greater interaction amongst markets, with a greater role for fluctuations in explaining shocks across markets (including that for the U.S.)". The overall dull economic scenario which immediately followed this financial disaster and continued for a couple of years is universally known fact. India also could not be insulated from its impact and suffered although to a lesser extent. The decade preceding this crisis was a high growth period for the Indian Economy with buoyant statistics in every economic activity. The primary markets and specifically the IPOs were also getting overwhelming response from the investors. Post this crisis, the investors as stipulated by the logic, would become more cautious and the earlier strong inclination towards financial investments specifically the IPOs might have suffered a setback.

This study is an attempt to explore and analyse the impact if any of the U.S crisis on the IPOs in India. The purpose behind the endeavour is to provide insight to the investors to deal with such situations in future.

REVIEW OF LITERATURE

Ritter (1984) documented tremendous disparity between the initial returns from IPO issues of the companies engaged in natural resources and non-natural resources in the US during 1977-82. However, in his paper he argued that there is no reason to restrict the risk proxies to the ex-ante observable characters only, therefore, Ritter used the standard deviation of aftermarket returns as risk proxy and found a positive relationship between initial returns and the degree of uncertainty about the securities' true value.

Rock (1986) assumed two types of investors in the IPO market-informed and uninformed investors. He showed that those investors who are more informed (than the firm as well as other investors) about high under pricing offers crowd out uninformed investors. On the other hand the more informed investors withdraw in issues which are overpriced leaving the uninformed investors with the winner‘s curse problem. Thus the uninformed investors would not participate in over priced issues. Hence in order to attract such investors, the firm must under price its IPO.

Loughran & Ritter (1993) have empirically documented that underperformance was more pronounced for smaller and younger companies than for the bigger and more established firms. Industry affiliation also plays an important role in IPO underpricing since at times large number of new companies come to raise money from primary market as a result of technological innovations or positive productivity shocks.

Kunz and Aggarwal (1994) also report significant underpricing.

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Shah (1995) documents a phenomenal 105.6% excess return over the offer price in a study of 2056 new listings over the period January1991 to May 1995. However, this study provides evidence on the short run performance only.

Madhusoodanan and Thiripalraju (1997) from a study on IPOs offered on BSE during the period 1992 to 1995 shows that underpricing was higher than the international experiences in the short run and in the long run too they yield higher returns compared to the negative returns recorded from the international markets.

Kakati (1999)analyzed the performance of a sample of 500 IPOs that came to the market during January 1993 to March 1996 and documents that the short run underpricing is to the tune of 36.6% and in the long-run the overpricing is 40.8%.

Pandey and Kumar (2001) found that inside equity and firm reservations for institutions and mutual funds in pre-public offer are significant determinants of oversubscription. The study was based on sample of 1243 IPOs issued during April 1993-March 1995, when book building method of IPO pricing was not available. They found that in India insider‘s equity and pre-IPO reservations made for institutions explain the extent of oversubscription. Oversubscription was found by them to be a significant factor of underpricing. On the basis of these findings, they concluded that issuers are using inside equity and institutional reservations for new equity issue as signals of firm quality in India.In contradiction to the signaling hypothesis, Ranjan and Madhusoodanan (2004) developed a theoretical model in which they argued that high value firms do not need to leave money on the table; only low value firms need to underprice the issue for getting sufficient subscription.

Krishnamurti and Kumar (2002) working on a sample of IPOs that hit the market between 1992 and1994 demonstrate that the underpricing is to the extent of 72.34% (market adjusted returns).They suggested introducing the method of gauging the potential demand before pricing the issue and to reduce the time delay for listing.

Nandha and Sawyer (2002) found the promoters‘ stake in the post issue equity and issue size as significant determinants of underpricing in India, which indicates that underpricing depends on the issue characteristics also.

Ljungqvist and Wilhelm (2003) document an average market-adjusted return of -6.52% from the closing price on the first day of trading to one year after listing. The poor long-run performance of Australian industrial IPOs is also observed over a three-year period after listing in an extensive study by Lee et al. (1996). They also document underpricing in the U.S. market.

Ranjan and Madhusoodanan (2004) studied 92 IPOs listed on NSE and BSE in the period January 1999 to November 2003 and found that underpricing differs with the issue size and issue mechanism as money left in the study period by large IPOs was 3% while by small IPOs was 80%. Money left by fixed price issues were 78% while money left by book built IPOs was -2%.

OBJECTIVES OF STUDY

The sudy has been carried out with the following objectives:

- To compare the Subscription Levels of selected IPO‘s in Pre and Post US Financial Crisis.
- To analyse and compare the Short-term and Long term returns of selected IPO‘s in Pre and Post US Financial Crisis period.

RESEARCH METHEDOLOGY

Period of Study

The period of the study consists of eight years from 2004 till 2012 excluding year 2008 .This period is sub-divided into two periods on the basis of US recession in 2008.The first spans from 2004 to 2007 and the second from 2009 to 2012.

Sampling Techniques and Sample Size

During the period 2004 till 2012 a total of 435 equity issues hit the Indian stock markets. Year 2008 being the year of U.S financial crisis, so IPO‘s of this particular year have been excluded for the purpose of study. The study also excludes offers for sale issues and FPOs (follow on public offers).

The companies going for IPO issues during this period for five industrial sectors have been considered in the study namely:

- Banking & Financial sector,
- Construction and contracting sector,

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- Pharmaceuticals sector,
- Media & Entertainment sector,
- Information Technology Sector.

Ten IPO issues each in the selected industrial sectors were selected for the study. The criteria for the selection of the individual IPOs within an industrial sector was the highest current market capitalization of the issuing company and accordingly 5 issues each in pre and post U.S financial crisis periods were selected from each industrial sector.

Population

The population for the study comprises of all the IPOs issued in India during the study period.

Data Base

The required secondary data for the study pertaining to price levels at various points of time and the subscription levels of the IPO issues was obtained from NSE and BSE websites, www.nseindia.com & www.bseindia.com respectively.

Method of Analysis

Comparison of Subscription levels

Subscribers of initial public offerings can be divided into basically three categories i.e. Qualified Institutional buyers (QIIs), Non Institutional Investors (NIIs) and Retail Individual Investors (RIIs). In this study the subscription levels of the Retail Individual Investors have been studied.

The retail subscription levels of the sample IPOs in each sector in both the periods i.e. pre and post financial crisis were obtained and their means determined for both the periods. These means were then subjected to statistical treatment to check for any significant statistical difference.

Comparison of Short Term and Long Term returns

The study attempts to evaluate and compare both the Short term and Long term returns of the IPO issues in each selected sector as well as comprehensively for the total sample in the two phases.

Short-term returns include 1. Listing day returns 2. One month returns & 3. Six month returns.
The one month and 6 month periods were calculated from the listing date of the IPO.
Long Term return was calculated for 1 year period from the date of the listing of the IPO.
The returns were estimated by using the following formula:-

Rit = {(Pit – Oi)/Oi} x 100

Where,

R_{it} is the return of the stock 'i' in time 't'
Pit is the closing price of stock 'i' at time't'
Oi is the offer price of the 'i' stock.

Short term and Long term returns so obtained in each sector in the two periods of the study were then compared using statistical tools to ascertain if any significant difference existed between the two.

Statistical Tools

For the study, following Hypotheses are tested:

Hypothesis I - There is no significant impact of U.S. financial crisis on the subscription levels of Indian IPOs.
Hypothesis II - There is no significant impact of U.S. financial crisis on the Short term returns from Indian IPOs.
Hypothesis III - There is no significant impact of U.S. financial crisis on the Long term returns from Indian IPOs.
Students't-test for testing difference between means of two samples as follows has been used to test the above stated Hypotheses and draw suitable inferences.

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$$t = \frac{\bar{x}_1 - \bar{x}_2 - \Delta}{\sqrt{s_p^2\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}}$$

Where $\bar{x}_1$ = mean of the first sample ; $\bar{x}_2$ = mean of the second sample,
n_1 = number of observations in the first sample,
n_2 = number of observations in the second sample,
S_p = Combined standard deviation,
Δ is the hypothesized difference between the population means (0 if testing for equal means).

ANALYSIS OF DATA

Subscription Levels

The IPOs offered to the investors have a specified offer size under both fixed price and book building methods prevalent in India. If the number of shares applied by the investors exceeds the offer size, then such a situation is called over subscription and vice versa.

Subscription Levels in the Pre and Post Financial Crisis period

The over / under subscription is a function of a host of factors including market sentiment, money supply, domestic and global economic scenario, pricing of the issue , fundamentals of the issuer etc. The present study attempts to analyse the impact of U.S slowdown in year 2008 on the primary capital market IPO issues in India. Various studies have been conducted to ascertain the interlinkages between the Indian stock exchanges and leading global stock exchanges. The study by Subha and Nambi, 2010 focused on Indian equity market's dependency with the developed market like the American stock markets. It obtained the stock index values (closing prices) for the BSE and the top American stock markets and the Engle Granger test of Cointegration was used to examine the interdependence among these stock markets. Interdependence/dependence was examined for the period January 1st 2000 – Dec 31st 2008.

The analysis regarding pre and post crisis period subscription levels is presented in Table I below:

Table-I: Subscription Levels of Selected IPO's the Shortlisted Sectors

	Banking and Financial sector	C & C	Pharmaceuticals	Media & Entertainment	IT	Total
Sample Size	10	10	10	10	10	50
Mean SLPRE*	26.31	7.704	10.23	8.372	11.89	12.90
Mean SLPOS**	14.59	1.314	2.49	3.346	9.71	6.29
Std. Deviation	12.80	6.56	15.03	13.32	3.86	14.89
Calculated t-value	1.44	1.54	0.81	0.60	0.89	1.57
***d.f.* (degrees of freedom)**	8	8	8	8	8	48
Table t-value	2.30	2.30	2.30	2.30	2.30	2.01

Note: *SLPRE—Subscription level of IPOs issued in pre Financial Crisis period 2004 to 2007;
**SLPOS – Subscription level of IPOs issued in post Financial Crisis period 2009 to 2012
Sources: Authors Compilation

The table-I reveals that Indian retail investor has favourably responded to the IPO issues of all the sectors in the pre-crisis period. The subscription levels in this period ranged from nearly 8 to 26 times across the sectors. In the post crisis period this range slid to minimum of 1 and maximum of 15 times across the sectors. Also the table reveals that during both the periods banking and IT remained the hot sectors for the retail subscribers.

The calculated t-values of all the sectors for 8 degrees of freedom and 5% significance level are less than their corresponding tabular values. Though there is explicit difference in the subscription levels in all the sectors in the two periods, however there is no statistical significance difference in subscription levels in pre and post crisis periods. Hence the Hypothesis I is accepted.

This implies that the U.S Financial crisis had no impact on the sample IPOs with regards to the retailers subscribing to these issues. Perhaps this can be an outcome of comparatively insulated primary capital market of India. This is in line with the Asian Bank Development Institute's study which states that India's financial sector is not deeply integrated with the global financial

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system, which spared it the first round adverse effects of the global financial crisis and left Indian banks mostly unaffected (Kumar and Vashisht, 2009). The study by Subha and Nambi (2010) also supports the findings of the present study which finds that, "During the period of study the results of the test show that the Indian Stock Market shows no dependence with the NASDAQ and the S&P 500 confirming the absence of cointegration between the Indian and American Stock markets".

The analysis opens up a new food for thought to the corporate managers that they can go ahead with their IPO issues even during slant global periods without fearing under subscriptions taking advantage of the insulated financial system of India from global markets.

Short-Term and Long-Term Returns

Liquidity of the stock markets is largely dependent on the velocity of trades which is a consequent to short term selling and buying activity. As such the returns to the short term trading is of prime importance for the investors to stay put in the markets and provide the required momentum to the stock markets. Short term returns in case of IPOs also therefore assumes high significance in view of above reasoning as well as the need of market making for the IPO. This short term investment period may range from a day to few months.

The investments in IPO are also made by The stocks of a specific company must provide long term capital appreciation to the investors in case the company intends to float further capital issues . In order to build a strong and stable capital market, the government of India through income tax has provided tax exemption on long term(i.e. holding is more than one year) capital gains in equity. In order to maximise the wealth of the shareholders the markets therefore must offer higher returns (difference between secondary market price and issuing price).

The short term and long term returns of the pre and post crisis period for the sample IPOs are presented below in table II.

Table-II: Return Calculation for Short and Long Term for the selected IPOs

				Listing Day		1 Month		6 Month		1 Year	
Sector	**Period**	**Name of the Company**	**Issue Price (Rs)**	**Listing Day Closing Price (Rs)**	**Listing Day Return (%)**	**1 Month Closing Price (Rs)**	**1 Month Return (%)**	**6 Month Closing Price (Rs)**	**6 Month Return (%)**	**1 Year Closing Price (Rs)**	**1 Year Return (%)**
Banking and Financial	Pre Crisis	Power Finance Corporation Limited	85	111.65	31.35	111.2	30.82	171.8	102.12	191.35	125.12
		Mahindra & Mahindra Finance	200	232.55	16.275	228.8	14.4	231.85	15.925	225.75	12.875
		Indian Bank	91	98.35	8.07	87.1	-4.28	143.1	57..25	184.4	102.64
		Central Bank of India	102	115.3	13.04	144.35	41.25	102.65	.54	59.15	-42.00
		Religare Enterprise	185	525.3	183.95	516.5	179.19	349.25	88.78	316.05	70.84
	Post Crisis	L & T Finance Holdings	52	50.05	-37.75	50.8	-2.31	48.45	-6.83	44.35	-14.71
		Muthoot Finance	175	175.9	.57	175.25	.14	188.2	7.54	117.95	-32.6
		United Bank of India	66	66.65	.98	71.95	9.01	116.6	76.66	102.45	55.22
		Future Ventures India	10	8.2	-18	9.1	-9	8.55	-14.5	8.7	-13
		Punjab & Sind Bank	120	127.15	5.95	105.45	-12.12	100.15	-16.54	60.2	-49.83
Construction and Contracting	Pre Crisis	Delhi Land & Finance (DLF)	525	569.8	8.53	580.65	10.6	1337.1	154.68	425 .75	-18.9
		GMR Infra	210	210.4	.19	214.05	1.93	404.2	92.48	726.6	246
		Delhi Land & Finance (DLF)	525	569.8	8.53	580.65	10.6	1337.1	154.68	425 .75	-18.9
		GMR Infra	210	210.4	.19	214.05	1.93	404.2	92.48	726.6	246

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		Delhi Land & Finance (DLF)	525	569.8	8.53	580.65	10.6	1337.1	154.68	425.75	-18.9
	Post Crisis	Oberoi Reality Ltd.	260	282.95	8.83	274.45	5.55	251.5	-3.27	234.45	-9.83
		Prestige Estate Projects	183	193.15	5.45	162.4	-11.26	157.75	-13.79	98.5	-46.17
		Jaypee Infra	102	91.45	-10.34	86.3	-15.39	80	-21.57	51.55	-49.46
		Godrej Prop.	490	537.25	9.64	468.2	-4.45	621	26.73	616.6	25.84
		IL&FS	258	273.75	6.10	284.75	10.37	318.4	23.41	237.1	-8.1
Pharmaceuticals	Pre Crisis	Biocon	315	484.05	53.66	586.65	86.24	53.65	69.41	433.05	37.48
		Dishman Pharma	175	541.25	209.28	469.05	168.03	500	185.71	680.2	288.69
		Plethico Pharma	300	419.15	39.72	366.1	22.03	341.25	13.75	326.15	8.71
		SMS Pharma	380	359.25	-5.46	262.15	-31.01	263.85	-30.56	200.65	-47.19
		Alpa Labs	68	55.15	-10.9	44.95	-33.39	26.4	-61.18	20.35	-70.07
	Post Crisis	Claris Life Science	228	205.85	-9.83	178.35	-21.78	161.15	-29.32	216.05	-3.07
		Aanjaneya Lifecare	234	311.10	39.95	390.45	66.86	455.45	94.64	447.65	91.3
		Parabolic Drugs	75	64.85	-13.53	54.25	-27.66	58.4	-22.13	41.1	-45.2
		Syncon Healthcare	75	87.75	17	115.15	53.53	40.85	-45.53	33.8	-54.93
		Astec Lifesciences	82	84	2.44	82.85	.06	60.35	-26.4	61.058	-25.55
Media and Entertainment	Pre Crisis	Sun TV Pvt. Ltd.	875	1464.65	67.39	1149.6	31.38	1191.95	36.22	1633.85	86.73
		Jagran Prakashan	320	270.9	-15.34	291.1	-9.03	311.10	-2.78	369.65	15.51
		Entertainment Network India	162	264.7	36.39	224.9	38.83	238.65	47.31	314.85	95.35
		Prime Focus	417	325.15	-27.79	355.95	-14.64	309.8	-25.71	772.5	82.25
		Inox Leisure Ltd	120	175.25	45.83	195.75	63.12	112.10	-0.67	124	0.33
	Post Crisis	DB corporation Ltd	212	265.9	25.42	240.35	14.45	236.55	11.58	261.6	23.4
		Hathway Canle & Datacom	240	207.65	-13.48	203.15	-15.35	203.7	-15.12	142.05	-40.81
		Den Networks	195	163.4	-16.2	192.35	-1.36	200.5	2.82	215.00	10.26
		Eros International	175	190.25	8.71	191.6	9.48	150.5	-14	235.35	34.49
		Hindustan Media Venture	166	188.95	13.82	182.5	9.94	162.2	-2.29	133.25	-19.73
Informati-on Technology	Pre Crisis	TCS	850	987.95	16.23	1020.75	20.08	1364.05	60.48	1323.65	55.72
		Tech Mahindra	365	554.25	51.85	613	67.94	1435.5	293.29	1210.55	231.66
		Mind Tree	425	621.2	41.16	851.1	100.26	589.5	38.71	333.5	-21.53
		eClex Services	315	449.654	42.75	338.25	7.38	224.15	-28.84	93	-70.48
		3i Infotech	100	98.11	-1.9	98.9	-1.1	120.3	20.3	185.9	85.9
	Post Crisis	Tree House Edu. & Accessories	135	117.6	-12.88	172.2	27.55	201.05	48.93	241.60	78.97
		Infite Computer	165	191.8	16.24	197.7	19.81	170.55	3.36	117.10	-29.03

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		Solutions								
		MT Educare	80	90.35	12.94	91.35	14.19	106.85	33.56	84.65	5.81
		Career Point	310	632.35	103.98	481.45	55.31	352.85	13.82	247.75	-20.08
		Excel Infoways	85	95.85	12.76	90.05	5.94	51	-40	49.35	-41.94

Sources: Authors Compilation

The summary of Table II is presented below:

Table-III

Period	Number of IPO Issues			
Pre Financial Crisis :	Listing Day	1 Month	6months	1 Year
1. Positive returns	20	19	19	12
2. Negative returns	5	6	6	8
Post Financial Crisis :				
1. Positive returns	17	15	11	8
2. Negative returns	8	10	14	17

Sources: Authors Compilation

The analysis of the summary reveals that during all the short run periods, the percentage of IPOs earning positive returns has comparatively declined in the post financial crisis period. Similar observations hold true for the long term returns in the two periods.

Also notably in the post financial crisis period, the percentage of IPOs earning positive returns have declined sharply in the long run as compared to the short run as we move across listing day to 1 year returns. Similar observations hold true for the short run returns in the pre financial crisis period.

Various earlier studies relating to the global markets support our findings as these have revealed that abnormal returns are experienced in the IPOs in the short run whereas in the long run they tend to provide negative returns. Kakati (1999) analyzed the performance of a sample of 500 IPOs issued in India during January 1993 to March 1996 and found that the short run returns are positive to the extent of 36.6% whereas the long-run returns are negative to the extent of -40.8%. Another study with similar results by Joshi et al (2013) in the paper titled "Are IPOs Underpriced? Empirical Evidence from India" measured the aftermarket price performance of IPOs from date of listing to one year for a time period of 2005 to 2012. It revealed that IPOs are initially underpriced and offer high positive returns and over a long term they show underperformance (i.e. over priced) or negative returns.

The comparison of both short term and long term IPO returns obtained in Table II for the selected sample of 5 sectors is presented in Table IV below:

Table-IV: Comparison for Both Short Term and Long Term Returns of the selected IPOs

		Banking and Financial sector	**Construction & Contracting**	**Pharmaceuticals**	**Media & Entertainment**	**Information Technology**
Listing Day Returns	Sample Size	10	10	10	10	10
	MPRCR***	50.537	13.36	57.26	1.38	30.02
	MPOCR ****	-2.862	3.94	7.21	3.65	26.61
	Std. Deviation	45.94	14.21	65.12	36.97	35.36
	Calculated t value	1.8365	1.0474	1.2143	.0970	0.1523
	d.f	8	8	8	8	8
	Tabular value	2.3060	2.3060	2.3060	2.3060	
1 Month Returns	Sample Size	10	10	10	10	10
	MPRCR	52.33	18.73	42.28	29.93	38.91
	MPOCR	2.92	-3.036	15.4	3.43	24.56
	Std. Deviation	94.86	20.82	67.34	25.65	33.52
	Calculated t value	0.8229	1.6517	0.6306	1.6323	0.6764
	d.f	8	8	8	8	8

	Tabular value	2.3060	2.3060	2.3060	2.3060	2.3060
6 Month Returns	Sample Size	10	10	10	10	10
	MPRCR	52.94	45.63	35.43	16.37	76.79
	MPOCR	9.26	2.302	-5.75	-3.4	11.93
	Std. Deviation	41.63	57.68	79.69	22.67	91.88
	Calculated t value	1.6578	1.1868	0.8164	1.3778	1.1153
	d.f	8	8	8	8	8
	Tabular value	2.3060	2.3060	2.3060	2.3060	2.3060
1 Year Returns	Sample Size	10	10	10	10	10
	MPRCR	62.29	60.05	43.52	57.25	56.25
	MPOCR	-10.98	-17.54	-7.49	1.52	35.16
	Std. Deviation	56.28	86.42	109.69	38.13	84.29
	Calculated t value	2.0569	1.4185	0.7347	2.3092	0.3953
	d.f	8	8	8	8	8
	Tabular value	2.3060	2.3060	2.3060	2.3060	2.3060

Note: ***MPRCR -- Mean Pre crisis returns;
****MPOCR – Mean Post crisis returns
Sources: Authors Compilation

From Table-IV the study infers that by and large the mean post crisis returns in each sector have considerably declined compared to the pre crisis period. In some sectors (except IT) the returns have even become negative. This effect becomes more pronounced as we move from the short run to the long run period as is observed that the MPOCR for I year period pertaining to the 3 sectors (Banking & Financial, Construction & Contracting and Pharmaceuticals) are negative. Also it is observed that the IT sector IPOs have shown the greatest resilience in terms of MPRCR and MPOCR in both short and long term though the sector did not remain unimpacted.

The calculated t- values of all the sectors for 8 degrees of freedom and 5% significance level are less than their corresponding tabular values except for 1 year returns in Media and Entertainment sector. Though there is explicit decline in the Mean Post crisis return levels in all the sectors in the two periods, however there is no statistical significant difference in both short term and long term return levels in pre and post crisis periods barring one exception of Media and Entertainment sector. Hence the Hypotheses II & III are accepted.

CONCLUSIONS

The exploration into the subscription levels and returns of the selected IPOs issued in India concludes that the U.S Financial Crisis has not been able to alter the IPO market. Or in other words the crisis has not been able to shake the investor confidence in new issues which is a very contradicting finding to the commonly accepted logic that investors are risk aversive.

The above finding has important implication for the investors both domestic as well as foreign. The insulatory nature of Indian capital market tends to provide ample scope for FIIs and DIIs to continue investing in Indian market especially during the periods of global crisis. Further as the market will get a booster from FIIs and DIIs, the retail investors can also pocket favourable returns in such periods.

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