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STUDY OF COMMON PROBLEMS ON B2C CROSS BORDER ECOMMERCE

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ABSTRACT

This paper is going to describe the problems of cross border ecommerce. Cross border is going to play major role in ecommerce market across border. It is very complex problems for every cross border ecommerce companies. The paper is generally trying to highlight some of the major problems that cross border ecommerce players faces.

Keywords: Cross Border; Ecommerce; Issues; Information

INTRODUCTION

Cross border ecommerce or International ecommerce is when merchants sell their products or services to consumers located in other countries and jurisdictions. Ecommerce is fastest going market, but the constrained related to transaction is a big issue internationally. The most important markets for online shoppers are United States, United Kingdom, Germany, Australia, Brazil, and China .The revenue for Cross-Border ecommerce at 2012 was 300 billion dollar. Network design plays a vital role for promoting cross border ecommerce. Traditional network design became inefficient due to complex structure of internet logistics. There is no network that can fit all origination in cross-border ecommerce. With increase ecommerce entering new market, it faces new challenges in participants of cross border delivery. Generally in this case, the consumers and the merchants would not share the same currency or even the same language. This transaction, initiated virtually is then completed by transferring the physical product through various legal jurisdictions, customs, geographies and other factors. The idea is to truly expand the target market of a merchant to its limits. The leading cross border companies has varying strategies to reach customers world widow.

OBJECTIVES

The study has the following objectives:

1. To understand the various issues relating cross border ecommerce.
2. To study the problems in international ecommerce.

Obstacles For Cross Border

Logistics- Logistics is an issue at cross border ecommerce. Consumers preferred to retailers which have reputed brand name with reliable logistics service provider. Amazon and eBay offer some restriction on items for global delivery. Logistics cost is very high and its design differs companies to companies. Cross border ecommerce logistics is about ensuring customers delivery of product at right time with presentable condition. Difficulties to deal with reverse logistics are am major issue in cross border ecommerce. There prevail inefficient operations and difficulties in managing last mile delivery to customers.

Payment Issue- Transaction is very important issue at international arena. There is no common payment mechanism at cross border ecommerce. Credit card is used a mode of payment in some countries while others it's not. Some countries used cash on delivery payment mode. Local currency payment is popular in some countries.

Government Regulations- This regulation varies across countries. Some country may not favour cross border ecommerce. This issue is so complex that there is no common regulatory framework for cross border ecommerce. There is often a debate to regulatory issues. Framing the common regulation platform for cross border ecommerce is not possible globally.

Unreliable Transit Duration- Customer wants shorter delivery time and reliable window for cross border purchase. Duration of parcel delivery is very complex and it takes very long duration. The consumers are conscious about the quality of the product delivered in cross border purchase.

Transparency on Delivery- Real time tracking is a major problem in cross border ecommerce. Exact delivery times are not provided by delivery service provider. Delivery time for item is very long. Customers wants delivery notification, security on delivery, alternate delivery option, delivery on same day as a by cross border ecommerce companies..Cross border ecommerce fails on the quality of delivery transparency.

Government Tax- Tax is not common for every country. Business-to-consumer is subject to each country value added tax. Tax rate are different for different countries. The lack common value added tax is one of the biggest problems for online cross border ecommerce.

Fraud In Cross Border Ecommerce- Fraud is biggest problem in cross border e-commerce. Cross border e-commerce sites can't be trusted by consumers. The virtual presence of any websites is itself a worry for customers. There is no tool to detect if the website is a fraudulent one. The quality of product shown on e-commerce sites is also a negative impact on consumers end. There may be new companies to the online platform and the structure of its offerings can cheat consumers since it's a new one. Fraud exists in much form at online business.

Consumer Protection- Legal system for regulatory framework is differs from country to country. In case of dispute, it becomes difficult for consumer to ensure rights.

Consumer protection is very important for cross border consumers. Return policy is not much favoring customers at cross border purchase of product. A 2012 study report from Digital River World Payments reported only 32% of US companies online offering local currency payments There has to be stringent measures to resolve consumer rights at cross border ecommerce.

Problems with Product or Service- The nature of e-commerce problems on cross border ecommerce are defective product/services and issues of non-conformity) and problem related to non-delivery of items.

Legal Limitations to Sale- All items for sale should follow regulatory framework of particular country. The packaging items are to follow the mandate of that country. Packaging format may be different for different country.

Product Return Policy- This is one of the most serious concerns for almost all cross border ecommerce .This policy is unique for companies. Some cross border companies may not favour product return policy as it involves reverse logistics. The quality of the product received at customers end may face quality issues. In that case product return policy comes into picture.

Language, Cultural and Technical Barriers- The website offering sales in cross border ecommerce plays a key role in satisfying customers. This becomes an issue in cross border platform of ecommerce. Customers of one county can't understand language of other country. The method in which their websites will be designed will also be an issue to customers. The websites may not be customer friendly to attract customers. A language barrier is a factor in serving customers across the ecommerce platform.

Lacks of Information- E-commerce companies are not able to provide adequate information on national laws, payment methods logistics solutions etc. in the countries where they conduct business. There exists a corruption in international trade. Some countries have stopped doing business in other country due to corruption.

Counter Measures of Cross Border Ecommerce- Free flow of information is very critical factor in cross border ecommerce. Medium of instruction in website content is important to communicate with borderless consumers. Cross border business in increasingly very fast and it faces hurdles in policy, security, trade facilitation, and resource. These hurdles can be overcome by launching a trade called 'Aid for eTrade'.This builds a mechanized system to do business smoothly. There should be a mechanized system to resolve disputes on the online business. Payment has to be highly secured and ecommerce companies should provide option to accept transaction currency of all countries. The information infrastructure is highly important and it needs a standardization of electronic security. There has to be a e-commerce consumer protection legal framework applicable all over the universe. The logistics management or parcel provider across cross border has to be efficient to deliver items without delay. Transparency on delivery and easy to arrange return process are also applicable in cross border ecommerce. Government has important role to play in ecommerce and has to formulate policies on cross border ecommerce strategies.

CONCLUSION

Ecommerce opens immense opportunities for countries to engage in trade, expand their sales, and reduce the cost of their purchases. This paper proposes some of the measures to overcome the challenges encounters at cross border business. Cross border ecommerce is a window for ecommerce companies to explore the opportunities to sell their product to foreign customers. There will be many issues more in the coming cross border ecommerce platform.

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A STUDY ON SEM APPROACH WITH REFERENCE TO AMOS

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ABSTRACT

Research in modern day has grown more practical and live. It is in the sense that the traditional form of methodology is replaced by modern statistical tools. With the use of such tools the analytical deduction is easily done to arrive at a specific outcome. However it requires lot of understanding and knowledge to carry out such analysis. The present paper identifies the understanding of structural equation modelling which can be carried out through the statistical software called AMOS (Analysis of moment structure). It makes the readers familiar with the concepts and ideologies involved in carrying out specific tests and making them understand about the application areas.

Keywords: SEM; AMOS

INTRODUCTION

Analysis in research is a critical phenomenon and should be used with lot of precision. Before applying a tool one must be able to understand the underlying concepts and theories involved in the same. Multivariate technique is one of the most powerful tool for testing the hypothesis. Structural equation modelling in that sense represents the involvement of a number of variables which are tested simultaneously. Analysis of moment structure (AMOS) is a statistical software predominantly used for data modelling and testing purpose. This paper helps in understanding the concepts behind the modelling process and the use of AMOS.

OBJECTIVES OF STUDY

The study is based on the following key objectives:

1. To study the concepts and phenomenon involved in structural equation modelling process.
2. To study the model structure, goals and application of SEM.
3. To gain an insight on the AMOS, with respect to its use and interpretation.

Terms Used In SEM

1. Exogenous variables are not predicted by any other variables in the model.
2. Endogenous variables are predicted by at least one other variable in the model.
3. Observed variables are variables for which we have data (either observations in our dataset or matrices of covariance, means, etc.).
4. Latent variables are unobserved variables and may represent hypothetical constructs, the true values of variables measured with error, unobserved heterogeneity, errors, and more.
5. A model is a statistical statement about the relations among variables.

6. A path diagram is a pictorial representation of a model.is a form of graphical representation of a model under consideration.
7. Parameter is a generic term referring to a characteristic of a population, such as mean or variance on a given variable, which is of relevance in a particular study.
8. Specification is formulating a statement about a set of parameters and stating a model.
9. Components of a general structural equation model are the measurement model and the structural model. The measurement model prescribes latent variables, e.g., confirmatory factor analysis. The structural model prescribes relations between latent variables and observed variables that are not indicators of latent variables.
10. Identification involves the study of conditions to obtain a single, unique solution for each and every free parameter specified in the model from the observed data. In order to obtain a solution, the number of free parameters, q, must be equal to or smaller than the number of no redundant elements in the sample covariance matrix, denoted as p* with $p^* = p(p + 1)/2$ where p is the number of measured variables in the covariance matrix ($q =< p^*$).
11. Recursive statistical models: Recursive model only include unidirectional effects - that is, causality flows in only one direction. These models do not permit reciprocal causation or feedback loops, nor do they allow variables that are linked in a causal chain to have correlated disturbance terms. If all criteria for being recursive are met, then the model is identified. Recursive models meet the following conditions:
    i. Models are hierarchical
    ii. All causal effects in the model are "unidirectional" in nature, i.e. no. two variables in the model are reciprocally related, either directly or indirectly.

Structural Equation Modeling: Symbol Used In AMOS

AMOS (Analysis of moment structure) is commonly used statistical software for data modelling. The description of the symbols used in AMOS is presented in the figure 1 below:

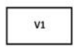
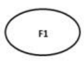
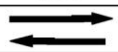
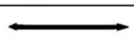
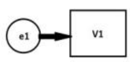
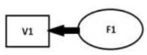
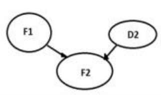
Diagram Symbol	Description
	Measured variable (V1)/ Observed variable
	Latent Construct (F1)/Factor/Unobserved variable
	Direct relationship/Regression Line
	Covariance or Correlation
	error (e1) associated with measured variable (V1)
	Path coefficient for regression of a latent variable (F1) on an observed variable (V1)
	Path coefficient for regression of one latent variable (F1) into another latent variable (F2). residual error (D2) in prediction of F2 by F1.

Figure 1. Symbol used in AMOS

Source: Compiled from the Basics of Structural Equation Modeling Diana Suhr, Ph.D., University of Northern Colorado

1. **Squares and Rectangles:** Squares or rectangles are used for observed variables, Observed variables are usually labelled sequentially (e.g., V_1, V_2, V_3), with the label entered in each square or rectangle.
2. **Circles and Ellipses:** circles or ellipses are employed for latent variables. Latent variables can be abbreviated according to the construct they present or just labelled sequentially (e.g., *F*1, *F*2; *F* standing for "factor") with the name or label cantered in each circle or ellipse.
3. **Paths and Two-Way Arrows:** Latent and observed variables are connected in a structural equation model in order to reflect a set of propositions about a studied phenomenon, which a researcher is interested in examining (testing) using SEM. Typically, the interrelationships among the latent as well as the latent and observed variables are the main focus of study. These relationships are represented graphically in a path diagram by one-way and two-way arrows. The one-way arrows, also frequently called paths, signal that a variable at the end of the arrow is explained in the model by the variable at the beginning of the arrow. One-way arrows, or paths, are usually represented by straight lines, with arrowheads at the end of the lines. Such paths are often interpreted as symbolizing causal relationships-the variable at the end of the arrow is assumed according to the model to be the effect and the one at the beginning to be the cause. In a path diagram, two-way arrows (sometimes referred to as two-way paths) are used to represent covariation between two variables, and signal that there is an association between the connected variables that is not assumed in the model to be directional.
4. **Dependent and Independent Variables:** In order to properly conceptualize a proposed model, there is another distinction between variables that is of great importance-the differentiation between dependent and independent variables. Dependent variables are those that receive at least one path (one-way arrow) from another variable in the model. Hence, when an entertained model is represented as a set of equations (with pertinent distributional and related assumptions), each dependent variable will appear in the left-hand side of an equation. Independent variables are variables that emanate paths (one-way arrows), but never receive a path; that is, no independent variable will appear in the left-hand side of an equation, in that system of model equations. Independent variable scan be correlated among one another, i.e., connected in the path diagram by two-way arrows. We note that a dependent variable may act as an independent variable with respect to another variable, but this does not change its dependent-variable status. As long as there is at least one path(one-way arrow) ending at the variable, it is a dependent variable no matter how many other variables in the model are explained by it. In the econometric literature, the terms exogenous variables and endogenous variables are also frequently used for independent and dependent variables, respectively. (These terms are derived from the Greek words expand endos, for being correspondingly of external origin to the system of variables under consideration, and of internal origin to it.)

Definition of Structural Equation Modeling (SEM)

1. It is a comprehensive statistical approach to testing hypotheses about relations among observed and latent variables (Hoyle, 1995).
2. It is a methodology for representing, estimating, and testing a theoretical network of (mostly) linear relations between variables (Rigdon, 1998).
3. To tests hypothesized patterns of directional and non-directional relationships among a set of observed (measured) and unobserved (latent) variables (MacCallum& Austin, 2000).
4. Structural Equation Modeling is a very general, very powerful multivariate analysis technique that includes specialized versions of a number of other analysis methods as special cases.
5. SEM is class of statistical techniques that allows us to test hypotheses about relationships among variables.

6. SEM encompasses other statistical methods such as correlation, linear regression, and factor analysis.
7. SEM may also be referred to as Analysis of Covariance Structures. SEM fits models using the observed covariance and possibly means.
8. Structural equation models (SEMs) comprise two components, a measurement model and a structural model. The measurement model relates observed responses or 'indicators' to latent variables and sometimes to observed covariates. The structural model then specifies relations among latent variables and regressions of latent variables on observed variables.

Goals of SEM

1. To understand the patterns of correlation/covariance among a set of variables and
2. To explain as much of their variance as possible with the model specified (Kline, 1998).

Major Application of SEM Include

1. Causal modelling, or path analysis, which hypothesizes causal relationships among variables and tests the causal models with a linear equation system. Causal models can involve either manifest variables, latent variables, or both;
2. confirmatory factor analysis, an extension of factor analysis in which specific hypotheses about the structure of the factor loadings and inter-correlations are tested;
3. second order factor analysis, a variation of factor analysis in which the correlation matrix of the common factors is itself factor analyzed to provide second order factors;
4. regression models, an extension of linear regression analysis in which regression weights may be constrained to be equal to each other, or to specified numerical values;
5. Covariance structure models, which hypothesize that a covariance matrix has a particular form. For example, you can test the hypothesis that a set of variables all have equal variances with this procedure.
6. Correlation structure models, which hypothesize that a correlation matrix has a particular form.

Model Structure

The structural model can take the same form regardless of response type. Letting j index units or structural model for latent variables ηj as

$\eta_j = \alpha + B_{\eta j} + \Gamma_j x_{1j} + \zeta_j$.

Here, α= intercept vector,

B = matrix of structural parameters governing the relations among the latent variables,

Γ = regression parameter matrix for regressions of latent variables on observed explanatory variables x_{1j} and ζ_j= vector of disturbances

Rules for Determining Model Parameters

In order to correctly determine the parameters that can be uniquely estimated in a considered structural equation model, six rules can be used (cf. Bentler, 2004). For a given structural equation model, these rules are as follows.

1. All variances of independent variables are model parameters. Error terms in a path diagram are generally attached to each dependent variable. For a latent dependent variable, an associated error term symbolizes the structural regression disturbance that represents the variability in the latent variable unexplained by the variables it is regressed upon in the model. Similarly, for an

observed dependent variable the residual represents that part of the variance of the former, which is not explained in terms of other variables that dependent variable is regressed upon in the model. We stress that all residual terms, whether attached to observed or latent variables, are (a) unobserved entities because they cannot be measured and (b) independent variables because they are not affected by any other variable in the model. Thus, by the present rule, the variances of all residuals are, in general, model parameters. However, we emphasize that this rule identifies as parameter the variance of any independent variable, not only of residuals. Further, if there were a theory or hypothesis to be tested with a model, which indicated that some variances of independent variables(e.g., residual terms) were 0 or equal to a pre-specified number(s),then Rule 1 would not apply and the corresponding independent variable variance will be set equal to that number.

2. All covariance between independent variables are model parameters (unless there is a theory or hypothesis being tested with the model that states some of them as being equal to 0 or equal to a given constant(s)).
3. All factor loadings connecting the latent variables with their indicators are model parameters (unless there is a theory or hypothesis tested with the model that states some of them as equal to 0 or to a given constant(s)).
4. All regression coefficients between observed or latent variables are model parameters (unless there is a theory or hypothesis tested with the model that states that some of them should be equal to 0 or to a given constant(s)).
5. The variances of, and covariance between, dependent variables as well as the covariance between dependent and independent variables are never model parameters. This is due to the fact that these variances and covariance are themselves explained in terms of model parameters.
6. For each latent variable included in a model, the metric of its latent scale needs to be set. The reason is that, unlike an observed variable there is no natural metric underlying any latent variable. In fact, unless its metric is defined, the scale of the latent variable will remain indeterminate. Subsequently, this will lead to model-estimation problems and unidentified parameters and models.

Types of Research Questions Answered By SEM

SEM can conceptually be used to answer any research question involving the indirect or direct observation of one or more independent variables or one or more dependent variables. However, the primary goal of SEM is to determine and validity a proposed causal process and/or model. Therefore, SEM is a confirmatory technique. Like any other test or model, we have a sample and want to say something about the population that comprises the sample. We have a covariance matrix to serve as our dataset, which is based on the sample of collected measurements. The empirical question of SEM is therefore whether the proposed model produces a population covariance matrix that is consistent with the sample covariance matrix. Because one must specify a priori a model that will undergo validation testing, there are many questions SEM can answer.

1. SEM can tell about the adequacy of the model. Parameters are estimated and compared with the sample covariance matrix. Goodness of fit statistics can be calculated that will tell you whether your model is appropriate or needs further revision. SEM can also be used to compare multiple theories that are specified a priori.
2. SEM can tell you the amount of variance in the dependent variables (DVs) both manifest and latent DVs- are accounted for by the IVs. It can also tell you the reliability of each measured variables. And, as previously mentioned, SEM allows you to examine mediation and moderation, which can include indirect effects.

3. SEM can also tell you about group differences. You can fit separate structural equation models for different groups and compare results. In addition, you can include both random and fixed effects in your models and thus include hierarchical modelling techniques in your analyses.

Limitations and Assumption Regarding SEM

1. Because SEM is a confirmatory technique, you must plan accordingly. You must specify a full model a priori and test that model based on the sample and variables included in your measurements. You must know the number of parameters you need to estimate- including covariances, path coefficients, and variances. You must know all relationships you want to specify in the model. Then, and only then, can you begin your analyses.
2. Because SEM has the ability to model complex relationships between multivariate data, sample size is an important (but unfortunately underemphasized) issue. Two popular assumptions are that you need more than 200 observations, or at least 50 more than 8 times the number of variables in the model. A larger sample size is always desired for SEM.
3. Like other multivariate statistical methodologies, most of the estimation techniques used in SEM require multivariate normality. Your data need to be examined for univariate and multivariate outliers. Transformations on the variables can be made. However, there are some estimation methods that do not require normality.
4. SEM techniques only look at first-order (linear) relationships between variables. Linear relationships can be explored by creating bivariate scatterplots for all of your variables. Power transformations can be made if a relationship between two variables seems quadratic.
5. Multicollinearity among the IVs for manifest variables can be an issue. Most programs will inspect the determinant of a section of your covariance matrix, or the whole covariance matrix. A very small determinant may be indicative of extreme multicollinearity.
6. The residuals of the covariance (not residual scores) need to be small and cantered about zero. Some goodness of fit tests (like the Lagrange Multiplier test) remains robust against highly deviated residuals or non-normal residuals.

Path Analysis in AMOS

Path analysis is an extension of the regression model, used to test the fit of the correlation matrix against two or more causal models which are being compared by the researcher (Fig 2). The model is usually depicted in a circle-and-arrow figure in which single-headed arrows indicate causation. A regression is done for each variable in the model as a dependent on others which the model indicates are causes. The regression weights predicted by the model are compared with the observed correlation matrix for the variables, and a goodness-of-fit statistic is calculated. The best-fitting of two or more models is selected by the researcher as the best model for advancement of theory. Path analysis requires the usual assumptions of regression. It is particularly sensitive to model specification because failure to include relevant causal variables or inclusion of extraneous variables often substantially affects the path coefficients, which are used to assess the relative importance of various direct and indirect causal paths to the dependent variable. Such interpretations should be undertaken in the context of comparing alternative models, after assessing their goodness of fit discussed in the section on structural equation modelling (SEM packages are commonly used today for path analysis in lieu of stand-alone path analysis programs). When the variables in the model are latent variables measured by multiple observed indicators, path analysis is termed structural equation modelling treated separately. We follow the conventional terminology by which path analysis refers to modeling single-indicator variables.

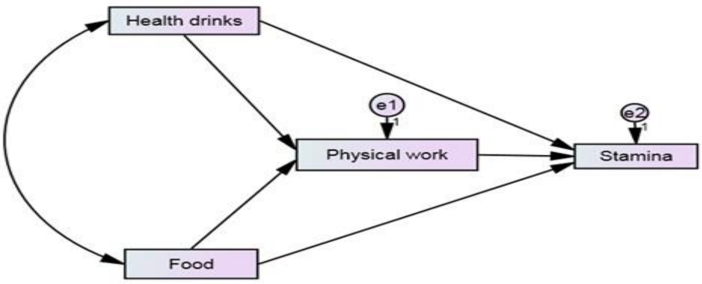


Figure 2. A diagram representing path analysis in AMOS (Hypothetical)

Model Fit Criteria in AMOS

Figure 3 shows the different values of the model fit criteria essential to meet the model testing in AMOS

Model-Fit Criteria and Acceptable Fit Interpretation

Model-Fit Criterion	Acceptable Level	Interpretation
Chi-square	Tabled χ^2 value	Compares obtained χ^2 value with tabled value for given *df*
Goodness-of-fit index (GFI)	0 (no fit) to 1 (perfect fit)	Value close to .90 or .95 reflect a good fit
Adjusted GFI (AGFI)	0 (no fit) to 1 (perfect fit)	Value adjusted for *df*, with .90 or .95 a good model fit
Root-mean square residual (RMR)	Researcher defines level	Indicates the closeness of Σ to *S* matrices
Standardized RMR (SRMR)	< .05	Value less than .05 indicates a good model fit
Root-mean-square error of approximation (RMSEA)	.05 to .08	Value of .05 to .08 indicate close fit
Tucker–Lewis Index (TLI)	0 (no fit) to 1 (perfect fit)	Value close to .90 or .95 reflects a good model fit
Normed fit index (NFI)	0 (no fit) to 1 (perfect fit)	Value close to .90 or .95 reflects a good model fit
Parsimony fit index (PNFI)	0 (no fit) to 1 (perfect fit)	Compares values in alternative models
Akaike information criterion (AIC)	0 (perfect fit) to positive value (poor fit)	Compares values in alternative models

Figure 3. Model fit criteria in AMOS

Source: Randall E. Schumacker Richard G. LomaxA Beginner's Guide to Structural Equation Modeling2010 by Taylor and Francis Group, LLC Third Edition

CONCLUSION

Data modelling gains a significant place in research. Its uses and applications are vast to different aspects of research work. Understanding the modelling process involves in-depth understanding of the definition, concepts, key parameters, assumptions, use and applications of the modelling process. Clear understanding of the AMOS also helps the potential researchers in performing the test in a smooth and convenient way. It is very important to analyse the model fit criteria for determining the best fit in a given model. The process replaces the traditional methodologies with a quick and modern one and paves the way for effective and efficient research.

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PAYMENT BANK – A NEED OF DIGITAL INDIA

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ABSTRACT

The concept of Payment bank was first floated by RBI Committee led by Board member Nachiket Mor. The committee on comprehensive financial services for small businesses and low income formed in 2013 came out with its report in early-2014. Main objective of Payment bank is to reduce the working burden of Commercial banks. For this, RBI has given approval to 11 companies out of 41 applicants. It primarily provides remittance, payment services, transfer money directly to bank account etc. It can not involve in any credit risk.

Keywords: Payment Banks; PPI; M-Pesa

INTRODUCTION

Nowadays India has emerging growing market for E-Commerce. Generally, public prefer to buy from online websites. In this online shopping, they mostly prefer savings coupon code. For all this shopping, a Cellphone is the first choice. The main roots of Payment banks are arise here.

People should adopt the option for payment bank to reduce the working burden of Commercial banks. Every person is doing financial transactions many times in a day in which 'Payment' is a main objective. For this, Payment banks are very useful.

In recent days, there are chances arises to increase use of payment banks by general public in their day-to-day transactions because RBI has given approval to 11 companies out of 41 applicants for starting Payment bank services in India.

What is Payment Banks?

New stripped-down type of banks, which are expected to reach customers mainly through their mobile phones rather than traditional bank branches. Payment banks have been announced by RBI as a possible digital transaction only kind of an entity. The Reserve Bank of India had asked the Nachiket MOR Committee to explore and recommended options for creating special category of banks which would positively impact financial inclusion within India. As a part of the recommendations of the Nachiket MOR Committee, a special category called 'Payment Banks' has been proposed.

OBJECTIVES OF THE STUDY

1. To know the concept and working of payment banks.
2. To know the need of payment banks in India.

RESEARCH METHODOLOGY

It is a conceptual study so no further data are required and it is not included in the study. Therefore hypothesis and testing could not be applicable.

Type of Data- secondary data

Payment Bank Guidelines by RBI

RBI has spelled out clear guidelines for payment banks. While it is expected that these guidelines would evolve over the coming years, the following is what has been laid out as the initial set of guidelines.

- Minimum entry capital for payment banks is fixed at rs.100 crores. The committee had recommended an amount of rs.50 crores but it seems that RBI has chosen to play safe and doubled the amount. This high amount of initial capital would mean that innovation would be slow because the risk to the payment bank model is very limited.
- Payment banks can accept demand deposites. The restriction therein is that the maximum balance per customer can only be rs.1, 00,000. This can be for both current and savings accounts. All deposites have to be invested in Government bills and securities, thereby indicating that fee income for transactions is what would probably be the biggest revenue driver for payment banks.
- Payment banks would primarily provide remittance and payment services. The boundary condition here is that the total credits into an account should not exceed rs.1, 00,000. This means that the payment banks would only make sense to lower economic strata of the Indian banked and unbanked population.
- Payment banks must be a banking correspondent of a commercial bank where in they can offer services like marketing of bank's loan products etc.
- Commercial banks can also leverage this model by launching a payment bank subsidiary.
- Currently RBI has not talked about the pricing for the services of the payment banks. Given the tough regulatory framework for payment banks, a pricing flexibility would be essential.
- Payment banks can be "Internet only". It is a very interesting proposition and it remains to be seen if this is the path that India's first digital bank would take. With the increased usage of mobile, social media and internet, possible value has only increased in the last few years.

How Payment Banks are different from regular banks?

- These banks can only receive deposits and remittances but cannot carry out lending activities aiming at financial inclusion, these banks will provide banking services to migrant labours, low income houses etc.
- The Payment Banks required a minimum paid-up equity capital of rs.100 crores while normal commercial banks require rs.500 crores.

When the operations are likely to start?

- The operations are likely to start much earlier than the 18 months deadlines given by RBI. The companies selected will be given "In-Principal" approval for 18 months, after which they will be given license if they fulfill all conditions stipulated by RBI.
- Customers have limit of depositing up to rs.1, 00,000 in Payment banks.

Updates on Payment Banks in India

- 11 out of 41 applicants get the license for payment banks.
- First set of applicants for the payment bank license.
- India Post may want to take the payment bank route after failing to get banking license.
- Market rife with news of a potential partnership between Airtel and SBI for a new payment bank.

- Bank of India confirms its desire to pick up around 19% stake in "You First Money"- a payment banks applicant.

List of 11 companies to whom RBI has granted approval to be a Payment Bank:

1. Aditya Birla Nuvo Ltd.
2. Airtel M-Commerce Services Ltd.
3. Cholamandalam Distribution Services Ltd.
4. Department of Post
5. Fino Paytech Ltd.
6. National Securities Depository Ltd.
7. Reliance Industries Ltd.
8. Dilip Shantilal Sanghvi
9. Vijay Shekhar Sharma
10. Tech Mahindra Ltd.
11. Vodafone M-Pesa Ltd.

Highlights of Pre-Paid Instruments (PPI) Providers:

Airtel money is an example of PPI. They provide following services:

1. Customer gives them money from their regular bank account.
2. They give customer a "Digital Wallet" tied with their mobile.
3. They can use it to pay bills, shopping, movie tickets etc.

Features of PPI:

- They are regulated by RBI under Payment and Settlement Act of 2007. (More than 20 such companies allowed running their PPI scheme.)
- KYC norms apply.
- You don't earn interest rate on money saved in it.
- You can put maximum rs.50, 000 in it.
- You cannot "Pull out" money from it.
- Transaction fee applies. Every time you buy something using your Airtel Money Account, they charge 0.5% as commission.

Other Examples of PPI:

- Gift cards issued by banks. E.g. prepaid.onlinesbi.com/giftcard.html
- Airtel money, Oxygen Prepaid cards
- Paypoint, zipcash, flipkart wallet, Paytm, Mobikwik

Why Payment Bank?

Nachiket's thought process is like this:

- Pre-paid Instrument (PPI) providers = suck because they do not pay interest on money.

- But their basic model/ concept is good = you load cash into your mobile, use it for buy things, pay utility bills and so on. No need to carry cash, cheque book, credit card or visit ATM booth.

Thus, from financial inclusion point of view, PPI model is good, if they gave interest on your money. So, based on that idea, Nachiket recommends RBI to give license to a new type of banks called "Payment Bank". (Under the Banking Regulations Act)

Features of Payment Banks:

1. Target Audience : Small businessmen and poor people(= low income households)
2. Potential Candidates to run Payment Banks : Mobile phone companies, consumer goods companies, Post Office system, agri/dairy type co-operative and Corporate Business Correspondents. Even scheduled Commercial banks can open payment banks as their subsidiaries.
3. Payment bank will have to keep CRR just like other Scheduled Commercial banks.
4. Payment bank can't hold more than rs.1, 00,000 per customer.
5. Payment cannot involve in any credit risk.
6. They can enjoy all the rights and responsibilities of a Scheduled Commercial banks.
7. Entry capital requirement will be rs.100 crore.
8. They cannot give loans therefore no risk of loan default/NPA.
9. Payment bank can invest money in SLR securities, but they are safe investments, you can easily recover money.
10. In short, payment bank faces near-zero risk of default. So, they do not need a large capital for emergency backup.

What Payment banks can and cannot do?

- They cannot offer loans but can raise deposites of up to rs.1, 00,000 and pay interest on these balances just like a saving bank account does.
- They can enable transfers and remittance through a mobile phone.
- They can issue debit cards and ATM cards usable on ATM networks of all banks.
- They can transfer money directly to bank account at nearly no cost being a part of the gateway that connects banks.
- They can provide forex cards to travelers, usable again as a debit or ATM card all over India.
- They can offer forex services at charges lower than banks.
- They can also offer card acceptance mechanism to third parties such as the 'Apple Pay'.

M-PESA: Why India should get Payment Banks?

Nachiket cites the "case study" of M-Pesa, to strengthen his arguments in favour of payment banks. So let's check what is this M-Pesa?

- M-pesa is Kenya's Payment bank.
- M= mobile ; Pesa= swahill word for money
- M-pesa is the brain child of Vodafone + Kenya's local mobile company called "Safaricom" + IBM.

- In 2006, M-Pesa launched. At this time, more than 70% of Kenya's population did not have bank accounts.

How does M-Pesa system work?

- You go to an M-Pesa outlet (like local kiranawala, shopping center, petrol pump etc.)
- Give him cash; he fills up your M-Pesa electronic account with that money.
- This M-Pesa account is tied up with your mobile phone. Wherever you go, money goes.
- M-pesa helps in money transfer between one people to another, international remittance and utility bill payments and so on.
- You can even borrow money from Microfinance Institutions (MFS) via cell phone and later repay the loans, via same cell phone.

M-Pesa Size and Success:

- Today, more than 75% of Kenya's population uses M-Pesa system.
- More than 25% of Kenya's GDP flows through this system.
- M-Pesa also offers a separate model called "M-Shwari" to give 2-5% interest rate on your money saved in that M-Pesa Account.

So, if payment bank model can succeed in Kenya, it can also succeed in India. (Atleast that is what Mr. Nachiket believes.)

Opinions related to Payment Bank:

- A leading bank employee union opposed setting up to payment bank and said their entry will hurt the interest of Public sector lenders.
- According to C. H. Venketchalam- "This is nothing but a direct attempt to boost Private sector banking and minimize the role of public sector banks and also reduce their market share. He added, if these banks are allowed to collect deposits, which are of low cost in nature, public sector banks will be deprived of the same and their cost of banking will increase. He also said – Giving license to private companies to set up payment banks will adversely affect the public sector banks."

CONCLUSION

Thus, Payment Banks promises to be a game-changer because of by using the mobile platform to provide basic banking transactions through mobile phones. The decision to license some of the country's biggest corporate and mobile telecom firms to start payment banks promises to be a similar game-changer in India.

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AN INVESTMENT PATTERN OF SCHEDULED COMMERCIAL BANKS IN INDIA

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ABSTRACT

The words, the investment and investment problems will revolve around the concept of managing the surplus financial assets in such a way, that will lead to the wealth maximization and providing significant further source of income to the banks. Thus the investment is the management of the surplus resources in such a way that it will provide benefits to the supplier of the funds that is the banks. However, the investment is a procedural task. It must follow a definite process, to ensure the formulation of proper investment policy. Banks are disbursing their money as investment in trade business and industry. Therefore, banks should be following the principle of investment for profit. An investment policy should ensure maximum profit and minimum Risk. A huge collection and investment policy plays vital role for the economic development of whole economy. The main focus of this study will be towards the investment portfolio of the scheduled commercial banks.

Keywords: Investment; Scheduled Commercial Banks; Investment Pattern; RBI

INTRODUCTION

In 1991, much after China and other south Asian countries, waves of globalization touched Indian shores. Being a new player to globalization, many economic reforms were recommended by various economists. These reforms revolutionized the Indian economy in the era of globalization where India is performing pretty well and strong banking system of India has contributed a lot towards recovery of Indian economy from recession. Indian banking industry has direct impact on economy in terms of improved return on investment, decreasing non-performing assets, deregulation of interest rates, improved return on capital etc. Among all investment is one of the important factors to be studied. Banks must plan and keep aside some amount of money to meet uncertainty. Banks are disbursing their money as investment in traded business and industry. An investment should ensure maximum profit and minimum risk. By taking into account the importance of investment pattern of scheduled commercial bank, this paper studies the investment pattern of Schedule Commercial banks. Bank invest in gilt edged securities and stock exchange securities, as well as the shares and bonds of highly reputed companies.

Commercial Banks refer to both scheduled and non-scheduled commercial banks which are regulated under Banking Regulation Act, 1949

Scheduled Commercial Banks Are Grouped Under Following Categories:

1. State Bank of India and its Associates
2. Nationalized Banks
3. Foreign Banks
4. Regional Rural Banks

5. Other Scheduled Commercial Banks.

The scheduled commercial banks are those banks which are included in the second schedule of RBI Act 1934 and which carry out the normal business of banking such as accepting deposits, giving out loans and other banking services. The major difference between Scheduled Commercial Banks and Scheduled Cooperative Banks is their holding pattern, since cooperatives are registered under the Cooperative Societies Act as cooperative credit institutions.

Non-Scheduled Commercial Banks

Note: Banks in the groups (1) & (2) above are known as public sector banks whereas, other scheduled commercial banks mentioned at group (5) above are known as private sector banks.

Nature of Investment Account in a Schedule Commercial Banks

After meeting its liquidity requirements by keeping primary and secondary reserves and after satisfying the genuine credit needs of society, whatever is left is invested by a bank to acquire long term obligations of public and private enterprises in order to improve its own earnings. It include gilt edged securities and stock exchange securities, as well as the shares and bonds of highly reputed companies.

The principle objective of investment by a scheduled commercial bank is to maximize earnings and to keep the funds liquid and safe. As the matter of fact, security investment is suppose to act as third line of defence, and should replenish the secondary reserve to meet the unexpected withdrawals of deposits and unusual loan demand.

While secondary reserve account consists of securities of a very short period maturity, the investment account includes long period securities. Treasury bills due in 90 days are included in the secondary reserve whereas treasury bonds maturing in 15 years appear in the investment account.

Another redeeming feature of the investment account is that there is a constant movement of asset from the investment account to the secondary reserve. A government bond carrying a 10 year maturity forms part of the investment portfolio of a bank in the first 9 years; but, in the 10^{th} year when the bond will mature, it moves to the secondary reserve accounts assuming that one year period is the dividing line at times, assets held in the secondary reserve move to the investment account.

The investment portfolio of Indian commercial banks, as indicated by their published accounts consists of government securities and domestic investments, including other trustee securities, the share and debentures of corporate bodies, real estate, bullion, units of UTI, and others.

The Investment Account Differs From the Loan Account In Many Respects

1. It carries with it the concept of the use of funds for a short term period (frequently, but not regularly) on condition of repayment.
2. An investment, on the other hand, implies the outlay of funds for a relatively long period.
3. In bank lending the borrower usually initiates the transactions.
4. But in investing, the bank takes the initiative by entering the market to make purchases or to sell.
5. In lending, the bank, in most instances, is the major creditor.
6. While, in investing, the bank is usually one of the many creditors.
7. Advances may involve the creation of temporary source of fund.
8. While in case of investment it may not be so in each situation.
9. In bank lending there exist a personal relationship between the bank and the customer.

10. But investment is n impersonal matter.

Fundamental Principle of Security Investment By Commercial Bank

Safety of Funds- Whatever securities are to be bought, bankers must ensure that the money invested therein will not be lost. In respect of government securities, the condition of the economy which support the obligation, profitability performance of state units, and the tax and borrowing powers of the governments determine the latters ability to issue the securities. Political stability is essential for debt repayment by the different parties.In evaluating securities, the state of the economy should also be taken into account because the government derives for it the funds necessary for the payment of principle and interest. The borrowing ability of the government should, there for, be looked into. Where it is limited in its borrowing activities the credit risk of its securities increases the banker should reframe from holding securities of such a government.

From the view point of credit risk, the bonds of Central Government are consider to be very safe because such bonds are backed up by the tax-paying capacity of the whole nation and great borrowing powers of the government. The security of the State Government or Local Government cannot be rated as high as those of Central Government because there taxing and borrowing powers are not comparables. In the case of foreign securities as well, there is no inconsiderable credit risk at times, when foreign exchange can be manipulated by government causing loss to the bankers through adverse fluctuations in the rates of exchange. The bonds of corporate enterprises are relatively more risky because the repayment of debt is tied to the earnings of the companies, which may fluctuate from time to time.

Stability of Prices- Commercial banks need a high degree of stability of the principle in there investment portfolio. Because of their thin equity cushion, they cannot afford any loss or shrinkage in the value of securities. As stated earlier, security investment is subject to money rate risk, besides the credit risk. The money rate risk involves the movement in market values and change in interest rate. The amplitude of fluctuations in the prices of shares is much higher than those of bonds, particularly because shares do not carry a fix dividend rate and there prices are depend on myriad of factors. The fluctuation in the value of securities is of great significance to a banker. Each investor accepts the current yield of market at the time he buys. If there is a change in the interest rate, the yield which the investor received when he bought the securities may be below or above the current rate. In the event the securities are sold, the holder would stand to lose or gain.

Liquidity- While choosing securities for bank investment, liquidity principle should be adequately provided for. A liquid security is one which can be dispose of insubstantial quantities, at short notice, with a negligible capital loss. Therefore, the term liquidity, when applied to a security, immediately implies a high degree of marketability. For the investment account, the liquidity standards are not supposed to as stringent as those applicable to the secondary reserve. The asset of the secondary reserve must be of near-cash quality and so highly saleable.

In extreme cases, the banker may resort to the reserve bank for funds. This does not mean, however, that the liquidity principle should be ignored. Some amount of liquidity in the investment account asset is necessary because they act as the third line of defence. If, at any time, the banker requires a large amount of cash to meet the extra ordinary demand of his customers, he is obliged to liquidate a portion of his security investment. Securities of reputed business concern are, however, marketable even in big lots without an appreciable scaling down of their prices.

Return- The forth cardinal principle that should engage the attention of the banker while acquiring obligation for his funds is the return on the portfolio. The investment portfolio should comprise such securities as may assure the bank affair and stable return on the capital outlay. In calculating the income, it is necessary to take in to account the rate of interest, or the dividend rate, which the securities carry, the tax exemption benefit, and the loss or gain, if any, at the time of redemption. Though there is great temptation to place this consideration first, it rightfully, comes forth, after the considerations of safety, stability and liquidity. An effective evaluation of risk may permit one to pay attention to the higher yield elements in the portfolio through a diversification and judicious weighing of other risk factors

Size of Investment Portfolio- The volume of investment portfolio should be designed in light of liquidity requirements the credit needs of the economy the fluctuations in deposit and the size of capital account. After meeting these liquidity requirements the left-over funds are used to meet credit needs and to acquire obligation of public as well as private sector enterprise. If the credit needs are heavy and the bank experiences wide fluctuations in the level of its deposits, the size of the investment portfolio will have to be kept low. The revision enable banks to avail of the opportunities of investing in priority placed shares and debentures of large and profitable corporate bodies.

As per RBI directive issued in October 1996 bank's total exposure to company by way of investment in share and debenture in the primary or secondary market as well as advances, should not exceed 25% of the net owned funds of the bank and 30% of companies paid up capital. The exposure ceiling in the case of group has been fixed at 50%. Indian banking industry exposure to capital market is likely to go up over four times following the recommendation of the RBI-SEBI Committee that banks investment in share, debentures and mutual funds should be linked to the outstanding advances and not the incremental deposit of the previous year.

Pattern of Investment Portfolio- The policy statement should spell out the make-up of the investment portfolio that is the types of securities in which funds will be invested and there relative proportion to the portfolio. This has to be determining by taking in to account the objective of investment and the portfolio needs of the bank. If the objective of the investment policy of the bank is to make higher earnings, it may invest largely in high yielding corporate securities. But where a greater stress is laid on liquidity, the management will have to restrict its investment to high grade bonds and highly marketable securities.

The risk position of bank will shape the policy on the composition of the investment portfolio. Banks taking considerable lending risk (in relation to their capital position), and banks lacking managerial expertise or effort, should restrict their investment to Central Government securities, State Government and Municipal securities and corporate blue chips. Such a policy (in conjunction with reasonable securities/ maturity policies) should limit the risk in the investment portfolio, and may be implemented with limited managerial talent. But the banks which have the necessary managerial talent and are in position to take additional risk in their investment portfolio should be less restrictive in their quality limits. Such banks are in position to invest in high yielding low quality securities.

The tax position of the bank is an essential element in determine whether its policy should encourage concentration in State and Local securities with tax-exempt interest payments, or in other investment instruments which pay taxable interest. The quality that the management would like in the portfolio must be defined for the guidance of the investment officer, who must have some standards to guide him in the selection of securities. It would not been sufficient to mention in the policy statement that a certain percentage of bank's investment must consist of securities that are of high qualities unless certain norms of determine this high quality are laid down. The standard of acceptability of different kind of securities should be mention in the statement of policy.

LITERATURE REVIEW

Bose S & Dipankor C (2003) made an attempt to understand the nature and extent of imperfection of the Indian market for corporate bonds. The paper examined that Imperfections in the secondary market for corporate bonds are manifest in infrequent trading, high liquidity risk, a high degree of dispersion of price/ YTM over time, and a lack of strong and unidirectional relationship between bond's credit rating (risk) and its' market price/ YTM. The need to have mandatory credit ratings, irrespective of whether the debt is publicly issued or privately placed, has been stressed in recent times.

Ghosh Chinmoy, Harding John & Phani B. V. (2006) examined that the gains by private sector banks

Were almost double those of nationalized banks and analyze the firm specific abnormal returns cross sectional regressions and find a significant relation between firm-specific abnormal returns and factors typically associated with a bank's potential for takeover. These results provide the first empirical support for Stulz's hypothesis that one cause of the valuation gains associated with liberalization is the expected gain from a reduction of agency costs.

Lakshmi K analyzed the differences in the level of foreign portfolio investment in public sector banks and private sector banks. The study finds that the foreign portfolio investment in private sector banks is higher than the public sector banks when FIIs investment is considered as a percentage of total shareholding however, the difference disappears when FIIs shareholding is measured as a percentage of free float shares. The results suggest that strong, stable and efficient banking system is a pre-requisite for economic growth of any country.

OBJECTIVES OF THE STUDY

This Paper studies Investment Pattern of the Scheduled Commercial Banks. The main objective is to analyze the investment pattern / portfolio of Scheduled Commercial Banks.

SCOPE OF STUDY

This study was undertaken to examine investment portfolio of Scheduled Commercial Banks from 2003-2015. Different types of securities in which banks invest its funds is also considered and the same is presented on pie chart. The revised investment policy of the banks is also determined. The secondary data has been collected from RBI website and other sources.

METHODOLOGY OF STUDY

This paper studies Investment Pattern of the Scheduled Commercial Banks for 2003-2015.The Methodology of study includes

Population- Investment portfolio of the Scheduled Commercial Banks is taken in to consideration.

Data Collection- The relevant secondary data has been collected mainly from website of Reserve Bank of India (RBI), various reports and other studies. Journals such as the Banker and the Journal of Indian Institute of Bankers have also been referred to.

Time- Period of The Paper - The period considered in this paper is from 2003 to 2015 of Scheduled Commercial Banks.

ANALYSIS AND INTERPRETATION

Investment Pattern of Scheduled Commercial Banks

Scheduled Commercial Banks' Investments (` Billion)											
March (2003-2015)	SLR Securities	Commercial Paper	Shares issued by			Bonds/Debentures issued by			Instruments issued by		Total
			PSUs	Private Corporate Sector	Others	PSUs	Private Corporate Sector	Others	Mutual funds	Financial institutions	
21-Mar-03	5,475.5	40.4	16.4	75.9	0.0	482.6	330.3	0.0	64.6	310.7	6,796.4
19-Mar-04	6,775.9	38.4	15.7	74.0	0.4	497.2	279.7	52.3	119.3	329.9	8,182.8
18-Mar-05	7,391.5	39.4	18.9	102.9	0.4	469.4	319.9	69.8	127.4	315.6	8,855.2
31-Mar-06	7,174.5	48.4	26.3	105.0	0.4	330.2	295.5	151.5	104.1	292.0	8,527.9
30-Mar-07	7,915.2	90.4	21.3	162.3	0.7	292.3	276.4	177.9	117.6	265.7	9,319.8
28-Mar-08	9,717.1	132.7	30.2	233.9	2.9	279.4	287.0	292.3	188.2	259.4	11,423.1
27-Mar-09	11,664.1	200.0	27.7	250.6	4.1	254.6	331.3	310.7	370.3	325.9	13,739.3
26-Mar-10	13,847.5	251.9	46.2	254.8	0.9	227.1	400.7	309.0	528.9	326.0	16,193.0
25-Mar-11	15,016.2	123.1	89.6	323.5	4.5	279.5	660.3	456.1	476.0	313.0	17,741.8
23-Mar-12	17,377.9	196.0	72.0	301.1	5.2	412.1	740.5	349.3	251.4	382.5	20,088.0
22-Mar-13	20,061.0	324.3	86.8	338.0	8.7	460.5	1,026.2	480.8	436.7	489.5	23,712.5
21-Mar-14	22,128.2	159.5	82.9	334.2	9.4	831.5	1,159.1	459.8	401.1	593.8	26,159.5
20-Mar-15	24,918.3	467.9	81.8	365.8	32.7	809.5	1,159.2	505.1	585.6	627.6	29,553.5
Total	169,462.9	2,112.4	615.8	2,922.0	70.3	5,625.9	7,266.1	3,614.6	3,771.2	4,831.6	200,292.8

Source: www.rbi.org.in

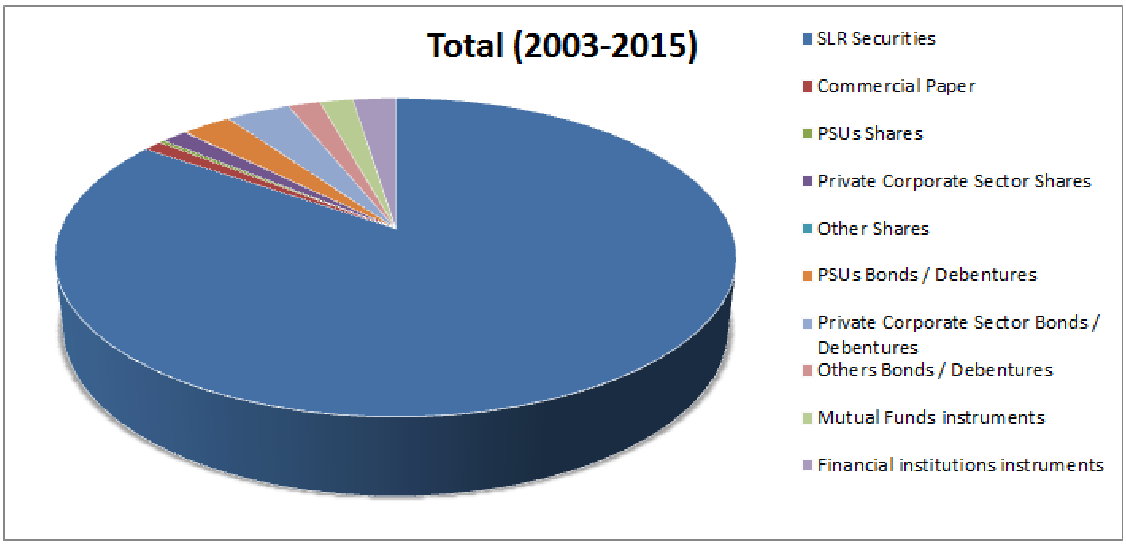

Figure 1. Investment Pattern of Scheduled Commercial Banks

As per the above table, Scheduled Commercial Banks invest its majority of funds in SLR Securities. These may be due to low risk and tax exemption benefit. Scheduled Commercial Banks after investing in SLR Securities invest its remaining funds in Private corporate sector bonds / debentures then after in PSUs bonds / debentures. These may be due to fix return. Remaining funds in instruments issued by financial institutions, mutual funds and others bonds / debentures. Then after it invest in private corporate sector shares and commercial paper. Fewer amounts of funds are invested in shares issued by PSUs and others. If it is analyzed yearly then there is constant increase in amount of investment made by Scheduled Commercial Banks except in March 31, 2006. In March 31, 2006 there is minor decrease in the amount of investment (Difference of 327.3).

Investment Policy of Scheduled Commercial Banks

The revised Investment Policy of the Scheduled Commercial Banks will be as under:-

Mandatory Investment- In terms of mandatory requirement of Banking Regulation Act, it is compulsory to invest minimum 3% as Cash Reserve Fund (CRR) & 25%as Statutory Liquid Reserve

Loans & Advances- Bank can invest up to 75% of own funds and up to 70% of total deposits in loans & advances, out of which, after observing the prescribed norms for priority sector & weaker section of the society, remaining portion can be advanced as per Loan Policy of the Bank keeping in view the ceiling of maximum amount of advance to a single person, similar type of business & on similar type of securities to minimize the risk involved.

Investment With Other Citizen Cooperative Banks- Bank will not make any investment with these Banks except undertaking normal transactions in the accounts opened for clearing and transfer of funds purpose.

Investment In Other Banks- Bank may invest its surplus funds in any commercial, private & cooperative Banks but if any such bank provides considerably higher rate of interest then its financial position has to be analyzed.

Investment In Non- SLR Debt Securities- In compliance of the instructions issued by the Reserve Bank of India from time to time and also keeping in view the additional income on investment and safety of surplus funds, investment may be made in Liquid Funds enjoying good market credit rating and also trading in Government Securities. In this connection Board of Directors keeping in view the circumstances prevailing at that time may fix a limit for the purpose, take a decision in the matter of investment and delegate powers to the Managing Director for investment to a certain extent at one time. Investment will be made with the institutions which are enjoying AAA credit rating. Such investment will not exceed 10% of the total deposits of the Bank.

Investment in Other Institutions, Corporations & Companies- Bank will not invest its surplus funds in any other institution, company, corporation etc whatsoever be the attractive rate of interest.

Investment In Share Money Of Cooperative Institutions- Bank may invest 2% of its personal funds in the share money of the Cooperative Institutions but it will be in accordance of the directives of the Reserve Bank of India.

Investment In Private Companies- Bank will not make any investment in private companies or in Shares/ Debentures of other institutions other than Cooperative Institutions.

Investment In Government Securities- "Government Securities" will mean securities issued by the Central &State Governments.

Cash Management- Except in abnormal conditions, cash balance in the Bank will be kept within the fixed limit as excess cash will affect the profitability of the bank.

CONCLUSION

Thus, Scheduled Commercial Banks should be very much careful while investing its funds. An investment should ensure maximum profit and minimum risk. Banks are more concentrating on advances as compare to investment out of their total deposits. With this, there is also a downfall in income of banks, because return on investment is lesser as compare to interest income. Thus, banks must be motivated to invest outside India to earn maximum foreign exchange. For this RBI may limit some portion of investment as mandatory in foreign securities. Thus, Portfolio of investments may be upgraded to earn maximum returns on investments.

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KNOW YOUR CUSTOMER (KYC) NORMS – A CHALLENGE FOR BANKS IN INDIA

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ABSTRACT

In today's world, KYC guidelines are laid down to prevent banks from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. RBI also simplified various KYC norms to minimized frauds and risks end protect banks reputation. RBI has also accepted e-KYC through aadhaar to reduce document risk and frauds and reduce cost. Banking Regulation Act was amended and gave powers to RBI to impose a penalty for single violation. Elements of KYC policy are customer acceptance and customer severance, customer identification procedures, monitoring of transaction and risk management.

Keywords: KYC Norms; Customer; Banks; RBI

INTRODUCTION

The objective of KYC (Know Your Customer) / ALM (Anti Money Laundering) / CFT (Combating of Financing of Terrorism guidelines is to prevent banks from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. KYC procedures also enable banks to know / understand their customers and their financial dealing better which in turn help them manage their risks prudently.

Definition of Customer

- A person or entity that maintain account and / or has a business relationship with the book,
- One on whose behalf the account is maintained (i.e. beneficial owner)
- Beneficiaries of transaction conducted by professional intermediaries, solicitors, etc. as permitted under the Law, and
- Any person or entity connected with the financial transaction which can pose significant reputational or other risks to the bank, say, a wire transfer or issue of a high value demand draft as a single transaction.

OBJECTIVES OF KYC NORMS

1. To prevent banks from being used, by unscrupulous or criminal elements for their criminal activities including money laundering.
2. To minimize frauds and risks and protect banks reputation.
3. To avoid opening of accounts with fictitious name and address.
4. To weed out bad customers and protect good ones.

RESEARCH METHODOLOGY

The present study is based on secondary method of data collection. Different aspects related to KYC norms are studied. A detailed study of RBI guidelines is made. Data was collected from different Websites of RBI and other Websites.

RBI Simplifies KYC Norms Ahead Of Jan Dhan Yojana Launch

RBI announced simplified KYC norms for low risk customers ahead of the launch of the Prime Minister’s Jan Dhan Yojana. Under the new norms low risk customers can provide KYC documents within six months of opening the account.

The Pradhan Mantri Jan Dhan Yojana will be launched by Prime Minister Narendra Modi on completion of 100 days of the new government. The scheme envisages financial inclusion by initially providing every household with a bank account. Subsequently through this account the unprivileged will get subsidies, insurance cover and overdraft facilities.

Those persons who do not have any of ‘officially valid documents’ can open ‘small accounts’ with banks. A small accounts’ can be opened on the basis of a self-attested photograph and either a signature or thumb print in the presence of an official of the bank. Such accounts have limitations regarding the aggregate credits (not more than Rupees one lacs in a year), aggregate withdrawals (not more than Rupees ten thousand in a month) and balance in the accounts (not more than Rupees fifty thousand at any point in time). These small accounts would be valid normally for the period of twelve months. Thereafter, such accounts would be allowed to continue for a further period of twelve more months, if the account holder provides a document showing that he/she has applied for any of the officially valid document, within twelve months of opening the small account.

RBI had clarified that there is no requirement of submitting two separate documents for proof of identity proof of address. If the officially valid document submitted for opening a bank account has both, identity and address of the person, there is no need for submitting any other documentary proof. Officially valid document for KYC purpose include: ID card, PAN card, Aadhaar letter issued by UIDAI and job card issued by NREGA signed by a state government official.

Since migrant workers and transferred employees often face difficulties while submitted a proof of current address for opening bank account, such customers can submit only one proof of address (either current or permanent). While opening a bank account or while undergoing periodic updation if the current address is different from the address mentioned on the proof of address submitted by the customer, a simple declaration about current address would be sufficient.

Guidelines

1. Branches should keep in mind that the information collected from the customer for the purpose of opening of account is to be treated as confidential and details thereof are not to be divulged for cross selling or any other like purposes.
2. Branches shall ensure that any remittance of funds by way of demand draft, mail / telegraphic transfer or any other mode and issue of traveler’s cheque for value of rupees fifty thousand and above is effected by debit to the customer’s account or against cheques and not against cash payments.
3. Branches shall ensure that the provision of foreign contribution and regulation Act, 1976 as amended from time to time wherever applicable are adhered to strictly. They shall desist from opening accounts in the name of banned organization and those without registration. In this connection branches shall be guided by the circulars issued from time to time.

Violation of KYC Norms

RBI is likely to adopt a zero tolerance policy on KYC and AML norms. The move follows a series of violation of norms by banks, which were identified by the RBI in the recent past.

The regulator also feels that the quantum of penalties for such violations is small. It is currently looking at a proposal to increase this.

Another proposal is to put operational curbs such as not allowing a bank to disburse loans for three months or not allowing them to take part in treasury operations for a limited period. Branch expansion is another area where restrictions could be imposed.

At present, a small violation of KYC / AML is overlocked by the central government during inspection. Now, they are saying even if a bank is 99% compliance, one percent non- compliance attracts penalties.

Banks could also see the monetary penalty rising sharply from the present Rs. 5 lacs per violation.

The Banking Regulation Act was amended and gave powers to RBI to impose a penalty of Rs. 1 crore for a single violation.

The RBI has penalized ICICI bank and BOB for violating norms governing KYC and AML. The fine was Rs. 50 lacs for ICICI bank and Rs. 25 lacs for BOB. Four banks – SBI, ICICI bank, BOB, & AXIS bank were scrutinized in January by the RBI for discrepancies and frauds by bank officials. The scrutiny was on the basis of a complaint by a reputed statutory organization.

This round of penalties for violation of KYC norms comes after a gap of 1 year. RBI also find six other banks – Allahabad bank, Bank of Maharashtra, Corporation bank, Dena bank, IDBI bank and Indian bank.

The RBI has slapped a penalty of Rs. 1.5 crore each on three public sector banks – Bank of Maharashtra, Dena Bank and Oriential Banks of Commerce for violating rules of KYC / AML.

RBI also asked eight other public sector banks – Bank of India, Punjab National Bank, and State Bank of Bikaner and Jaipur, Union Bank of India, Central Bank of India, UCO Bank, Vijaya Bank and Punjab and Sindh Bank to ensure strict compliance with KYC norms.

The RBI has asked banks to exercise full KYC procedure at least every two year for high risk individuals and entities, from earlier directive of not less than once in two years.

For low risk individuals and entities, KYC data updating has been relaxed to at least every 10 years from the requirement of not less than once in five years earlier.

For medium risk individuals and entities it has been relaxed to at least every eight years, from not less than once in two years.

Also, banks should closely examine transaction to ensure its consistency with their knowledge of the client, about their business and risk profile and, wherever necessary, the source of funds. Banks will be required to get fresh photographs from minor customer on becoming major.

What Are The Valid Documents For ID Proof And Address Proof?

Prospective customer can give self attested copy of one of the documents from following indicative list. The originals of these documents are, however required to be shown to the bank officials for verification

Proof of Identity

1. Passport
2. Voter ID card
3. Driving license
4. PAN card
5. Photo credit card

6. Defense ID card
7. Any other valid proof as may be accepted by the bank

Proof of Address

1. Passport
2. Voter ID card
3. Driving license
4. Latest utility bill
5. Rent / Lease
6. Credit card
7. Employer's authority's address

Note

1. Address proof of close relatives (parents, son, daughter, etc.) may be provided with sufficient evidence in case prospective customer resides with relative and no valid address proof in his name available.
2. In case of joint holder, independent proof of identity and address for all the individuals are required.

Key Elements of the KYC Policy

Following are four key elements of KYC policy-

Customer Acceptance Policy (CAP)

Branch must ensure that no account is opened-

a) In anonymous or fictitious name(s)

b) In the names of person with a criminal background and / or having connection with terrorist organization.

Risk Perception-

No financial sector business is immune from the activities of criminal elements. The level of money laundering risk that bank is exposed to by customer relationships depends on:

- Type of the customer and nature of business.
- Type of product or service availed by the customer.
- Country where the customer is domiciled.

Customer Identification Procedures

The first requirement of knowing your customer for anti money laundering purposes is to be satisfied that a prospective customer is who he / she claims to be.

The second requirement of knowing your customer is to ensure that sufficient information is obtained on the nature of the business that the customer expect to undertake or any expected, or predictable pattern of transaction.

Customer identification means identifying the customer and verifying his / her identity by using reliable, independent, source documents, data or information to bank's satisfaction. It is further clarified that 'being satisfied' means that the bank must be able to satisfy the competent authorities that due diligence was observed based on the risk profile of the customer in compliance with the extent guidelines in place.

Monitoring Of Transaction

Ongoing monitoring is an essential element of effective KYC procedure. Banks can effectively control and reduce their risk only if they have an understanding of the normal and reasonable activity of the customer so that they have the means of identifying transaction that fall outside the regular pattern of activity. However the extent of monitoring will depend on the risk sensitivity of the account. Bank should pay special attention to all complexes, unusually large transaction and all unusual pattern which have no apparent economic or visible lawful purpose. The bank may prescribe threshold limits for a particular attention to the transactions which exceed these limits. Transactions that involve large amounts of cash inconsistent with the normal and expected activity of the customer should particularly attract the attention of the bank very high account turnover inconsistent with the size of the balance maintained may indicate that funds are being "washed" through the account. High risk accounts have to be subjected to intensify monitoring. Every bank should set KYC indicators for such accounts, taking note of the background of the customer, such as the country of origin, sources of fund, type of transaction involved and other risk factors. Bank should put in place a system of periodical review of risk categorization of accounts and the need for applying enhanced due diligence measures. Banks should ensure that a record of transactions in the accounts is preserved and maintained as required in terms of section 12 of the PML Act, 2002. It may also be ensured that transactions of suspicious nature and / or any other type of transaction notified under section 12 of the PML Act, 2002, is reported appropriate Law enforcement authority.

Banks should ensure that its branches continue to maintain proper record of all cash transaction of Rs. 10 lacs and above. The internal monitoring system should have an in build procedure for reporting of such transactions and those of suspicious nature to controlling / head office on a fortnightly basis.

Risk Management

Bank may, in consultation with their boards, devise procedure for creating risk profiles of their existing and new customers and apply various Anti-Money Laundering measures keeping in view the risk involved in a transaction, account or banking business relationship. Banks internal audit and compliance functions have an important role in evaluating and ensuring adherence to the KYC policies and procedures. As a general rule, the compliance function should provide an independent evaluation of the bank's own policies and procedure, including legal and regulatory requirements. Banks should ensure that their audit machinery is staffed adequately with individuals who are well versed in such policies and procedures. Concurrent / internal auditors should specifically check and verify the application of KYC procedures at the branches and comment on the lapses observed in this regard. The compliance in this regard may be put up before the audit committee of the board on quarterly intervals. Banks must have an ongoing employee training programme so that the members of the staff are adequately trained in KYC procedures. Training requirements should have different focuses for frontline staff, compliance staff and staff dealing with new customers. It is crucial that all those concerned fully understand the rationale behind the KYC policies and implement them consistently.

E – KYC through Aadhaar

The RBI has accepted an electronic KYC, based on the Aadhar or unique identification number (UDI), as a valid way to open a bank account. This could reduce the risk of identity fraud and document forgery, paving the way for a paperless way of fulfilling KYC norms.

An e-KYC norm was acceptable under prevention of money laundering rules, 2005. Banks may open a new account by taking a person's Aadhar number and biometrics. Once matched, the demographic data, including identity and address proof stored in UID's central registry, can be assessed by the bank concerned to complete the verification. A bank will need to take 'explicit consent' of the person concerned to "release his/her identity/address through biometric authentication to the bank branches / business correspondents.

A.P.Singh, Deputy Director General of the (UIDAI) said that move help the banking and telecom sector the most. These would save huge cost of storing and verifying the documents in question, along with the obvious advantage of establishing an audit trail and reducing document fraud.

CONCLUSION

The BOD of the bank should ensure that an effective KYC programme is put in place by establishing appropriate procedures and ensuring their effective implication. It should cover proper management oversight, system and controls, segregation of duties, training and other related method. Responsibility should be explicitly allocated within the bank for ensuring that the bank's policies and procedures are implemented effectively.

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UNFAIR TRADE PRACTICES AND ITS EMERGING CHALLENGES

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ABSTRACT

Unfair Trade Practice broadly refers to any fraudulent, deceptive or dishonest trade Practice or business misrepresentation of the products or services that are being sold which is prohibited by a statute or has been recognized as actionable under law by a judgment of the Court. The impacts of Unfair Trade Practices on business and in addition economy lead to a circumstance where open mindfulness/seeing about the issue is low, customers are deceived, little organizations are dealt with unjustifiably, general welfare of the general public crumbles. The author focused on the institutional set-up established in India to deal with such, Unfair Trade Practices and also highlights the various institutional challenges and finally suggests efficient approaches to tackle the same.

Keywords: Unfair Trade Practices; Consumer Protection; False and Misleading; Unjustifiable Rivalry; Industry

INTRODUCTION

The term Unfair Trade Practice (UTP) extensively alludes to any deceitful, misleading or deceptive exchange practice; or business deception of the items or administrations that are constantly sold; which is disallowed by a statute or has been perceived as significant under law by a judgment of the court. In any case, the term does not have an all inclusive standard definition.

Misrepresentations can be about any characteristic of a goods or services, real or imagined. Consequently laws prohibiting unfair trade practices often include a general provision and more specific provisions addressing some of the more common types of misrepresentations.[1]

Unfair trade practices envelop a wide cluster of torts, all of which include financial harm brought on by tricky or wrongful behavior. The legitimate hypotheses that can be affirmed incorporate claim, for example, competitive advantage misappropriation, unjustifiable rivalry, false promoting, palming-off, weakening and stigmatization.[2]

Unfair trade practices can arise in any line of business and also frequently appear in connection with the more traditional intellectual property claims of patent, trademark and copyright infringement.

At the international level, the World Bank and the Organization for Economic Cooperation and Development (OECD) Model Law list the following trade practices to be unfair[3]:

1. Distribution of false or misleading information that is capable of harming the business interests of another firm;
2. distribution of false or misleading information to consumers, including the distribution of information lacking a reasonable basis, related to the price, character, method or place of production, properties, and suitability for use, or quality of goods;

3. false or misleading comparison of goods in the process of advertising;
4. fraudulent use of another's trade mark, firm name, or product labeling or packaging; and
5. Unauthorized receipt, use or dissemination of confidential scientific, technical, production, business or trade information.

Article 10bis of the Paris Convention prohibits the following components of unfair competition:

1. all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;
2. false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor; and
3. indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.

OBJECTIVES

1. To understand practices in relation to Unfair Trade Practices
2. To know principles of law that govern deceptive acts and practices
3. To suggest remedies regarding Unfair Trade Practices

Definition of Unfair Trade Practices

India

In India, pursuant to the supersession of the Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act) by the Competition Act, 2002 (the Competition Act), placidity emerged that Unfair trade practices would perpetuate to be dealt under the Consumer Protection Act, 1986 (COPRA) which defines Unfair trade practices to mean a trade practice which, for the purpose of promoting the sale, utilize or supply of any goods or for the provision of any accommodation, adopts any inequitable method or inequitable or illusory practice, and includes, inter alia, the following:[4]

1. Making any statement, whether orally or in writing or by visible representation which:
    - falsely represents about goods or services relating to its standard, quality, price, value, nature, guarantee/warranty, affiliation, sponsorship received, etc.;
    - gives false or misleading facts disparaging the goods, services or trade of another person;
2. permitting the publication of any advertisement for the sale or supply at a bargain price of goods or services that are not intended to be offered for sale or supply at the bargain price;
3. permitting the offering of gifts, prizes or other items with the intention of not providing them as offered or creating impression that something is being given or offered free of charge when it is fully or partly covered by the amount charged in the transaction as a whole or conducting any contest, lottery, game of chance or skill, for the purpose of promoting, directly or indirectly, the sale, use or supply of any product or any business interest;
4. withholding from the participants of any scheme offering gifts, prizes or other items free of charge, on its closure the information about final results of the scheme;
5. permitting the hoarding or destruction of goods, or refusing to sell the goods or to make them available for sale or to provide any service, if such hoarding or destruction or refusal raises or tends to raise or is intended to raise, the cost of those or other similar goods or services; and

6. Manufacturing spurious goods or offering such goods for sale or adoption of deceptive practices in the provision of services.

Australia

The Australian Competition and Consumer Act, 2010 deals with competition and consumer related issued in Australia. As per Part 3.1 of Schedule 1 of the Act, the "*Unfair Practices*" include, *inter alia*, the following[5]:

1. False or Misleading Conduct, such as:
    - false or misleading representation about goods or services relating to its standard, quality, value, nature, guarantee/warranty, affiliation, sponsorship received, etc;
    - false or misleading representation about sale etc. of land relating to its location, pricing, nature of interest, use to which such land may be put, facilities associated with land etc.;
    - misleading conduct relating to employment offered to a person;
    - offering any rebate, gift, prize or other free item with the intention of not providing it;
2. Unsolicited Supplies and assertion of right to payment for unauthorized entries or advertisements;
3. Participation in pyramid schemes;
4. Engaging in multiple pricing;
5. Referral selling; and
6. Harassment and coercion.

United States of America

Similarly, Section 5 of the Federal Trade Commission Act, 1914 ("FTC Act") of the United States of America (USA) prohibits "unfair and deceptive acts or practices" in or affecting commerce. Such practices broadly include[6]:

1. an act or practice that causes or is likely to cause substantial injury to consumers, that cannot be reasonably avoided by the consumers and is not outweighed by countervailing benefits to consumers or to competition; and
2. An act or practice where a material representation, omission or practice misleads or is likely to mislead the consumer, who has reasonably interpreted such representation, omission or practice.

South Africa

In South Africa, the Consumer Affairs (Unfair Business Practices) Act, 1988 defines "unfair business practice" to mean any business practice which, directly or indirectly, has or is likely to have the effect of[7]

1. harming the relations between businesses and consumers;
2. unreasonably prejudicing any consumer;
3. deceiving any consumer; or
4. Unfairly affecting any consumer.

Consequently, it can be seen that in spite of the fact that not one uniform standard meaning of the Unfair Trade Practice has been planned all around and the term is characterized contrastingly by distinctive nations focused around their residential laws and business sector economies, yet the quintessence of every last one of definitions is the same and every one of them appear to allude to Unfair Trade Practices as a practice of deceiving, beguiling and unlawful exchange practice embraced with the end goal of advancing deal or supply of a specific decent or procurement of a specific administration.

The USA and South Africa then again have abstained from rattling off the demonstrations or the practices and characterize the idea comprehensively including all related exercises where out of line damage is brought about to the buyer because of misleading acts or practices even where the purchaser buys specific merchandise or administrations after sensible thought.

Effects of Unfair Trade Practices on the Economy

The law of unreasonable rivalry fills five needs. To start with, it secures the financial, learned, and innovative speculations made by organizations in separating themselves and their items. Second, it protects the great will that organizations have secured with buyers. Third, it hinders organizations from appropriating the great will of their rivals. Fourth, it advances clarity and solidness by urging buyers to depend on a trader's decent will and notoriety when assessing the nature of adversary items and, ultimately, it expands rivalry by giving organizations motivations to offer preferable merchandise and administrations over others in the same field. Along these lines, the law of out of line competition covers both, the eagerness of purchasers and the business endeavors and fighting firms.

Impact on Price and Quality of Goods and Services

Pervasiveness of Unfair Trade Practices in a business part unfavorably impacts the expense and the way of stock and organizations. These ensures the creator a changed and ensured buyer base and pay and in like manner blocks competition. At the point when a producer or an organization supplier performs a strong respectable balance in the business part with the support of such Unfair Trade Practices the sureness of their position in the business and their base of clients may lead them to fabricate the expenses of the items or organizations. The affirmation of client dedication may similarly charm the producer to deal with the way of their things to get additional profits.

At the point when a producer takes part in unreasonable exchange practice to offer it great, it primarily tries to expand the offer of its item/benefit by participating in fake, tricky movement, for example, bringing about a noticeable improvement than alternate results of comparative nature in the business by distorting and deluding the customer about the nature of the item or giving deficient or false data about the deal cost of the merchandise of administrations.

Impact on Micro, Small and Medium Enterprises

It is related to note here that a large portion of the makers that participate in Unfair trade practices that consequently prompt crumbling in quality or increment in the costs of the merchandise or administrations, are the enormous business sector players who money on their brand esteem and trick shoppers with their false and fleeting guarantees. As a consequence of which, alternate makers in the business, particularly the little endeavors, which may merit their duty however are so little it is not possible battle once more on the same scale gradually get wiped out, in this way additionally wiping out rivalry from the business.

Moreover, unfair trade practices are for the most part done by the makers/venders in a sorted out way where more often than not the extensive businesses with clout and assets work in pair in circulating false or misdirecting data fit for hurting the business investments of little firms working in the same segment

The expansive businesses likewise utilize puffery, deluding explanations or set a value which is lower than expense to toss out contenders from the business and pulling in purchasers to their item or administration. The little and medium businesses because of absence of sufficient assets are not able to meet this rival and face misfortunes, regardless of the possibility that the quality and the standard of the item is the same or better.

Case in point, it was accounted for that in Korea, Lotte Group, which possesses nourishment producing organizations and retail organizations, attempted to victimize little scale retailers by supplying their items at lower costs to their retail locations, for example, Lotte Department Stores and Lotte Mart. Since Lotte is at present the biggest retail establishment administrator, and the third biggest markdown store and market administrator, its endeavors to victimize little retailers may expand the centralization of nourishment retailing and therefore reinforce Lotte's unrivaled business sector position.

Unfair Trade Practices and Indian Scenario

The extraordinary development of the Indian economy, the becoming association of the world economy and the wide scattering of new correspondence and data process advances have gotten huge monetary and social changes that have upset the way markets serve purchasers. They have likewise helped the improvement of general stress on customer rights insurance and advancement. Customers around the globe are requesting quality for cash as quality products and better administrations.

In the meantime because of globalization and such innovative developments, the issues confronted by the purchasers have likewise expanded, the shoppers are abused by method for various manifestations of deceptive and out of line practices, for example, faulty products, insufficient administrations, questionable contract buy plans, high cost of items, spurious medications, defilement of sustenance, low quality, inadequate administrations, misleading ads, risky items, dark advertising among others. Sharp businesspeople through brilliant charismatic skill and reflexive deluding notice about their items, cheat shoppers and make them pay for something they didn't expect to purchase.

In the era of open markets, buyer and seller came face to face, seller exhibited his goods, and buyer thoroughly examined them and then purchased them. It was assumed that the buyer would use all care and skill while entering into a transaction. However, with growth of trade and globalization the principle of ‘caveat emptor’, which meant ‘buyer-beware’ is no longer effective in governing the relationship between seller and the buyer.[8] It has now gotten to be about outlandish for the purchaser to look at and have complete information about the merchandise and administrations already and to aggravate the matter; a large portion of the exchanges are closed by correspondence. Besides, because of the complex structure of current merchandise and administrations, it is by and large just the maker or the dealer who can guarantee the purchaser about the nature of the products and administrations being sold.

It has now gotten to be about unthinkable for the purchaser to analyze and have complete information about the merchandise and administrations previously and to exacerbate the matter; the majority of the exchanges are finished up by correspondence. Also, because of the complex structure of present day merchandise and administrations, it is for the most part just the maker or the vender who can guarantee the purchaser about the nature of the products and administrations being sold.

Further, with the coming of the time of upset data engineering and with the rise of e-trade, the purchasers are further denied of complete data, as it were, and need to depend on the data gave on the site. Changes in innovation are making worldwide exchanges less expensive, faster and more open, actually for low pay groups. Messages, telephones, sms and sites can make it simpler to work together over the world than around the bend, even in economies experiencing significant change like India.

The unrest in data innovation has likewise given the shoppers more current sorts of difficulties like digital wrongdoings, encroachment of licensed innovation and so on, which influence the purchasers in significantly greater way. 'Purchaser is sovereign' and 'client is the ruler' would appear to be a myth in the present situation especially in the creating social orders.

Some of the time, the way that a luring offer is, no doubt made by a created economy makes the offer more dependable and alluring. Therefore the Indian purchaser is constantly deceived, tricked and hoodwinked consistently in the business and the occurrences of Unfair Trade Practices are expanding for quite a while.

Unfair Trade Practices in Various Sectors

It is clear that Unfair Trade Practices are perpetrated in a manner as varied as the number of products and services in a market place. Unfair Trade Practices have been observed in the pharmaceutical sector, food processing industry, finance sector, education, etc. The Unfair trade practices are given effect through packaging and labeling, misleading advertising, testimonials by trusted or influential people, for example celebrities, experts, 'satisfied consumers', etc. Herein below, certain incidences of Unfair Trade Practices in select sectors in India are analyzed.

Pharmaceutical Sector- Competition amongst generic drugs is a desirable objective as it typically brings substantial savings to consumers. However, it is required that the same remain balanced against the incentives brand manufacturers need to invest in developing innovative new products.[9] Yet, it is often noted that the required degree of competition is often missing from these markets. For instance, fewer new medicines are being brought to market, and the entry of generic medicines is at times restricted through anticompetitive practices.

One incidence of such fight between the generic and branded drugs is the case filed by the Swiss pharmaceutical company Novartis. Novartis wants an Indian patent for its leukaemia drug, imatinib mesylate, which has been patented as Glivec in nearly 40 countries including China, Russia, Mexico, Taiwan, Germany and the UK, and Gleevec in the USA. However, the critics of Novartis' move state that doing so could ultimately undercut the making of generic drugs that has given India a reputation as a mecca for making affordable medicine and could result in the deaths of thousands of people who will no longer be able to afford the drugs they need[10].

It is a well-documented fact that pharmaceutical companies spend vast sums of money on drug promotion. They use various tools and methods such as sales representatives, samples, advertisements in broadcast and print media and sponsorships for promoting drugs. It is also known that drug promotion is closely linked to unfair trade practices. An analysis of the drug promotion matrix in India reveals that there are various unfair trade practices prevailing in the industry.[11]

It is widely observed that in case of prescription of a drug, where the doctor is decision maker for the ultimate user, i.e., the patient, the pharmaceutical industry has a powerful influence on prescribing habits of doctors. There is an essential difference between promotion and information. A medical representative while delivering information to the doctors about new drugs, including its usefulness and efficacy may have precompetitive effects. The marketing strategies adopted by firms such as giving the doctors gifts like mobile, cars or even sponsored nursing home, may downplay the demand side and hence raise prices for consumers[12].

Many instances of unfair trade practices are witnessed in the country almost every day. A case for violation of Drugs & Cosmetics Act, 1940 was imposed on the manufacturing unit of the Thrissur-based manufacturer of 'Ayur Kizhi' (an external heat therapy kit), Institute of Indian Therapy (Ayur Care) for manufacturing and selling the product, Ayur Kizhi, as a branded item without licence. According to the Kerala Ayurveda Drugs Control Department, it had given separate licences for 'Ayur Kizhi Oil' and 'Ayur Kizhi Powder', but no licence had been given exclusively for the single product 'Ayur Kizhi Kit'. Since the company had been giving wide publicity to their products involving cricket players, hence a case of violation of Drugs and Magical Remedies (Objectionable Advertisement) Act was also registered.[13]

Similarly, in the case of *Pooja Roy v. Krishnango Bhattacharya*[14], M/s Kasko India, a wholesale license drug dealer was charged for engaging in altering the original labels of the manufacturer and pasting fresh printed labels extending the expiry date and selling spurious drugs.

Many such incidences are sighted frequently in the newspaper, claiming that a particular drug will help someone lose weight quickly or help balding people grow hair and gain confidence. The advertisements, most of the time, are very convincing and the producers cash on the human emotions to sell their products by making people more conscious and negative about themselves so that they consider taking the medicine.

A similar instance was seen when in the year 2003, Consumer Education and Research Society, Ahmedabad, brought to the notice of the regulatory authority in Gujarat, the sale and promotion of certain health gadgets by Conybio Health Care, in violation of the Drugs and Magic Remedies (Objectionable Advertisements) Act. The company was found promoting and distributing sun shades to cure migraines and sun strokes, socks for acidity, pillow covers for spondylitis, palm guards for Parkinson's disease, eye-shade for sinusitis, T-shirts for high, low blood pressure, short pants that cure gas, acidity, prostate, piles, urinary system problems, ladies briefs for menstrual problems, bed sheets for paralysis strokes and brassieres for breast cancer. When the regulator asked the company to produce scientific evidence to support the effect of infrared rays which it claimed was present in the products, the company said it had never undertaken such studies by any recognized Indian institute. Subsequently, the regulator prohibited the sale and promotion of the products.[15]

Food Processing Industry- There has been a global concern about food safety and unfair trade practices in quality and quantity of the food products. Almost everyone has come across cases of deliberate addition of chemicals like additives and adulterants, for the purpose of disguising inferior commodities, contaminating and/or earning undue profits or food contamination during production, processing, packaging and storage.

Such unethical and unfair trade practices are of very serious nature since they pose grave threat to consumer's health directly. Non-permissible food colours are used for providing visual effects. Also, there have been various instances of adulteration of various food items by addition of harmful substances like poisonous chemicals and copper in milk, alcohol, *mawa*, rice, etc. to increase the quantity of the food items and increase profit for the seller, which has caused health hazards at mass levels in recent past.

In May, the Food and Drugs Administration (FDA) officials seized 500 kg mangoes worth Rs. 25,000 that were being ripened with the use of a chemical called calcium carbide during a raid at a shop of a mango trader in Pune. Artificial ripening by using carbide is banned under the Prevention of Food Adulteration Act. The chemical, if consumed in large quantities, damages internal organs. The FDA officials destroyed the mangoes at a dumping ground, while the chemical samples were sent to a city-based public health laboratory for further investigations.[16]

Insurance- Consumers become a part of insurance policies either by virtue of buying insurance themselves or by being covered under insurance bought by either the Government or their employers or by being part of any other group that is insured.[17] Insurance is an important financial services sub-sector catering to individuals and the number of insurance consumers is steadily increasing. Insurance is an intangible product and the only document that the policyholder receives is a piece of paper for the premium paid and does not obtain any immediate benefit for the consideration paid.[18]

With the increase in the consumers comes the issue of unfair trade practices in this sector. Insurance offers a promise that, upon a contingent event at a later date, the policyholder will get a particular benefit or reimbursement for a loss or damage. A deficiency in service would mean either a delay or a non-fulfillment of that promise. Thus, it is seen that in insurance heavy reliance is placed on the public's trust that the promises made will be delivered. Companies often lure consumers with attractive schemes, but later try to renege on their commitment.

Most of the times, the insurance contracts also contain unfair terms tilting the contract heavily in favour of the company. Apart from the fact that the abstract legal theory of a contract as an agreement arrived at through discussion and negotiation is completely given the go-by, these contracts turn out to be a case of the big business enterprises legislating in a substantially authoritarian manner. Such large scale business concerns get expert advice and introduce terms, in the printed form, which are most favorable to themselves. They contain many wide exclusion and exemption clauses favorable to large enterprise. The favorable terms are often in small prints which the individual never reads since it is a laborious and profitless task to discover what these terms are.[19]

CONCLUSION

Taking everything into account, as said above, there is no single uniform meaning of Unfair Trade Practices all around and it has been characterized by different nations focused around the way of businesses existing in a specific nation. Notwithstanding, all the diverse definition appear to highlight Unfair Trade Practices as a practice of deceiving, misleading and unlawful exchange practice received with the end goal of advancing deal or supply of a specific decent or procurement of a specific administration. On the other hand, each demonstration of taking ceaselessly the demographic of a business may not sum to an Unfair Trade Practices on the grounds that such customers might likewise be taken away by goodness of legit and legitimate rivalry, for example, a circumstance in which a contender takes away a decent parcel of his rival's customer base by offering an item or administration of better quality. Yet, there are other exchange hones that go for taking without end a contender's customers and subsequently chopped down the goodwill, which are ventured to be out of line and shameful, and, thusly, are restricted by law.

Also, the impacts of Unfair Trade Practices on business and in addition economy lead to a circumstance where open mindfulness/seeing about the issue is low, customers are deceived, little organizations are dealt with unjustifiably, general welfare of the general public crumbles, while financial additions focus on a couple. In this setting it is related to note that rival is major to purchaser arrangement. There may be different profits as far as upgrades in costs as well as in administrations offered and decisions accessible to customers, era of more data for shopper choices and opening up of new markets for focused firms. Rivalry is thusly seen as an essential component for shopper welfare.

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ELEVENTH FIVE YEAR PLAN AND HIGHER EDUCATION IN INDIA

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ABSTRACT

A Planning Commission was setup in 1950 by a Resolution of the Government of India, from that time Planning Commission has making different plans for economical Planning. From those plans 11th five year plan is very important for Higher Education. Former Prime Minister Manmohan Singh has mentioned the 11th five year plan as "India's Educational Plan". The 11th Plan, approved in December 2007, places the highest priority on education as a centered instrument for achieving rapid and inclusive growth in Higher Education. In this paper we are trying to evaluate the policies of planning commission For Higher Education in 11th five year plan. It covers 11th five year plan impact on development of higher education system. This paper presents the development and present scenario of higher education in India by analyzing the various data and also identifies the policies of India's higher education sector.

Keywords: 11th Five Year Plan; Higher Education; Development; Universities

INTRODUCTION

The higher education system in India has grown in a remarkable way, especially in the post-independence period, to become one of the largest systems of its kind in the world. Indian higher education currently the third largest in the world, is likely to surpass the US in the next five years and China in the next 15 years to be the largest system of higher education in the world. But for this improvement it needs the more fund .For Growing system higher education needs fund. Funds or grants are the basic part of development of higher education system. The India Higher Education Fund's sole purpose is to help improve the quality and scope of education for students. Central government and state government work together for fulfill the demand of education. MHRD, UGC, Universities and colleges are the sole part of higher education system. Central government formulates the policies for education and for completion of policies government prepare five year plan. With help of these plans MHRD India provide different grants to colleges and Universities through the UGC. Present paper focusing on 11th five year plan of government and its impact on higher education system

REVIEW OF LITERATURE

There are many books, Research Paper, Reports of Government; Planning Commission Reports are published regarding the 11th five year plan of India. Some literature is selected for review.

Eleventh Five Year Plan and Inclusive Growth, A Review by Ruddar Datt, Dr. Mookerjee Smruti Nyas. This booklet "ELEVENTH FIVE YEAR PLAN AND INCLUSIVE GROWTH" based on a review of the projections in the 11th Five Year Plan by Shri Ruddar Datt highlights these issues. It containing 44 pages, published in march 2008 and cover all points regarding 11th plan and growth of nation. The well known Economic Expert Shri Ruddar Datt has gone deep into the approach to the plan. According to him, while the Plan envisages a target for greater and rapid economic development of the country yet the plan continues to be investment oriented rather than employment centric. paper starts with eve of eleventh plan with this it cover objectives of the plan, then discuss the Targets set to achieve the objectives in Education Primary to Higher education targets are given like (1)Reduction in drop-out rate among children at the elementary level from 52.2% in 2003-04 to 20% by 2011-12. (2) Developing minimum standards of attainment in elementary schools, to ensure quality of education. (3) Increasing literacy rate for persons 0-7 years or more to 85% by 2011-12. (4) Reducing gender gap in literacy to 10 percent points by 2011-12. (5) Increasing the percentage of persons going for higher education from 10% to 15% by 2011-12. This paper is useful to know is 11th plan fulfills all objectives set by Planning Commission. Allover paper focused on success of 11th plan with consideration of all points.

Higher education outlay under-utilized during 11th Plan this news is published in LIVE MINT E-Paper on Thu, May 10 2012 by Prashant K. Nanda. In this news Author mention that India used only a portion of the funds allocated for Higher Education. He gave some Statistics regarding usage of funds like Distance learning, scholarship and ICT (information, communication and technology) was allocated Rs 624 crore for 2007-08 but only Rs 67.66 crore was spent. In 2011-12, the sector was allocated Rs 1,043 crore but used only Rs 346 crore.

The technical education segment spent only about Rs 1,066 crore of the Rs 3,240 crore allocated to it for 2007-08.

The university and higher education segment spent Rs 4,514.86 crore against a budgetary allocation of Rs 6,002 crore in 2011-12. During the entire 11th plan period, this segment spent only about Rs 17,656 crore of the planned outlay of Rs 47,444 crore. It means Planning Commission Providing Sufficient amount to higher education institutions like university colleges but institutions are not taking proper initiative to use these funds. He mentioned that it is necessary to improve the policies of funds distribution. News covers the current situation of Indian Higher Education system.

METHODOLOGY OF THE STUDY

The study is based on secondary sources of data. The main source of data are various Surveys of Higher Education Institutions, and Planning Commission data, UGC bulletin, online data base, journals, articles, news papers, etc.

OBJECTIVES OF THE STUDY

1. To understand about the Government Policies of Higher Education.
2. To know about planning commission's working process.
3. To study about 11th Five year plan and its Schemes for Higher Education.
4. To find out development of Higher education system through 11th five year plan

IMPORTANCE OF THE STUDY

This paper covers all information regarding the 11th five year plan and its effects on Higher Education system. It is helpful to understand the schemes of 11th five year plan for Universities and Colleges. It includes achievements of higher education institutions with the help of 11thfive year plan. Readers can understand the Planning Commission, Five year plans And UGC's Enrolment in the development of Quality of higher education through this paper.

Planning Commission

The Planning Commission was set up by a Resolution of the Government of India in March 1950 in pursuance of declared objectives of the Government to promote a rapid rise in the standard of living of the people by efficient exploitation of the resources of the country, increasing production and offering opportunities to all for employment in the service of the community. The Planning Commission was charged with the responsibility of making assessment of all resources of the country, augmenting deficient resources, formulating plans for the most effective and balanced utilization of resources and determining priorities. Jawaharlal Nehru was the first Chairman of the Planning Commission. The Planning Commission was an institution in the Government of India, which formulated India's Five-Year Plans, among other functions. It is located at Yojana Bhawan, Sansad Marg, New Delhi. In his first Independence Day speech in 2014, Prime Minister Narendra Modi announced scrapping of Planning Commission. It has been replaced by an Institution named NITI Aayog.

This is the history of Plans formulated by planning commission: (1) First Plan (1951–1956) (2) Second Plan (1956–1961) (3) Third Plan (1961–1966) (4) Fourth Plan (1969–1974) (5) Fifth Plan (1974–1979) (6) Rolling Plan (1978–1980) (7) Sixth Plan (1980–1985) (8) Seventh Plan (1985–1990) (9) Annual Plans (1990–1992) (10) Eighth Plan (1992–1997) (11) Ninth Plan (1997–2002) (12) Tenth Plan (2002–2007) (13) Eleventh Plan (2007–2012) (14) Twelfth Plan (2012–2017)

11th Five Year Plan

11th five year plan period is 2007 to 2012. In this period Indian education system changed on large scale. Some information of this plan is mansion below.

Objectives of the 11th Plan

There are some objectives of 11th five year plan. Following are the some objectives of this plan.

- Rapid and inclusive growth.(Poverty reduction)
- Emphasis on social sector and delivery of service therein.
- Empowerment through education and skill development.
- Reduction of gender inequality.
- Environmental sustainability.
- To increase the growth rate in agriculture, industry and services to 4%,10% and 9% respectively.
- Reduce Total Fertility Rate to 2.1
- Provide clean drinking water for all by 2009.
- Increase agriculture growth to 4%.

For fulfillment of these objectives Higher Education Development is necessary. Planning commission has focus on this part of education. There are different stages of education such as Pre-primary, formal and non-formal Education, Secondary, Senior Secondary, University and Technical Education; from this higher education is backbone of Education system. In 11th plan a huge amount is secured for Higher Education Development. Human Resource Development Ministry Manage and plan this fund for Universities and colleges. University Grants Commission is the higher authority to allocation of these Grants or fund.

University Grants Commission

The UGC formally established in November 1956 as a statutory body of the Government of India through an Act of Parliament for the coordination, determination and maintenance of standards of university education in India. In order to ensure effective region-wise coverage throughout the country, the UGC has decentralised its operations by setting up six regional centers at Pune, Hyderabad, Kolkata, Bhopal, Guwahati and Bangalore. The head office of the UGC is located at Bahadur Shah Zafar Marg in New Delhi.

UGC provides grants to colleges and universities . Grants are classified as under

For University only : These grants are provided to universities only

For College only : These grants are provided to colleges only

For both University/Colleges : These grants are provided to both universities and colleges

For Department of University : These grants are provided to university department only

For Individual : These grants are provided to Professors, Teachers, Students, like major/ minor research project, fellowship travel grants etc. Some Statistics about the 11th Five Plan.

The Budget and receipt of Grant-in-Aid for the financial year 2009-10 had been to the extent indicated below: (Rs. in Crores) where RE is nothing but grant received

Budget head	Plan allocation		Non-Plan allocation	
	BE	RE	BE	BE
General	3439.95	3676.93	3977.78	3977.78
Total	3439.95	3676.93	3977.78	3977.78

Out of the plan grants (Rs.3731.16 Crores) released during 2009-10,47.56% had gone to Central Universities, 1.94% to Deemed Universities, 12.85% to state universities and 30.16% to Colleges of State Universities.

Out of the total Non-Plan grant (Rs.3917.16 Crores) released during 2009-10, 68.14% had gone to Central Universities, 22.69% to colleges of Delhi and Banaras Hindu University, 4.86% to Deemed to be Universities.

The Budget and receipt of Grant-in-Aid for the financial year 2010-11 had been to the extent indicated below:

Budget head	Plan allocation		Non-Plan allocation	
	BE	RE	BE	BE
General	4390.00	4176.80	3450.86	3903.59
Total	4390.00	4176.80	3450.86	3903.59

Out of the plan grants ('4391.77 Crores) released during 2010-11, 44.96% was allocated to Central Universities, 2.27% to Deemed Universities, 18.95% to State Universities and 7.30% to Colleges of State Universities.

Out of the total Non-Plan grant ('3896.80 Crores) released during 2010-11, 67.10% was allocated to Central Universities, 24.46% to colleges of Delhi and Banaras Hindu University, 5.24% to Deemed to be Universities.

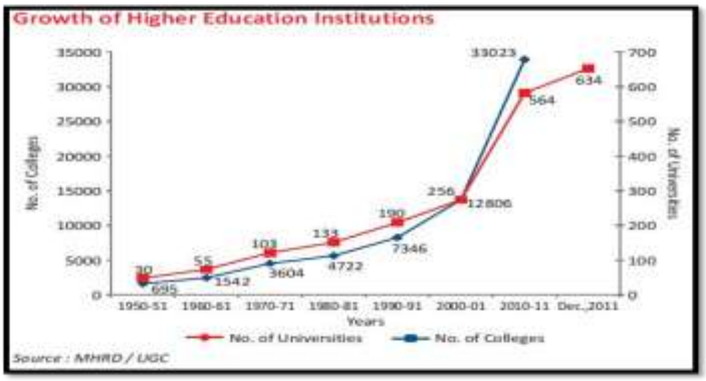
The Budget and receipt of Grant-in-Aid for the financial year 2011-12 had been to the extent indicated below:

Budget head	Plan allocation		Non-Plan allocation	
	BE	RE	BE	BE
General	5244.50	5495.17	4118.89	4370.64
Total	5244.50	5495.17	4118.89	4370.64

Out of the plan grants (`4721.43 crores) released during 2011-12, 46.84% had gone to Central Universities, 2.44% to Deemed Universities, 20.25% to state universities and 6.33% to Colleges of State Universities.

Out of the total Non-Plan grant (`4314.56 crores) released during 2011-12, 67.58% had gone to Central Universities, 23.24% to colleges of Delhi and Banaras Hindu University, 5.07% to Deemed to be Universities.

The total grant is increased each year, statistics of higher education improvement is given below.

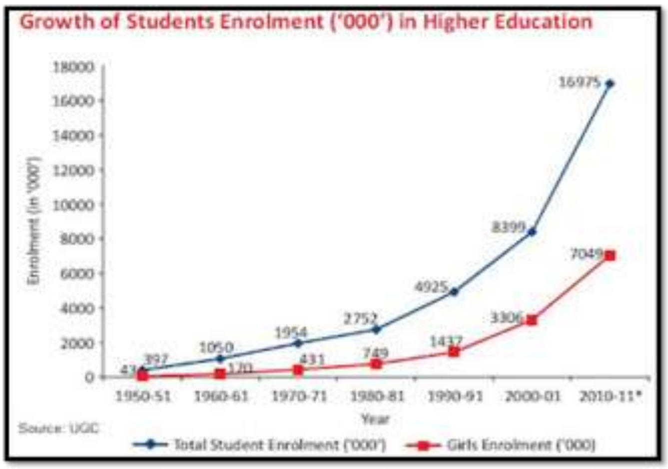


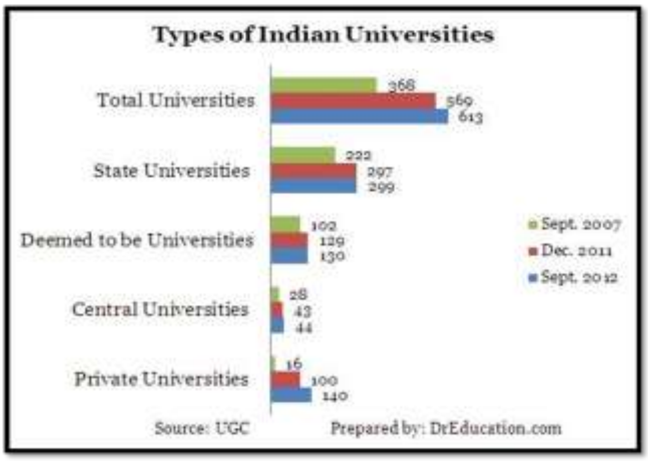
GROWTH IN ENROLLMENT BY TYPE OF INSTITUTIONS

Prepared by : DrEducation.com

Category	2007-2008	2011-2012	Increase	Growth Rate (%)
Central Institutions				
Degree Awarding Institutions	75	138	63	13.0
Colleges	58	69	11	3.5
Diploma Institutions	14	24	10	11.4
Sub Total	147	231	84	9.5
State Institutions				
Degree Awarding Institutions	253	316	63	4.5
Colleges	9,500	13,024	3,524	6.5
Diploma Institutions	2,151	3,207	1,056	8.3
Sub Total	11,904	16,547	4,643	6.8
Private Unaided Institutions				
Degree Awarding Institutions	80	191	111	19.0
Colleges	13,706	19,930	6,224	7.8
Diploma Institutions	7,220	9,541	2,321	5.7
Sub Total	21,006	29,662	8,656	7.2
Total	**33,057**	**46,446**	**13,383**	**7.0**

Source: XIIth Five-Year Plan of the Government of India.





Since Independence Higher Education sector has witnessed a tremendous increase in the number of Universities/University level Institutions & Colleges since. The number of Universities has increased 34 times from 20 in 1950 to 677 in 2014. The sector boasts of 45 Central Universities of which 40 are under the purview of Ministry of Human Resource Development, 318 State Universities, 185 State Private universities, 129 Deemed to be Universities, 51 Institutions of National Importance (established under Acts of Parliament) under MHRD (IITs - 16, NITs – 30 and IISERs – 5) and four Institutions (established under various State legislations). The number of colleges has also registered manifold increase of 74 times with just 500 in 1950 growing to 37,204, as on 31st March, 2013.

SUGGESTIONS

There are some problems regarding the quality improvement of higher education system. In international ranking no Indian higher education institute has got the rank in first 200 Institute. It is time to think over it. we must have to change something in higher education system. Following suggestions are given.

1. Improve the controlling system of higher education.
2. Need to change old education system.
3. Improve the syllabus quality/ standard.
4. Give attention on quality education not quantity education.
5. Compare with other developed countries education system. India should aspire for the international standard in education.
6. Industry and Academia connect necessary to ensure curriculum and skills in line with requirements.

CONCLUSION

In this paper we have presented the development and present scenario of higher education in India by analyzing the various data. In this paper also identified the key initiatives from the government side which include the establishment of UGC, increase in number of universities including IITs, IIMs, NITs and SPAs during 11th five year plan and increase in the number of seats in existing institutions, and passing of the Right of Children to Free and Compulsory Education. Looking to the present scenario of the higher education in India it is growing tremendously but at international level Indian higher education system is not up to date.

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MILLENNIUM DEVELOPMENT GOALS - A STEP TOWARDS SUSTAINABLE DEVELOPMENT GOALS WITH REFERENCE TO INDIA

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ABSTRACT

After independence of 68 years, India is still facing lots of problems. These problems are barrier in the development of India. So when UN adopted some goals for the betterment for world, India also adopted them. But these Millennium Development Goals (MDGs) reach their December 2015 deadline. In this paper we try to explore the importance of these MDGs and how they are converted into SDGs. It is now the time to take a look at the achievement of the MDGs in India and lessons learned that can be incorporated into the design and implementation of the sustainable development goals to build upon the unfinished MDG agenda. This paper look into India's experience with the MDGs, the analysis reviews MDG achievements and Goal-specific gaps at the national level. India has made notable progress towards reaching the MDGs but achievement across the Goals varies. We also try to provide suggestions to achieve the gap between standard objectives and actual performance. In the last we say that the goals of sustainable development cannot be achieved globally without India. The MDGs can be achieved only with the help of Global Partnership for Development. For 2015 and beyond, the world will be watching how India will implement its new strategic direction and the concrete actions and achievements it can make to provide a sustainable future for all.

Keywords: Millennium Development Goals (MDGs); Sustainable Development Goals (SDGs); Strategy; Global Partnership

INTRODUCTION

MDGs are people and society development oriented agenda. Through MDGs a road map was prepared to establish peace and healthy global economy. The MDGs focused on income poverty, access to improved sources of water, primary school enrollment, child mortality and gender equality and improvement in health services. Now these MDGs have been shifted the world onto a sustainable path. This new development agenda should apply to all countries, promote peaceful and inclusive societies, create better jobs and tackle the environmental challenges of our time—particularly climate change.

In 1990s some rich countries set some goals to "Shape the 21st Century". In this concept the primary audience was donor countries. But after a period of time donor countries were not showing their interest in providing aid. Then donor countries realize the advantage of strategic partnership with the developing countries that capitalizes on each partner's intrinsic strength, shared goals and objectives. All 193 member states of the UN signed on to the Millennium Development Goals (a set of eight bold objectives) to improve social and economic conditions around the globe by 2015. The declaration emphasized that every individual has a freedom right, equality, freedom from hunger and violence and to encourage unity and tolerance. The Millennium Development Goals (MDGs) were set up to make governments and international agencies focus on actually meeting the needs and priorities of low-income groups – by reducing, for example, extreme hunger and poverty, reduction in mortality rates, and the proportion of people without safe water and basic sanitation. Most of the eight MDG targets are meant to be achieved by 2015. The MDGs can be achieved only with the help of Global Partnership for Development.

OBJECTIVES OF THE STUDY

1. To explore the necessity for the establishment of MDGs and how they came into existence;
2. To discuss the achievements of targets of the goals;
3. To discuss the policies introduced for achievement of MDGs in India;
4. To explore more suggestions to achieve the gap between standard objectives and actual performance.

DATA ANALYSIS

The present paper is primarily based on secondary sources of data comprising of government annual reports, publications, and speeches, research papers published in journal and available on internet.

Achievement of MDGs in India

After 14 years of the establishment of Millennium Development Goals (MDGs), this is still a challenge to achieve them by the developing countries. These goals were introduced for saving and improvement in living style of people. In India, there has been considerable emphasis on all the MDGs and the nation has witnessed significant progress towards the MDGs, with some targets already having been met well ahead of the 2015 deadline. India as a developing country, is also attempting to achieve these MDGs. There considerable progress has been recorded with respect of universal education, gender equality in education and global economic growth. Even government has implanted some schemes and programmes and redesigning the strategies to achieve these targets towards the achievement of goal. The achievement of goal and ongoing projects to achieve that goal as well as suggestions to be followed are as following:

Eradicate Poverty and Hunger

This goal has targets to reduce the proportion of people by half, those living on less than $1 a day and who were suffering from hunger. According to data, around 1 billion live on less than $1 per day and 800 million people remain hungry every day. In 2012, it was estimated that around 270 million Indians still remained in extreme poverty. It is a key challenge as Divergent growth experiences and rising urban areas, and deprived groups — Scheduled Tribes, Scheduled Castes, female-headed households, and religious minorities such as Muslims. As per India Report on MDGs 2015, first target of reducing poverty is on track whereas second target of reducing hunger is slow or almost off-track. To achieve this goal some strategies were introduced by the government of India for instance, “Sabka Sath, Sabka Vikas”, Mahatma Gandhi National Rural Employment Guarantee Act, Pradhan Mantri Jan Dhan Yojana, National Rural Health Mission, SABLA, National Food Security Mission, Integrated Child Development Services, Indira Gandhi Awaas Yojana, Aajeevika-National Rural Livelihood Mission Pradhan Mantry Gram Sadak Yojana, The Jawaharlal Nehru National Urban Renewal Mission. Beyond these strategies still some improvement is required to achieve these objectives. Some suggestions are following:

- Skill oriented programmes should be effectively implemented on target groups, especially youth and women.
- Expansion of productive jobs in manufacturing and services sectors,
- Vigorously implementation of the “Make in India” programme by leveraging the large domestic market through infrastructure development.

- More emphasis should be given on credit provision, land and labour reforms, stimulating domestic enterprise development,
- More ease way of doing business and FDI should be provided.

Universal Primary Education

According to data, India is on-track on the target of this goal. The target was to ensure that children everywhere, boys and girls will be able to complete a full course of primary schooling. For the achievement of this goal, Strategies adopted by government of India are as follows: Sarv Shiksha Abhiyaan, Mid Day Meal Scheme, National Programme of Nutritional Support to Primary Education, Early Childhood Care and education under ICDS, Anganwadi Centres, National Youth Policy 2003, the Right of Children to free and Compulsory Education (RTE) Act, 2009. But there is still more scopes for improvement in achievement of these goals are as follows:

- More attention should be paid towards teacher's performance for quality education, their incentives and more appointment of teachers and their regularity.
- More efforts should be made towards deprived sections & to improve accountability of teachers,
- State must increase teacher-pupil ratio in remote and disadvantaged areas,
- improve accountability of teachers, and accord priority to improving learning outcomes,
- Finally, efforts to encourage participation of non-public players, such as civil society and the private sector, parents and communities.

Promoted Gender Equality and Empowerment of Women

India is on track to achieve gender parity at all education levels. This goal was mainly achieved by reducing fertility, population growth, and child mortality; improves nutrition, hygiene and health of households. To achieve this goal, Strategies adopted by government of India are as follows: Sarva Shiksha Abhiyan, National Programme for Education of Girls at Elementary Level, The Kasturba Gandhi Balika Vidyalayas, Rashtriya Madhyamik Shiksha Abhiyan, Rashtriya Uchchatar Shiksha Abhiyan, Mahila Samakhya Programme, Saakshar Bharat Saakshar Bharat, Kishori Shakti Yojna, Support to Training and Empowerment Programme, Mahatma Gandhi National Rural Employment Guarantee Act, Beti Bachao Beti Padhao. More focus should be made on the following

- Priority should be given on women vocational education, promotion in parity of wages, implementation of laws providing women with property and land rights (including the amended Hindu Succession Act).
- For political empowerment, 33% reservation for women in Panchayati Raj Institutions must be passed.
- More efforts should be made to make workplace safe and friendly for women and regulation of informal and domestic work.
- There should be promotion of women's entrepreneurship with specialized capacity-building programmes.
- To change in discrimination of social norms, there should be implementation of legislation to prevent violence against women, implementation of laws preventing under age marriages.
- Efforts must be made to change social norms through education and by scaling up campaigns in coordination with NGOs and Private Sector.
- Vigorous follow up of the government's campaign "Beti Bachao-Beti Padhao" especially in the States with adverse sex ratio

Reduce Child Mortality

This goal has a target to reduce the under-five Mortality Rate by two-thirds between 1990 and 2015. This target is moderately on-track due to the sharp decline in recent years. To achieve this goal, Strategies adopted by government of India for instance: National Policy for Children, 1974, Early Childhood Care and Education, Integrated Child Development Services, Rashtriya Bal Swasthya Karyakram. But still there is some more scope for the achievement of this goal. Some suggestions are as follows:

- Major gaps in health spending at the centre and states must be filled,
- To reduce the shortage of health personnel by appoint new personnel,
- There should be active support of communities and civil societies to improve health outcomes.
- More emphasis should be on women’s education and empowerment as well as better water quality and sanitation.

Improve Maternal Health

For this goal target was to reduce the maternal mortality ratio by three quarters. This target is slow or off-track to achieve. To achieve this goal, Strategies adopted by government of India are as follows: National Health Mission, Janani Suraksha Yojana, Janani Shishu Suraksha Karyakram, Centre, Village Health and Nutrition Days, Accredited Social Health Activists (ASHAs), Maternal Death Review, Prevention of PPH, Integrated Child Development Services, Indira Gandhi Matritav Sahyog Yojana. Beyond these strategies, still there are more areas to be covered to achieve this goal. These areas are as follows:

- More emphasis should be given on existing facilities and skilled help provided at the time of delivery;
- Setting up of Skill Labs with earmarked skill stations for different training programs to enhance the quality of training in the States;
- Guidelines and counseling sessions with the pregnant women should be conducted by ASHAs and ANMs, emphasis is laid on the need to register for ANC and deliver at institutions;
- Quality Assurance Manuals and Supportive Supervision tools should be rolled out to strengthen quality of care in service delivery. For safe care of pregnant women, especially in labour room and maternity wards.

Combat HIV / Aids, Malaria and Other Diseases

It has basically two targets. First is to halve the halted by 2015 and begun to reverse the spread of HIV/AIDS and second to have halted by 2015 and begun to reverse the incidence of malaria and other major diseases. The first target is on-track and reversal in HIV has been achieved. The prevalence of HIV among Pregnant women aged 15-24 years is showing a declining trend from 2005 and it has declined from 0.89 % in 2005 to 0.39% in 2010-11. The second target is moderately on-track as trend reversal has been achieved for Annual Parasite Incidence of Malaria and for prevalence of TB. To achieve this goal, Strategies adopted by government of India for instance: National AIDS Control Programme, Urban Malaria Scheme, Revised National TB Control Programme, Universal Health Assurance Scheme, National Rural Health Mission (NRHM), Rashtriya Swasthya Bima Yojana. Beyond these strategies, still there are more areas to be covered to achieve this goal. These areas are as follows:

- There should be more emphasis on health for all oriented schemes.
- Performance of existing health facilities and systems must be improved with the cooperation of public-private partnership.

- In cooperation with centre and states, there should be procurement of price regulation and supply systems of essential drugs and more awareness should be made about generic medicines.
- To identify the infectious patients who need treatment the most & good quality anti-TB drugs must be available.
- In the RNTCP, a box of medications for the entire treatment should be earmarked for every patient registered and ensuring the availability of the full course of treatment the moment the patient is initiated on treatment. Hence in DOTS, the treatment can never interrupt for lack of medicine.

Ensure Environmental Sustainability

This goal has first target to integrate the principle of sustainable development into country policies and programmes and reverse the loss of environmental resources which is moderately on-track. Its second target is to reduce the proportion of people without sustainable access to safe drinking water and basic sanitation by halve. This target is on-track for drinking water but slow for the indicator of sanitation. Its third target is to achieve a significant improvement in the lives of at least 100 million slum dwellers by 2020. For this particular target pattern is not statistically discernable. For achievement of this goal some strategies were introduced and implemented by the Government of India. For instance, Namami Gange or Ganga, National Disaster Management Authority and Solar Mission, To develop "100 Smart Cities", recycle waste, investments in development of bio-diversity park, Swach Bharat, Nirmal Gram Puraskar. Besides these strategies, GOI could emphasis on the following areas for achievement of this goal. These areas are as follows:

- More emphasis should be made on other initiatives for conservation of marine and coastal ecosystem and for improvement in air quality in cities.
- The "100 Smart Cities" project can be achieved with the help of public-private partnership.
- More attention should be made towards use of LED lights for energy efficiency.
- There should be more focus on non-timber forests.
- There should be a committee or team to tackle the problems like skilled personnel for toilet construction, inter-personal communication and communication approaches to total sanitation and to monitor and evaluate the programmes.

Develop a Global Partnership for Development

This goal has target to make available benefits of new technologies, especially information and communications in cooperation with the private sector is on-track. For achievement of this goal some strategies were introduced and implemented by the Government of India. These are as follows: National Knowledge Network, National Telecom Policy-1994, National Telecom Policy-2012, Telecom Regulatory Authority of India, Internet Service Providers (ISPs), Broadband Policy, Telecommunication Tariff Order (TTO) 1999, Mobile Number Portability (MNP), The National e – Governance Plan, State Wide Area Networks (SWAN), "Digital India". Besides these strategies, GOI could emphasis on the following areas for achievement of this goal. These areas are as follows:

- TRIPS Agreement provisions should be strengthened for transfer of technology,
- There should be more encouragement of enterprise-level research and development activity for harnessing their frugal engineering capabilities for developing products and process with low carbon footprints.
- More learning, absorption and adaptation of imported know-how through joint ventures under the "Make in India" programme.

- India should make more efforts to strengthen cooperation in South Asia covering regional trade, transport connectivity and trade facilitation.
- There should be more focus on development of partnership with other emerging economies through forums such as IBSA and BRICS.

CONCLUSION

The MDG Gap Task Force Report 2010 estimates that, to reach an ODA target of $300 billion, from 2011 to 2015 an annual incremental increase of $35 billion is required. The MDGs were criticized for omitting enabling factors and for being one-size-fits-all, imposed top-down. But still there are some shortcomings included ignoring economic growth, inequality, secondary and tertiary education, security, disaster resilience and governance.

In India, considerable progress has been recorded in the field of basic universal education, gender equality in education, and global economic growth. However there is slow progress in the improvement of health indicators related to mortality, morbidity, and various environmental factors contributing to poor health conditions. Even though the government has implemented a wide array of programs, policies, and various schemes to combat these health challenges, further intensification of efforts and redesigning of outreach strategies is needed to give momentum to the progress toward achievement of the MDGs. Hunger remains a tough challenge in India. Also achieving the desired target for ensuring sanitation facility is lagging behind. Similarly, the Country has to strive more to reduce the maternal mortality to reach the desired level. As the Millennium Development Goals (MDGs) reach their deadline as December, 2015, a new set of transformative and universal Sustainable Development Goals (SDGs) will be adopted by the world leaders as a part of the Post-2015 Development Agenda at the United Nations General Assembly in September 2015. MDGs in India can be incorporated into the design and implementation of the sustainable development goals to build upon the unfinished MDG agenda. Building on the MDGs, the Sustainable Development Goals (SDGs) propose to end poverty and deprivation in all forms, leaving no one behind, while making development economically, socially and environmentally sustainable.,

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PUBLIC SECTOR REFORMS: SOME THOUGHTS ON THE INDIAN BANKING SYSTEM

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ABSTRACT

Reforms in Public Sector Banks have been a matter of debate over the last two decades. In the past various committees were constituted to study the different aspects of various new policies / strategies to be adopted in Indian Banking scenario. Decisions like consolidation of Banks, infusion of Capital to cater Basel III norms, licensing new banks are still in a fluid state which requires more action part the part of the regulator and the Government.

Keywords: Capital Infusion; Universal Banking; Differentiated Banking System; Capital Account Convertibility; Sustaining Reforms

INTRODUCTION

Post liberalization, much has been debated on the objectives of the financial sector reforms in India. With Basel III norms implementation on the wheels and the present stand of Government of India on Capital infusion in Public Sector Banks, has once again invited the focus on the need for reforms in the Banking system to stimulate efficiency, competitiveness and stability in financial sector which in turn shall stimulate economic growth for the country. The cut in policy rates by the regulator and the concerns expressed by the government in the lag in appropriate monetary transmission, necessary calls for further reforms in the banking sector.

OBJECTIVES

1. To analyze the Indian Banking scenario based on the reforms recommended by various committees in the recent past.
2. To analyse how these measures help the banking sector in the current environment.

DATA ANALYSIS

In the report titled “A Hundred Small Steps” submitted in 2008 by the Committee on Financial Sector Reforms, headed by the present Governor of RBI Shri. Raghuram G. Rajan, it was proposed that the Universal banking carried out by Public sector banks need to be regulated by allowing holding company structures, with a parent holding company owning regulated subsidiaries. It also suggested for setting up a Financial Sector Oversight Agency (FSOA) which should focus on both macro prudential as well as supervisory aspects of the financial system. The report emphasized the immediate need for creating more efficient and liquid markets, which included the development of corporate bond market, exchange traded interest rate and foreign exchange derivatives contracts etc.

In March 2013, the Financial Sector Legislative Reforms Commission headed by former justice B.N. Srikrishna submitted its report proposing several reforms in the financial sector. The commission suggested that financial sector regulators such as the Securities and Exchange Board of India as well as the Insurance Regulatory and Development Authority should be merged into a unified financial agency. It also recommended that the role of RBI should be restricted to regulating banks and managing monetary policy.

In the present context of increasing trend in non performing accounts in the banking industry, the suggestion put forth by the committee to move from the system of information sharing by institutional credit providers on the basis of reciprocity, to a system of subscription where information is collected from more sources and a subscriber gets access to validated data like CIBIL/ CERSAI reports, has proved useful to all players.

The report submitted by Shri. Nachiket Mor on Comprehensive Financial Services for Small Businesses and Low-Income Households had recommended two different types of banking structures based on functionality as Horizontally Differentiated Banking System (HDBS) and Vertically Differentiated Banking System (VDBS). Such structural reforms are important given the inability of the banking system to support a growing economy, evident from the shortage of funds for the private sector, power and infrastructure projects. Besides, Indian banks do not have sufficient penetration in rural markets. Though India has 90 commercial banks, an estimated 40% of the adult population does not have access to banking services. These facts stress the need for more structural reforms, along with the policy of Government to have "financial inclusion" and DBT through the banking system.

The option of having differentiated banks, as thought out by Reserve Bank of India, may help new players with limited capital base to focus on their core strength areas, at the same time providing the public sector banks breathing time to redefine their business strategies and gear up to face the challenges posed by the new players and regulatory prescriptions for capital requirements under the New Capital Adequacy Framework (NCAF). The public sector banks have to gradually transform their operating models, currently strewn with challenges and move towards a fitter and leaner mode of banking.

Creating global banks is another need of the hour. Consolidating some large-sized banks to create a few global ones has been in the minds of the regulator for some time. China had four banks among the global top 10 listed in the year 2013 in The Banker, the international financial affairs publication. State Bank of India, India's largest lender, was ranked 60. Consolidation in banking sector in the country has been largely confined to a few mergers in the private sector and among associates of SBI, besides forced marriages involving banks that were at risk with stable entities. When we think of consolidation of banks, the rationalization of bank branches and ATMs in different geographies also requires a serious review.

The human resources management issues which are a natural outcome of any reforms are also to be studied. The committee appointed by RBI and headed by Shri. G. Gopalakrishna on capacity building had made exhaustive recommendations for improving the efficacy and efficiency of personnel employed at various levels by banks and non-banking financial companies regulated by the Reserve Bank. The Committee said, one of the major bottlenecks banks face is in terms of finding suitable replacement of talent that is necessitated on account of attrition, retirement etc. To tide over this issue, the Committee recommended various solutions like developing an Expert Pool internally and allowing free movement of talent within the organization for creation of a larger workforce of trained personnel. Special recruitments based on job roles and competency could also be considered. The committee also pointed out the need for alignment of human resource planning with the strategic planning to achieve strategic goals of banks and non-banks.

The Capital Account convertibility decision to be taken can also influence the financial sector reforms. Any liberalization in this front could add depth to our domestic financial markets due to increased foreign inflows and contribute to the competition in the banking sector.

The advent of digital banking has made the Indian banking industry more vibrant, alive and exiting. It has pointed out the way to a future where banks can really add value and where customers can secure huge benefits in terms of bank products and services that are really useful. It is leading to a situation where customers increasingly see their relationship with their banks as purely transactional, leaving the door ajar for competitors hawking higher margin and advice-driven financial products. The recent debate on net neutrality has the danger of confusing anti-competitive practices with legitimate price discrimination. There's a need to separate the two- and to appreciate the value of competition. These new developments have also thrown out a new set of challenges not only for the banks but also for the regulator.

CONCLUSION

There are certain key lessons that we need to remember from the reforms so far implemented in our banking sector landscape.

The first and foremost is the role of Government and the Finance Ministry in pursuing the reforms.

Improving services delivery of banking systems by promoting - competition, simplifying transactions, strengthening the rewards and penalties, strengthening accountability mechanisms, etc.

Last, but not the least is sustaining reforms by having a new Public Management System for the banking sector through action-oriented activities like: reinventing banking, re-engineering, revitalization of the customer services, organizational transformation, total quality management, paradigm shift in employee engagement, entrepreneurship, empowerment, results over process, downsizing, now rightsizing, lean and mean, outsourcing, steering rather than rowing, empowering rather than serving and earning rather than spending.

Observers from many quarters opine that the reforms in financial sector are not happening so fast. Then we need to understand that financial development and financial stability should be balanced. The reforms need to be put in place with appropriate regulations so that financial stability is safe guarded in the run for financial development.

SUGGESTIONS

1. To create a Banking Holding Company as recommended by the Financial Sector Reforms Committee which will help to GOI to look into the capital requirements of Banks under Basel III and ways and means to raise this capital requirement from the market.
2. Looking into the exposure, institutions like LIC of India have on the shareholding pattern in Public Sector Banks and the inter-connectedness of banks and insurance agencies in cross-selling of different products, there is a need to have unified regulatory authority for banking as well as insurance sectors.
3. Establishment of a common repository for CIBIL, CERSAI and other such institutions including the Rating agencies is the need of the hour as " correct information" on borrowers and depositors is vital in the present scenario for operational convenience of all concerned and tackle the issue of mounting bad loans.
4. Even though the country has an IT Act enacted and the regulator has been giving directions in digital banking efforts of the banking sector, it is high time an unified procedural regulations for different banking channels involving digital products to be evolved from the point of customer protection and the ease of doing transactions.

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EMPLOYEES TRAINING AND ITS IMPACT: A CASE STUDY OF PRIVATE AND PUBLIC BANKS AT BARODA

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ABSTRACT

In the present scenario of globalization and liberalization, the intensity of competition increases day by day in all spheres of business and the banking sector is no exception. While all the resources at the command of an organization can be imitated by the competitor to have an edge over the rivals, it is the Human Resource (HR) which eludes the duplication due to its uniqueness. HR is not just a number game, it is the sum total of the inherited intelligence, acquired knowledge, learned skill and accumulated experience over the years. An organization which aspires to grow must be in tune with the changing needs of the society. Training becomes relevant in this context since it is only through training that the gap between performance of organization and the felt need of a changing society can be neutralized. Training reduces the gap by increasing employees' knowledge, skills, ability and attitude.

Keywords: Return-On-Investment (ROI); Do Your Best (DYB); Skills-Set

INTRODUCTION

The importance of banks in the modern economy cannot be neglected. They occupy a very important place in the field of commerce and industry of any country. No country can achieve commercial and industrial progress in the absence of a sound banking system. The future of the banking sector appears quite promising though there are quite a few challenges to contend with. The customer is more discerning and has a much wider access to technology and knowledge. Hence the imperative need to roll out innovative customized products which will be the key differentiator amongst banks. Time and distance have shrunk and the internet has greatly facilitated global reach and therefore, evolution of delivery channels and interactive services have been a boon to banking. The core banking solution platform is being increasingly adopted by the banks to fully realize the opportunity thrown up by technology.

PROBLEM RECOGNITION

The globalization of economy, deregulation of interest rates and introduction of prudential accounting, norms have introduce a new element of competition which has forced the bank to recast their old age systems and procedures and make them compatible to present system of deregulated economy. The introduction of information technology and mechanization of banks operation has changed the face of global banking like never before. Since banks are service organizations, their productivity and performance depend upon the performance of its personnel. To increase the skill-sets, knowledge and adoptability of employees, training should be imparted to the employees. But merely imparting training to the employees is not enough, proper attention should be given to ascertain the attitude of employees towards training programmes and it must also be seen whether the training acquired is actually transferred or not. The present study mainly focuses on employees' training attitude and its impact in private and public sector banks at Baroda.

OBJECTIVE OF THE STUDY

The present study has the following specific research objectives :

1. To examine the attitude of employees on various aspects of training viz. management's attitude, selection process, quality of training, impact on individuals, impact on productivity and post training assessment.
2. To determine the association between personal factors of the employees and their attitude.
3. To ascertain the impact of attitudinal factors on the transfer of learning in banking sector.

REVIEW OF RELATED STUDIES

Planning is the first and most crucial function of management which tells where we should begin and how things will be well-organised in a system. Human beings are the most privileged animals of the creation because they need not start every new thing from the beginning. The past experience is always helpful to them. We learn from the past and make the plan for the future. In this context, a review is made of the existing relevant literature available on the topic.

Alexandros and John (2008) in "Employee perceived training effectiveness relationship to employee attitudes" investigated the relationship between perceived employee training effectiveness and job satisfaction, motivation and commitment. Design/methodology/approach - The study examined the responses of 134 employees and lower managers, of five large Greek organizations, after they had completed a training program. The questions asked contained information about the employee attitudes towards the training received, as well as their attitudes towards their employers. Findings - The results of the study provide support to the hypotheses proposed, indicating that there is a significant correlation between the employee perceived training effectiveness and their commitment, job satisfaction and motivation. Additionally, high correlations were found between the latter three variables. Research limitations/implications - The study is limited to examining employee feelings, not taking into account their personal characteristics, which may be important. Practical implications - The implications of the findings of this study for managers and especially for Human Resource professionals are quite significant, given their roles in funding, designing and delivering training interventions. Not only does it appear to be important, offering training programs to one's employees but, the training program content must be perceived as effective and of value to those participating in it. This will have a positive effect, according to the findings of this study, on key employee attitudes, which appear to be related to a greater or a lesser extent, in the pertinent literature, to organizational performance outcomes including, productivity, turnover and absenteeism Originality/value - The study is ground-breaking, given that there are no prior studies examining the relationship between the variables considered in the present one.

Barbara (2009) brought to light in "An unrelenting need for training" changes in the format of library materials, increased amounts of information, and the speed at which information is being produced have created an unrelenting need for training for library staff members. Additionally, library employees are retiring in greater numbers and their accompanying expertise is being lost. The purpose of this study was to document evaluation practices currently used in library training and continuing education programs for library employees, including metrics used in calculating return-on-investment (ROI). This research project asked 272 library training professionals to identify how they evaluate training, what kind of training evaluation practices are in place, how they select programs to evaluate for ROI, and what criteria are important in determining an effective method for calculating ROI.

Brown and Warren (2009) in their article, "Distal goal and proximal goal transfer of training interventions in an executive education program" assessed transfer from a customized executive training program involving 89 public sector employees. Participants who set a distal goal had higher self-efficacy than those in both the "do your best" (DYB) and the proximal plus distal goal conditions. Participants who set proximal plus distal goals had higher maintenance than those who set distal outcome goals, and those who were urged to DYB. The distal goal participants had a higher level of applied generalization than their DYB counterparts. Maintenance did not differ between DYB and distal goal conditions.

Kundu and Handa (2008) did research on "Identification of training and development Needs: A Study of Indian and Multinational Companies". Primary data based on 450 respondents of Indian and Multinational Companies operating in India was used to identify the needs of training and development programmes. Data was analyzed with the help of statistical tools like percentages, means and Analysis of Variance. The results showed that productivity emerged as number one variable as need identification objectives followed by personality development and high motivation. Both Indian and multinational enterprises gave emphasis on concern for knowledge, concern for skill and concern for attitude for identification of training needs. ANOVA and mean scores revealed that multinational enterprises executives seemed to have comparatively higher satisfaction from Training and Development needs identification than National enterprises executives.

RESEARCH METHODOLOGY

The present study is purely an exploratory study, dependent on both the primary and the Secondary sources of data. The primary sources of data constitutes the interaction (both formal and informal) of the researcher with the top managers and other officials who are directly associated with the Private and Public Banks at Baroda. The officials were selected on the method of purposive random sampling, in accordance with the problem of the study and the objectives in the light of which the study is to be directed. The Annual Reports of the concerned bank and the relevant literature and facts and figures available on the problem of the study in various books, journals, online materials and magazines constitute the Secondary sources of data.

RESEARCH DESIGN

The research study is descriptive in nature as the focus of the study is to find out associations of different aspects of employees' attitude for the training programs organized by management and the various outcomes and benefits of transfer of learning.

Descriptive research is also called Statistical Research. The main goal of this type of research is to describe the data and characteristics about what is being studied. The idea behind this type of research is to study frequencies, averages, and other statistical calculations. Although this research is highly accurate, it does not gather the causes behind a situation. Descriptive research is mainly done when a researcher wants to gain a better understanding of a topic.

DATA COLLECTION

The universe of the research entitled "Employees' training and its impact, a case study of Private and Public Banks at Baroda" is the personnel working in Private and Public banks at Baroda. The population is top level, middle level and junior level employees working in banking sector.

In order to get the required information, data was collected by primary as well as secondary method.

- The Primary data was collected through administration of structured questionnaires and personal interviews of the respondents.
- The secondary data was collected from internet, reports, journals, books, magazines etc.

Scaling Techniques

The questionnaire starts with the demographic profile of the respondents measured on the nominal scales and there are many related factors including the question asked on the Likert rating scale of one to five where one stands for highly insignificant and five stands for highly significant.

Scaling Techniques

The questionnaire starts with the demographic profile of the respondents measured on the nominal scales and there are many related factors including the question asked on the Likert rating scale of one to five where one stands for highly insignificant and five stands for highly significant.

Sampling Technique

Multistage sampling is used for the study where first stage consists selection of the quota of different levels of management. This is followed by judgemental sampling and snowball sampling according to which respondents were picked with the help of judgement and using the reference of selected respondents.

In judgment sampling, the researcher or some other "expert" uses his/her judgment in selecting the units from the population for study based on the population's parameters.

Sample Size

The sample size taken is 300 respondents from various banks of Baroda.

Representative sample was taken to give a true and unbiased picture of the population. Utmost care has been taken to make sure that there is insignificant sampling error and the results of the sample study can be applied, in general, for the universe with a reasonable level of confidence.

- Top Level Management= 10% of 300 i.e. 30 respondents
- Middle Level Management = 30% of 300 i.e. 90 respondents
- Junior Level Management = 60% of 300 i.e. 180 respondents

SUGGESTIONS

It is difficult to measure productivity in financial services unlike in the rest of the service sector, since the quality of service in this sector is constantly improving due to greater convenient, speed and lower risk. Moreover, measuring the inputs used to produce outputs is not easy. Lack of consistent data also hampers researchers from analyzing the cost and benefits reliably. However, investment in training is justified by most CEOs as the cost for retaining good customer, attracting new ones and the better competitive advantage it provides.

CONCLUSION

When most people think of company training, in public sector bank the first thing that comes to mind is "inconvenience." Training conjures images of sudden scheduling; disruption of their personal life; travel; long, drawn out sessions and a sense of relief mixed with futility when it is over. But in private sector it is seen as an opportunity. It is found that the employees of the organization selected for the study have in general very high positive attitude towards the efforts made by the management for organizing training programs. As per the responses of employees, the management of the organization allots adequate funds for the training program as well as the employees are encouraged to participate in these training programs. It is also observed that the trainers of these training programs have enough interaction with the employees.

As a result of these training programs, the employees feel significant improvement in their personality, confidence level as well as in their competence/decision-making skills. These training programs also results in improved interpersonal relationships, quality of services, reduction in wastage of time and material, improved overall productivity and customer relationships.

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TRENDS OF INDIA'S EXPORTIN PRE AND POSTLIBERALIZATION PERIOD

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ABSTRACT

The study investigates the trends of India's exports in Pre and Post liberalization period 1980-81 to 2014-15. The composition of India's exports has grown up significantly. India's share in world exports has shown a rising trend. Its share was only 0.45% in 1980-81 and 0.52% in 1990-91. During the period from 1991 to 2014-15 its share was continuously rose from 0.50% to 3.2%.

Keywords: Export; Import; Trade Balance & Liberalization

INTRODUCTION

Export growth is important because of its effects on internal trade and economic stability of an economy. Moreover, the rate of economic growth and the distribution of income and wealth in a country are closely related to export growth (Dee Key, 2009). Developments economists have long identified the existing impact of export-led strategy in the growth process of national economies. The Export-Led-Growth Hypothesis (ELGH) assumes that export expansion is one of the key determinants of economic growth. It reflects the view that export-oriented policies help to stimulate economic growth. Export-expansion can be a catalyst for output growth both directly, as a component of aggregate output, as well as indirectly through efficient resource allocation, greater capacity utilization, exploitation of economies of scale, and stimulate of technological improvement due to foreign market competition. Exports provide foreign exchange that allows for increasing levels of imports of capital goods and intermediate goods that in turn raise the growth of capital formation and thus stimulate output (Balassa, 1978).

Empirical evidences supports that growth of an economy is directly related to exports. Therefore, the relationship between export and economic growth has become a critical issue of discussion among economists and researchers all over the world. Neoclassical economists have strongly argued that export has emerged as an important factor, which make major contributions to economic growth. There are four major reasons for the support of export-led-growth hypothesis: (a) Encouraging specialization helps to benefit from the comparative advantages, (b) helps to utilize the full capacity of the plant size, where domestic demand is less than the full capacity production, (c) generate benefits of the greater economies of scale due to large market, and (d) increase the rate of investment and technological change (Dash, 2009).

Therefore, export promotion strategy is considered as an important instrument of economic growth. The early empirical studies of international trade and growth were stimulated by the divergent trends in economic growth throughout the world. Most of the countries that had take up protectionist Import

Substitution Policies after World War 11 experienced lower growth rates by the 1970s whereas a small number of East Asian Economies made the growth of international trade a central part of their overall economic policies, as a result of which these countries experienced unprecedented rates of economic growth. (Avanade and Vasavada, (1995). The economic growth of Britain in the 19th century is usually given as the classic example of exports as the "sector". Japan, in the very early stages of industrialization, also seems to have developed mainly through the expansion of exports. Other examples, quoted by kindle Berger, Sweden and Denmark after 1880, Switzerland, the Low Countries and Canada from 1900 to 1913, and Canada after 1945.(G. Friendly Shiras and L. Rotas1942). At this juncture, an important issue immediately cracks the minds of economists and researchers, and that is, whether exports growth promotion leads to the higher economic growth or economic growth promotes exports growth. Thus, the economists came up with different views at different times and the literature puts ardent for researchers and policy maker since the last few decades.

REVIEW OF LITERATURE

From the review of literature we can get the idea that how other researchers have dealt with such problems. What methodology they have adopted, methods used by earlier researchers can help us to frame new models. The review of relevant literature here intended to observe the performance of export and economic growth.

Mukherjee (1982) studied the export performance during the 1958-59 and 1978-79 inferred that India's trade since suffered a loss in terms of agro exports and gain in terms of manufactured exports during the period. He also found out that accrual of gains from trade was due to inflationary trends in global market. Nayyar (1988) has evaluated India's export performance during 1970-85, and assessed the relative importance of domestic and foreign countries. The study revealed that India's export performance since 1970 was distinctly better than it was in the proceeding decades. Bhattacharya (1989) critically examined the impact of IS strategy as the performance of India's export in 58 sectors and concluded that import intensity has increased in 26sectors which accounts for 90 percent of India's exports during 1973-80.Hargopal (2001) has evaluated the performance of external sector of India in the light of trade policy reform for the period 1980-81 to 1997-98. The study concluded that the whole, trade liberalization period save a tremendous growth of exports, imports, foreign exchange and a decline in external debt. The only cause of concern was the faster growth of imports to exports.

NEED OF THE STUDY

The empirical assessment proposed in this paper is important for main reason, that issues of export performance, their causes and consequences have been a major concern to many international agencies and the focus of academic deliberation in both developed and developing countries. Without quantifying the phenomenon, however it is hard for any of these arguments to be convincing for policy makers, to be able to draw any precise policy implications based on them. Hence, the purpose of the study is to examine the export performance. The study shall provide the useful information helpful to policy makers it can serve as a reference to subsequent research works on the export performance in the context of India.

OBJECTIVES OF THE STUDY

1. To examine the growth and performance of India's export during pre and post liberalization period.
2. To assess the role of India's exports in terms of their share in world's exports.

SCOPE OF THE STUDY

One of the purposes of the present study is to examine the performance of India's export during pre and post liberalization period. After that, the relative share of India's export in world export in pre and post liberalization period has been discussed. The study has been covered the period of thirty-five years from 1980-81 to 2014-15.

RESEARCH DESIGN

The study has been based upon the time series data. Secondary data has been collected from various sources of govt. agencies. The data for value and volume for principle exports and products aggregates for India and world has been gathered from various issues of income survey, Govt, of India, Ministry of Finance, New Delhi, Handbook of Statistics on Indian Economy, Reserve Bank of India, International Food and Agricultural organization. The data on domestic wholesale price indices and Net National Product has been obtained from industrial price in India. The data published by other govt. agencies has been used. The unit's value has been calculated by dividing the exports earnings by the corresponding quantity for each year. The export earnings has been taken in the US dollar, as measured in dollar term has less volatile than the same measured in rupees.

TOOLS AND TECHNIQUES

Estimation of Growth Rate

The compound growth rates indexes has been calculated by using the following type of function:

$$Y = b_0 b^t$$

$$\text{Or} \log Y = \log b_0 + t \log b_1$$

Where:

Y = dependent variable, b_0 = intercept, b_1 = slope/growth rate, t = time

Annual compound growth rate (r) has been computed as: r = [anti log (b_i) -1] * 100

Composition of India's Export

Table 1 shows that India's export of commodities wise during the pre-liberalization period.

Table 1. India's Principal Exports (1980-81 to1990-91) (Five Year Averages) Pre-liberalization Period) (Value in Crore)

Commodity	1980-81	1985-86	1990-91
Agricultural and allied of:			
Tea	426 (187.83)	626 (46.94)	1070 (70.93)
Coffee	214 (756.00)	265 (23.83)	252 (-4.90)
Tobacco	141 (327.27)	170 (20.57)	263 (54.71)
Spices	11 (-71.79)	278 (2427.27)	239 (-14.02)
Cashew	140 (145.61)	225 (60.71)	447 (98.67)
Oil meal	125 (127.27)	134 (7.2)	609 (354.47)
Fruit & veg.	80 (566.67)	124 (55.00)	216 (74.20)
Total	1127)205.42)	1822 (61.67)	3096 (69.92)
Ores and minerals			
Mica	18 (12.5)	21 (16.66)	35 (66.67)
Iron ore	303 (158.97)	579 (91.09)	1049 (81.17)
Total	321 (141.35)	600 (86.92)	1084 (80.67)
Manufactured export			
Leather & manufactures	390 (387.5)	770 (97.44)	2600 (237.66)
Jute	262 (37.89)	298(13.74)	330 (10.74)
Gems and Jewellery	618 (1273.33)	1503 (143.20)	5247 (249.10)
Transport and equipment	827 (317.68)	954 (15.36)	3872 (305.87)
Cotton yarn& fabrics	408 (187.32)	574 (40.69)	2100 (265.85)
Handicraft	952 (1204.11)	1881 (97.58)	6832 (263.21)
Textile & fabrics	933 (3117.24)	6167 (243.56)	1795 (92.39))

Table 1. India's Principal Exports (1980-81 to1990-91) (Five Year Averages) Pre-liberalization Period) (Value in Crore) (Contd….)

Commodity	1980-81	1985-86	1990-91
Total	4128 (5404.0)	7477 (81.12)	26818 (258.67)
Mineral fuel and lubricant	28 (-72.00)	655 (2239.28)	948 (44.73)
Other (unclassified)	466 (2812.5)	63 (-86.48)	55 (-12.70)
Total of all	6070 (52.63)	10617 (79.90)	32001 (201.41)

Note: Figures in brackets show growth rate of the previous year

Source: DGCI&S Kolkata.

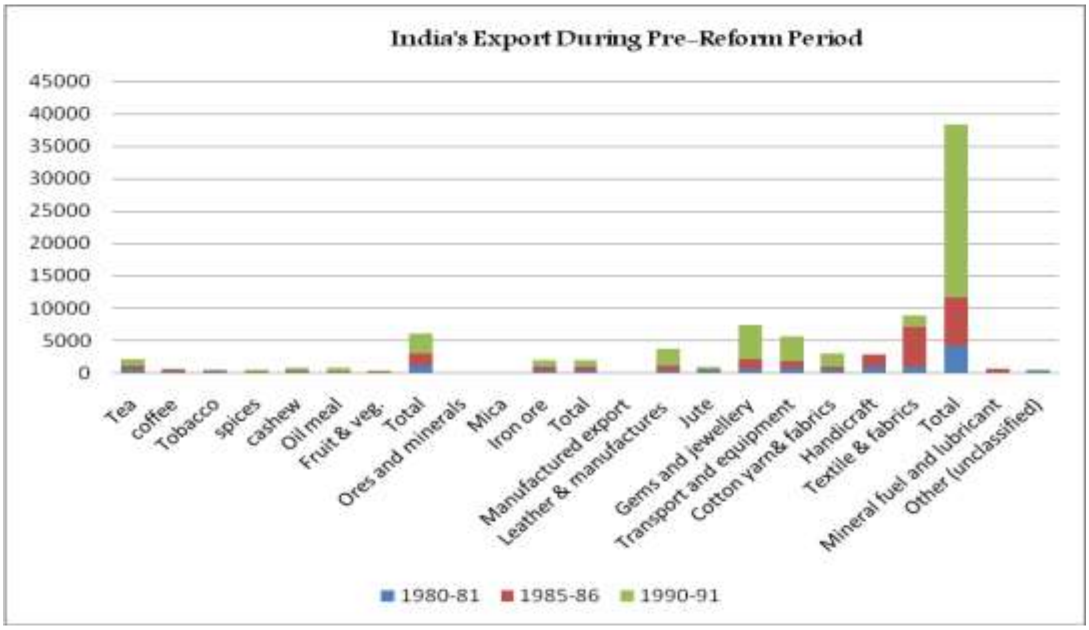

Figure 1.

Composition of India's Export in Post-Liberalization Period

A clear trend over the years has been a decline in the importance of agriculture and allied products and a substantial increase in the importance of manufactured products. Table-2 shows that composition of India's export during1991-92 to 2014-15.

Table 2. Composition of India's Exports in Post-liberalization Period (1991-92 to 2014-15) (Value in Crore)

	1991-92	1995-96	2000-01	2005-06	2008-09	2010-11	2014-15
Agricultural & allied of:							
Tea	1212 (13.27)	1171 (19.86)	1976 (68.74)	1731 (-12.90)	2689 (55.34)	3354 (24.73)	2760 (-17.71)
Coffee	332 (31.75)	1503 (299.73	1185 (-21.15)	1589 (34.09)	2256 (41.98)	3010 (33.42)	3190 (5.98)
Tobacco	377 (43.35)	447 (-5.6)	871 (94.85)	1330 (52.70)	3461 (160.23)	3985 (15.14)	3672 (-7.85)
Spices	394 (64.85)	794 (102.03)	1619 (103.90)	2116 (30.70)	6338 (199.52)	8043 (26.90)	10163 (-86.78)
Cashew	676 (51.23)	1237 (65.15)	1883 (52.22)	2594 (37.76)	2931 (12.99)	2853 (-2.66)	3677 28.88)

Table 2. Composition of India's Exports in Post-liberalization Period (1991-92 to 2014-15) (Value in Crore) (Contd….)

	1991-92	1995-96	2000-01	2005-06	2008-09	2010-11	2014-15
Oil meal	922 (51.40)	2349 (51.94)	2045 (-12.94)	4875 (138.39)	10269 (110.64)	11070 (7.80)	4424 (-60.03)
Fruit & veg.	352 (62.96)	802 (119.12)	1609 (100.62)	3649 (126.79)	5650 (54.84)	6350 (12.39)	5700 (-10.23)
Total	4265 (37.76)	7303 (49.62)	11188 (53.19)	17784 (58.96)	33594 (8.89)	35665 (6.16)	33586 (-5.82)
Ores & minerals							
Mica	35 (0)	27 (12.5)	64 (137.03)	77 (20.31)	136 (76.62)	189 (38.97)	225 (19.04)
Iron ore	1435 (36.80)	1721 (55.89)	1634 (-5.05)	16829 (929.92)	21725 (29.09)	21416 (-1.42)	2279 (-89.35)
Total	1470 (35.61)	1748 (54.96)	1698 (-2.86)	16906 (895.64)	21861 (29.31)	21605 (-1.17)	2504 (-88.41)
Manufactured Export							
Leather& manufactures	3128 (20.31)	5790 (56.49)	8914 (54.76)	11915 (33.67)	15931 (33.70)	17818 (11.84)	25612 (43.74)
Jute	391 (18.48)	262 (41.62)	933 (256.11)	1318 (41.26)	1033 (-21.62)	2086 (1.02)	3297 (58.05)
Gems & Jewellery	6750 (28.64)	17644 (98.31)	33734 (91.19)	68752 (103.80)	128575 (87.01)	184420 (43.43)	171998 (-6.74)
Transport equipment	55008 (1320.66)	14578 (104.80)	31870 (118.62)	94369 (196.11)	215856 (128.74)	226805 (5.07)	282249 (24.45)
Cotton yarn & fabrics	3204 (52.57)	8619 (120.38)	16030 (85.98)	17465 (8.95)	18930 (8.39)	13160 (-30.48)	37760 (186.93)
Handicraft	8349 (22.20)	20501 (87.10)	5097 (-75.13)	5683 (11.50)	4890 (-13.95)	5877 (20.18)	11622 (97.75)
Textile fabrics	5422 (202.06)	13852 (10.83)	16823 (21.45)	20435 (21.47)	23342 (14.23)	25831 (10.66)	28050 (8.59)
Total	32752 (22.13)	67132 (41.24)	95644 (42.47)	198184 (107.2)	384182 (93.85)	448080 (16.63)	557291 (24.37)
Mineral Fuel & lubricants	1041 (9.81)	1761 (15.86)	8822 (400.96)	52538 (495.53)	127324 (142.35)	192639 (51.30)	251538 (30.57)
Others	51 (-7.2)	174 (180.64)	298 (71.26)	356 (19.46)	1548 (334.83)	5271 (240.50)	12531 (137.73)
Total of all	39579 (552.0)	78118 (97.37)	117650 (50.61)	285768 (142.90)	568509 (98.94)	703260 (23.70)	857450 (21.93)

Note: Figures in brackets show growth rate of the previous year

Source: DGCI & S Kolkata

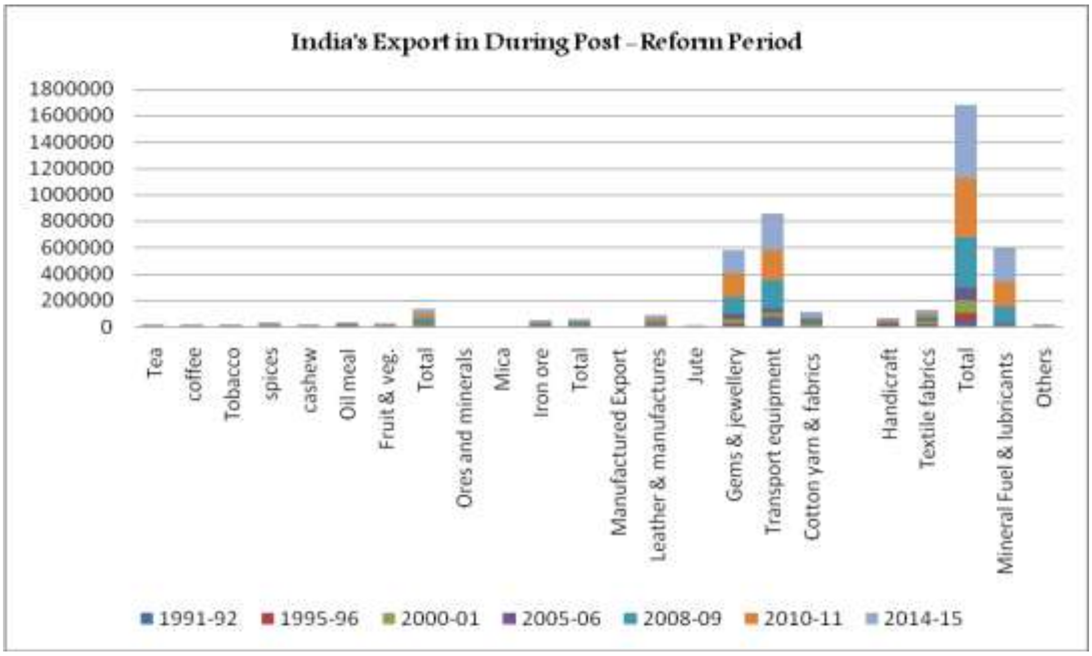

Figure 2.

Tea - The share of tea exports in the country's export basket was 10.76 percent in pre-reform period during 1980-81after that decreased the share 3.34 percent in 1990-91. But after the liberalization period the share of tea decreased to 3.06 percent in 1991-92, 1.68 percent in 2000-01 and 0.32 percent in 2014-15 respectively. The growth rate of tea before the liberalization period was187.83 percent in 1980-81 and 70.93 percent in 1990-91 which increased during after liberalization period and reached 13.27 percent in 1991-92, 68.74 percent in 2000-01 and -17.71 percent in 2014-15 respectively. In the table mentioned that the position of India's export pre and post liberalization period. Mainly tea export has been decline due to the high international competition.

Coffee - The share of coffee pre-liberalization period was 3.52 percent in 1980-81 which decreased to 0.79 percent in 1990-91. The growth rate of coffee was 756.00 percent during the pre-reform period in 1980-81 which decreased to -4.90 percent in 1990-91. The share of coffee after the liberalization was 0.83 percent in 1991-92 and decreased to 0.37 percent in 2014-15.

During the post-reform period the share of tea exports was 0.84 percent in 1991-92, 1.00 percent in 2000-01 and after that it started decreased and now it accounts for only 0.37 percent of the country's aggregates exports in 2014-15. The growth rate of coffee after the reform period was 31.75 percent in 1991-92 which decreased to -21.15 percent in 2001-02 and 5.98 percent in 2014-15 respectively. Positive trend of coffee is due to the liberal policies of government. The decline is disconcerting on many accounts, more so on account of its implications for domestic growers

Tobacco - The share of tobacco of total export before the liberalization period was 2.32 percent in 1980-81 and 0.95 percent in 1990-91. Thereafter it starting decreasing and reached to 0.43 percent in 2014-15. The growth rate of tobacco was highest 327.27 percent in 1980-81 i. e. 327.27 percent and registered a negative growth of 54.71 percent in 1990-91 and then decreased substantially to 0.95 percent in the 1991-92 and 0.45 percent in 2014-15. The reason for decline in the growth rate of tobacco during 1980s was due to the inimical role of the govt.'s price policy. The growth rate started increasing in the 1990-s following steep devaluation of the rupee, making tobacco comparatively cheaper in the international market.(Jha, 2002).

Spices - The share of spices in pre liberalization period was 0.18 percent in 1980-81 and after that increased o.75 percent in 1990-91.The growth rate of spices during 1980-81 was -71.79 percent, and in 1990-91 the share of spices decreased and reached -14.2 percent. The share of spices in total export earnings has shown an increasing trend from highest of 0.99 percent in 1991-92 to 1.19 percent in 2014-15 respectively. Although Indian spices exports have been increasing in quality and value and cover a large number of countries, future prospects depends on exporters, ability to meet quality standards set by importing nations.(John, 2003).

Cashew - The share of cashew before the liberalization period was 2.31 percent in 1980-81 and declined to 1.40 percent in 1990-91.The growth rate of cashew exports was highest 98.67 percent in 1990-91, and then decreased to 52.22 percent in 2000-01 and then the share of cashew decreased and reached 28.88 percent in 2014-15.It shows that cashew has a high growth rate and is a star performer for the future. The growth in the domestic production appears to have been affected largely by the increase/extension of cashew cultivation in the country and partly by the increase in productivity per hectare.

Oil Meal - The share of oil meal in India's export was 0.36 percent in 1980-81 which increased and reached to 1.90 percent in 1990-91. After the liberalization period the share of oil meal continuously increased to 11.18 percent in 1991-92, 1.74 percent in 2000-01and 0.52 percent in 2014-15. Before liberalization period the growth rate of oil meal was 127.27 percent in 1980-81 which increased 354.47 percent in 1990-91, but after the liberalization period the share of oil meal was 51.40 percent in 1991-92 which decreased to -12.94 percent in 2000-01 and -60.03 percent in 2014-15.

Fruit &Vegetables - The share of fruit and vegetables in total export earnings was 1.31 percent in 1980-81 and increased to 74.20 percent in 1990-91.It declined subsequently in the post reform period 1991-92 and reached to -10.23 percent in 2014-15. It indicates that fruit and vegetables have shown a low growth. The growth rate of fruit and vegetable was 566.67 percent in 1980-81 which decreased to 74.20 percent in 1990-91. The growth rate of fruits and vegetables after the liberalization period was 62.96 percent in 1991-92 and then declined and reached to -10.23 percent in 2014-15 respectively. There is a need to examine the causes of low growth. If the cause is on the supply side i.e. constraints to production, impediments to capacity creation and production increases require to be moved. The increasing trend due to more production of fruits.

Ores and Minerals

Mica - Export of mica in pre reform period was 1.16 percent in 1980-81 which decreased to 0.11 percent in 1990-91. But after the post liberalization period the share of mica was 0.09 percent in 1991-92 after that the share of mica continuously decreased and reached 0.03 percent in 2014-15. The growth rate of mica before the liberalization period was 12.5 percent in 1980-81 and increased to 66.67 percent in 1990-91 but after the liberalization period negative growth rate of mica was witnessed in 1991-92 which increased 137.03percent in 2000-01 and after that reached to 19.04 percent in 2014-15. This decline in growth rate was due to international competition.

Iron Ore - The share of iron ore in total exports was 158.97 percent in 1980-81. It started declining gradually declined to 0.11 percent in 1990-91 and further to 3.63 percent in 1991-92 and then after the share of iron ore was continuously increased and reached to 1.39 percent in 2000-01 and 0.27 percent in 2014-15. The growth rate of iron ore was 158.97 percent in 1980-81 which decreased 81.17 percent in 1990-91, but after the liberalization period the growth rate of iron ore was 36.80 percent in 1991-92, after that continuously decreased and reached to -5.05 percent in 2000-01 and -39.35 percent in 2014-15 respectively. The relatively high freight and port charges also continue to affect the profitability of these exports.

Manufactured Exports - The share of manufactured export in total export was 68.0 percent in 1980-81 and 83.80 percent in 1990-91. Manufactured exports grew at an annual growth rate during pre reform period 258.67 percent in 1990-91.Manufactured export from India was heavily concentrated in textile and jute manufactures. However, from about the late 1980s, there has been a noticeable increase in the exports of other labor-intensive products such as jute manufactures, gems and jewellery, leather products, handicrafts. But after that in the post-reform period the share of manufactured export in total exports was 22.13 percent in 1991-92 which increased to 24.37 percent in 2014-15 respectively.

Textile Fiber and Manufactures - The share of textile fabrics and manufactures in total exports has shown an increasing trend from 2.11 percent in 1980-81 to 5.61 percent in 1990-91, after that decreased to 3.27 percent in 2014-15. The major markets for the textile and clothing products of exporting countries are USA and EU.

Jute Manufactures - The share of jute manufactures in total export earnings has shown an increasing trend from 13.82 percent in pre-liberalization period in 1980-81 decreased to 1.03 percent in 1990-91. But during the post reform period the share of jute 0.99 percent in 1991-92 and after that it shows continuously decreasing trend and reached to 0.79 percent and 0.38 percent in 2000-01 and 2014-15 respectively. The growth rate of jute during the pre-reform period was 37.89 percent in 1980-81 and 10.74 percent in 1990-91. After the post reform period the growth rate of jute was18.48 percent in 1991-92 and increased to 256.11 percent in 2000-01and during 2014-15, it was 58.05 percent. The fluctuation has been due to external and internal factors.

Leather and Leather Manufactures - The share of leather and leather manufacture in total export during liberalization period was 5.82 percent in 1980-81 and 8.12 percent in 1990-91. During the post-reform period the share of leather and leather manufactures was 7.90 percent in 1991-92 and 7.58 percent in 2000-01 after that it decreased and reached to 2.99 percent in 2014-15.

The growth rate of leather and leather manufactures in total exports earnings was 387.5 percent in 1980-81 and jumped to all time at high 237.66 percent in 1990-91,b and again decreased and reached 20.31 percent in 1991-92, 54.76 percent in 2000-01 and after that decreased 43.74 percent in 2014-15. The reason for decline growth in the 1990s may be that the industry is facing a stiff competition from China, South Korea, Italy and Brazil. It showed that leather and leather manufactures have a decline growth.

Handicrafts - The share of handicrafts in the total export earnings was 5.31 percent during the pre-liberalization period in 1980-81 and 21.49 percent in 1990-91 and during the post-liberalization period it was 21.09 percent in 1991-92 and decreased to 1.36 percent in 2014-15. The growth rate of handicraft during the pre-reform period was 1204.11 percent in 1980-81 and declined 263.21 percent in 1990-91. But during the post-reform period the growth rate was 22.20 percent in 1991-92 and -75.13 percent in 2000-01 and 97.75 percent in 2014-15. The exports of handicrafts can be improved further by increasing the production, improving the quality reasonable prices and by providing the marketing support and financial assistance.

Gems and Jewellery - The share of gems and jewellery in absolute terms has increased from 3.27 percent in 1980-81 to 16.40 percent in 1990-91 but during the post reform period the share of gems and jewellery was 7.90 percent in 1991-92 and that the share of gems and jewellery was 0.79 percent in 2000-01 and reached to 20.06 percent in 2014-15. This may be due to the steps taken by the union govt. to increased exports of gems and jewellery (Economic Survey 2014-15). The growth rate of exports of gems and jewellery was1273.33 percent in the 1980s and has shown a declining trend to 249.10 percent in the 1990s but during the post-liberalization period it was 28.64 percent in 1991-92 and after that it decreased and reached to -6.74 percent in 2014-15.

Mineral Fuel and Lubricants - In the pre liberalization period the share of mineral fuel and lubricants in total exports was 7.27 percent in 1980-81 and 2.96 percent in 1990-91. But after liberalization period the share of mineral fuel and lubricants increased and reached 2.63 percent in 1991-92, 7.50 percent in 2000-01 after that it increased and reached 39.34 percent in 2014-15. The growth rate of mineral fuel and lubricants was -72.00 percent in 1980-81 which increased to 2239.28 percent in 1985-96 and then again decreased and the share of mineral fuel and lubricants was 44.73 percent in 1990-91. But after liberalization period in 1991-92 the growth rate of mineral fuel and lubricants was 9.81 percent,(30.57) percent and after that it continuously increased and reached 495.53

percent in 2005-06, 142.35 percent in 2008-09, but after that declining and reached to 30.57 percent in 2014-15. The growth rate of mineral fuel & lubricants are increased due to increased lubricants prices due to increase in India's refining capacity.

Transport Equipment - The share of transport equipment in the total exports was 10.33 percent in 1980-81 and 12.09 percent in 1990-91 and then increased 13.92 percent in 1991-92 and continuously increased and reached 32.92 percent in 2014-15. The growth rate of transport equipment was 317.68 percent in the 1980s which increased to 305.87 percent in the 1990s and 1320.66 percent in the 1991-92 and after that decreased the growth rate of transport equipment 24.45 percent in 2014-15 respectively. The surge in these exports could be partly due to the depressed domestic market conditions in a drought year and partly of the numerous initiatives taken by the govt. to promote transport equipment exports.

Table 3. The Relatives Share of India's Exports in World Exports (1980-81 to 2014-15)(Pre-Liberalization Period) (Value in Crore)

Year	World's Exports	India's Exports	India's % Share in World's Exports
1980-81	1897.6	8.58	0.45
1981-82	1865.1	8.29	0.44
1982-83	1733.5	9.35	0.53
1983-84	1681.9	9.14	0.54
1984-85	1783.5	9.91	0.55
1985-86	1808.1	9.21	0.5
1986-87	1990.6	9.49	0.47
1987-88	2342.1	11.37	0.48
1988-89	2694.1	13.31	0.49
1989-90	3037.5	19.5	0.65
1990-91	3434.7	21.3	0.52

Source: Yearbook of International Financial Statistics, (Various Issues) published by International Monetary Fund (IMF) Washington

The Relatives Share of India's Exports in World Exports (Pre-liberalization Period)

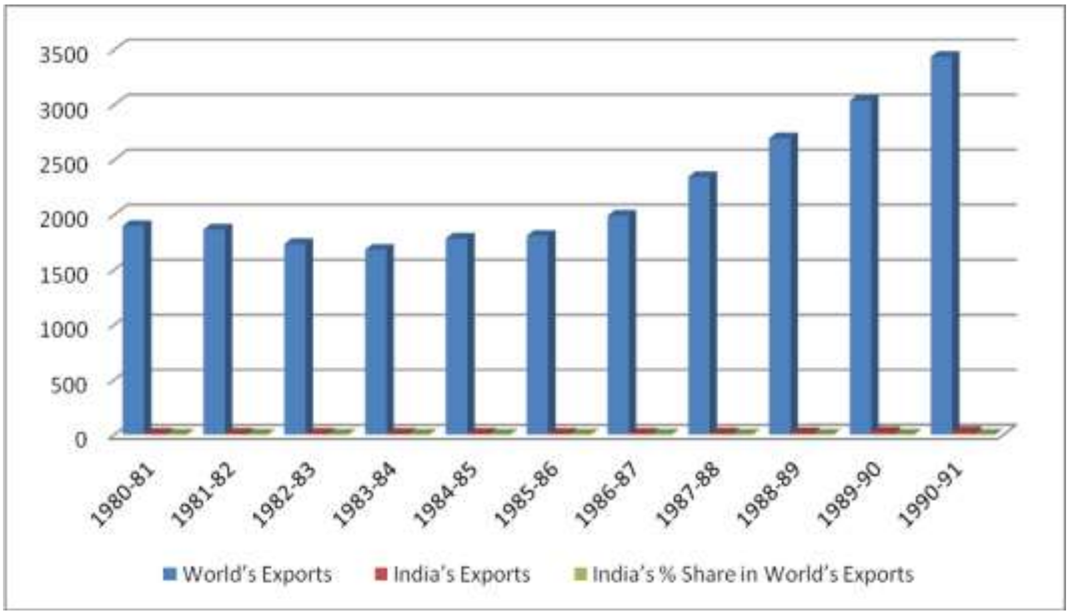

Figure 3. Relatives Share of India's Exports in World Exports (pre-Liberalization period)

Table 4. The Relatives Share of India's Exports in World Exports (Post-Liberalization Period (1991-92 to 2014-15) (Value in Crore)

Year	World's Exports	India's Exports	India's % Share in World's Exports
1991-92	3478.1	17.6	0.5
1992-93	3728.5	19.6	0.52
1993-94	3724.1	21.5	0.57
1994-95	4236.8	25	0.59
1995-96	5089.5	30.6	0.6
1996-97	5327.5	33.1	0.62
1997-98	5505.7	35	0.63
1998-99	5426	33.4	0.61
1999-00	5657.9	35.6	0.62
2000-01	6373.1	42.3	0.66
2001-02	6124.2	43.4	0.7
2002-03	6435.5	50.4	0.78
2003-04	7474.6	59	0.78
2004-05	9086.5	75.6	0.83
2005-06	10240.2	59.2	0.57
2006-07	11523.4	124	1.07
2007-08	13774.2	150	1.08
2008-09	15987.6	194.5	1.21
2009-10	12562.8	157.2	1.25
2010-11	15060481	220409	1.5
2011-12	18013288	302892	1.7
2012-13	18013778	296834	1.6
2013-14	18459279	314656	1.7
2014-15	3900103	122905	3.2

Source: Yearbook of International Financial Statistics, (Various Issues) published by International Monetary Fund (IMF) Washington D.C.U.S.A.

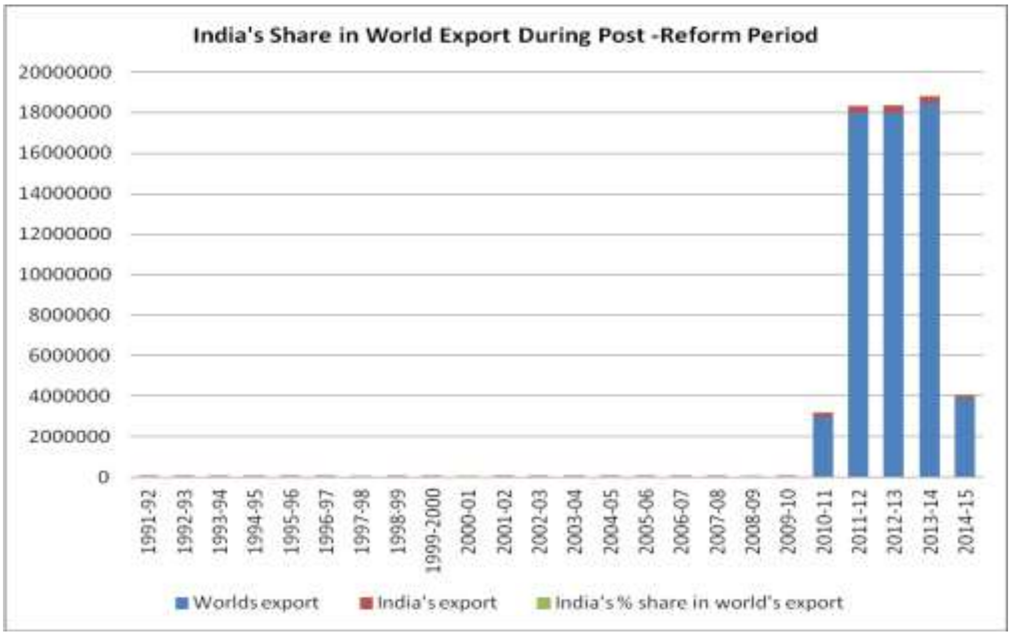

Figure 4. The Relatives Share of India's Exports in World Exports

Table 3 and 4 shows the relative share of India and world exports during pre and post reform period. India's export was Rs.1897.6 crore during 1980-81 and decreased to Rs. 1681.9 crore which further increased to Rs. 3434.7 crore in 1990-91. India's export was 8.58 percent in 1980-81 which continuously increased till 1982-83 and after it increased in 1983-84 and further increase in 1984-85. After certain ups and down it reached to 21.3 percent in 1990-91.

The share of India in world's exports was 0.45 percent during 1980-81 and 0.52 percent in 1990-91.After the liberalization period in 1991-92 the world's exports was Rs. 3478.1 crore which continuously increased and reached to Rs. 18459279 crore in 2013-14. However, during 2014-15 it remained of Rs. 3900103 crore. India's share in world's export was 0.5 % in 1980-81 which continuously increased and reached 3.20 percent in 2014-15. The above table shows that after liberalization period the share of India in world's export continuously increased. The trade of India has drastically changed in the post reform period. It has shown a favorable trend as the policies has been liberalized and tariffs removed which has helped in uplifting the trade to overcome the deficit BOP position. The export performance for the period has shown an increasing trend in absolute terms but the real terms it has always been affected by the increased imports.

CONCLUSION AND SUGGESTIONS

With the liberalization, privatization and globalization of the Indian economy and following liberal foreign trade, there had been changes in the business environment. With the development of science and technology there is a change in the nature of the Indian economy. There had been increase in the trade volume in the India's international trade, and the exports from India had also increased. The composition of India's exports has grown up significantly. India's share in world exports has shown a rising trend. Its share was only 0.5% in 1980-81 and 5.6% in 1990-91. During the period from 1991 to 2014-15 its share was continuously rose from 0.50% to 4.78%. Coffee, tobacco, leather iron ore and petroleum have shown a considerable increasing trend.

Policy Implications - The study indicates that post-liberalization era has certainly helped India in achieving high growth in the economy. For the exports some commodities have good export potential (handicraft, leather products, transport). Major portion of India's exports is manufactured goods.

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COMPARATIVE EVALUATION OF INVESTMENT OF SELECTED PUBLIC AND PRIVATE SECTOR BANKS IN INDIA

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ABSTRACT

The Economic reforms in India started in 1991, but their outcomes are visible now. Major changes took place in functioning of bank nowadays. So, it has become necessary to study and make a comparative analysis of investment of public sector and private sector banks. Increased competition, new information technology, wider scope of banking service increase income of banks. This paper attempts to analyse how efficiently banks manage their investments which are increases because of increase in revenue.

Keywords: Public Sector Banks; Private Sector Banks; Investments

INTRODUCTION

Banking system has a very important place in the nation. A banking institute is a inseparable in a modern society. It is comparable to heart of the nation which pumping in savings and pumping out the investible funds in diverse channel. It forms the core of financial system of a country. Commercial banks play a vital role in the economic development of a country. The bank encourages people for saving and mobilise it for invested in various projects.

The Indian banking system had made significant progress in 1950 and 1960 but the benefits of this did not flow down to the general public in terms of access to credit. In fact, till 1968, commercial banks were not involved to any significant extent in providing direct finance to agriculture.

Recently RBI is keeping two windows open for the liquidity Adjustment Facility (LAF) to ease the liquidity crunch. It has also allowed additional liquidity support under LAF – up to 2% of banks' deposits. Banks are required to invest at least 25% of their deposits in Government bonds and if such investment known as Statutory Liquidity Ratio (SLR) – falls below 25%, RBI penalizes them.

Indian Banking Structure

In the earlier times, there are three main banks were in existence i.e. Bank of Bengal (1809), Bank of Bombay (1840) and Bank of Madras(1843). They were amalgamated into one and formed a new bank called "Imperial Bank of India". It was nationalised in the year 1955.

Nationalisation of banks was started in the year 1955 and it was carried on up to the year 1980. In the year 1969, 14 major banks were nationalised with the deposits of at least Rs. 50 crore. After that in 1980, another 6 banks were nationalised with the deposits of at least Rs. 200 crore. After applying Banking sector reforms, gates for private banks and foreign banks were opened in the year of 1992.

Public Sector Banks

Public sector banks are those in which government has a major stake. They are mainly divided into two groups i.e. Nationalised banks and State Bank of India and its associates. Among them there are

19 nationalised banks and 8 SBI & its associates. Public sector banks dominate 75% of deposits and 71% of advances in the banking industry. Public sector banks dominate commercial banking in India. It can be further divided into three parts:

1. State Bank of India
2. Nationalised Banks
3. Regional Rural banks(RRB)

Private Sector Banks

Private Banks came into existence to compete and support the performance of public banks and serve the needs of the economy better. Private sector banks are the banks which are controlled by private lenders. With the approval from RBI, their interest rates are slightly costly as compared to public sector banks.

LITERATURE REVIEW

Roma Mitra, Shankar Ravi (2008), A stable banking sector is an essential precondition to increase the economic level of a country. This paper analyzes the efficiency of 50 Indian Banks. The aim of this paper is to compare efficiency of banking sector in India. The analysis is supposed to verify or reject the hypothesis whether the banking sector fulfils its intermediation function sufficiently to compete with the global players. This paper evaluates the performance of Banking Sectors in India.

B. Satish Kumar (2008), in his article on an evaluation of the financial performance of Indian private sector banks wrote Private sector banks play an important role in development of Indian economy. The economic reforms totally have changed the banking sector. RBI permitted new banks to be started in the private sector as per the recommendation of Narsimhan committee. Nowadays, Private sector banks with the use of latest information technology have grown very rapidly.

Petya Koeva (2003), in his study on The Performance of Indian Banks During liberalisation states that new empirical evidence on the impact of financial liberalisation on the performance of Indian commercial banks. The analysis focuses on examining the behaviour and determinants of bank intermediation costs and profitability during the liberalisation period. The result suggest that ownership type has a significant effect on some performance indicators and therefore increase in competition which has been associated with lower intermediation cost and profitability of banks.

Saha, Gurudas (2001) in his study analyses that public sector banks have a better competitive edge that is lost because of poor governance leading to human resource mismanagement and loss of profitability. This paper analyses the major financial parameters of Public and Private sector banks and importance of banking cost determination.

Anantha Swamy, B.N. (2001) in his study covers the performance of specific bank- groups over the period 1995-96 to 1999-2000 shows the impact of deregulation and competition in a liberalised economy.

OBJECTIVES OF THE STUDY

1. To compare investment of public and private sector banks of India.
2. To examine trends prevailed in investment of banks.
3. To measure performance of public sector and private sector banks with special reference to investment.
4. To impart necessary suggestions to improve performance as well as investment trend in Indian Banks.

RESEARCH METHODOLOGY

Universe of the study: For the present study, the universe of study is some selected public and private sector banks of India.

Sampling Procedure: A random sampling technique is used.

Sample size: Total size of sample would be eight banks. From which four banks are of Public sector and four banks are from Private sector are taken.

Public sector banks:

i. State Bank of India
ii. Dena Bank
iii. Bank of India
iv. Punjab National Bank

Private sector banks:

i. Axis Bank
ii. HDFC Bank
iii. ICICI Bank
iv. Kotak Mahindra Bank

Tools of Data Collection: Data are collected totally through secondary sources. Annual reports of selected banks are taken into consideration.

Statistical technique: The present study is a comparison of investment between public and private sector banks of India. Hence for comparison T-test is used . Percentage and Rank analysis is also done to check which year is more profitable for banks.

Period of study: from the year 2012 -2015, four years have been considered.

Hypothesis

The present study aims at testing following hypothesis with the help of sample data. The hypothesis is:

H0 (Null Hypothesis): There is no significant difference between investment of public and private sector banks in India.

H1 (Alternate Hypothesis): There is significant difference between investment of public and private sector banks in India.

Data Analysis and Interpretation: Following is the year wise presentation of Investment of all sample banks.

Public Sector Banks

Banks	2012	2013	2014	2015
State Bank of India	312197.67	350927.27	398308.19	495027.40
Bank of India	86753.59	94613.43	114152.44	119792.04
Dena Bank	23027.65	34343.10	36612.07	36499.13
Punjab National Bank	122629.47	129896.19	143785.50	151282.36
Total	544608.32	609779.99	692858.20	802600.93

Source: Annual report of respective banks

Private Sector Banks

Banks	2012	2013	2014	2015
Axis Bank	93192.09	113737.54	113548.43	132342.83
HDFC Bank	97482.91	111613.60	120951.07	166459.95
ICICI Bank	159560.04	171393.60	177021.82	186580.03
Kotak Mahindra Bank	21566.81	28873.43	25484.55	30421.09
Total	371801.85	425618.17	437005.87	515803.90

Source: Annual report of respective Banks

T-Test: (Rs. In Lacs – Approx.)

Year	X1	$(X1-\overline{X1})$	$(X1-\overline{X1})2$	X2	$(X2-\overline{X2})$	$(X2-\overline{X2})2$
2012	5.45	-1.18	1.3924	3.72	-0.66	0.4356
2013	6.10	-0.53	0.2809	4.26	-0.12	0.0144
2014	6.93	0.3	0.0900	4.37	-0.01	0.0001
2015	8.03	1.4	1.9600	5.16	0.78	0.6084
Total	26.51		3.7233	17.51		1.0585
	n 1= 4			n 2=4		

Mean Value $=\overline{X1}$= 26.51/4 = 6.63

Mean Value = $\overline{X2}$ = 17.51/4 = 4.38

Standard Deviation (S) = 0.3645

T = 6.63 – 4.38/ 0.3645$\left[\frac{\sqrt{1}}{4}+\frac{\sqrt{1}}{4}\right]$

= 2.25/ 0.3645(1)

= 6.1728

Degree of freedom = (4-1) + (4-1) = 3+3 =6

Level of Significance = 5%

The table value of 't' at 5% Level of Significance and where Degree of freedom is 6 is 2.447

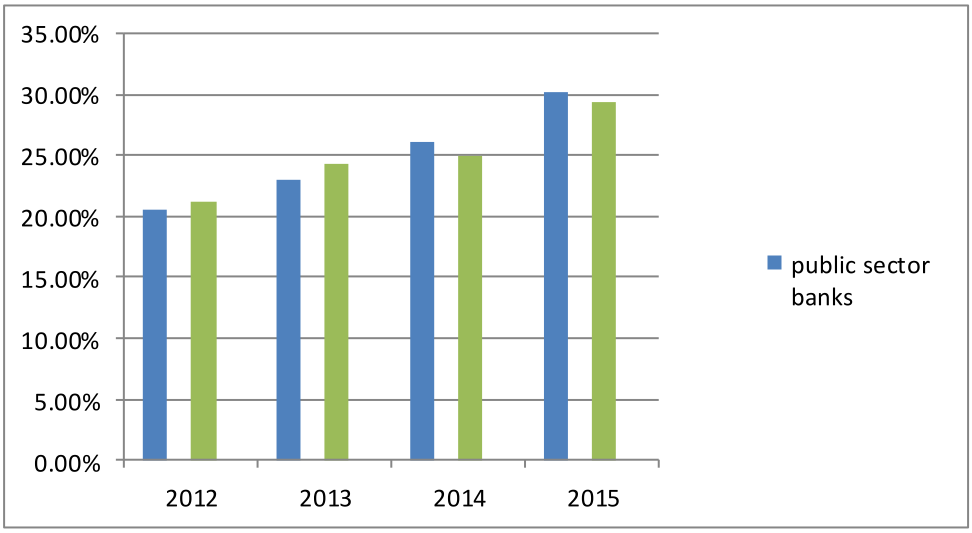
Hence, calculated value is more than table value (6.1728 > 2.447)

Thus, Alternate Hypothesis (H1) is accepted.

We can say that there is significant difference between investment of public and private sector banks in India.

Percentage and Rank Analysis

Year	Public sector banks	Ranks	Private sector banks	Ranks
2012	5.45/26.51*100 =20.56%	4	3.72/17.51*100 =21.25%	4
2013	6.10/26.51*100 =23.01%	3	4.26/17.51*100 =24.33%	3
2014	6.93/26.51*100 =26.14%	2	4.37/17.51*100 =24.96%	2
2015	8.03/26.51*100 =30.29%	1	5.16/17.51*100 =29.47%	1



SUGGESTIONS

1. We can find from results that in both sector banks, there is positive trend of investment prevailed but in private sector banks there is comparative low investment than public sector banks. Thus, private banks should try to increase their investment by increasing their revenues.
2. Both public and private sector banks should try to maintain their increasing trend of investment in future also.

LIMITATIONS OF THE STUDY

1. In the present study, limited banks are taken as sample size.
2. Period of study is taken as four years.
3. Here only public and private sector banks are taken into consideration.
4. Here only investment aspect is taken in the study.

CONCLUSION

Since 1991, India has undertaken banking sector reforms, which aimed to increase the efficiency and profitability of public sector banks which can control about 90% of all deposites and credit. The fruits of banking sector reforms truly get after the year 1999-2000. Public sector and private sector banking are growing very well and contribution of service sector in overall GDP increases very rapidly. As income of banks increase, remaining cash they have to invest in various securities to avoid risk of idle cash issues.

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GOODS AND SERVICE TAX

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ABSTRACT

Given the channel of the Constitution (122nd) Amendment Bill, 2014 for Goods and Services Tax (GST) in the Lok Sabha on 6th May, 2015, the Government of India seems dedicated to substitute all the indirect taxes levied on goods and services by the Centre and States and implement GST by 2016. With GST, it is predictable that the tax base will be all-inclusive, as nearly all goods and services will be taxable, with minimum exemptions.

Keywords: Goods; Services Tax

INTRODUCTION

GST will be a game changing reform for Indian economy by developing a common Indian market and dropping the cascading effect of tax on the cost of goods and services. It will blow the Tax Structure, Tax Incidence, Tax Computation, Tax Payment, Compliance, Credit Utilization and Reporting leading to a complete overhaul of the current indirect tax system. GST will have a far reaching impact on nearly all the aspects of the operations of business in the country, for instance, pricing of products and services; supply chain optimization; IT, accounting and tax conformity systems. The GST bills include amendment to the Arbitration and Conciliation Act, a legislation to set up commercial courts and bankruptcy code.

The GST is a broad based and a single comprehensive tax levied on goods and services consumed in an economy and which will replace all other indirect taxes which are currently in place. It will be a multi-stage tax where the ultimate burden shall lie on the consumer.

GST is a value added tax, levied at all points in the supply chain with credit allowed for any tax paid on inputs acquired for use in making the supply. It will apply to all taxable supplies of goods or services (as against manufacture, sale or provision of service) made for a consideration except –

- Exempted goods or services – common list for CGST & SGST
- Goods or services outside the purview of GST
- Transactions below threshold limits

More than 100 countries across the world have introduced GST or Federal VAT in one form or the other. The GST rate in various countries ranges from as low as 5% in Taiwan to as high as 25% in Denmark. India is expecting to have a dual GST model. It will comprise of a Central GST and a State GST. The Centre and the States will each legislate, levy and administer the Central GST and State GST, respectively.

With the increase of international trade in services, the GST has become a preferred global standard. All OECD countries, except the US, follow this taxation structure. The primary reason for introducing the Bill is to pave the way for the centre to tax sale of goods and the states to tax provision of services. The Bill further proposes that the central government will have the exclusive power to levy GST on imports and inter-state trade. Introduction of GST would thus rationalize the tax content in product price, enhance the ability of business entities to compete globally, and possibly trickle down to benefit the ultimate consumer.

Example: - A product whose base price is Rs.100 and after levying excise duty @ 12% value of the product is Rs. 112. On sale of such goods VAT is levied @ 12.5% and value to the ultimate consumer is Rs. 126. In the proposed GST system on base price of Rs.100 CGST and SGST both will be charged, say @ 8% each, and then the value to the ultimate consumer is Rs. 116. So, in such a case the industry can better compete in global environment.

Indicating that the Goods and Services Tax (GST) Bill may not go through in the current session of Parliament, Finance Minister Arun Jaitley,

on 19 December, 2015, said the GST Bill was being delayed for "collateral reasons". "A delayed GST is better than a flawed GST," he added .The GST Bill is stuck in the Rajya Sabha where the ruling NDA government does not have a majority as well as stiff opposition by the Congress. Concluding this , the government had planned to roll out GST from April 1, 2016.

OBJECTIVE OF THE STUDY

The objective of this study is to make aware about Goods and Service Tax (GST) going to be in practice from April 1, 2016.

RESEARCH METHODOLOGY

The paper is based on the secondary data. The data is collected from the published corporate reports, journals, websites etc.

Features of GST

Main features of GST can be highlighted as follows:

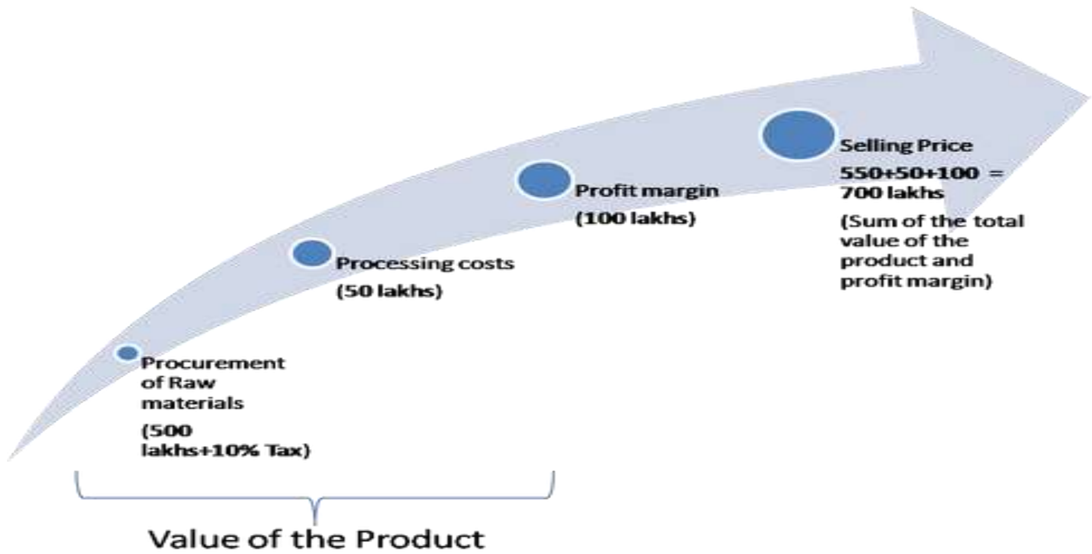
- Taxation is based on Destination
- Apply to all stages of the value chain
- Apply to all taxable supplies of goods or services (as against manufacture, sale or provision of service) made for a consideration except –
- Exempted goods or services – common list for CGST & SGST
- Goods or services outside the purview of GST
- Transactions below threshold limits
- Dual GST having two concurrent components –
- Central GST levied and collected by the Centre
- State GST levied and collected by the States.
- CGST and SGST on intra-State supplies of goods or services in India.
- IGST (Integrated GST) on inter-State supplies of goods or services in India – levied and collected by the Centre.
- IGST applicable to:
- Import of goods and services
- Inter-state stock transfers of goods and services
- Export of goods and services – Zero rated.

- All goods or services likely to be covered under GST except :
- Alcohol for human consumption - State Excise plus VAT
- Electricity - Electricity Duty
- Real Estate - Stamp Duty plus Property Taxes
- Petroleum Products (to be brought under GST from date to be notified on recommendation of GST Council)
- Tobacco Products under GST with Central Excise duty.

Need of GST

This is a single tax which will be levied on the product or service which is sold. In other words, multiple taxes like CENVAT, central sales tax, state sales tax, octroi, etc will not exist and will be replaced by GST. This comprehensive tax covers all stages from manufacture to sale. The tax will be levied only on the value added at each stage of the life cycle. It is based on the value that the producers, suppliers and retailers individually add to the product.

However, the current tax regime is unfairly skewed against most producers. Let's outline and simplify the current system of taxes to see how it operates: Assume there is a soap manufacturer that procures raw materials at 500 lakhs per batch. The manufacturer keeps his operating profits at 100 lakhs and encumbers a processing cost of 50 lakhs. The flow would look something like this:



The producer has to pay tax in this case i.e120 Lakhs (50 lakhs on procurement and 70 lakhs on sales). Now if you have a GST framework in place, the total tax that the producer pays is 70 lakhs. How? If he sell his batch for 700 lakhs, he gets a tax credit of 50 lakhs. Thus, he pays 20 lakhs in the form of taxes for the final transaction. This adds up to just 70 lakhs for the producer.

Every dealer has to submit one single GST return consisting information about all his purchases/sales at Invoice level along with line item. Accordingly necessary records, registers are to be maintained and consolidation for return will require automation and standard procedures.

Destination Principle

The GST structure would follow the destination principle. Accordingly, imports would be subject to GST, while exports would be zero-rated. In the case of inter-State transactions within India, the State tax would apply in the State of destination as opposed to that of origin.

Exempted Goods And Services

1. Alcohol for human consumption - State Excise plus VAT
2. Electricity - Electricity Duty
3. Real Estate - Stamp Duty plus Property Taxes
4. Petroleum Products (to be brought under GST from date to be notified on recommendation of GST Council)

Advantages of GST

- Simpler tax structure
- Increased tax revenues
- Competitive pricing
- Boost to exports as foreign price competitive products
- Tax base broadening and increased revenue to the Centre and State.
- Harmonization of Centre and State tax administrations, which would reduce duplication and compliance costs.
- Introduction of GST would result in abolition of multiple types of taxes on goods and services.
- It reduces effective rates of tax to one or two floor rates.
- Reduces compliance cost and increases voluntary compliance.
- Removes cascading effect of taxation and also distortion in the economy.
- Enhances manufacturing and distribution efficiency, reduces cost of production
- Gives competitive edge in international market for goods and services produced in a country, leading to increased exports.
- Reduces litigation, and corruption.
- Reduces administrative cost for the Government

Challenges in GST- Lesson from Present System

- Legacy issues which will use resources
- Non Harmonization of Tax rates
- Lack of automation
- Lack of Procedural Manuals
- Lack of Skilled officials
- Double Registration- Handling old Registration
- Poor Quality of tax Returns
- No System for 100% Scrutiny of Tax Returns and Tax Audit
- Lack of Cross Verifications with other tax administrations
- Lack of mechanism to control Evasion
- Impact on Prices

Industry Expectation

a. Low compliance cost
b. Simple business processes
c. Less requirement of automation initially
d. Minimal ITC refund cases
e. Exemptions instead of exclusions from GST
f. Seamless flow of input credit
g. Seamless flow of information between, supplier, buyer and tax administration
h. Need for IT portal or agency like TINXSYS, NSDL
i. Automation of process by way of e-registrations, e-returns, e-payment
j. No requirement of verifications during interstate movement of Goods
k. Zero rating of supplies to exporters
l. Administrative efficiency in case of assessment and adjudication
m. Ease of compliance
n. Self-policing

CONCLUSION

The Indian government describes the GST as "a further significant improvement – the next rational step - towards a comprehensive indirect tax reforms in the country." Indeed, it has the potential to be the single most important scheme in the fiscal history of India. It can pave the way for upgrading of tax administration - make it simpler and more see-through – and noteworthy enhancement in voluntary compliance.

Opportunities for a deep-seated reform present themselves only occasionally and thus need to be pursued strongly as and when they do become available. As the choices made today would not be reversible in the near future, one needs a longer-term outlook. Achieving the correct choice is then a political economy balancing act that takes into account the technical options and the differing needs and constraints of the main partners. Fortunately, there is a very substantial consensus among all stakeholders in the country for a genuine reform. In the circumstances, an incremental or timid response would be neither politically expedient, nor would it serve the needs of India of the 21st century.

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MARKETING APPROACH OF SELECTED PRIVATE SECTOR BANK - A CASE STUDY OF ICICI BANK

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ABSTRACT

The banking industry is undergoing revaluation caused by deregulation, this scenario is reflected in the evolution of bank marketing. Tracking back to the history of bank marketing, it is found that some marketing concepts emerged in the west in 1950s in the form of advertising and promotion. Bank marketing is not just advertising and promotion campaign buta managerial process by which services are matched with market. The steps in this direction is to interfuse the marketing variables- Product, Price, Place, Promotion, People, Process and Physical evidence, to satisfy the requirement of the customers. Lacking of any element makes the service failure. The ICICI bank on the way of success it have all the 7 P's running together.

Keywords: Digital Banking; Marketing Mix; 7 P's of Marketing Mix

INTRODUCTION

Banking is a personalized service oriented industry and hence should provide services which satisfy the customer's needs. To meet these needs, bankers are expected to provide satisfactory benefits through provision of form, place, time, and ownership utilities.

According to Deryk Weyer of Barclays Bank, Bank marketing refers to identification of the most profitable markets now and in future, assessment of the present and future needs of customers, setting business development goals and developing suitable plans to meet them, management of the various services and promotion of these services to execute the plans.

Pioneering the digital banking revolution in India, ICICI Bank has been at the forefront of developing solutions, which make banking simple and convenient for its customers. In line with its philosophy of Khayaal Aapka, the Bank offers digital solutions which are customized to specific segments. With solutions which make banking more accessible, easy and less time-consuming, ICICI Bank continues to partner the nation by digitally empowering its citizens.

REVIEW OF LITERATURE

Mr. Anil Kumar (2013), "Bank Marketing mix: New Strategy in Today Banking Sector" describes that, The Role of marketing in the banking industry continues to change. For many years the primary focus of bank marketing was public relations. Then the focus shifted to advertising and sales promotion. That was followed by focus on the development of a sales culture. Today banking sector all elements of the marketing concept – customer satisfaction, profit integrated framework and social responsibility are all equally important.

Wilson Edzorna Dzisah and Chosniel Elikem Ocloo(2013), "Celebrity Endorsement and Consumer Buying Behavior; Enhancing the Promotion Function of Marketing in the Central Business Area of Accra, Ghana" concluded on the positive relationships celebrity endorsement has with consumer behavior and marketing promotions in general. It recommended that companies using celebrities should ensure that the celebrities match the brand, that is, the celebrity must have the value and image required to advertise the brand. It is only when adverts are matched up by attractiveness and expertise that the brand attitude would be more favorable, and find greater purchase intentions.

T. Sreenivas and Smt. Sk. Mabunni (2013), “this article evaluates the innovative marketing strategies adopted by banks to sell their products and create marketing process through 7Ps i.e. Product, Price, Place, Promotion, People, Physical evidence and Process in sample banks taken from Public sector and Private sector Banks. For this purpose, it is proposed to make a comparison study of public sector banks with private sector banks in terms of the sample of SBI and HDFC respectively.

Borugadda Subbaiah(2012), “marketing strategies in bank products” describe that evaluation and importance bank marketing also given explain marketing strategy in banks and bank market segmentation also given in this study.

Biswa N Bhattacharyay(1989), “marketing approach to promoting banking services” describes that, a marketing approach to promoting banking services and mobilizing deposits. Using primary data obtained from a country-wide survey of 19,000 households, Bhattacharyay has identified different segments of the customers which could be tapped by identifying their current and future needs and providing an appropriate range of services.

RESEARCH METHODOLOGY

OBJECTIVES OF THE STUDY

To understand the marketing approach of ICICI bank.

SCOPE OF THE STUDY

It involves the area of marketing only of ICICI bank.

DATA COLLECTION

Secondary Data

Secondary information is collected from various relevant sites, journals, articles and bank annual reports for this article.

7 P’s Marketing Services of ICICI Bank

Service marketing are that elusive concept which stays incomplete without a thorough understanding of 7 Ps. The following form of marketing mix for service marketing, the first 4 P’s being the core and the next 3 P’s being the extended. Marketing mix.

Product

Accounts	Investments	Loans	Insurance policy
Saving account 3 in 1 account Salary account Pension account Other account <u>Deposits</u> Fixed deposit Fixed deposit (without premature withdrawal facility) Recurring deposit iWish flexible FD	<u>Fixed income products</u> Fixed deposit Bonds Senior citizen saving schemes Public provident fund Sukanva samriddhi yojna(SSY) account <u>Investment Products</u> Mutual fund Gold/silver IPO through ASBA	Home loan Car loan Personal loan Gold loan Loan against securities Commercial vehicle loan Pradhan mantra mudra yojna <u>Cards</u> Credit cards Debit cards	Pradhan mantra suraksha bima yojna Life insurance General insurance Card protection plan <u>Agri& Rural</u> Instant gold loan Farmer finance Agri traders & processors

Money multiplier FD Security deposits Mobile Banking ICICI bank offer mobile banking facility to all its Bank, Credit card and Demat customer	Dematservices Digitally signed transaction statement by e-mail. Corporate benefit tracking E-instruction facility-facility to transfer securities 24 hours a day, 7 days a week through internet interactive voice response(IVR) at a lower cost.	Prepaid cards Travel cards Unifare metro cards Commercial cards Merchant services NRI Services On line money transfer	Agri corporates Tractor loan Micro banking

- ICICI bank 1st bank in India to offer an e-wallet which can be used to make payments on all sites and apps.
- The Bank launched 'Pockets', India's first digital bank on a mobile phone. With 'Pockets', anyone including those who are not customers of ICICI Bank, can instantly download the e-wallet, fund it from any bank account in the country and start transacting immediately.
- ICICI Bank is the first bank in India to offer its customers the facility to transfer funds on witter. ICICI Bank is the first bank in the country to launch contactless debit and credit cards.
- ICICI Bank was also the first bank in the country to launch 24X7 Touch Banking branches, offering customers banking facilities at their convenience.
- ICICI Bank launched a paperless account opening facility for Indians residing in the US. This facility allows NRIs to complete the entire account opening process in a single session on the ICICI Bank website.

Pricing

- The pricing decisions or the decision related to interest and fee or commission charged by banks is found.
- The RBI and the IBA are concerned with regulations.
- The banking organization are required to frame two fold strategies First, the strategy is related with interest and fee charged and the second strategy is related to the interest paid.

Place

Bank branch location is a crucial decision at the time of establishing.

- Mainly the two important decision making areas: making available the promised services to the ultimate users and selecting suitable place for bank branch.
- While locating branches, the branch manager needs to consider a number of factors, such as smooth accessibility, availability of infrastructural facilities and the management of branchoffices and premises.
- In addition to this, office and various counter arrangement, safety related measures, parking facility should be given proper attention.
- Branch network, ATM of ICICI bank available at the desired place of customers.
- In Rajkot city ICICI bank situated at below given place.

Branch Code	Branch name	Branch address
0728	Gondal Road	ICICI BANK LTD, Vitha Bhavan, Opp. Union Bank, Gondal Road Rajkot- 360005 Gujarat.
6248	Kalawad Road	Nalanda Society, 433, Kalawad Road, Rajkot - 360 001 Gujarat.
1383	Palace Road	ICICI Bank Ltd., 8 Vardhaman Nagar Corner, Palace Road, Rajkot -360001, Gujarat
0153	Shardabaug	Jai Hind Press Annexe, Opp. Shardabaug, Near Dharam Cinema, Rajkot - 360 001.
0848	Yagnik Road	ICICI Bank Ltd., Shop no. 3 & 4, Convention Center, NrHaribhai Hall ,Off Yagnik, Road, Rajkot – 360 001, Rajkot Dist., Gujarat.

Promotion

- Advertising: Television, Radio, Movie, Theaters
- Print Media: Hoardings, Newspaper, Magazines
- Publicity: Road shows, Campus visits, Sponsorship
- Sales Promotion: Gifts, Discount and Commission, Incentives, etc.
- Person Selling: Cross-safe, Personalized services

People

All people are directly or indirectly involved in the consumption of banking services are an important part of the extended marketing mix. Understanding the customer better allows designing appropriate products. Being a service industry which involves a high level of people interaction, it is very important to use this resource efficiently in order to satisfy customers. Leveraging on this trend, ICICI Bank has introduced wide range of solutions and apps to make banking a pleasurable experience for the youth. Because, India is a young nation, with over 700 million people under 35 years of age. They spend a lot of time on their mobile phones and on social media. They also prefer services that are instant, easy and convenient.

In a banking organization, employees are essentially the contact personnel with customers. Therefore an employee plays an important role in the marketing operation of a service organization.

To realize its potential in bank marketing, ICICI become conscious in its potential in internal marketing – the attraction, development, motivation and retention of qualified employee. Internal marketing provides way for external marketing of services.

The basic objective of internal marketing is to good manner, motivated and customer conscious employees.

Process

The process should be customer friendly in banking industry. The speed and accuracy of payment is of great importance. The processing method should be easy and convenient to the customers.

- Flow of activities: all the major activities of banks follow RBI guidelines. There has to be adherence to certain rules and principles in the banking operations. The activities have been segregated into various departments accordingly.
- Standardization: Standardization is important matter in any bank because it saves a lot of time behind individual transaction. Banks have got standardized procedures got typical transactions. In fact not only all the branches of a single-bank, but all the banks have some standardization

in them. This is because of the rules they are subject to. Besides this, each of the banks has its standard forms, documentations etc.

- Customization: in every branch of this bank put a special counter or Board for the purpose of to deal with customers of a particular scheme. Besides this the customers can select their deposit period among the available alternatives.
- Number of stores: numbers of steps are usually specified and a specific pattern is followed to minimize time taken.
- Simplicity: In ICICI Bank, Separate counters exist with clear indication. Thus a customer wanting to deposit money goes to deposits 'counter and does not intermix elsewhere. This makes procedures not only simple but consume less time. Besides instruction boards in national boards in national and regional language help the customers further.

Physical Evidence

Physical evidence is the material part of a service. It includes signage, reports, punch lines, other tangibles, Employee dress code etc.

- Signage: Logo of ICICI bank by which a person can identify the bank.
- Financial reports: Financial reports are issued to the customer to credibility.
- Punch lines: punch lines or the corporate statement depict the philosophy and attitude of the bank. Banks have influential punch lines to attract the customers.
- Tangibles: banks give pens, writing pads to the internal customers. Even the passbooks, cheque books, etc. reduce the inherent intangibility of services.
- Employees' dress code: ICICI bank follows a dress code (Blue color) for their internal customer. This helps the customer to feel happy and comfort.

Promoting Inclusive Growth of ICICI Bank

Under this scheme, bank focuses following type area of focus:

Primary health

- District health action plan (In Bihar, ICICI Foundation has worked with Public Health Resource Network and the National Health Systems Resource Centre to support preparation of District Health Action Plans for the entire state for the third consecutive year.)
- Nutrition security programme (This initiative aims to improve nutrition of children aged between six months and three years by enlisting and training the Mitanni (community health workers) to change dietary practices and attitudes in communities.)
- Maternal nutrition project (The study tests the impact of enhancing micronutrient quality in women's diets from before conception to delivery, by examining women's health, fetal growth and their children's development.)
- State village health committee sahiyya resource center (Under the National Rural Health Mission (NRHM), Sahiyyas (community health workers) play a key role in linking their communities with public health systems and act as agents for community mobilisation. The Jharkhand State Village Health Committee and Sahiyya Resource Centre were created through an innovative partnership with the Jharkhand state government, central government institutions and civil society organisations.)

- Outpatient health care project (The project will offer outpatient insurance and will complement the Government of India's national health insurance scheme for inpatient care, the RashtriyaSwasthyaBimaYojana (RSBY).

Elementary Education

- Quality education programme (The major objectives of the project were to strengthen Baran's District Institute of Educational Training (DIET), work with the SarvaShikshaAbhyan (SSA) team to provide adequate academic support in the district and support selected cluster resource centres to develop model schools.)
- Consultative meeting to improve quality of education (ICICI Foundation organized a consultative meeting to share its work, emerging strategies and long-term plans with various stakeholders at India Habitat Centre, New Delhi.)
- State-wide programme for improvements in schools education and teacher training (The scope of this programme will cover the training of 300 master trainers who will train 4,500 teacher trainers who in turn will train 100,000 in-service teachers and 10,000 pre-service teachers.)
- Access to finance (ICICI Foundation partners with ICICI Group companies to provide greater access to, and create awareness of finance in communities where it has established health and education programs.)
- Sustainable livelihoods (ICICI Foundation has broadened the scope of its work to include sustainable livelihoods in order to address the urgent need for adequate training for rural youth. Skill development training for the youth, particularly those below the poverty line, is required in order to make them employable or equip them to become entrepreneurs.)

Serving Communities in Partnership with Civil Society

ICICI Group companies also undertake certain other projects for the benefit of society, along with ICICI Foundation. These include:

- Read to Lead – Phase II(supported 63 libraries and reach out approximately 7200 children's in rural areas)ICICI Fellows (working with partner NGOs)
- Healthy Lokshakti(works towards improving the health of mothers and children's which are between 0 to 1 years)
- Muktangan Education Initiative (ICICI Securities supports the Mumbai-based NGO Doorstep School which enriches the schooling experience of 1,265 [2010-11] socio-economically disadvantaged children and supports enrollment and sustenance through activities such as reading promotion, study class, mental health support and extracurricular activities.)
- Payroll giving (Since 2003, ICICI Bank has facilitated employee donations to social causes through Give India.)
- Employee volunteering (The "Change makers" programme enables employees to contribute their time and talent for social change.)
- Blood donation (In order to reduce the blood shortage in India, ICICI Foundation organized a blood donation camp at ICICI Bank Towers in Mumbai together with State Blood Transfusion Council (SBTC), the autonomous regulatory authority for blood banks in Maharashtra set up under the Ministry of Health.)
- Speak for Smiles (Together with Toofles Foundation and CNBC-TV18, Speak for Smiles, an initiative where young students get an opportunity to interact with business leaders and learn from their experiences was launched.)

CONCLUSION

The marketing mix is a business tool used in marketing and by marketers. The marketing mix is often crucial when determining a product or brand's offer, and is often associated with the four P's: price, product, promotion, and place. In service marketing, however, the four Ps are expanded to the seven P's or Seven P's to address the different nature of services. As per above discussion regarding marketing approach of ICICI Bank, people and all academic students are very well aware of marketing approach of banking sector. The "seven Ps" is a marketing model that adds to the aforementioned four Ps, including "physical evidence", "people", and "process". It is used when the relevant product is a service, not merely a physical good. Generally, students feel uncomfortable to understand the 7 P's of marketing mix particularly in banking sector. So, based on these article students very well understand that, how we have explained marketing mix of banking sector? The above article represents marketing approach with a case study of ICICI bank. Today, ICICI bank achieved second rank based on digitalization.

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ANALYSE THE HRD FRAMEWORK OUTLINING THE PROBLEMS / TECHNIQUES, SUB SYSTEM OF HRD AND ITS OUTCOMES

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ABSTRACT

The effective performance of an organization depends not just on the available resources, but its quality and competences as required by the organization from time to time. So Human Resource Development is the integrated use of training organizational development and career development efforts to improve individual groups and organizational effectiveness. The main purpose of HRD is as equity, employability and adaptability, competitiveness. Human Resource Development provides for two-way, open and interactive communication between management and employees. Human resource worked as development functions, maintenance and control functions. HRD have most important techniques analysed which is called as HRD Methods, HRD Instruments, HRD Mechanism or HRD Sub-system. It acts as performance appraisal, career planning, organizational change. Human Resource Development outcomes provide the ground rules to build an organization excelling in people, process, products, and profits.

Keywords: HRD Techniques; HRD Outcomes; Career Planning; Performance Management; Human Resource; HRD Sub-System

INTRODUCTION

The concept of HRD was formally introduced by ‘’ Leonard Nadler’’ in 1969 in a conference organized by the American society for training and development.

“Those learning experience which are organized for a specific time and designed to bring about the possibility of behavioral change,” – Leonard Nadler

“Human Resources Development is a holistic concept in corporation intrinsically social culture and spiritual dimensions to build capacity and empower people.” –Rogers

Human resources development have most features like as planned and systematic approaches, continuous process, interdisciplinary approaches, both micro and macro aspects. Recent economic liberalizations announced by the government of India tend towards market and economy. It started creating more dynamic environment in India than ever before. HRD plays a significant and crucial role in market economics under dynamic environment. Human Resource Development should be effective and efficient. HRD cannot be effective for the candidates who do not posses potentials to perform present and future roles in organizations with dynamic environment. HRD to be effective should essentially have a strong base of human resource planning, recruitment and selection based on effective human resource development requirements. These base factors enable the organizations to develop its human resources efficiently. Human resources planning for HRD should plan for human resources not only for the present and future jobs but also roles. Human resources to be acquired and developed are determined in terms of skills, knowledge, abilities, values, aptitudes, beliefs, commitments etc. Suitable techniques of human resources development are to be selected depending upon the resources to be acquired and developed. The outcomes of HRD are four-fold, viz, to the organization, to the individuals, to the groups, and to the society.

Techniques of Human Resources Development

Performance Appraisal, Career Planning, Career Development, Management Development, Employee Training, Grievances Mechanism, Quality Circles, Monetary & Non-Monetary Rewards, Social & Cultural Progarmmes, Communication Policies & Practices, Executive Development, Employee Benefits, Team Work, Workers' Participation in Management, Employee Counselling

Outcomes of Human Resources Development

Training makes people more competent and develops new skills, knowledge; attitudes. There is a greater clarity of norms and standards. People become better aware of the skills required for job performance and the expectations which other member have set for them.HRD helps including multi-skill to the employees. Participation develops in workers a sense of achievement and pride in work. There is a great collaboration and team work which produced synergy effect. Lot of useful and objective data on employees are generated which facilities human resources planning.

Significance Of Human Resources Development

Significance of HRD can also be attributed to the distinct characteristics of human resources. They are human resources, its complete human being i.e. economic, social and psychological and employees enter the organizations with their values sentiments, aptitudes. The competencies of human resources are developed through HRD programmes. Employees background expectations, values vary from person to person and value of human resources increase over the time due to continuous learning process unlike other resources.

OBJECTIVES OF HUMAN RESOURCES DEVELOPMENT

1. To prepare the employees to meet the present and changing future job requirements.
2. To aid total quality management.
3. To develop creative abilities and talents.
4. To promote individual and collective morale, a sence of responsibility, co-operative attitudes and good relationship.
5. To improve new entrants with basic HRD skills and knowledge.
6. To create a climate that enables every employees to discover, develop and use his/her capabilities to a fuller extent in order to further both individual and organizational goals.

FINDINGS

This research paper is based on secondary data sources. This data have been already collected and analysed by some earlier agency for its own use and later the same data are used by a different agency. It collected from published journals, books, newspapers, and different websites. Data of this research paper also collected through internal as well as external both. Data that originate within the firm for which the research is being conducted for other purposes i.e. internal secondary data. Second forms of secondary data are external sources which are generally published and obtained from different sources like as libraries, literature, periodicals, govt. department, private sources and international organization.

SUGGESTIONS

Human resources are development to make effective in Indian organizations. It should be an explicit corporate policy on human resources. It also be stated, explicitly, explained down the line and pursued vigoriously. The head must have full belief in the value of his employees as his great resources, his action must convince people, benevolent, critical, and developmental. Human resources development needs of the organization should be seriously explained and an action plan for HRD should be prepared. Organizations usually differ in their needs in respect of human resources development. HRD departments should be headed by competent persons and should be placed close to the chief executive on the organization chart. HRD also conducive climate should be developed and heads of various departments which are dealing with HRD efforts should be encouraged to share their experience and develop professionally.

RECOMMENDATIONS

Recommendations concerning with human resources development, education training, lifelong learning adaptation. It related with scheme of national awarded to teachers ministry of HRD. Each award carries with it a certificate and it will be further request for recommendation department od school education. Guidelines for implementation of programmes and scheme under scheduled. It also have ratio in the form of recommendation of committee 6.1 modes and the need for student election, student bodies/organizations 6.2 modes.

CONCLUSION

The basic assumption underlying human resources development is that most people joining organizations have inherent desires. It is concluded that HRD in organization perspective is focused in narrow since by its function on learning education and Human Resources Development framework identified through inputs and outputs. The outcomes of Human Resources Development are four-fold viz. to the organization, to the individuals, to the groups, to the society.

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IMPACT OF COGNITIVE DISSONANCE

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ABSTRACT

The hypothesis of "subjective cacophony" is of awesome significance in shopper conduct and advertisers have loads of enthusiasm for breaking down the post buy conduct of buyers experienced by them. This paper has investigated the components that make intellectual cacophony in shopper purchasing choice making especially among the customer products buyer in the city range. Some of these are family status, religious worth, traditions, conviction and so forth the concentrate likewise uncovers the issues and recognized plausible answers for defeat these problems. This article investigates the ramifications of intellectual discord on differed parts of customer purchasing behavior. Some of the components prompting disharmony post buy.

Keywords: Cognitive Dissonance

INTRODUCTION

Dissonance - Defined

Purchasing Behavior is the choice procedures and demonstrations of individuals included in purchasing and utilizing items. Individuals tend to look for consistency in their convictions and discernments. So what happens when one of our convictions clashes with another already held conviction? The term subjective discord is utilized to portray the sentiment uneasiness that outcomes from holding two clashing convictions. At the point when there is an inconsistency in the middle of convictions and practices, something must change keeping in mind the end goal to take out or diminish the difference.

Needs to Understand

Why buyers make the buys that they make? What variables impact shopper buys? The changing elements in our general public Shopper Buying Behavior alludes to the purchasing conduct of a definitive buyer. A firm needs to examine purchasing conduct for: Buyers responses to an organizations showcasing procedure has an awesome effect on the organizations achievement. The showcasing idea focuses on that a firm ought to make a Marketing Mix (MM) that fulfills (offers utility to) clients, consequently need to investigate the what, where, when and how purchasers purchase. Marketers can better anticipate how customers will react to advertising.

OBJECTIVES

1. To understand various terminologies related to cognitive dissonance with examples
2. To identify the ways in which its negative impact can be reduced
3. To have a broad understanding of consumer behavior through stages of buying process

Discord in Consumer Behavior in Changing Business Environment

Advertisers have dependably been attempting to secure new client base, holding the current one by giving worth, fulfilling clients' trade desires. It has been found that client maintenance is exceptionally connected with consumer loyalty which along with holding the client with the organization, influences income, procuring per share and stock value (Williams and Naumann, 2011).A definite and thorough investigation of every perspectives of consumer conduct gets to be basic for the achievement of an association. What's more, subsequently, the idea of psychological discord and its impact on the customer conduct has been a piece of different huge exploration concentrates on too. One creator even termed it one of social psychology's most prominent speculations (Aronson 1969).Sweeney, Hausknecht and Soutar (2000) noted, „dissonance incorporates both psychological viewpoints, as the title „cognitive dissonance suggests, and additionally a passionate measurement, the same number of definitions, including Festinger's unique definition, imply. The subsequent disharmony persuades the person to convey congruity to conflicting components and in this way lessen mental tension. Dissonance is known not chiefly in three ways –First, any consistent irregularity can make discord. Second, disharmony can be made when a man encounters an irregularity either between his state of mind and his conduct or between two of his practices. Third, disharmony can happen when a firmly held desire is disconfirmed. Further, discord happens once a choice has been made as preceding settling on a choice an individual had a choice of changing in accordance with any mentality or conduct which he regarded perfectly fine his decision yet once a choice is being made, a guarantee has been built up between the purchaser and the customer, where he can't further modify himself and is obligated to adhere

Reducing Dissonance

There are three key systems to lessen or minimize intellectual discord:

1. Focus on more strong convictions that exceed the noisy conviction or conduct.
2. Reduce the significance of the clashing conviction.
3. Change the clashing conviction so it is reliable with different convictions or practices.

Subjective cacophony assumes a part in numerous quality judgments, choices and assessments. Getting to be mindful of how clashing convictions affect the choice making procedure is an awesome approach to enhance your capacity to settle on speedier and more precise decisions

Example- Cognitive cacophony can happen in numerous ranges of life, however it is especially obvious in circumstances where a singular's conduct clashes with convictions that are basic to his or her self-person. You can consider perceptions convictions. On & off chance that you like smoking then this is a perception. Then again realizing that smoking is hurtful is another insight.

Presently when 2 insights (like the ones said) are offensive then you can call this marvel intellectual cacophony. Since a great many people who smoke realize that smoking is awful they encounter intellectual cacophony. Be that as it may, the inquiry is, the reason do most smokers never surrender smoking regardless of the possibility that they are encountering psychological cacophony?

It is suggested in this article about the association between subjective disharmony and smoking conduct.

How Smokers Manage Subjective Discord

Since intellectual disharmony is not an open to thing smokers have a tendency to change their convictions deliberately just to dispose of the psychological cacophony.

One celebrated samples would be modifying the convictions about the risks of saying so as to smoke something like "i know a 70 years of age man who smokes since he was 20 and who is exceptionally sound".

As should be obvious the smoker for this situation killed psychological cacophony by contorting his convictions. A dear companion of mine used to overcome subjective cacophony of reminding so as to smoke me and himself once in a while that he can surrender smoking at whatever time he needs despite the fact that he has neglected to do this few times some time recently.

A few smokers dispose of psychological disharmony by including new insights, for example, "i don't drink, so smoking won't hurt me at any rate just like a sound individual"

Another escaping so as to gather of smokers keep intellectual disharmony from any new realities that would help with the arrangement of psychological discord. For instance those smokers may cease from perusing any late studies that discussion about the risks of smoking.

In what manner can smokers forestall intellectual discord the right way?

As should be obvious most smokers trick themselves when they confront subjective cacophony. The initial move towards forestalling psychological cacophony the right path is to quit tricking yourself and making lies through the arrangement of new insights.

In the Solid Self certainty program i said that numerous individuals need fearlessness as an aftereffect of managing mistakenly with subjective disharmony. Rather than conceding reality and chipping away at their issues they shroud them by framing new cognitions.

We people are bosses of self misleading and in the event that you didn't pay consideration on how you manage subjective discord you will wind up tricking yourself and you will never have the capacity to surrender smoking.

A more normal illustration of intellectual cacophony happens in the acquiring choices we make all the time. The vast majority need to believe that they use sound judgment. At the point when an item or thing we buy turns out seriously, it clashes with our already existing conviction about our choice making capacities.

When the buy has been made, a human personality begins evaluating the advantages and disadvantages of the buy exchange made. This action prompts transmission of bunch of clashing musings in the psyche of the purchaser. The positive parts of a decision sworn off and the negative aspects of the choice made make climbing strain in Cognitive Dissonance and Its Impact on Consumer Buying Behavior. The human personality and make the purchaser reevaluate about the choice made, notes Kassarjian and Cohen (1965).Dissonance however is a mental idea yet has an awesome bearing in transit shoppers arrange their buy and impact of the buy made on their future partnership with the organization. In a time of showcasing, where a customer is spoilt with a plenty of decisions as with respect to the item to purchase, it is hard to dodge a circumstance of perplexity which prompts disharmony among the customers. Be that as it may, customers endeavor their endeavors in distinctive approaches to diminish the clashing perspectives which emerge in their psyche. At the point when a buy exchange gets finished, the majority of the buyers feel that their choice must effected by the business mediations being made by the dealer and consequently their subjective consistency has been bargained to the different showcasing intercessions made by the vender (Bell,1967; and Cummings and Venkatesan,1976).A purchaser in the wake of settling on a coveted choice may feel that by picking a sure brand, he has done without the positive qualities of an option brand which he could have had on the off chance that he had picked the option brand. The blame may get complemented if purchased brand doesn’t execute according to the craved desires of the customer.

Types of Consumer Behaviour

Sorts of purchaser purchasing conduct are dictated by: Level of Involvement in buy choice. Significance and force of enthusiasm for an item in a specific circumstance. Buyers level of contribution decides why he/she is roused to look for data around a sure items and brands however basically disregards others. High inclusion buys - Honda Motorbike, extravagant merchandise, items noticeable to others, and the higher the danger the higher the contribution.

Sorts of danger

1. Personal danger
2. Social danger

3. Economic danger

The Four Kind of Shopper Purchasing Conduct Are

1. Routine Response/Programmed Behavior- - purchasing low inclusion regularly bought ease things; require next to no inquiry and choice exertion; obtained consequently. Illustrations incorporate sodas, nibble sustenance, milk and so forth
2. Limited Decision Making- - purchasing item at times. When you have to get data about new brand in a natural item class, maybe. Requires a moderate measure of time for data gathering. Illustrations incorporate Clothes- - know item class yet not the brand. Extensive Decision Making/Complex high contribution, new, costly and/or rarely purchased items. High level of monetary/execution/mental danger. Samples incorporate autos, homes, PCs, instruction. Invest alot of energy looking for data and choosing. Data from the organizations MM; companions and relatives, store work force and so on. Experience every one of the six phases of the purchasing procedure. Impulse purchasing, no cognizant arranging. The buy of the same item does not generally inspire the same Buying Behavior. Item can move from one classification to the next
3. For Example: Going out for supper for one individual may be broad choice making (for somebody that does not go out frequently by any stretch of the imagination), but rather constrained choice making for another person. The explanation behind the supper, whether it is a commemoration festivity, or a dinner with two or three companions will likewise decide the degree of

Foundation of Dissonance Theory

The hypothesis of intellectual disharmony is richly straightforward: it expresses that irregularity between two insights makes an aversive state likened to appetite or thirst that offers ascend to an inspiration to lessen the irregularity. As per Leon Festinger (1957), perceptions are components of information that individuals have about their conduct, their states of mind, and their surroundings. In that capacity, an arrangement of comprehensions can be inconsequential, consonant, or conflicting with one another. Two discernments are said to be cacophonous when one takes after from the front-side of the other. The resultant inspiration to decrease disharmony is specifically relative to the extent and significance of the discrepant discernments, and conversely corresponding to the greatness and significance of the reliable insights. This pressure is normally lessened by changing one of the perceptions, or including new comprehensions until mental `consonance' is accomplished

Use of this hypothesis has yielded numerous shocking and non instinctive forecasts. An early and regularly imitated analysis shows the force and unreasonableness of the hypothesis. In what is presently known as the affected consistence impact, Festinger and Carlsmith (1959) solicited people to perform 30 minutes from a psyche numbingly repetitive action, and afterward to induce a holding up member that the movement was indeed very fascinating. This circumstance made intellectual cacophony in most individuals—they trusted that the errand was exhausting, yet mysteriously ended up belligerence a remarkable.

There have been three noteworthy modifications important to present day translation of cacophony wonders. Aronson's self-consistency model (1968) recommended that discord came about because of practices that were discrepant with one's origination of oneself as a respectable and sensible individual. Steele's self-attestation hypothesis (1988) recommended that disharmony rose up out of dangers to the larger self-framework, and that cacophony decrease depended on re-building up the uprightness of the worldwide self-idea. Cooper and Fazio's `New Look' model (1984) recommended that disharmony came about because of making undesirable aversive outcomes and did not require subjective irregularity. A late combination examined by Cooper (1999) and Stone (1999) recommends that disharmony is created by an inconsistency between the result of a behavioral demonstration and the standard to which it is thought about.

Stages of Buying Behaviour

The need recognition is the first and most important step in the buying process. If there is no need, there is no purchase. This recognition happens when there is a lag between the consumer's actual situation and the ideal and desired one.

However, not all the needs end up as a buying behavior. It requires that the lag between the two situations is quite important. But the "way" (product price, ease of acquisition, etc.) to obtain this ideal situation has to be perceived as "acceptable" by the consumer based on the level of importance he attributes to the need.

The recognition of a need by a consumer can be caused in different ways. Different classifications are used:

Internal stimuli (physiological need felt by the individual as hunger or thirst) which opposes the external stimuli such as exposure to an advertisement, the sight of a pretty dress in a shop window or the mouth-watering smell of french "pain au chocolat" when passing by a bakery.

Classification by Type of Needs

- Functional need: the need is related to a feature or specific functions of the product or happens to be the answer to a functional problem. Like a computer with a more powerful video card to be able to play the latest video games or a washing machine that responds to the need to have clean clothes while avoiding having to do it by hand or go to the laundromat.
- Social need: the need comes from a desire for integration and belongingness in the social environment or for social recognition. Like buying a new fashionable bag to look good at school or choose a luxury car to "show" that you are successful in life.
- Need for change: the need has its origin in a desire from the consumer to change. This may result in the purchase of a new coat or new furniture to change the decoration of your apartment.

The Maslow's Hierarchy of Needs

Developed by the eponymous psychologist, this is one the best known and widely used classifications and representations for hierarchy of needs. It specifies that an individual is "guided" by certain needs that he wants to achieve before seeking to focus on the following ones:

- Physiological needs
- Safety needs
- Need of love and belonging
- Need of esteem (for oneself and from the others)
- Need of self-actualization

Information Search

When the need is recognized, it's the ideal opportunity for the buyer to look for data about conceivable answers for the issue. He will seek pretty much data relying upon the multifaceted nature of the decisions to be made additionally his level of association. (Purchasing pasta requires little data and includes fewer buyers than purchasing an auto.)

At that point the shopper will look to make his assessment to guide his decision and his choice making procedure with:

Internal data: this data is now present in the purchaser's memory. It originates from past encounters he had with an item or brand and the assessment he may have of the brand.

Inner data is adequate for the obtaining of ordinary items that the shopper knows – including Fast-Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG). Be that as it may, with regards to a noteworthy buy with a level of instability or more grounded association and the purchaser does not have enough data, he must swings to another source:

External data: This is data on an item or brand got from and acquired by companions or family, by audits from different customers or from the press. Also, obviously, official business sources, for example, a publicizing or a merchant's discourse.

Amid his choice making procedure and his Consumer Buying Decision Process, the buyer will give careful consideration to his inward data and the data from companions, family or different customers. It will be judged more "goal" than these from a publicizing, a merchant's discourse or a business pamphlet of the item.

Elective Assessment

Once the data gathered, the shopper will have the capacity to assess the diverse choices that offer to him, assess the most suitable to his needs and pick the one he believe it's best for him.

Keeping in mind the end goal to do as such, he will assess their qualities on two angles. The goal attributes, (for example, the components and usefulness of the item) additionally subjective (discernment and saw estimation of the brand by the shopper or its notoriety).

Every shopper does not ascribe the same significance to every quality for his choice and his Consumer Buying Decision Process. What's more, it fluctuates starting with one customer then onto the next. Mr. Smith may lean toward an item for the notoriety of the brand X as opposed to somewhat more intense however less known item. While Mrs. Johnson has an awful impression of that same brand.

The customer will then utilize the data beforehand gathered and his discernment or picture of a brand to set up an arrangement of assessment criteria, alluring or needed elements, group the distinctive items accessible and assess which option has the most opportunity to fulfill him.

Buy Choice

Since the purchaser has assessed the diverse arrangements and items accessible for react to his need, he will have the capacity to pick the item or brand that appears to be most fitting to his needs. At that point continue to the real buy itself.

His choice will rely on upon the data and the choice made in the past step in light of the apparent quality, item's elements and capacities that are essential to him.

Be that as it may, his Consumer Buying Decision Process and his choice procedure might likewise depend or influenced by such things as the nature of his shopping knowledge or of the store (or internet shopping site), the accessibility of an advancement, an arrival approach or great terms and conditions for the deal.

Post-Buy Conduct

Once the item is obtained and utilized, the customer will assess the sufficiency with his unique needs (the individuals who brought on the purchasing conduct). What's more, whether he has settled on the right decision in purchasing this item or not? He will feel either a feeling of fulfillment for the item (and the decision). On the other hand, despite what might be expected, a failure if the item has missed the mark regarding desires.

A supposition that will impact his future choices and purchasing conduct. On the off chance that the item has conveyed fulfillment to the buyer, he will then minimize phases of data quest and option assessment for his next buys with a specific end goal to purchase the same brand. This will deliver client faithfully.

Then again, if the involvement with the item was normal or frustrating, the purchaser is going to rehash the 5 phases of the Consumer Buying Decision Process amid his next buy yet by barring the brand.

Positive or negative, purchasers will likewise have the capacity to impart their insight on the brand. Whether in their family or by listening in on others' conversations? On the other hand on a much more extensive scale now with informal communities or on purchaser item audit sites. An inclination not to be disregarded in light of the fact that now with the Internet, a troubled client can have an in number energy to hurt for a brand.

That is the reason that is critical for organizations to have consciousness of that matter. Notwithstanding advancing the client encounter, a surety (for instance, for a clothes washer), a proficient client administration and a particular call focus are a percentage of the advantages that can be created to enhance post-buy conduct if there is any issue with the purchase.

Example of Five Stages

In no way like a genuine sample to better comprehend the five phases of the Consumer Buying Decision Process. Perhaps this circumstance sounds well known to you.

Stage 1 – Need acknowledgment: It's Sunday night. You're eager (inward physiological jolts) and there is nothing in the refrigerator. You will arrange sustenance (explanation of need).

Stage 2 – Information seek: You as of now have requested to the Indian eatery in your road a month ago (interior data). A companion prescribed a pizzeria in your neighborhood (outer data from environment). Furthermore, toward the beginning of today you've discovered a flyer for a sushi eatery in your post box (outer data from publicizing).

Stage 3 – Alternative assessment: You have a terrible feeling of the Indian eatery since you've been debilitated the last time (awkward set). The pizzeria is both prescribed by your companion furthermore happens to be a surely understood brand (positive observation – evoked set). With respect to the sushi eatery, it got great surveys on Trip advisor (positive observation – evoked set).

Stage 4 – Purchase choice: After assessing the conceivable outcomes, you've chosen to pick the surely understood pizza conveyance chain. Also, another scene of your most loved TV show is shown today evening time on TV.

Stage 5 – Post-buy conduct: The pizza was great (positive audit). Be that as it may, you know there was an excess of calories and you lament a tad bit (blended emotions about yourself). Whenever you will pick the sushi eatery, there is less fat in sushi than pizza.

CONCLUSION

This concentrate additionally has proposed some technique which benefit association may diminish psychological discord and it is critical for the administration association to lessen cacophony identified with obtaining and along these lines get by in the opposition in the nearby and also in the worldwide Markets. a portion of the prescribed methodologies to decrease subjective discord are:

1. Concentrate on convictions balancing the noisy conviction or conduct.
2. Decrease the significance of the opposing conviction.
3. Change the clashing conviction to make it reliable with different convictions
4. Searching for believable source which the objective customers trust. In the meantime informal correspondences should be expanded.
5. Stress on selecting an amiable source.
6. Discovering the sources coordinating with client's past conviction.

7. Surprising source now and again may have more effect on customer's dispositions.

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A REVIEW OF RISING CUSTOMERS EXPECTATIONS IN KEY ACCOUNT MANAGEMENT

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ABSTRACT

Year 1970 onwards predominantly many well-known companies started to address their valuable and important customers as "Key Accounts". Since then, key account management {KAM} has evolved in response to new technologies and massive changes in the global economy. Today, KAM is very widely used in relationship and business development initiatives in professional management. It builds strategic relationships with selected customers and Drives alignment within the entire organization. It is a central, pivotal point of Business enhancement activity and Delivers value to customers which is the main objective of any organization with reference to highly complexed and competitive business environment. These days Businesses make lot of investments in terms of time, human resources and other business development activities for enforcing KAM. By doing this they try to get very close to the selected customer using Relationship as the base of these activities. On the other hand the key customers' expectations are rising and are posing lot of challenges to companies. There are various reasons for growing expectations. These key customers too operate in immensely competitive business world. They stand in the need of supports from suppliers in various elements of transactions like price, quality, credit period, delivery period after sales support etc. Secondly when it comes to procurements, key clients have lot of positives with them like, higher requirements in terms of volumes, large portions of suppliers business, options of products and suppliers, a great deal of information about the market and availability of what they need and all this coupled with ever increasing buying power. This paper makes an attempt to take you through the realities, reasons and gravity of the rising expectations of the key customers. It also talks over how the companies are preparing themselves and rolling out focused strategies and tactics to downsize the detrimental intensities and effects of ever rising expectations.

Keywords: KAM; Key Account Management; KA; Key Accounts

INTRODUCTION

Rising complications in Business is a very common occurrence at all the market places. Typically, as a business grows, it gets more complicated, and so too does its technology. However it's more than growth that is making things harder for business owners and boards across the world. Most businesses are now faced with mounting competitive challenges from home and abroad, increasing compliance and regulation, new financial pressures as well as newly discovered technologies. We are also seeing that likewise the established market players are under enormous pressure from the challenges of start-ups, which are making impact in many sectors. Therefore the bigger and well established players too require matching the creativity, energy and innovation storming out of start-ups. These challenges are multiplied when the companies are making business with their selected, few and important customers. This is because the major chunk of their total business depends on these selected, few and important customers {which are described as key customers in this paper}

Customer expectations and more of the key customers' expectations are rising faster than anything else in the turbulent business surroundings. Many companies are responding much slower as unable to judge the speed of change. If organizations wait much longer to meet customers' new expectations then these company may see its reputation tarnished. Key customer demands have evolved over time, but never as rapidly as they have in the past few years. We can thank (or blame) technology for most of these changing outlooks. The amount of information that's available at the speed of light and in the palm of hands makes nearly every key customer to look forward to something more. In addition to this key customers are gaining higher buying power and getting more organized and professional in their buying protocols With or without a budget geared toward meeting expectations and improving the customer experience, companies need to know what clients want now and how they will drive satisfaction and loyalty of the key clients. Meeting or exceeding these growing expectations is very important for businesses to keep these accounts with them and then make a progress in the quantum of business with desired profits, is a very visible and tough challenge. These customers will have to craft, rollout, measure and monitor well thought business initiatives to make effective responses to the rising expectations of key accounts

OBJECTIVE OF THIS STUDY

1. To understand in brief what are the key accounts and their management {KAM}
2. To find out the reasons why these key accounts expect increasingly more
3. To study important expectations of key accounts
4. To research how effective KAM practices can provide solutions to face these rising expiations successfully.

BACKGROUND

Today's companies are going head over heels to retain key customers. In reality, the cost of attracting a new customer is far more than keeping a current customer happy. The task of creating strong customer loyalty is the base of relationship marketing. It is basically a philosophy of doing business in a highly competitive market with strategic orientation focusing on improving relationship with selected existing customers to develop lifetime alliances. Several trends identified in various studies demonstrate that a number of major challenges lie ahead as the world becomes a more complex place for making businesses. Rising customer expectations was ranked by many studies as one of the most important trend, and meeting customer requirements and expectations was ranked as the number one business objective by most of the organizations.

Pestle Analysis

The dynamics and competition in the business is always changing. Other than the direct competition there are change factors which affect the business continuously. This is given in PESTLE analysis

PESTLE

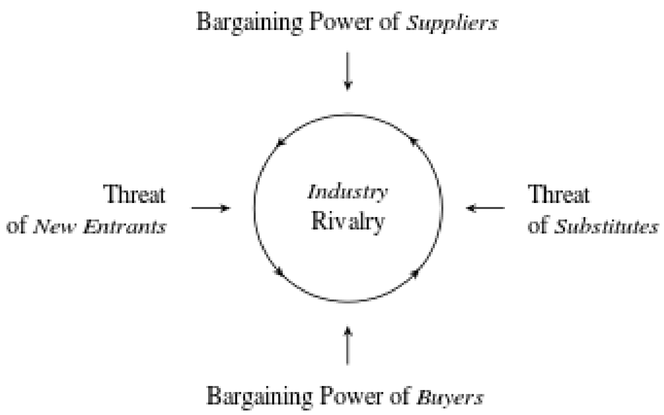
Need of Relationship Based Approach

To face the competition in the complex business environment and then to breed the business further is always a testing time for all the organizations. This growth will not happen unless the company is able to sell over and above to various customers and step-up the top and bottom lines. In reality everywhere in the world the investors invest their money to earn better returns. These companies need to grow and that too by delivering profitable and sustainable growth. When it was clear that it is the 'Customer' who will make them work and grow, various ways of classification, analysis, projecting businesses were introduced by many scholars. Undertaking well-structured analysis of competition is a very common business process. To widen the base, every company has to compete tooth and nail in the market. This rivalry is faced in every transaction of sale. To avoid such situations, many companies started contemplating long term business association and Relationships with the customers. They started functioning on strategies and plans which will make them 'preferred' suppliers. Perhaps some of the customers also started responding to these initiatives of their suppliers since there are many mutual benefits to this relationship.

There are many large international companies who have global and international operations. In their business, they have customers who also are present in various countries. If they want to build these customer relationships then nearly all the points referred in the PESTLE analysis are predominantly present. The companies need to design their action plans accordingly to suit International and even the local ways of doing businesses. In business, maintaining good relationships means everything. If you're burning bridges with every transaction, even your vendors are going to become opponents instead of allies. Strong working relationships between suppliers and customers are possible, but it takes trust and transparency on both sides and also requires sincere initiatives from suppliers.

Building quality strategies to look after your important accounts is the heart of successful business enhancing programs. The role of the sales force in establishing and nurturing these relationships is vital. The sales environment is rapidly changing. Long selling cycles, complex propositions, and high value sales make novel methods of making business necessary. It is the customer relationship strategy for companies which differentiate their product and service by value-added elements tailored to customized solutions for key customers.

Buying Power of Customer: Porter's model was very popular about stating the competition and the bargaining power of the company. Porter's five forces analysis



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Porter's five determinants of Industry Profitability from Porter {1980}

Porter demonstrated that there are five main determinants need to be faced by all the companies who want to grow. Competition is at the center because it is always dynamic and changing. The competitors cannot be misjudged since they too enter into the market with strong ground work. The new entrants in the business will also try to offer extended technical benefits to the key customer and even commercial add-ons. The companies started making analysis of their customers in systematic and methodical modus operandi. They found that there are few customers who are big Ones and special. They make a great deal of contribution to the company's total business. The companies thought that they must not lose these big customers. The analysis further reveled that there are few customers who have very high potential for down to road business. They may or may not be large customers presently. If these businesses need to meet their future business targets, they fundamentally require these potential companies as their valuable key customers. After making classification and structured analysis, the companies started taking extra care of these few customers even though these customers keep demanding furthermore. Instead on just leaving them on sales statistics, these suppliers started Pro Active approach to build business with them with unique gestures, specialized business offerings and defined Relationships. This is because these organizations understood that these are the customers, who will take them where they want to go in the future. To treat these customers out of the ordinary and more than that, the customers reciprocate this differential treatment, compact association became very crucial. Companies then started making distinguished, specialized and dedicated efforts to shape up close bonding with their customers. Relationship was then the visible focus area of company functions.

Faced with unprecedented level of competition, technological and other changes in the market many companies started forming strategic alliances with customers to bring Stability in their Sales operations. These alliances were based on affinity and intimacy. After identifying the customers of Importance, these companies initiated the differentiated treatment which was later termed as Key Account Management {KAM}.These initiatives and drives need lot of investments in terms of manpower, time and other resources. After rolling out, it takes long time to get established and still more time is required to start getting pay-off. Hence measuring the effectiveness of these practices time to time is very relevant. The companies who have invested in these initiatives follow various monitoring practices to know how KAM is effective at each stage. Keeping a track will have an upper hand in terms of taking corrective actions in case of deviations are found.

Kay Account Management – Meaning

Key account management is a well-planned and relationship based business approach with well-defined and clear objectives of ensuring long-term and sustainable business development through mutually beneficial and profitable partnerships with strategically important customers. It is not an isolated or standalone business process. It is an influential and integrative element of the Total long term business enhancement strategy. It is far deeper than just selling products to big customers. It is dealing with those customers who have a strategic role to play in the progress of the suppliers. It is a professional sales approach which involves the supplier and client's business working together to gain understanding of each other's business and achieve common goals, But usually initiated by the suppliers to ensure smooth and growth directed business from a potential and selected customer. KAM is not a simple Buyer-Seller relationship, you need to involve people from all aspects of your business and work together with your client's business to find better ways of doing things. This will eventually build strong and meaningful relationships

Research Design and Methods

This study is concerned with business of selected Engineering product companies with their Key accounts with special reference to Rising expectations. In today's competitive world the key and influencing customers pronounce lot of requisites from preferred suppliers for various aspects of business deals. Five no of companies including multinationals and joint venture companies were selected for a research where in the key account management practices are implemented, for their business in India . Five companies as sample size is sufficient since we are collecting data and information related to Rising expectations as a focus area and no other business related information.. In case of MNC's and JVC's , Even their principle companies/ overseas offices direct these Indian companies to practice KAM, looking at its importance in today's competitive and complex business situations. The senior level officials of these sample companies from sales / Marketing / business development departments were contacted and personally interviewed for a research activity. Various challenges faced by the sample companies were discussed but the Rising expectations of the key customers came out to be an area of concern to all while doing business with them.. The study is based on the information shared by these companies on what the key accounts are looking for, from their preferred suppliers. Due to high level of confidentiality, the interviewees shared the information on condition and assurance of not disclosing the company and individual names anywhere {writing or verbally} and this is to be followed very strictly. They supported only because this is an academic research.

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Expectations of Key Customers

It refers to the total perceived benefits a customer expects from a company's product or service. If the actual experience exceeds the expectations, customers are typically satisfied. If it is below the expectations, they are typically disappointed. Customer requirements are absolute and not to be missed in a transaction to be successful while expectations are things that customers hope will happen and may not be direct part of the contract sometimes

Variations and changes and that too, over and over again, in these expectations, pose a much bigger challenge. As we hear key customer requisites keep revising every day because, there is continuous transforms in technologies, upgradation in communication and digital modes and ever increasing complexities in the market place. All this makes it essential for companies to recognize that, Customers are not generic and therefore put forward flexible responses to different customer types, client behavior and business situations

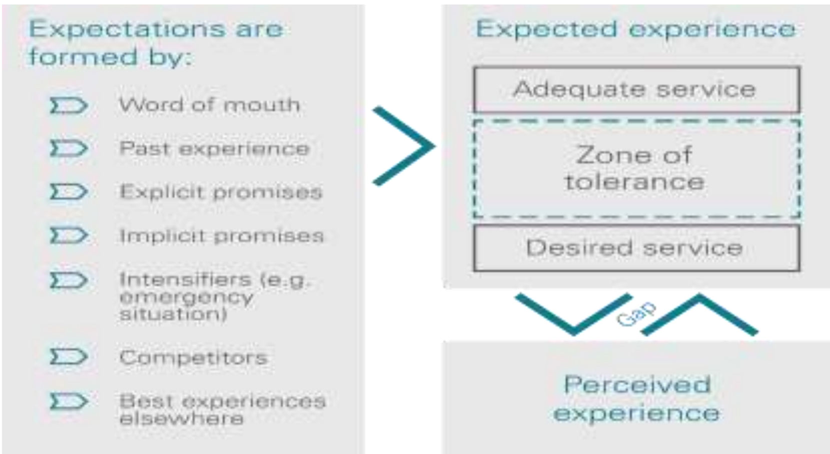
Customers also do not want old and traditional approach but expect customized, integrated solutions which involve designing, modifying, or selecting products which function well-together and fit into the customers' existing environment. A typical customer of today will say, "If they are not willing to change things around for me, then it is creating new problems and is not a solution for me."There are two sides to the coin of customer expectations: the expectations your customers already have, and the expectations you create. You can only control one side of the coin (though you can take notice of both}.

Key customers expect to be looked after as human enterprises rather than robotic operations. They're not interested in transactional behavior and absent-minded product sales, rather they prefer to build robust relationships that drives comprehensive successes of both the partners. The professional Key Account Managers put such customer's success before their own. They take the time to deeply understand what your customer is after in the big picture and commit themselves (and the company's resources) to delivering on those expectations at all reasonable cost. Key Customers expect a high level of service. Regardless of the quality of the product or service you provide, they will not stay loyal to you on a long-term basis unless you treat them properly before, during and after a sale. It is very worthwhile to study customers of the key customers to understand better, the need of quality product and service expected by key customers.

It is fundamental to note that key customers' expectations will drive the entire business process of the organization. In today's competitive business environment where key customers are highly knowledgeable, the quality {of products and services} and customers satisfaction is decided by customers from their outlook and not be any internal processes of the suppliers. Therefore the organizations have to focus on addition values to their products and services from the prospective of growing expectations of key customers. Increasing competition, deregulation, professionalization, globalization, technological advancements, R@D and innovations continue to create new realities for business in the market place. These new realties drive the customers' expectations higher and their gravity is much higher when these expectations are from your key customers, when the companies take into account the contribution of key accounts in the company's total business.

After making methodical review of what key customers are looking for, companies can focus their efforts on top-notch expectations. Few examples are as below.

1. Over and above personalized product, services and attention. This is a key expectation.
2. Added options for selection to cater their changing needs. This helps better fitment.
3. Round the clock engagement with for better communication and seeking support
4. Listen closely and responds quickly. Response time is a universal expectation.
5. Give frontlines more control. This helps in making better coordination with suppliers



Source: Blog posted on nunwood.com by David Convey

Ever Increasing Power of Buyers

The companies made analysis of what is called as Power of the key buyer. Increased buying power has wide ranging effects on customers' demands and hopes. By and large following peripherals set up higher outlook.

Size of the Buyer: Usually large size customers are more demanding and dictate the terms in their favor. They get this power from their reputation and size being a large scale unit. Usually they are well organized in their buying process.

Consolidation: Very often large size customers have many departments or even many units located at different geographical area. It is now common practice to have consolidation of the purchase practices to get many advantages. This practice is very common in India presently.

Globalization: The buyers have multi location units in various countries. These companies are operating in many geographical domains globally.

Share of suppliers Total Business: Obliviously if the customer gives a large chunk of business of the total business of the suppliers, the power of demands is with the customer. In key account management such customer needs to be handled very thoughtfully.

Competition: If there is tough competition in the market for same products and if the competition exists within the customers premises, then the customer indirectly derives power since he has better access to alternatives.

Access to information: The buyers professional approach and access to lot of information about the product, sourcing, designing, costing etc. is a challenge to suppliers and customer will buy power from this information

Professionalism and competency of buyer: The buyers are now very professional and competent to execute procurement function. This is nothing but their power over suppliers.

The presence of powerful buyers scales down the profit potential in an industry. Buyers do increase the competition within an industry by forcing down prices, bargaining for improved quality or more services, and playing competitors against each other. The result is diminished industry profitability in most of the cases.

Expectations on Quality and Service

Reduction or lowering in prices and maintaining them for a longer period is a worldwide expectations of key customers from their preferred supplier's. In this paper it will be worthwhile to touch upon the predominantly advancing expectations of quality of offerings. Due to technology transformations and radical changes in communication modes, the current global market place has resulted in progressively increasing customers' line of thoughts on quality. This is relevant to key customers to a greater extent, since they make every effort to get hands on enhanced quality from their key suppliers. Well established and deliverable product Quality and service both will always remain top notched desire from key customers. Fundamental components of growing quality expectations for products are performance, serviceability, durability, reliability and perceived quality features. Fundamental components of growing service expectations are customers wait time before service delivery and then competence, consistency, courtesy, responsiveness, convenience and accuracy. To put important things together , in today's combating competition at the market location key customers are bent on higher quality and surpassing service and that too to, be delivered in shortest time and at most competitive price.

One thing is very clear, any model or strategy for sustaining development of business needs to be essentially positioned on Relationships. Thereafter these companies started working with their important customers going beyond sales and marketing to frame these professional tie ups. When Key Account performance is compared against Non-Key Accounts there is strong evidence that KAM improves customer relationships to a much greater extent. Majority of companies answered positively that it leads to better performance in delivering mutual trust, shared information, and shared investment with customers, as well as maintenance of long term relationships, reducing conflicts and meeting sales objectives. However when we look at the KAM programs effectiveness measures there is a noticeably higher benefit for customers, and many times lower scores for supplier orientated benefits. More complex analysis shows that although these financial returns do eventually earned, there can be a distinct time lag between implementing it and seeing financial returns.

Few Basic Expectations of the Key Customers from Key Suppliers as the Outcome of This Study

1. Competitive and stable pricing. This is one of the basic expectations but in today's business complexities this has become a challenge at length for every single supplier. The key customer's wants get increasingly competitive in their market place which puts lot of stress on supplier's to deliver better quality to Key accounts as a Taylor made offerings with reduced prices.
2. After sales support. This is predominantly applicable to technical products and services. This is a cost to supplier and it is very difficult to recover these costs. Many Key accounts over and over again expect this support for long extended period against providing business opportunities. In a large country like India where the technical support team hast to travel long distance, the costs are exorbitant in terms of money and time as well. When products are delivered to the customer's location and installed, the supplier firm must be prepared for fresh practical problems to arise. According to some Researchers "The installation process frequently surfaces new customer requirements that call for additional modification of products". The deployment process also involves other important factor, people management. The supplier must understand the capabilities of personnel in the customer firm, especially those who will be frequent users of the solution. The supplier should provide users with appropriate information and tailored training if they are to fully benefit from the solution.
3. Special credit / payment terms being a customer: This is an advising requirement of key Customers which is further taxing for suppliers. Longer credit period is now requirement of almost all the transactions.
4. Support from across the company departments: Earlier the frontline Sales / Marketing persons were usually the contact points for all the transactions and communications. Today the key customers expect active participation from all the support groups from the supplier's organization.
5. Dedicated key Account Manager: This is the latest trend in Key Account Management. Having a dedicated Manger or a member is often beneficial to the company to build better Relationships and it is always a better option to provide good service to customer. But even the customers are expressing their demand to have such set-up for ease in communication and transactions with their preferred supplier. In very near future this is going to be high-up important requisite and the companies will have to make reciprocate commitment to improve their image with the customer.
6. Professionalism and Promptness .This is general Key accounts are always looking for these responses. They will always look for unusual recognition before during and after every transaction.

'Customer expectations' set the bar for Key customer satisfaction which also affects repurchase decisions and customer loyalty. If a key customer feels like supplier did not deliver a service that was expected, they won't come back and buy from the supplier again. On the other side if the suppliers deliver a service that exceeds key customer expectations, one can bet they will come back to buy again, and tell all their friends about the experience**.**

Types of Expectations

1. Explicit expectations are mental targets for product performance, such as well-identified performance standards.
2. Implicit expectations reflect established norms of performance. Implicit expectations are established by business in general, other companies, industries, and even cultures.
3. Static performance expectations address how performance and quality are defined for a specific application. Performance measures related to quality of outcome may include the evaluation of accessibility, customization, dependability, timeliness, accuracy, and user friendly interfaces
4. Dynamic performance expectations are about how the product or service is expected to evolve over time. Dynamic expectations may be about the changes in support, product, or service needed to meet future business or use environments.
5. Technological expectations focus on the evolving state of the product category.
6. Interpersonal expectations reflect the relationship between the customer and the product or service provider. Person to person relationships are increasingly important, especially where products require support for proper use and functioning.
7. Expectations may not include unanticipated service attributes that are new to that consumer.

Managing customer's Expectations In Key Account Management

Here is a famous quotes about customer expectations is from Roy Hollister Williams, a best-selling author and marketing consultant best known for his Wizard of Ads trilogy. “The first step in exceeding your customer’s expectations is to know those expectations.”

The first preparation that the companies need to look into all the expectations described as above. In addition to these expectations, the companies have to prepare themselves by shaping-up their capabilities in various ways to quickly response to these expectations.

Few of the recommendations form the study are as follows.

1. Prompt and solid information: Key accounts expect the good suppliers to deliver fast, efficient and accurate information. Providing prompt responses to their inquiries, whether online, by phone or in person makes a lot of difference. Providing valid and authentic information tells customers that the businesses respect their ability to make sound decisions
2. Provide Options: key Customers don’t want to hear that there is only one way or a single solution. They respond very positively when given a selection. Options are essential because they create dialogue and discussion. Once the key customer asks questions and when companies provide quick response, a long-term relationship begins to develop.
3. Engagement: Key Customers expect key suppliers to provide an open channel for communication and feedback. Quick and personal response triggers high reaching interest to your customers. An engaged key customer is more than satisfied and more than loyal. They go out of their way to show their association with preferred suppliers company. They also suppliers you during both good and bad times, because they believe what these suppliers have to offer is superior to others.
4. Complaint management. Managing comments and concerns benefits companies in two important ways. Research indicates that an upset customer whose problem is addressed with swiftness and certainty can be turned into a highly loyal customer. Secondly, hidden gems may be found in your customer complaints that can be a rich source of ideas for improvement. Key customers will appreciate these responses from their preferred suppliers.

5. Flexibility in operations. Because they have less time to manage their work, key customers expect new levels of flexibility. They want salespeople to present innovative solutions to problems. They count on responsiveness and creativity. They rely on salespeople who make it easy to do business with them. Effective salespeople communicate their flexibility whenever possible. Their Key customers never hear words such as "That's our procedure
6. Creativity and Innovation. Key Customers look for ideas on how to improve their operations. During your dealings with a wide variety of businesses, business probably picks up ideas and techniques that can be helpful to other customers. Very important to try to pass along helpful suggestions to customers. They appreciate this type of help and companies may be repaid with increased loyalty
7. Fairness. Key Customers want to be treated fairly. They want to know the service and product they receive is as good or even better as that received by any other customer being a differentiated customer.
8. Trust. As technology opens new doors, overwhelmed key customers find themselves looking for someone to guide them through the challenges they face. Many products and services are difficult to distinguish from the competition. Prospects look for salespeople they can trust who will help them make the right decisions by proving necessary knowledge and information
9. Build Relationships: Key account management is built on the foundation of Relationships. This should be the objective of entire organization and not to be left only to sales or marketing team members. Involvement of support team members, Involvement of senior management officials, and aligning entire organization with key accounts, are necessary actions to build these relationships.

Key Customers are changing their behavior faster than companies can evolve their business models, operational processes, and technology platforms. As a result, firms are changing their organizational structures and technology platforms to break down the silos that hinder delivering compelling customer experience. All these facts of the customer started pushing the supplier to develop out of the ordinary KAM strategies which will help to insulate the business from competition and grow it onward with the customers' business. It was essential to erect barriers for new competitions to get into their present business with the key customers. On this background many good suppliers though of changing their perception in the customers mind from just suppliers of products to solution provider or even 'partners'. To make out and out changes in the approach of the suppliers, well-organized and narrow-focused efforts was required

FINDINGS

1. With increasing in complexities in the market and ever growing competition will keep altering key customers' expectations
2. Increased buying power, better knowledge and information and growing professionalism in purchasing protocols is adding more expectations.
3. It is foremost for companies to study these ever rising expectations from all the angles and build the framework that produces clarity and understanding of new expectations.
4. Key Account Management has very crucial and high ranking role to handle these upward moving expectations. It makes a huge contribution in enhancement of business using a business model based on strong and sustainable relationships.

CONCLUSION

This Research was undertaken for Engineering and component manufacturing companies having other project or large engineering companies as their key customers. But the findings and observations can be extended to organizations from other industries as well like five star hotels and similar hospitality companies, service provides, companies in finance industries and other organizations having key specified customers. Few modifications will be required depending on the industry and customer type.

Business complexities are increasing due to various rapidly changing business environments. In Key accounts business, Aggressive and ever increasing competition, long selling cycles, stringent laws and regulations from the government, increasing quality standards, fast-track technical advancements and communication with lightning speed has resulted in increasing key customers' expectations in all verticals. This results in growing uncertainty in businesses since majority of the business comes from these few selected accounts.

Business models based on robust and deep-rooted relationship is the answer to downsize the negative effect of these ever increasing expectations, on the business. Relationship based on trust, transparency and confidence will provide tried-and-true options to deal with such situations. It is fundamental to build quality, improve pricing, opt for better deliveries and services to remain preferred supplier of key customer but all these offerings based on well-built relationship will truly fence your competitor's movement.

The companies must examine and review the expectations and changes there in, to knowledgeably frame their offerings to move as close as possible towards key customer satisfaction and aim to cross it. It is paramount to fully accept the reasons for key customers' expectations like increasing buying power, availability of options and also the fact that these key customers also face tough competition in their market place.

Moving from transaction based relationship to 'Partnership' based, should be the objective of companies who want their KAM successful in long term to deal with ever increasing customers' expectations.

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IND AS CONVERGED WITH IFRS

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ABSTRACT

The global harmonization of accounting standards came from lack of comparability of financial statements across the country. In recent years, International Financial Reporting Standards convergence has achieved momentum all over the world. As the capital markets become increasingly global in nature, more and more investors see the need for a common set of accounting standards. As India being one of the global players, transition to IFRS will enables Indian firms to have access to international capital markets. This paper explains the impact of applicability of IFRS, challenges that will come up and its adoption phases in India. It also discusses the problems faced by the regulators, Accountants, and Firms etc in the process of adoption of IFRS in India.

Keywords: Convergence; IFRS; Accounting Standard; Ind AS; Harmonization

INTRODUCTION

International Financial Reporting Standards (IFRS) are a set of accounting standards developed by the International Accounting Standards Board (IASB) that is becoming the global standard for the preparation of public company financial statements. The goal of IFRS is to provide a global framework for how public companies prepare and disclose their financial statements. IFRS provides general guidance for the preparation of financial statements, rather than setting rules for industry specific reporting. Having an international standard is especially important for large companies that have subsidiaries in different countries. Adopting a single set of worldwide standards will simplify accounting procedures by allowing a company to use one reporting language throughout.

Adoption or Convergence

Adoption means that the SEC sets a specific timetable when publicly listed companies would be required to use IFRS as issued by the IASB. In other words adoption means process of adopting IFRS as issued by IASB with or without modifications.

Convergences means harmonization of national GAAP with IFRS through design and maintenance of accounting standards in a way that financial statements prepared with national accounting standards are in compliance with IFRS.

Accounting Standards

The Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India (ICAI) was constituted on 21 April, 1977, to formulate Accounting Standards applicable to Indian enterprises. Initially, the Accounting Standards were recommendatory in nature and gradually the Accounting Standards were made mandatory. The legal recognition to the Accounting Standards was accorded for the companies in the Companies Act, 1956, by introduction of Section 211(3C) through the Companies (Amendment) Act, 1999, whereby it is required that the companies shall follow the Accounting Standards notified by the Central Government on a recommendation made by the National

Advisory Committee on Accounting Standards (NACAS) constituted under section 210A of the said Act. The council of the Institute of Chartered Accountants of India has, so far, issued thirty two Accounting Standards. However, AS 8 on Accounting for Research and Development has withdrawn consequent to the issuance of AS 26 on Intangible Assets. Thus effectively there are 31 Accounting Standards at present.

OBJECTIVES

Following are objectives of my paper.

1. To understand the applicability of IFRS.
2. To know the adoption phases of IFRS in India.
3. To study the challenges faced by firm and various stakeholders.

Global Status of IFRs

More than 120 countries throughout the world, including the 27 European Union member states, Australia, New Zealand and Russia currently require or permit the use of International Financial Reporting Standards (IFRS) developed by the IASB.

Convergence with IFRs

The globalization has made it possible to accept the world as one market. For better understanding of the business reporting and consistency in accounting policies, there was an urgent need to one globally accepted language. Application of single set of accounting policy would increases the comparability of different business entities. India being one of the key players, migration to IFRS will enable Indian entities to have access to Global capital markets without having to go through complicated conversion and filling process. It will lower the cost of raising funds, reduce accountant's fees and enable faster to access all major capital markets.

Converged Indian Accounting Standards (Ind As)

International Financial Reporting Standards are now becoming universal reporting language. In tune with the global trend the Government of India decided to facilitate the convergence of the Indian Accounting Standards with IFRS by 1st April, 2011. In this direction all the existing Indian Accounting Standards are being revised and converged with corresponding to International Accounting Standards/ International Financial Reporting Standards. These converged Accounting Standards shall be known as IND AS. As a result of this there shall be two separate sets of Accounting Standards under Section 211 (3C) of the companies Act, 1956. The first set would comprised the Indian Accounting Standards, which are converged with IFRS and shall be applicable to the specified class of companies in a phased manner.

Ind AS (the converged IFRS standards) in India may significantly affect a company's day-to-day operations and may even impact the reported profitability of the business itself. Conversion brings a one-time opportunity to comprehensively reassess financial reporting. On 2 January 2015, the Press Information Bureau, Government of India, Ministry of Corporate Affairs (MCA) issued a note outlining the various phases in which Indian Accounting Standards converged with IFRS (Ind AS) is proposed to be implemented in India, for Companies other than Banking Companies, Insurance Companies and NBFCs.

The application of Ind AS is based on the listing status and net worth of a company. Ind AS will first apply to companies with a net worth equal to or exceeding 500 crore INR beginning 1 April 2016. Listed companies as well as others having a net worth equal to or exceeding 250 crore INR will follow 1 April 2017 onwards. From April 2015 companies impacted in the first phase will have to take a closer look at the details of the 39 new Ind AS currently notified. Ind AS will also apply to subsidiaries, joint ventures, associates as well as holding companies of the entities covered by the roadmap.

Roadmap

Voluntary Applicability- Companies can voluntarily adopt Ind AS for accounting periods beginning on or after 1 April 2015 with comparatives for period ending 31 March 2015 or thereafter. However, once they have chosen this path, they cannot switch back.

Table 1. Mandatory applicability

Phase I :Ind AS will be mandatorily applicable to the following companies for periods beginning on or after 1 April 2016, with comparatives for the period ending 31 March 2016 or thereafter:	Phase II :Ind AS will be mandatorily applicable to the following companies for periods beginning on or after 1 April 2017, with comparatives for the period ending 31 March 2017 or thereafter:
For the accounting period beginning on or after 1st April, 2016	For the accounting period beginning on or after 1st April, 2017
➢ Companies whose equity and/or debt securities are listed or are in the process of listing on any stock exchange in India or outside India and having net worth of 500 crore INR or more. ➢ Companies having net worth of 500 crore INR or more other than those covered above. ➢ Holding, subsidiary, joint venture or associate companies of companies covered above.	➢ Companies whose equity and/or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than rupees 500 Crore. ➢ Unlisted companies other than those covered in Phase I and Phase II whose net worth are more than 250 crore INR but less than 500 crore INR. ➢ Holding, subsidiary, joint venture or associate companies of above companies.

Chart 1. Voluntary /Mandatorily application of IndAS

Source: https:/www.pwc.in/services/ifrs/ifrs-in-india-roadmaps

Foreign Operations

An overseas subsidiary, associate or joint venture of an Indian company is not required to prepare its standalone financial statements as per the Ind AS, and instead, may continue with its jurisdictional requirements. However, these entities will still have to report their Ind AS adjusted numbers for their Indian parent company to prepare consolidated Ind AS accounts.

Insurance, Banking and Non-Banking Financial Companies

Insurance, banking and non-banking financial companies shall not be required to apply Ind AS either voluntarily or mandatorily. However, it appears that if these entities are subsidiaries, joint venture or associates of a parent company covered by the roadmap, they will have to report Ind AS adjusted numbers for the parent company to prepare consolidated Ind AS accounts.

Benefits Of Convergence With IFRs

The Economy: As we know that the markets expand globally, the convergence benefits the economy by increasing growth of its international business. It facilitates maintenance of efficient capital markets and also helps to increase the capital formation and thereby economic growth. It encourages international investing and thereby leads to more foreign capital flows to the country.

Investors: Investors want the information that is more relevant, reliable, timely and comparable across the jurisdictions. Financial statements prepared using a common set of accounting standards help investors better understand investment opportunities as opposed to financial statements prepared using a different set of national accounting standards. For better understanding of financial statements, global investors have to incur more cost in terms of the time and efforts to convert the financial statements so that they can confidently compare various opportunities. Investors' confidence would be strong if accounting standards used are globally accepted. Convergence with IFRS contributes to investors' understanding and confidence in high qualityfinancial statements.

The Industry: The industry is able to raise capital from global markets at lower cost if it can create confidence in the minds of foreign investors that their financial statements comply with globally accepted accounting standards. With the diversity in accounting standards from country to country, firms which operate in different countries face a multiple of accounting requirements prevailing in different countries. The burden of financial reporting is lessened with convergence of accounting standards because it simplifies the process of preparing the individual and group financial statements and thereby reduces the costs of preparing the financial statements using different sets of accounting standards.

Accounting Professionals: The accounting professionals are able to sell their services as experts in different parts of the world. It offers them more opportunities in any part of the world if same accounting practices prevail throughout the world. Their mobility to work in different parts of the world increases as accounting professionals in industry as well as in practice..

Indian Corporate: If a company uses IFRS, the company could enjoy the benefit of raising capital from abroad. Comparison is made easier with a foreign competitor if a company presents its financial statement according to IFRS.

Transparency: IFRS will improve the comparability of financial information and financial performance with global peers and industry standards. This will result in more transparent financial reporting of a company's activities which will benefit investors, customers and other key stakeholders in India and overseas.

Reduction in Cost: Another potential benefit would be the reduced costs associated with multi-national corporations who must reconcile their accounting information for multiple accounting standards.

Benefits to Stock Exchange: Stock exchanges around the world could profit from harmonization of accounting standards, as more companies begin to adopt the international standards, they will become eligible for listing.

Harmonization with Global Financial Market: Some Indian companies are already listed on overseas stock exchanges and many more will list in the future. Internationally acceptable accounting standards will then become the language of communication for Indian companies. Better access to and reduction in the cost of capital raised from global capital markets since IFRS are now accepted as a financial reporting framework for companies seeking to raise funds from most capital markets across the globe.

Challenges in Convergence with IFRs

Challenge at micro level: At a micro-level, an immediate challenge is the cost of convergence. Other challenges include deficiencies in corporate practices, systems and processes.

Challenge at macro level: At a macro-level, however, the structural challenges include lack of trained professionals, diversified sources of industry-specific accounting guidance, and cultural barrier to accepting foreign accounting principles.

Amendments to the existing law: A major issue for Indian regulators is the lack of IFRS knowledge and experience in the accounting and auditing profession here. There is a need to align the industry-specific accounting guidance issued by various regulators. For example, the Reserve Bank of India issues guidance for banking companies, the Insurance Regulatory and Development Authority issues guidance for insurance companies, the Central Electricity Regulatory Commission issues guidance for electricity companies, SEBI issues guidance for listed companies, and the Ministry of Corporate Affairs too issues certain guidance.

Awareness about International Practices: Adoption of IFRS means that the entire set of financial statements will be required to undergo a drastic change. There are a number of differences between the Indian GAAP and IFRS. This may cause the users of financial statements to look at them from a new perspective. It would be a challenge to bring about awareness of IFRS and its impact among the users of financial statements.

Training: Professional accountants are looked upon to ensure successful implementation of IFRS. The biggest hurdle for the professionals in implementing IFRS is the lack of training facilities and academic courses on IFRS in India.

Taxation: IFRS convergence would affect most of the items in the financial statements and consequently the tax liabilities would also undergo a change. Thus the taxation laws should address the treatment of tax liabilities arising on convergence from Indian GAAP to IFRS. It is extremely important that the taxation laws recognize IFRS compliant financial statements otherwise it would duplicate administrative work for the organizations.

Fair value: IFRS uses fair value as a measurement base for valuing most of the items of financial statements. The use of fair value accounting can bring a lot of volatility and subjectivity to the financial statements. It also involves a lot of hard work in arriving at the fair value and valuation experts have to be used. Moreover, adjustments to fair value result in gains or losses which are reflected in the income statements. Whether this can be included in computing distributable profit is also debated.

Management Compensation Plan: The terms and conditions relating to management compensation plans would also have to be changed. This is because the financial results under IFRS are likely to be very different from those under the Indian GAAP. The contracts would have to be re-negotiated which is also a big challenge.

Reporting systems: The disclosure and reporting requirements under IFRS are completely different from the Indian reporting requirements. Companies would have to ensure that the existing business reporting model is amended to suit the reporting requirements of IFRS. The information systems should be designed to capture new requirements related to fixed assets, segment disclosures, related party transactions, etc. Existence of proper internal control and minimizing the risk of business disruption should be taken care of while modifying or changing the information systems.

CONCLUSION

Convergence to IFRS is expected to improve the relevance, reliability and comparability of financial reports and thus benefit global investors. It is expected that the global financial reporting process will eventually be based on a single set of high-quality accounting standards as issued by the IASB. There is now presence of many multinational enterprises in the country with the rapid liberalization process adopted in India. Further, there is increase in investment in Global markets by Indian companies This has generated an interest in Indian GAAP by all concerned. Due to this context, the roles of Indian accounting standards, which are becoming closer to IFRS, have assumed a great significance from the point of view of global financial reporting. In spite of many issues and challenges in the way of harmonization of accounting standards, India has finally announced its convergence with IFRS by2015. So adoption of IFRS requires commitment from various stakeholders such as accountant professional, academicians, company accountants and audit firm, finance directors of company and national regulators to overcome these challenges and promote international convergence of accounting standards.

ABBREVIATION

IFRS – International Financial Reporting Standards

IAS – International Accounting Standards

IASB – International Accounting Standards Board

MCA – Ministry of Corporate Affairs

SEC – Securities Exchange Commission

GAAP – Generally Accepted Accounting Principles

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THE IMPORTANCE OF PERFORMANCE APPRAISAL IN ORGANIZATIONS

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ABSTRACT

Performance Appraisal is an integral part of every organization. Employees in the current ear are treated as one of the important asset and investment of the organization. Investment has to bear returns as so is Humans. Hence to check the efficiency and effectiveness of employees of the organization Performance Appraisal is conducted. Performance Appraisal helps the organization to reward the best performing employees and to arrange for the poor performing employees. Also the achievement of the organizational goal can be measured through performance appraisal. It also increases teamwork, motivation and also employees will start taking responsibilities. The various methods used to measure the performance of the employees are Rating scale method, Checklist Method, Paired comparison Method, 360 Degree method, Assessment Centers etc.

Keywords: Performance Appraisal; Motivation; Team work

INTRODUCTION

Every organization tries to check the performance of all its factors of production i.e., machines, materials, money and men. The resources like machines, materials and money are nonliving in nature and any verdict given about them doesn't make any difference on them. But men are very important factor of production and above all they are the living creatures and hence they have emotions and sentiments and for which they can react and interact. Hence an organization has to be very careful while doing the performance appraisal for the humans or employees of the organization.

Performance Appraisal is actually checking the actual performance or output of the employees against the expected performance or output. Every organization needs to have performance appraisal to achieve its goals and objectives which in turn will accomplish the Mission and Vision of the organization. By having a performance appraisal in the organization the employees are forced to increase their output which is benefit for both the employee and the organization. The employee gets motivation and promotion whereas the organization can increase its profitability. It has been the age old practice of the organization to attract and retain efficient employees.

Hence we can say that performance appraisal distinguish the efficient employees from non-efficient employees. As efficient employees are asset to the organization and non-efficient employees are liabilities. Every organization tends to have performing employees in the organization.

OBJECTIVES OF THE STUDY

1. To identify the need of performance appraisal in the organizations.

2. To identify the methods used by organization to measure performance appraisal.
3. To evaluate the effect of performance appraisal on the employees.

RESEARCH METHODOLOGY

Primary data: Personal interviews were conducted with the staffs working in the organization

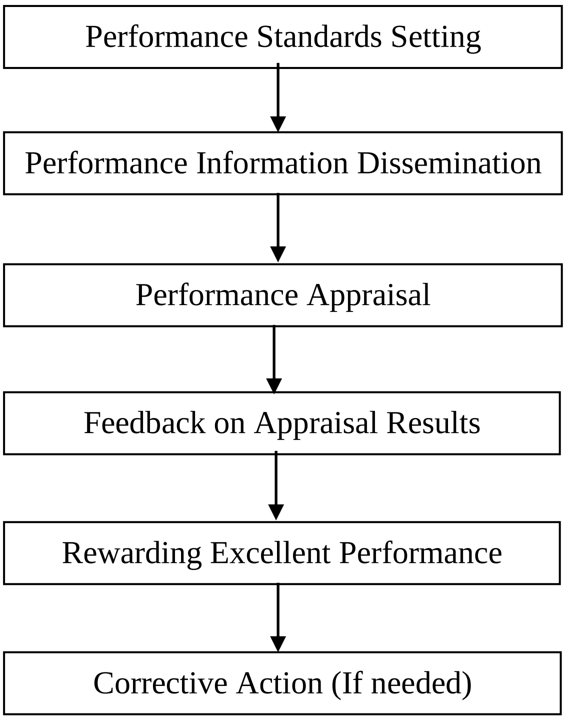
Secondary data: Collected from Journals, Newspapers, Research papers, and other secondary sources of data.

REVIEW OF LITERATURE

Performance appraisals are one of the most important requirements for successful business and human resource policy (Kressler, 2003) According to (Pulakos, 2003) performance appraisal was introduced to reward and promote effective performance in organizations, as well as identifying ineffective performers for developmental programs or other personnel actions which will be essential to effective to human resource management. Eichel and Bender (1984) explained that performance evaluations were designed primarily as tools for the organization to use in controlling employees. He states that past performance was used to guide or justify manager for the future performance of the employees. Levinson (1992) says that to help the development process of identification it is necessary for the manager to also examine his own process and needs of interacting with the subordinates. He also states several barriers which may come in the way of such legitimate process of identification as; lack of time, intolerance, of mistakes, complete rejection of dependency needs repression of rivalry, and unexamined relationship.

Richi (1996) disclose that the skill-based management measures skill and tracks and combines them into job that creates a work environment that allows employees to develop the skills they need to meet business goals descriptions, identifies employee skills gaps and then provides resources to upgrade abilities. Armstrong (2001) postulates that performance management can provide for an integrated and coherent range of human resource management processes that are mutually supportive and contribute as a whole to increasing organizational effectiveness.

Process of Performance Appraisal



Performance Standards Setting- The performance appraisal process begins with the establishment of performance standards that need to be achieved throughout appraisal period. The standards should have evolved out of job analysis and job description. The performance standards should be clear and objective enough to be understood by all concerned people and easily measured.

Performance Information Dissemination- Once performance standards are established, it is necessary to communicate these standards or expectations. It should not be part of employee's job to guess and second-guess as to what is expected of them. It is the responsibility of management to ensure that the employee understands

Performance Appraisal- The next step is the measurement of performance. To determine what actual performance is, it is necessary to acquire information about it. The concern is how and what is being measured.

Feedback on Appraisal Results- The next step is the comparison of actual performance with standards. The attempt is to find deviations between standard performance and actual performance. It is important for the manager to know whether or not the employee is performing according to the set standards.

Rewarding Excellent Performance- Excellent performing individuals or teams should be motivated and rewarded. It is important to align rewards with performance, as the more employees see a "line of sight" between their performance and reward, the more they are motivated to improve performance. It is usually a motivating experience for individuals and teams to see clearly the goals they have achieved and to be recognized by management when they achieve these goals.

Corrective Action- If there is any discrepancy between the actual and standard performance, there is a need to initiate steps to bring the performance of the employee up to the standard.

Need of Performance Appraisal in an Organization

1. Performance appraisal provides information about the job performance of each employee and explains to then the basis on which they are given salary, promotion, job confirmation etc.
2. It helps in counseling the employees.
3. Helps to reduce the deficiency in the workflow, rectify the errors and also set up new standards in the work.
4. Helps in identifying the gap between the actual performance and set performance.
5. Helps in preventing grievances and disciplinary activities in the organization
6. Helps in identifying the Training Needs of the employees.

Various Methods of Performance Appraisal

Rating Scales- For many years, rating scales were the predominant methods of performance appraisal. The most widely used Rating Scale was the "Graphic Rating Scale", which encompasses a list of factors that the evaluator or appraiser scores by checking boxes, circling numbers or placing marks along a line representing a continuum. Rating Scales include both job-related and personality-related factors.

Behaviorally Anchored Rating Scales (Bars)- The key feature of this rating scale is that the rater or appraiser is provided with narrative explanations of both the behaviors being evaluated and the standards that are to be used. For example, if "knowledge of job" is being appraised, the rating form includes a definition of the term and description of the types of behaviors that exemplify "inadequate", "average", and "superior" job knowledge.

Checklists- Checklists performance appraisal method consist a set of objectives or descriptive statements about performance. The rater is requested to check those statements that best describe the employee being evaluated. Employee's evaluation is the sum of the scores (weights) on the items checked. The evaluation checklist is evaluated by the concerned human resources department or authority not by the supervisor.

Critical Incidence- Critical Incidence performance evaluation method requires the rater to maintain a log of behavioral incidents that represent either effective or ineffective performance for each employee being rated or evaluated. Such incidents are actual behavioral accounts recoded as stories or anecdotes. The rater is required to regularly write about the critical incidents.

Paired Comparison- Paired Comparison appraisal method consists of asking an evaluator to consider only two individuals at one time and to decide which of the two is better. Then another pair of employees is evaluated. This process continuous until each individual in the group has been paired with every other member of the group. An employee's position in the final ranking is determined by the number of times that employee is chosen over the other employees.

Forced Distribution- in the Force Distribution evaluation method the rater is asked to rate employees in some fixed distribution of categories such as superior, above average, average, below average and poor. It assumes that the relative percentage would be approximately 10, 20, 40, and 10% respectively.

360 Degree Appraisals- In this type of appraisal method, the appraisal or evaluation process is taken on a 360 degree input focused at the supervisor and management levels. In these cases, they do not rely solely upon information provided by their immediate managers and the employees that report to them. They also receive input from their peers and their customers.

360 degree appraisal is a powerful developmental tool because when conducted at regular intervals (say yearly) it helps to keep a track of the changes in others' perceptions about the employees. A 360 degree appraisal is generally found more suitable for the managers as it helps to assess their leadership and managing styles.

Management By Objectives (MBO)- The Management by Objective (MBO) performance appraisal method is a process whereby the employees and the superiors come together to identify common goals, the employees set their goals to be achieved, the standards to be taken as the criteria for measurement of their performance and contribution and deciding the course of action to be followed Accordingly, the essence of MBO is participative goal setting, choosing course of actions and decision making. An important part of the MBO is the measurement and the comparison of the employee's actual performance with the standards set. Ideally, when employees themselves have been involved in goal setting and deciding the course of action to be taken by them, they are more likely to accomplish their tasks.

Assessment Centers- Assessment center refers to a method to objectively observe and assess people in action by experts or HR professionals with the help of various assessment tools and instruments. Assessment centers simulate employee's on the job environment and facilitate the assessment of their on the job performance. An assessment Center typically involves the use of methods like social/informal events, tests and exercises, assignments being given to a group of employees to assess their competencies, and on the job behavior and potential to take higher responsibilities in the future. Generally, employees are given an assignment similar to the job they would be expected to perform if promoted. The trained evaluators observe and evaluate employees as they perform the assigned jobs and are evaluated on job related characteristics.

Effects of Performance Appraisal in the Organization

Motivation: When an organization does performance appraisal for its employees, automatically the employees are motivated to increase their productivity. Motivation of employees is positive to the organization as the productivity of the employees will increase and this will result in achieving the organizational goals effectively and efficiently.

Clarity: Each employee will have a clear idea about his roles and duties in the organization. Job Description will be followed very formally. The reporting chain of command also will be followed.

Teamwork: Employees in the organization will work as a team. Hence it will be easy for the management to achieve the goals. As employees will be aware that only with the help of a team they can be more successful. Hence helping each other and getting the job done will be productively.

Take Responsibility: Employees will take responsibility for the job all by themselves and hence the organization need not worry about to having appointed the supervisor. Organization can reduce a lot of money spend on supervisor on monitoring and supervision of the employees.

CONCLUSION

Hence it can be said that for the development of both employees and organization performance appraisal is very important. With the help of performance appraisal organizational goals and individual goals can be met easily. Performance Appraisal also helps the organization to predict the future performance of the employees by looking at their past performance. Hence, organizations can be ready for the future by giving employees more training and development programs to fill up the gaps in their performance and increase the productivity for the future.

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WOMEN PARTICIPATION IN MGNREGA WITH SPECIAL REFERENCE TO TEHRI GARHWAL DISTRICT OF UTTARAKHAND

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ABSTRACT

For the proper development of the northern hilly area the Central Government has taken a step in 9th Nov, 2000 and a new state Uttaranchal (now Uttarakhand) came out of Uttar Pradesh. The economy of this state is known as Money- Order based economy. Because scarcity of employment mostly in the rural part of this State forced the peoples to go other part and earn their livelihood. Growing unemployment, mass poverty and lack of proper infrastructure are the basic requirement of any rural region. The Central and State government launched a list of schemes and programmes to overcome such situations. For this purpose the Gandhian Approach and Techniques for integrated rural development has been analysed as an alternative path for rural development. In 2nd Feb, 2006 the Central Government started its very ambitious programme named National Rural Employment Guarantee Act (NREGA) which is known as Mahatma Gandhi NREGA from 2nd Oct, 2009. This programme guarantees one hundred (100) days of unskilled work per rural household. For the empowerment of the rural women this programme ensures that of the total workers at least one third workers should be women. More importantly, the Act aims at eradication of extreme poverty and at making villages self sustaining through productive assets creation. In this paper the study area is the Tehri Garhwal district of Uttarakhand. A sample of 100 women respondents are taken for the study purpose. In our results we can see that the condition of the rural women is improved after this programme. Now they have sufficient amount in their hands to meet there small daily expenditures. Their participation rate in the programme is more than seventy five percent out of the total beneficiary in a particular area. MGNREGA programme proves as a very effective tool for the socio-economic upliftment of the rural women.

Keywords: MGNREGA; Empowerment; Women Participation; Socio-Economic Upliftment

INTRODUCTION

It is rightly said that India lives in its villages. For the development of our country rural India is like the backbone, providing support to our country. But it is a challenging step for developing countries like India to fulfill the basic requirements of its rural people, because they have limited resources to achieve the target. For the proper growth and development of any country it is necessary to provide the basic requirements of the peoples. As we all know that our basic requirements are food, shelter and water. With the fulfillment of these needs we can think about the further requirements such as Industrialisation, technological development and advancement in each and every field.

To get rid of this situation we have to focus upon certain requirements such as poverty and, unemployment reduction. Both of these are the very basic and serious problems of any less develop or under developed country. Lots of work and researches have been done on this field. There are also lots of schemes and programmes launched by the Government for the sake of the peoples. To provide gainful employment to every able-bodied person ought to be one of the primary objectives of the management of affairs of any nation. It has been rightly demanded that "right to work' ought to be known as a fundamental right in our constitution. To have work is a basic necessity, an imperative condition of human beings. The economic policy in India, with their triune objective of growth, stability and justice has not recognized this as a matter of direct and explicit importance and attention. The government launched various rural, unemployment and poverty elimination programme.

National Rural Employment Guarantee Act (NREGA)

To get relief from rural unemployment, hunger, and poverty the Central Government started this very ambitious programme as on 2nd Feb., 2006 from the Anantpur district at Andhra Pradesh, inaugurated by Prime Minister Dr. Manmohan Singh. Jawaharlal Rozgar Yojna (28thApril1989) which was initiated by the former P.M. Rajiv Gandhi was replaced in 1st April 1999 to Jawaharlal Gram Samridhi Yojana. After this the above scheme was again replaced in 1st April 2002 to Sampuran Gramin Rozgar Yojana and finally this scheme was merged in NREGA in 1st April 2008.

The National Rural Employment Guarantee Act 2005, or NREGA, was brought into force by the Union government in February 2006. The Act is far-reaching in its intent and scope. It is the first nation-wide employment scheme that guarantees employment legally to India's rural population. Naturally, it has generated intense speculation and interest. The NREGA is being implemented in 200 most backward districts of 27 states in the country -- socio-economically, the most challenging areas in India. And in 1st April, 2008 NREGA prevails in whole country. It guarantees 100 days of unskilled jobs per rural household. More importantly, the Act aims at eradication of extreme poverty and at making villages self-sustaining through productive assets creation (such as water tanks and soil conservation works). This is meant to regenerate the rural natural resource base, which in turn will result in sustainable livelihoods for residents. The Act puts Panchayati Raj Institutions (the third tier of government in India i.e. the village level) at the helm of affairs -- beginning with identifying the eligible households to planning the works to be undertaken.

From NREGA to MGNREGA Four years after it was introduced, the government has decided to rename its flagship rural employment programme after Mahatma Gandhi. PM Manmohan Singh announced on Friday Oct 3 2009 that the NREGA (National Rural Employment Guarantee Act) would now be called Mahatma Gandhi National Rural Guarantee Act. A government scheme is being named after the Mahatma after a long time. During a celebration on the 50 years of Panchayati Raj in India P.M. Manmohan Singh said that "NREGA has been aptly named after the Father of the Nation as he had always held the concept of Gram Swaraj in high esteem.

MGNREGA in Uttarakhand

Uttarakhand became the 27th State of the republic of India on 9th Nov, 2000. It covers more than 80%of the hill area. The state has a plenty of natural resources and a big share contributing to the economy of the state is the "tourism". But the resources of this area should not properly utilise for the growth of this state. Mostly the peoples living here are engaged in agricultural activities, which is not as good to fulfill their needs. This may be because some problems i.e., hilly area, dependence on rain for irrigation, lack of good technology, unemployment and poverty. This results as heavy migration from this region. To reduce all this there is a need of proper policy planning, its effective implementation and creating employment opportunities. Self-employment should be good alternate to stop the migration, for this there is a need of guidelines. In such condition the NREGA (now MGNREGA) is like a light in the dark, this provides the opportunity to the poor peoples to live their livelihood and to meet out their basic necessities.

In Uttarakhand state, Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was initially launched in 3 districts of the State in the year 2006 and another 2 districts have been added for the year 2007-08. Women's of rural part of this state lives a very hard life as compared to the males; with the introduction of this scheme the life standard of the women's is uplifted. Now they are able to make their contributions in the economic decisions of their family. As the scheme makes provisions that at least one-third of the total peoples of a particular area should be women's.

Table1. National Report (2012-13): NREGS Person-days and Share of SC, ST, Others, and Women in Total Person-days

MGNREGA Statistics	Uttarakhand	Tehri Garhwal	India
Employment provided to household	3.2088 lakh	0.6708 lakh	4.53 (crore)
person-days (in lakhs/crores)			
Total	108.15	20.02	166.57
Schedule Castes	19.78(18.29%)	2.11(10.55%)	36.64(22%)
Schedule Tribes	2.89(2.61%)	0.02(0.1%)	27.3(16.39%)
Women's	48.63(44.97%)	13.18(65.82%)	88.03(52.85%)
Others	85.55(79.1%)	17.89(89.35%)	102.63(61.61%)
Total Works Taken up	677786	6642	65.47 lakhs
Works Completed	5293	447	12.12 lakhs
Works-in-Progress	62493	6195	53.35 lakhs

Source: http://www.nrega.nic.in

In the above table no.1.1 the National Report for the year 2012-13 is depicts which provides the information related to the MGNREGA person-days and the SCs, STs, Women's and share of others in this scheme. This report is related with the Indian national report, Uttarakhand State and Tehri Garhwal District of this state which is taken for the study area.

Women Participation in MGNREGA

In a male dominated society, women always been underestimated and discriminated in all spheres of life, is it their family and social life or their economic and political life. Moreover, the traditional duties of managing households create hindrances in their social and economic life.

As a rural wage employment programme, MGNREGA recognised the relevance of incorporating gender equity and Empowerment in its design. Various provisions under the Act and its Guidelines, aim to ensure that women have equitable and easy access to work, decent working conditions, equal payment of wages and representation on decision-making bodies. From FY 2006–07 up to FY 2011–12, around Rs 53,000 crore have been spent on wages for women and around 47 per cent of the total person-days generated have been by women. This study synthesises the findings from studies on the impact of such a transfer on the economic and social empowerment of women. Moser (1993) holds that women's ability to earn outside their households increases their own self-perception of their contribution to the household, and this has similar effects. The paid employment opportunity under NREGS holds similar prospects for rural women in India, who have little control over economic resources, and face social and other disadvantages in accessing paid employment outside the home.

In table no.1.3 the percentage of women person days of different states is shown. In this table data is presented from financial year 2006-07 to financial year 2011-12.With a national participation rate of 47 per cent, evidence suggests that women are participating in the Scheme more actively than in other works. Research also indicates that MGNREGA is an important work opportunity for women who would have otherwise remained unemployed or underemployed.

In FY 2011–12, Kerala had the highest women participation at 93 per cent, while Uttar Pradesh and Jammu and Kashmir showed low levels of women participation at 18 per cent and 17 per cent respectively.

Table 2. Percentage of Women person-days from FY 2006 to FY 2012

States	Women person-days (% of total person -days in the state FY 2006-07)	Women person-days (% of total person -days in the state FY 2007-08)	Women person-days (% of total person -days in the state FY 2008-09)	Women person-days (% of total person -days in the state FY 2009-10)	Women person-days (% of total person -days in the state FY 2010-11)	Women person-days (% of total person -days in the state FY 2011-12)
Andhra Pradesh	55	58	58	58	57	58
Assam	32	31	31	28	27	25
Bihar	17	28	30	30	28	29
Chhattisgarh	39	42	47	49	49	45
Gujrat	50	47	43	48	44	45
Haryana	31	34	31	35	36	36
Himachal Pradesh	12	30	39	46	48	60
Jammu and Kashmir	4	1	6	7	7	18
Jharkhand	39	27	29	34	33	31
Karnataka	51	50	50	37	46	46
Kerala	66	71	85	88	90	93
Madhya Pradesh	43	42	43	44	44	43
Maharashtra	37	40	46	40	46	46
Odisha	36	36	38	36	39	39
Punjab	38	16	25	26	34	43
Rajasthan	67	69	67	67	68	69
Tamil-Nadu	81	82	80	83	83	74
Uttar Pradesh	17	15	18	22	21	17
Uttarakhand	30	43	37	40	40	45
West Bengal	18	17	27	33	34	32
India	40	43	48	48	48	47

Note: (1) Union Territories and some States are not included in the table. (2) All-India total is for all States and Union Territories.

Source: Mahatma Gandhi Rural Employment Guarantee Act (official website), www.mgnrega.nic.in and MGNREGA SAMEEKSHA 2006 to 2012

REVIEW FROM THE EARLIER STUDIES

Mahatma Gandhi NREGA is playing a significant role in poverty alleviation and eliminating unemployment with the development of the related rural region. The need therefore, is to share the experiences and materials which will help not only in understanding successes and failures but also provide knowledge and guidelines to strengthen and expand MGNREGA programme. Some previous work done in related field is presented next;

Sudha Narayanan(2007) finds in a social audit in Tamilnadu, that the NREGA has brought about major changes in the lives of women. Now they were in a condition to overcome their daily expenses. However the Act overlooks the facts that childcare is a problem for many of the working women, especially for young mothers.

Khera, R., and Nayak, N.(2009) has stressed in their study which is based on fieldwork in six States in 2008, the socio-economic consequences of the NREGA for women workers. In spite of the drawbacks in the implementation of the legislation, significant benefits have already started accruing to women through better access to local employment, at minimum wages, with relatively decent and safe work conditions. The paper also discusses barriers to women's participation.

Hameed Syeda (2009), has stressed in her research paper" Engendering NREGA: Women's Empowerment through Guaranteed Employment" that while recognizing the significant achievements of NREGA with regard to Gender parity of, Mobilization of women for NREGA employment, Increased in control rights of women, in earning from NREGA. And presently there are over 50 percent women employed under NREGA programme, 79 percent women employees collect their own wages: 68 percent keep their own wages.

Nisha Srivastava, Ravi Srivastava (2010) the study argues for policy interventions to increase work opportunities and enhance wages for rural women workers. Rural women workers, especially agricultural labourers, have high rates of unemployment and under employment. Some impact has already been felt in a number of areas, but much more needs to be done to implement this scheme effectively and to increase opportunities for quality and decent work in rural areas. In their view, this programme constitutes the axis around which the employment conditions of the poorest women workers can improve in rural India.

Dr. Madhuri Verma (2010) states in her study that MGNREGA proves very helpful in the economic empowerment of women. In her study she states that after participating in this programme the rural women's condition is improved and now they hold strong position in their home because now they will also able to earn their livelihood.

Joshi H.C. and Lohani Jitendra Kumar (2013), in their study entitled "Role of MNREGA in Women Empowerment in Uttarakhand" reveals that the economic condition differs in both social group, the general social group women has more higher economic status in comparison to second social because of the social and economic distribution of the society from ancient times. First group belongs to high caste so they have lands while the other group has very less or deprived from the lands in villages.

Deshmukh Neelima (2014) the study Millennium Development Goal 3: achievements and the issues of women empowerment before the Maharashtra Government Institutions described that The objective for the XIIthPlan should be to holistically empower the girl child in all aspects so that she can become an equal partner with boys on the road to development and progress. This requires addressing the various constraints /persisting problems facing the girl child. The author points out some challenges i.e., pro-women policy designs, formulation and implementation of gender budgeting, massive computerization programmes for the specialized training. Special measures are required for this purpose to protect the girl child's prospects of survival and security, from conception to birth, in her early years, and throughout the period of her childhood. Both child development and primary health services must be on alert to address these challenges, and the community must be motivated to play a protective role.

Chakraborty Bidyut (2015), the author discussed his views in his study named "Narrativising women empowerment in India" that the twin goals of gender equality and women empowerment are most critical for inclusive development. It is thus argued that unless linked with the socio-economic and political context the issues of gender equality and women empowerment can never fully be understood. Despite being uniform as women, the inevitable differences separating one group of women from another, due to differences around various social, economic and political axes, need to be especially grasped to suggest effective policy solutions; otherwise, there shall hardly be a conclusive end to the debates over gender equality and women empowerment.

Kundu Amit (2015), investigated in his study entitled "Effectiveness of Mahatma Gandhi National Rural Employment Guarantee Programme to check Migration among the rural Households", the effectiveness of this programme to reduce the intensity of migration of the rural poor households to urban areas. The survey is done in Mandir Bazar block, Parganas district of West Bengal, India. This is one of the country's 250 economically most backward districts selected in 2006 (at the time of introduction of MGNREGA). The results of this survey shows that expansion of this employment programme provides supplementary income for them and is able to reduce the uncertainty in the local job market during the time of seeking employment. They are now able to stay with their family instead of moving away for survival purposes.

Murty C. S. (2015), concluded in his work entitled "Rural Labour Market in the Context to MGNREGA", that the MGNREGA served rural India adequately enough to accomplish its objective of improving the conditions of the life standard of the rural peoples by providing them employment opportunities near to their homes, by make an effect on the increase in real wage rates and by reducing gender gap in wage rates. The situation is also compared on the basis of before and after the

MGNREGA operations are started. The emphasis also made that we should a look at the change in the rural market areas after the introduction of the MGNREGA scheme

OBJECTIVES OF THE STUDY

1. To check the status of women after the MGNREGAs introduction at Tehri Garhwal District of Uttarakhand.
2. To suggest some remedial measures to improve the working of government towards upliftment of rural women.

SAMPLE SELECTION AND RESEARCH METHODOLOGY

There will be due incorporation of primary and secondary data. For the primary data collection the Personal Interview Schedule Technique is used. For this purpose a sample of 100 (one hundred) women participants is taken from the Tehri Garhwal district of the Uttarakhand State. The sample is collected from the Devprayag block of Tehri Garhwal district. And secondary data is taken from the Block Offices, Research papers, news papers and internet.

ANALYSIS AND INTERPRETATION OF DATA

To check women's participation and their empowerment through MGNREGA programme, the analysis and interpretation is done below which is based on the information provided by the respondents. The analysis of the received data in the form of information of the respondents is done on the basis of simple percentage basis.

- Thirty six (36) candidates are belonged to 20-35 years age group where as more than halve of the total sample size (52) lies between the 36-50 years of age group. Remaining 12 respondents are those who attains the age of 50 years.
- Out of the total one hundred respondents 46 women candidates studied upto high school, the number of women's who studied upto intermediate are 22 and rest of the respondents i.e., 32 are illiterate. This implies that illiterate peoples can also participate in this programme with the literate peoples. And they get equal wages for equal work.
- The structure of the respondents which plays a significant role in their decisions. Out of the total size 68 percent respondents relates with the combined family, whereas remaining 32 percent respondents belonged to single family. This implies that the structure of the family have impact on the participation of the rural women.
- We also check the various sources from which the respondents get the information about the MGNREGA programme. From the above mentioned table it is clear that the Gram Pradhan is the main source of information in the villages as more than fifty percent of the total respondents i.e., 74 percent gets the information from the Pradhan. Then 12 percent respondents get the information from their friend/relatives, 09 percent from T.Vs and advertisements and remaining 05 percent from the other sources.
- The women's intra house decision to participate in MGNREGA. 75 percent respondents take their own decision regarding to the participation in programme, about 20 percent of total women's participate in the scheme with the decision taken by the head of the household. And remaining 5 percent respondents participate in the programme with the decision of their other family members.

Table 3. Meaning of this Programme in the opinion of the respondent's

Factor	Frequency	Percent
Enhanced food security	30	30
Protection against the poverty	27	27

Both of the above	43	43
Other	00	00
Total	100	100

Table number 3 shows the meaning of MGNREGA programme in respondent's opinion. Out of the total sample size for 30 percent workers it is scheme which helps in enhancing the food security, for 27 percent respondents this scheme works as a protection against the poverty and for the remaining 43 percent respondents it provides food security as well as reduced the poverty upto some extent.

Table 4. Opinion with respect to the Economic Gain received from this scheme

Opinion	Frequency	Percent
Yes	87	87
No	13	13
Total	100	100

Table number 4 depicts the economic advantage received by the respondent from MGNREGA. From the total sample size about 87 percent respondents said that this scheme changed their life and now they are in a position to meet out their small expenses with their own earnings. Whereas there are 13 percent women's who don't assume this scheme as economically gainful. But most of the respondents suggest that there should be an increase in the daily wages paid under this scheme.

Table 5. Attainment of One Hundred (100) Days of Work in a Year

Opinion	Frequency	Percent
Yes	50	50
No	50	50
Total	100	100

From the above table 5 the situation of getting one hundred days work in a year is depicts. Fifty percent respondents get the 100 days work in a year whereas the same number of women's don't get the stipulated days of work. It is also clear from the information given by the respondents that the persons not getting 100 days of work don't get any type of unemployment allowance as written in the provisions made in this Act.

Table 6. Retention of earnings by women

Who Retain the Earnings	Frequency	Percent
Self (women)	77	77
Other Household Members	23	23
Total	100	100

In table 6 the retention of the earnings of women's is depicts. Sometime women collect their wages, but hand it over either to the male heads of their households or to their husbands. Sometimes, they retain a portion and surrender the rest. Nevertheless, self-collection increases the chances of retaining control over wages. Of our total respondents a large number as 77 percent respondents collect and retain their earnings, whereas in the case remaining 23 percent their earnings are retained by the other household members or by their husbands.

Table 7. Increased livelihood security through asset creation under MGNREGA

Opinion	Frequency	Percent
Yes	86	86
No	14	14
Total	100	100

From the above mentioned table 7 it is clear that through the MGNREGA the rural villagers getting help in assets creation. In this scheme they are provided the help from the Government to repair their agricultural lands, plantation, rain water harvesting techniques etc. About 86 percent respondents assume that this scheme helps them to improve their standard of living, whereas remaining 14 percent don't think as such.

Table 8. Earnings from other Sources and share of MGNREGA

Sources	Frequency	Percent
Sale of Agricultural Products (Grains)	23	23
Sale of dairy Products	15	15
Old Age/Widow Pension	9	9
Only MGNREGA	53	53
Total	100	100

Table no. 8 depicts the sources other than MGNREGA of the total respondents. Although all of them received wages from MGNREGA, they have some other source of earnings. Out of the total sample size large portion of the earnings 23% is collected from the sales of their agricultural products,15% respondents earn from the sale of dairy products i.e., milk and ghee. And there are 53% respondents whose only source of earning is MGNREGA. There are some women's (9 percent) getting earnings from old age/widow pension.

Table 9. Women's Own Income to Meet Personal Needs: Pre- and Post-MGNREGA

Pre and Post MGNREGA	Frequency	Percent
Pre MGNREGA (Own income to meet personal needs)	27	27
Post MGNREGA (Own income to meet personal needs)	89	89
Total	116	116

From the table no.9 the women's own income to meet their personal needs is shown for the Pre and Post MGNREGA. Women's own income to meet their personal needs for the Pre MGNREGA is only 27percent which is very low, whereas in the Post MGNREGA period the share is increased upto 89 percent.

Difficulties and Obstacles for Women Workers

However, NREGS benefits have not come easily – working hours for women have increased; their leisure time has vanished; and they have to bear with physical and emotional strains. Women in the sample area told us that they get up quite early to fetch water, prepare food, and make arrangements for the children before going to the worksite. Even during the official lunch break, some of them return home to take care of the children and other family members.

In the absence of (proper) crèche facilities, lactating women and women with young children leave their children at home while working at the worksite. Since, they have to remain away from home for a minimum of eight hours at the NREGA worksite, they remain anxious about the well-being of their child

There are also some reports of the continued presence of contractors and harassment of women workers. Khera and Nayak in their 2009 study found that at worksites where contractors were present, many women reported various types of harassment. Also, worksite facilities were negligible on these worksites. It is necessary that there should be a special cell worked for the women's.

Work sites located at a far distance from the village create lots of problems to the women's. They faced lots of difficulty in the management of their family.

CONCLUSION

In today's globalized world, every country is facing challenges of cut throat competition, privatization, liberalization, economy development and allied problems. India is facing same problems along with development of rural India. If we concentrate on development of rural area by applying suitable (Human Resource Development) HRD parameters, it will strengthen the economy of India. Because rural development offers an important window through which we learn about the impact of accountability mechanisms on governance structures at the grassroots. In the present study it has been found that in Devprayag Block of Tehri Garhwal district the participation rate of women's is very high. This makes a great contribution in the empowerment of the rural women. Information received from the field survey depicts some below mentioned points;

- The education level of the total respondents of the sample size comprised of literate as well as illiterate workers, getting equal wage for equal work.
- The intra house hold decision to participate in the MGNREGA programme is highly influenced by women's own decision. But there are more factors which influenced the decision regarding the women's participation i.e., head of the household and other family members.
- In the opinion of respondents MGNREGA programme provides protection against poverty and enhanced food security.
- Eighty five percent of the total respondents are economically benefited by this scheme. As after participating in this scheme women living in villages are now able to meet their daily small needs.
- Now the workers received their daily wages directly in their bank accounts. The chances of corruption are reduced upto a limit.
- Out of the total respondents half (50) getting the one hundred days work, but the remaining workers do not received the unemployment allowance as mentioned in the provision under this Act.
- The collection and retention of the earnings under MGNREGA are done by 79 percent of the total respondents. Although there are some cases in which the women collect their wages, but hand it over either to the male heads of their household or to their husbands. Sometimes, they retain a portion and surrender the rest.
- In the opinion of the women workers this scheme makes its contribution in good quality assets creation. The respondents that after the MGNREGA implementation, water level is increased resulting in water availability for domestic use, livestock and irrigation for a long period in the year.
- With the comparison made between the women's own income to meet personal needs with the Pre and Post NREGA implementation, it is clear that before the introduction of the NREGA programme out of the total sample size of 100 respondents only 32 percent women's have their own income to meet their personal needs, and after the introduction of this scheme the percent of women's having their own income increased to 83 percent. This is really a big achievement of this scheme.
- There are some women workers about 47% having source of earnings in additions to the wages they received from MGNREGA. These are through sale of agricultural products (grains), dairy products, through old age/widow pension there are 53 percent of the total respondents who have earnings only through MGNREGA.

SUGGESTIONS

- Government of the state should strengthen the policies of implementing MNREGA schemes with Great Spirit.
- To provide decent and safe working conditions so that the workers can effectively do their workings.
- It is suggested that a cell should be created to monitor the progress of the Panchayats and Pradhans of the village along with Block Development office and district rural development agency.
- It is important to provide the child care facilities i.e., crèches to the women's having children's upto the age of five years.
- It is suggested that grievance redressed and social cells should be set up at the village level and suggestions be taken from the general public.
- It is suggested that separate fund for the programme called the State Employment Guarantee Funds needs to be created at the state level that can be utilized in case Emergency.
- It is suggested that there should be separate cell created for the women workers to ensure their effective participation in MGNREGA scheme.
- It is also suggested that there should not be delay in payment of the wages under this scheme because it can affect their day to day activities.

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