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Quality of Work Life-A Study of Select I.T. companies in Hyderabad

* Dr A. Ravi
** Prof. Vidhayadhar Reddy

INTRODUCTION

" Quality of work life improvements are defined as any activity which takes place at every level of an organization, which seeks greater organizational effectiveness through the enhancement of human dignity and growth… a process through which the stake holders in the organization and management, union and employees learn how to work together better … to better… to determine themselves that actions, changes and improvements are desirable and workable in order to achieve the goals of an organization".

Quality of Work Life refers to the relationship between a worker and his environment, adding the human dimensions to the technical and economic dimensions. Within which work is normally viewed and designed.

- Focuses on problem of creating a humane working environment.
- Creation of more involving, satisfying and effective jobs and work environment for the people at all levels of the organization.
- Brings together needs and development of the people to the organization.
- This prospective is needed to understand how the world of work can be adoptively evolved in order to cope with the uncertainty, complexity and turbulence of the environment in which it is immersed.

Rationale for the Study

The extent to which managers recognize QWL and its potential advantages and disadvantages defines an organization's approach towards employee's efficiency. No organization in this world of globalization would survive with taking care of out quality of work. It is the duty of the management to critically evaluate the benefits of quality of Work life in their organization. On the other hand the management should put in place conditions which would enhance the workforce diversity in their organizations, more especially in their strategies formulation on the diversity of workforce. Hence, with the good quality of the work life for employees, the organization would be internally and externally competitive.

Scope of the Study

The study focused on the quality of work life in the Software companies. It focuses on the work style of employee in an organization. The study explains the employee efficiency of working and it determines the employee abilities to their work.

Objectives of the study

1. To know the quality of work life in Software companies
2. To bring about improvement in quality of a product or service by forming groups and using the ideas and thoughts of the group.
3. To find out effects of quality of work life initiatives on employees.
4. To find out way to improve quality of work life

Research Methodology

Research Design: The research design used in this research is partly exploratory (secondary data) and partly descriptive (primary Data) in nature.

* Associate Professor, TKR Institute of Management and Science, Hyderabad
* Professor, Dept of Management Science Osmania University, Hyderabad

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5.Sample size: The sample size of about 100 employees was taken for the Study

6.**Data Collection**:

Data was collected from employee from different departments in an Organization.

7.Primary Data:

The primary data was collected through questionnaire. About 100 employees would be taken from four Selected software Companies for the Study.

8.Secondary Data:

The secondary data was collected from journals, magazines, text books, websites and other publications.

Data analysis

9. Statistical tool such as Cross tabulation, charts, graphs, percentages and may be used to analyze the collected. Data.

Period of the study: about 50 days

Limitations of the Study

The following are the Limitations of the Study.

1. The period of the study is limited to 50 days.
2. As the data will be collected during the working hours of the employees, they may not respond promptly.
3. This research will be limited to about 100 Employees of Selected Software companies at Hyderabad.
4. The Data collected may become outdated in future as employees opinion changes.
5. **Scope of further Research**

The Study helps in knowing the impact of Quality of work life on Performance of software Companies. In today's fast-paced work environment a successful organization is one where quality of work life can have both positive and negative outcomes in organizations. In terms of organizational learning, organizations are still stuck on the problem of getting people to value diversity and have not yet determined ways to utilize and exploit it. Managing Quality of work in organizations absolutely dependent upon the acceptance of some primary objectives to which employees are willing to commit, such as the survival of the firm so this study will be a touch bearers for other companies and individuals to follow.

LITERATURE REVIEW

The Quality of work life movement provides a value frame work and a philosophy which has a long term implication for the human development and enrichment. It tries to balance both the work and family life. Hence integrated approach with regard to Quality of work life is required for the success of an individual and an organization. This underlines the necessity of searching studies on the nature of human relations and the problems of human relations and the problems of human behavior in the organization and suggest measures to cope with the problems. Hence, an in depth on aspects like Quality of work life can throw light on many non-identified aspects of human behavior which may help in understanding the issues

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involved and improving the overall performance of these organizations. There it is found that there is need to study in greater detail about the topic.

Software organisations are increasingly becoming more important for developed as well as developing economies. Indian software organisations had a phenomenal growth in the last decade and are expected to play a much bigger role in the next millennium in the growth of Indian economy. This growth has been due to availability of highly competent and cost competitive software professionals in India. These unique advantages have led to Indian software organisations becoming problem solvers and subcontractors to a large number of fortune 500 companies. This in turn has led to Indian software professionals being in touch with the best of the software companies anywhere in the world. They have been learning from their client organisations and have become professionally more competent. Realizing that they are as good as the best of the software professionals anywhere in the world, the aspirations of Indian software professionals have been increasing on a continuous basis and they have also become more demanding. In fact many Indian software organisations feel that expectations of Indian software professionals are unrealistic and cannot be sustained for long. It is feared that if this trend continues India may soon lose its cost competitiveness in the software industry.

It is in the above context that this study will explore and examine the human challenges and issues in Indian software organisations.

Therefore, organizations are required to adopt a strategy to improve the employees' 'quality of work life'(QWL) to satisfy both the organizational objectives and employee needs. These case lets discuss the importance of having effective quality of work life practices in organizations and their impact on employee performance and the overall organizational performance.

The software engineers and consultants working with the company enjoy flexibility in working environment that encourages creativity and skills development. For instance, flexi work timings for all, option to work from home for certain positions, pursuing courses or even teaching special subjects in schools and colleges help to provide space to individuals and pursue their passions so long as work objectives are not compromised. In other words, individuals set their own targets and share them with their colleagues and leaders who are there to help.

No one works within narrowly defined or rigid boundaries in the company; all staff is encouraged to broaden their understanding of all aspects of the problem, i.e. the technical and user sides, while remaining engaged in the areas of their interest and expertise. This way every professional develops a broader vision and acquires attitudes to perform as a more responsible and committed team member, one who is sensitive to each other's roles but who is not shy of making suggestions or constructive criticism.

This study is important in the present day context as that would facilitate to focus on optimum balance between work and life. Adverse work-life balance policies can distress business performance in a number of ways.

In a spirited labour market, employers can be a focus for better human resources by submission of work-life balance policies together with competitive compensation packages. Work-life balance policies can diminish costs by enlightening employee retention rates. Work-life balance policies can boost productivity and profitability of the organization. Work-life balance policies can also reduce stress and contribute favourably to a protected and improved workplace by combating fatigue, thus tumbling the possibility of adverse movements of employees in the workplace.

Numerous studies have been conducted on work-life balance. According to a major Canadian study conducted by Lowe (2005), 1 in 4 employees experience high levels of conflict between work and family, based on work-to-family interference and caregiver strain. If role overload is included, then close to 60 percent of employees surveyed experience work-family conflict. Today's workers have many competing responsibilities such as work, children, housework, volunteering, spouse and elderly parent care and this places stress on individuals, families and the communities in which they reside. Work-life conflict is a serious problem that impacts workers, their employers and communities. It seems that this problem is increasing over time due to high female labour force participation rates, increasing numbers of single parent families, the predominance of the dual-earner family and emerging trends such as elder care. It is further exasperated with globalization, an aging population, and historically low unemployment. The Negative Effects of Work Life Conflict Long work hours and highly stressful jobs not only hamper employees' ability to harmonize work and family life but also are associated with health risks, such as increased smoking and alcohol consumption, weight gain and depression. Work life conflict has been associated with numerous physical and mental health implications. According to a 2007 study by Duxbury and Higgins, women are more likely than men to report high levels of role overload and caregiver strain. This is because women devote more hours per week than men to non-work activities such as childcare, elder care and are more likely to have primary responsibility for unpaid labour such as domestic work. Furthermore, other studies show that women also experience less spousal support for their careers than their male counterparts. Although women report higher levels of work-family conflict than do men, the numbers of work-life conflict reported by men is increasing. Work-life conflict has negative implications on family life. According to the 2007 study by Duxbury and Higgins, 1 in 4 Canadians report that their work responsibilities interfere with their ability to fulfil their responsibilities at home.Employees, especially the younger generation who are faced with long hours, the expectations of 24/7 connection and increasing pressure of globalization are beginning to demand changes from their employers. Also, people in the elderly employee segment are working longer now than in the past and are demanding different work arrangements to accommodate their life style needs. Current Practices

DATA ANALYSIS AND INTERPRETATION

1How motivating is the work environment in your organization?
a) extremely motivating b) Fairly motivating
c) Neither motivating nor demotivating d) Demotivating
e)Highly demotiving

OPTIONS	NO OF PERSONS
extremely motivating	31
Fairly motivating	36
Neither motivating nor demotivating	15
Demotivating	12
Highly demotiving	6

Table 4.2

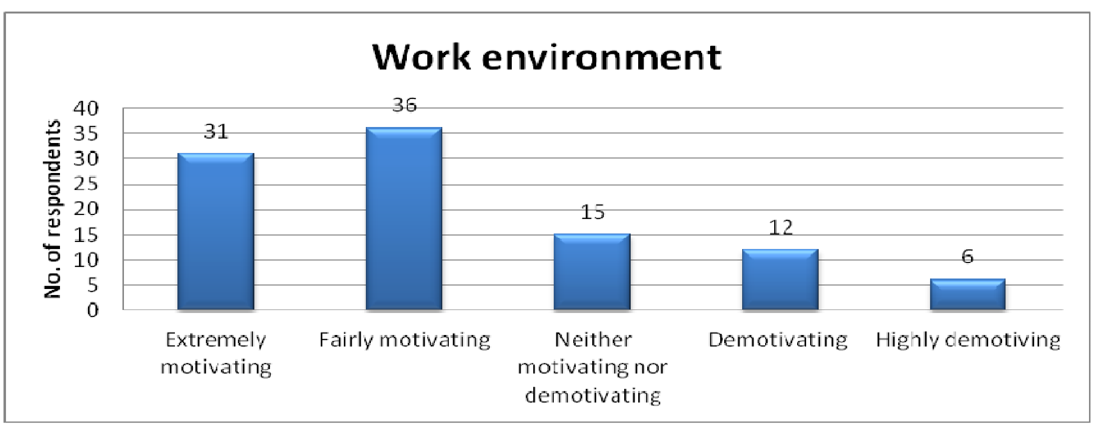

Figure4. 2

Interpretation:

According to the graph, 31 respondents feel that the work environment is extremely motivating, 36 respondents feel as fairy motivating. 18 respondents feel that the work environment is not motivating. The remaining 15 respondents have not stated whether the work environment is motivating or demotivating.

2.What is your level of satisfaction with the working conditions provided by your organization.

a) Highly satisfied b) Satisfied c) Neither satisfied nor dissatisfied

d) Not satisfied e) Not at all satisfied

OPTIONS	NO OF PERSONS
Highly satisfied	32
Satisfied	43
Neither satisfied nor dissatisfied	17
Not satisfied	5
Not at all satisfied	3

Table 4.3

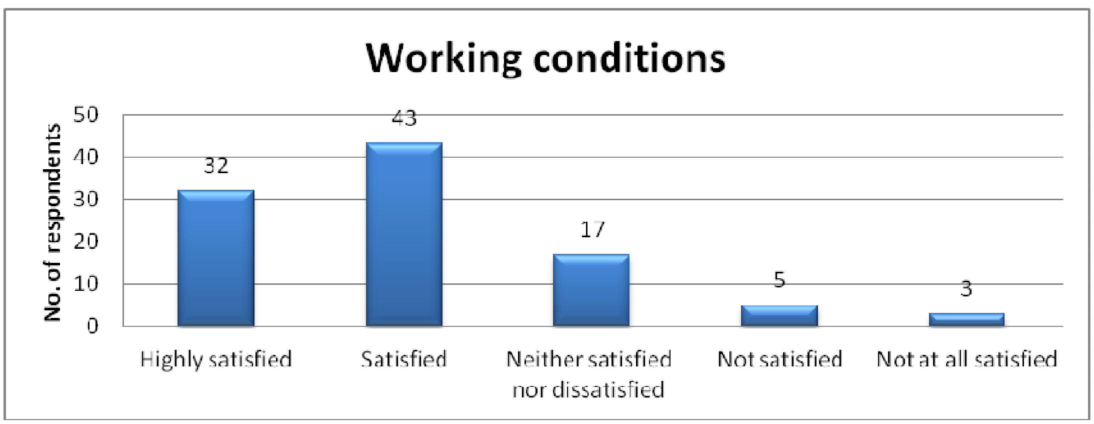

Figure 4.3

Interpretation:

From the above graph, we can see that the 75 respondents are satisfied with the working conditions provided by the organization while 8 respondents are not satisfied with the same. 17 respondents had not responded pertaining to the working conditions provided in the current organization.

3. Do the departments in your organization cooperate with each other?

a) Yes b) No

OPTIONS	NO OF PERSONS
Yes	18
No	82

Table4. 4

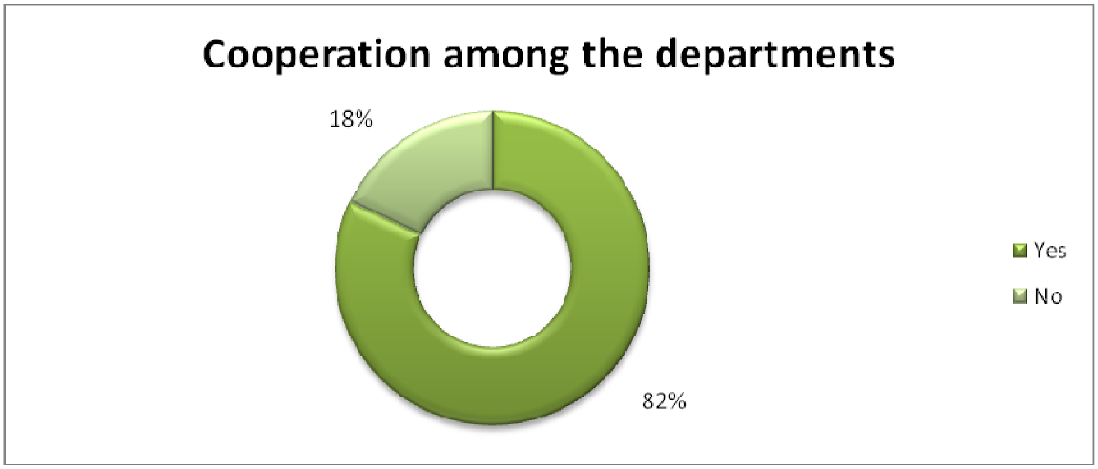

Figure 4.4

Interpretation:

Almost 82% Departments support with other departments in the organizations while only 18% Departments does not support each other.

4. There is a harmonious relationship with our colleagues in your organization.

a) Strongly agree b) Agree c) Neither agree nor disagree

d) Disagree e) strongly disagree

OPTIONS	NO.OF PERSONS
Strongly agree	23
Agree	36
Neither agree nor disagree	20
Disagree	12
Strongly disagree	9

Table 4.5

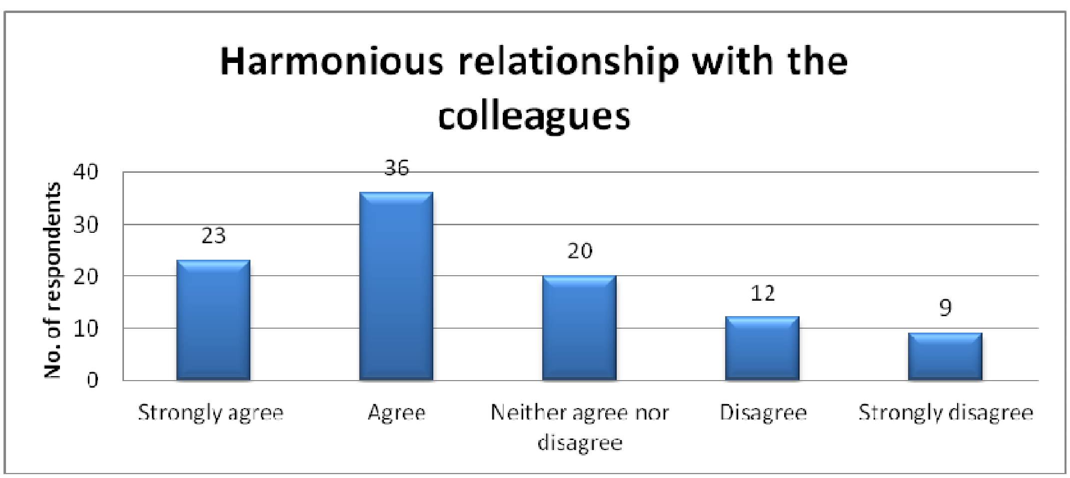

Figure 4.5

Interpretation:

From the above graph, 23 respondents strongly agree that they are maintaining pleasant relationship with the colleagues in the organization and 36 respondents agree with the same. While 12 respondents disagree and 9 strongly disagree that the relationship is not harmonious with the colleagues in the organization.

5. How far training programmes helps an employee to achieve the required skill for performing the job efficiently?

a. Very little b. little c. To some extent

d. Up to the mark e. fully

OPTIONS	NO OF PERSONS
Very little	27
. little	31
To some extent	19
Up to the mark	14
. fully	9

Table 4.7

Figure 4.7

Interpretation:

From the above graph, only 9 respondents feel that the training programs help employees to achieve the required skill for performing the job efficiently. 14 respondents feel that they can help employee perform the job up to the mark. 19 respondents feel the training helps to extent and the 58 other employees feel that there is a little impact of training on the performance.

6. Do you think the training programmes helps in improving relationship among employees?

a) Yes b) No

OPTIONS	NO OF PERSONS
Yes	85
No	15

Table 4.8

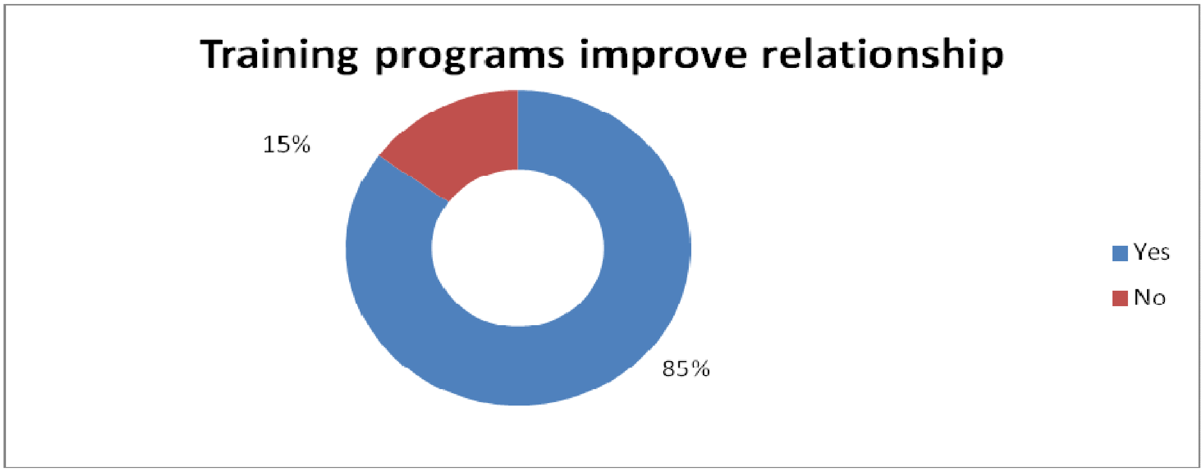

Figure 4.8

Interpretation:

From the above graph, 85% of the respondents confirm that the training programs improve relationships while 15% of the respondents disagree that the training programs will not improve relationships.

7. How would you rate the training programmes overall?

Very useful 5 4 3 2 1 little use

OPTIONS	NO OF PERSONS
Very useful	41
Useful	29
Neutral	17
Little bit use full	9
Not at all use full	4

Table 4.9

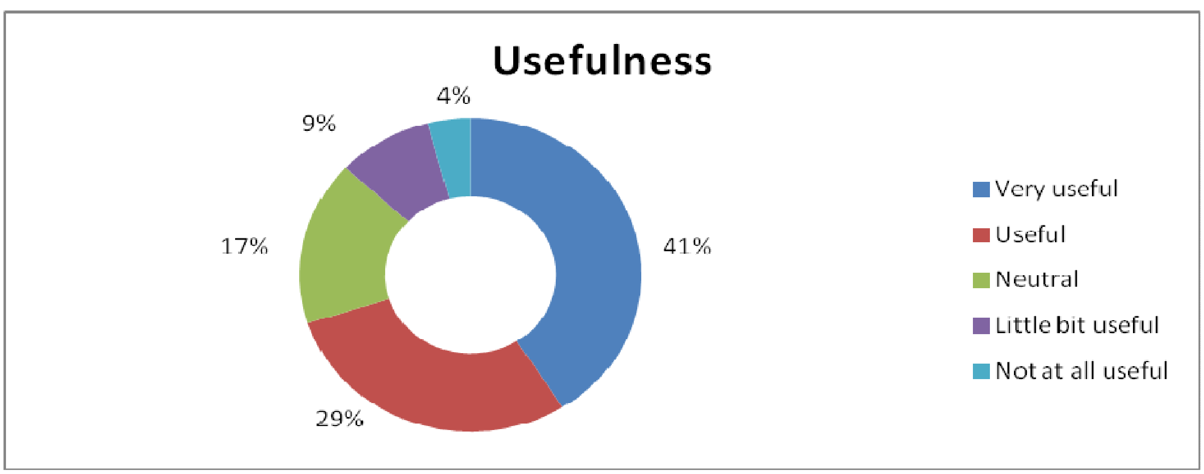

Figure 4.9

Interpretation:

From the above pie chart, it is shown that 41% of the respondents feel it as very useful, 29% of the respondents feel it as useful, 17% of them to some extent, 9% of the respondents to a little bit and 4 % of the respondents feel it as not at all useful.

8 Ultimately what is your opinion regarding Quality of work life in your organization

a) Excellent b) Fair c) Average

d) Poor e) Too Bad

OPTIONS	NO OF PERSONS
Excellent	41
Fair	36
Average	12
Poor	6
Too Bad	5

Table 4.11

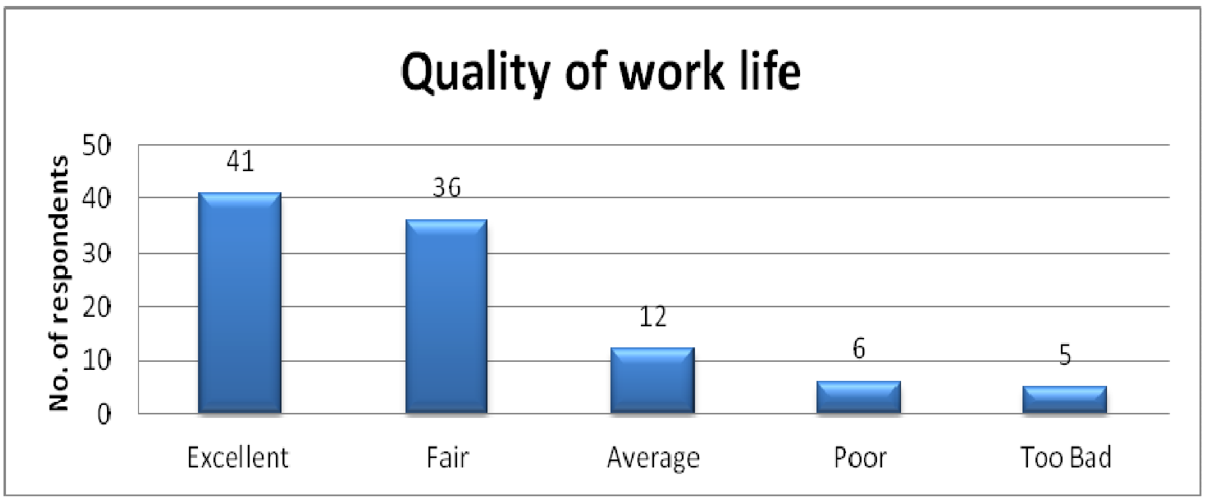

Figure 4.11

Interpretation:

From the above graph, 41 respondents feel that the quality of work life in the organization is excellent, 36 respondents feel it as fair, 12 respondents as average, 6 respondents as poor and the remaining 5 respondents as too bad.

FINDINGS

1. Most of the respondents have been working in the organization for more than 2years and they feel that their work environment is motivating and are satisfied with the working conditions.
2. Up to half of the employees feel that the training programs conducted help them to a little extent in performing their job efficiently and to a great extent in improving relationship among themselves. Overall, they feel that the training programs are useful to them.
3. The employees feel that they are given adequate and fair compensation for their work and their organization does a good job of linking rewards to job performance. There are also few employees who do not think so.

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4. Considerable number of respondents does not think that their organization will pay salaries by considering the responsibilities at work and their work allows them to do in a particular area where they can do the best.
5. The employees feel that there is a balance between the objectives stated and the resources provided to them. There are also some respondents who feel they are not given adequate resources.
6. The employees are satisfied with their job and feel happy of the job security and the social security provided to them.
7. The employees feel that the work life in their organization is qualitative.

SUGGESTIONS

1. Almost half of the respondents do not feel belonged to the organization. This may be due to various reasons though the impact is very much on the overall productivity and effectiveness of the organization.

2. The employees feel that the organization does not consider the responsibilities of the employees while designing the salary package. The company needs to reconsider the compensation of the employees.

4. The training programs conducted by the organization are not much effective according to the employees. Hence the organization needs to attend this problem and provide solutions to the employees.

5. Innovative measures should be adopted by the organization in order to improve the employee engagement and make them much satisfied with their job.

6. There are few respondents who feel their quality of work life is average. Special care should be taken of such employees to increase the productivity.

CONCLUSION

The study on the quality of work life was undertaken to give an insight in to the employee work life and its quality. The study was taken up with an objective to study the work life of the employees and their feelings on their work and other related issues. It was done to throw light on the employee perception of the work life quality in their organization and their expectations from the organization.

The study is done at Hyderabad in a single organization with the employees as the respondents of the study. The sampling technique used was convenience sampling. The study has limitations like time which were taken care of.

The data collected from the primary source and the secondary sources was analyzed using appropriate tools like graphs, tables etc. From the study, it was found that the work life of the employees is highly qualitative. They feel that their work environment is motivating, the training and other opportunities are satisfactory and the cooperation among the departments and the relationships are harmonious. It was also found that considerable number of employees opines their responsibilities are not properly rewarded.

The organization should take care that the employees have the sense of belongingness in them. The salary structure should be revised and redesigned on the basis of the responsibilities being held apart from other factors. The employees should be allowed to work in their area of interest so that they are highly involved and maximum productivity is obtained. Innovative measures should be adopted continuously to make the employee work life qualitative.

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Logistics Management Systems in the Indian Automotive Component Industry

*Prof. Gaikwad Vijay Ganpat
**Mr. Ambhore Prashant P.

Introduction:

The Indian automotive component industry has shown tremendous growth over the last decade. Today it has 480 companies, employees more than 2, 50,000 people and has an estimated turnover of approximately Rs 45,000 crore (US$ 10 billion). On export front also, the industry has grown by leaps and bounds, generating an overseas sales of to Rs. 8,190 Crores (US$ 1.8 billion) in 2005-06, which is nearly three times of what it exported in 2001-02 (US$ 578 million)[1]. The tremendous growth in the automotive component sector over the last few years is shown in table 1:

Table 1: Growth in Production and Exports in the Indian Automotive Component Industry (Rs. mn and %)

	Production	Y-O-Y change	Exports	Y-O-Y change
FY2004	120317		14935	
FY2005	129967	8.0	15685	5.0
FY2006	163559	25.8	18330	16.9
FY2007	178569	9.2	27065	47.7
FY2008	216021	21.0	28019	3.5
FY2009	255354	18.2	34965	24.8
FY 2010	306400	20.0	45000	28.7

Compiled by INGRES
Source: http://www.fadaweb.com/iaci.htm

The automotive industry manufactured components fall under six broad product categories according to Automotive Component Manufactures association (ACMA). These are given in table 2.

Table 2: Classification of Automotive Components according to ACMA

Product Group	Products	Share* (%)	Some of the Key Players
Engine Parts	Pistons, Piston Rings, Engine Valves, Carburetors, Fuel Injection Systems	23	Motor Industries Company, Ucal Fuel Systems, Shriram Pistons, India Pistons, Goetze, IP Rings,
Electrical Parts	Starter Motors and Generators	7	Motor Industries Company, Denso, India Nippon Electrical
Drive Transmission and Steering Parts	Gears, Clutches, Axles	14	Rico Auto Industries, Sona Koyo Steering Systems, Automotive Axles, GKN Driveshafts, Bharat Gears, Rane (Madras), Clutch Auto, Ceekay Daikin
Suspension and Braking Parts	Brakes, Leaf Springs, Shock Absorbers	11	Brakes India, Sundaram-Clayton, Munjal Showa, Gabriel India, Rane Brake Linings, Sundaram Brake Linings, Jamna Auto
Equipment	Headlights, Dashboard Instruments	8	Premier Instruments & Controls, Lumax, Motherson Sumi Systems
Others	Sheet Metal Parts, Pressure Die Castings, Tyre Tube Valves and Cores	36	Jay Bharat Maruti

Source: ACMA Segmental market shares of the organized sector in FY2003 in rupee terms
Compiled by INGRES

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*Assistant Professor, Department of commerce S.V.K.T. Arts, Science and Commerce College Lam Road Devlali Camp Nashik
**M.D., VAP Associates Waluj Aurangabad Maharashtra India

History of the Indian Automotive Component Industry[2]

The Indian Auto Component Industry had its small beginnings in the 1940s. If the evolution of this industry is traced in India, it can be classified into three distinct phases namely:

1. Period prior to the entry of Maruti Udyog Ltd (1940s to 1984).
2. Period after the entry of Maruti Udyog Ltd till economic liberalization (1984 to 1991).
3. Period post Liberalization (1991 onwards).

The period prior to the entry of Maruti Udyog Ltd was characterized by low technology and assured business for most of the auto-component manufacturers who used to supply to a handful of players in the Indian automobile market like Hindustan Motors, Premier Automobiles, Telco, Bajaj, Mahindra & Mahindra etc.

With the entry of Maruti in the 1980s, the auto ancillary industry in the country showed a spurt in growth. This period witnessed the emergence of a new generation of auto ancillary manufacturers who were required to meet the stringent quality standards of Maruti's collaborator Suzuki of Japan. The good performance of Maruti resulted in an upswing for the domestic auto ancillary industry. It was also during this period that auto components from India began to be exported.

With the liberalization of the Indian economy in 1991 and coming of many foreign automobile manufacturers like Hyundai, Daewoo etc., the auto ancillary industry witnessed huge capacity expansions and modernization initiatives in this period. This also led to a tough competitive scenario, which saw a lot of consolidation, technological collaborations and equity partnerships within the industry and with leading global players abroad.

Today, many international and local automotive players are increasingly sourcing components from Indian automotive component manufacturers. As the demand for manufactured automotive components with the tag "made in India" increases, the automotive companies have to further enhance the quality of their products and operations as global players require quality components at reasonable prices and at precise time durations. This has made the automotive component manufacturers in India to be under severe pressure to meet such onerous demands. Hence, to meet such demands, today all the major players in this industry are having one or the other logistics management system.

Understanding Logistics Management:

Logistics is the organized movement of materials and, sometimes, people. The term was first associated with the military but gradually spread to cover business activities. *Logistics Management* is defined as a business planning framework for the management of material, service, information and capital flows. It includes the increasingly complex information, communication and control systems required in today's business environment[3]. Logistics management includes a whole gamut of processes like planning, procurement, transportation, maintenance, distribution and replacement of personnel and material.

The process of logistics management differs from one firm to another. In some firms, all these activities are placed within a single logistics department; in others, they are shared among the departments. The firm may also go in for what is called *third-party logistics*, which is a contract with an outside party to perform specific logistics services.

The following indicative list gives some of the functions that a firm's logistics management system is supposed to perform[4]:

1. Customer Service: All the activities that are done to keep the existing customers satisfied come under the gamut of customer service.

***2. Demand Forecasting*:** This process includes various statistical measures that enable the firm to estimate the demand in the future, which in turn helps in proper demand management.

3. Documentation Flow: This process covers the movement of the paperwork that accompanies the movement of physical product.

4. Interplant Movements: This is only applicable to those firms where production process is accomplished in more than one plant, requiring the movement of semi-finished products from one plant to another.

***5. Inventory Management*:** Inventory management requires a cost effective maintenance of stocks of goods and materials.
6. Order Processing: Order processing starts with the receipt of an order from a customer and ends when the order is ready for packaging.
7. Packaging: Packaging is done mainly to protect the product when it is being transported from the source to the destination. It can also be used for promotional purposes.
8. Parts and Service Support: This covers the whole after-sales service process.
9. Plant and Warehouse Site Selection: This function is carried to determine where the plant and the warehouse are going to be located, keeping cost-benefit analysis in mind.
10. Production Scheduling: This function's task is to balance demand for products with the existing plant capacity and availability of inputs.
11. Purchasing: This is a very important function in the logistics management as the quality of inputs that are purchased determines the quality of the finished product. Vendor selection is an important sub-process of this function.
12. Returned Products: There are many categories of returned products. A few are subjects of product recalls, meaning that a safety defect or hazard has been discovered. E.g. laptop battery recall by Dell. These products are removed from the shelves, and both retailers and consumers attempt to return them to the manufacturer. This is a form of reverse distribution, with goods moving in the opposite direction of their usual flow.
13. Salvage Scrap Disposal: How a firm takes care of its waste material is covered in this function. The firm might recycle its waste or sell the waste to various processors who specialize in recycling it.
***14. Traffic Management*:** All the transport requirements needed to move a firm's freight is known as traffic management.
15. Warehouse and Distribution Centre Management: This logistics activity involves management of the locations where the firm's inventories are stored.

Logistics Management practices in leading Indian Automotive Component Manufacturers:

*** Sundaram Clayton Limited (SCL):*** Sundaram Clayton uses comprehensive TQM (Total Quality Management) practices that enable it in being a competitive world-class manufacturer in terms of quality, cost and timely delivery of products. SCL uses cellular manufacturing, which gives it the flexibility to respond in tune to customer needs. It does comprehensive integration of the supply chain through implementation of ERP (Enterprise-Wide Resource Planning) programme[5].

*** Bharat Forge Limited (BFL)[6] :*** Bharat Forge has been effectively leveraging information technology as an important tool for reducing costs in the field of logistics management. In 2000-01, the company implemented SAP enterprise resource planning package. Bharat Forge is moving at full speed to build e-commerce applications with SAP as a backbone for BFL legacy systems and other collaborative software's like SCM (Supply Chain Management), PLM (Product Lifecycle Management), etc.

At Bharat Forge, SAP also provides in-built capabilities like CRP (Capacity Resource Planning), BPR (Business Process Re-engineering) and thus offers a powerful link between the entire value chain extending from the customers to the suppliers.

The company has also set up an integrated supply chain management system, which enables real-time visibility of material requirement and inventory throughout the value chain, and provides decision support at all stages of operations. It also assists the company in awarding contracts to vendors on current and competitive terms and ensures better execution of contracts. Majority of the company's suppliers have been logged into its supply chain and with Bharat Forge e-enabled with its customers, the company has a real time total demand management system in place.

A virtual private marketplace has been created for Bharat Forge through which the company engages in e-procurement and reverse auctions. The company has already started selling scrap online.

*** Exide Industries Limited*:** Exide has eight manufacturing plants producing world class products. Exide factories are located strategically around the country to provide logistic support for its production of over five million batteries per annum[7]. Exide's R&D is engaged in projects embracing process technology aimed at improving the product quality & consistency, production efficiency and material utilization[8].Exide employees Total Quality Management programme in its office and factories to set higher standards for itself at every step of its "customer-service route". "Zero-error" benchmarking, and delivering quality orientation throughout operations has led Exide to get the coveted DIN ISO 9001 certification by RWTUV of Germany[9].

* ***Sundaram Fasteners Ltd. (SFL):*** SFL makes just-in-time (JIT) supplies for various Original equipment manufacturers (OEMs) through out the country[10]. It has an effective Inventory Management system. Currently, in order to enhance its logistics management; and with the aim of achieving high quality and low cost in its operations, it is using Total Productive Maintenance program (TPM), which was initiated in 1995 in consultation with JIPM (Japan Institute of Plant Maintenance)[11].

* ***Shriram Automotive Products Ltd:*** This Company has tried to improve its logistics management by establishing, implementing and maintaining a quality system in accordance with the requirements of ISO 9002. It tries to adhere to customer delivery schedules through adequate planning and monitoring and tries to bring down non-conformities by strictly monitoring the effectiveness of corrective and preventive measures[12].

* ***India Pistons Ltd (IPL):*** India Pistons Limited strives to maintain a comprehensive system of professional logistics management designed to identify possible defects right from the initial phases of development, hence, preventing problems that could potentially cost the organization dear. In all IPL locations, systems & procedures based on TPM, TQM and Lean Manufacturing are used to ensure that Quality levels are on par with the best in the world. All its plants are QS 9000 certified[13].

* ***Premier Instruments & Controls Limited (Pricol):*** As a part of its logistics management policy, Pricol gives lot of emphasis on procurement quality through systematic vendor development, quality plan, and vendor up gradation through Vendor Center of Excellence, process capability, vendor quality audit, inspection and training[14].

* ***Lumax Industries:*** Lumax became an ISO 9002 certified company in 1995, attained its QS 9000 certification in the year 1998 and achieved the ISO/TS 16949: 2002 and ISO 14001 in 2003. Lumax is aiming for continual improvement of manufacturing processes with emphasis on consistent quality and cost effectiveness[15].

* ***Sona Koyo:*** Sona Koyo is moving on the path of Total Quality Management (TQM) by developing its core competence and aligning objectives at all levels to realize synergy in its operations. It has adopted Total Productive Maintenance (TPM) to improve performance through the philosophy of prevention of accidents[16]. All these measures help it to have a robust logistics management system.

* ***Munjal Showa*:** Munjal Showa is a TS-16949 & ISO 14001 company which aims at providing highest customer satisfaction, cost competitiveness, continuous improvement, on-time delivery of products and direct on-line system by having an enviable logistics management system[17].
Besides the firms that have been mentioned above, other major automotive component manufacturers like Rico Auto, Sumi Motherson, Cluth Auto etc. too realize the importance of stringent inventory management and delivery requirement and hence have their own state of the art logistics management systems in place.

Suggestions for Further Improvement in the Logistics Management Systems in the Indian Automotive Component Industry:
The Indian Automotive Component Industry can further improve its competitiveness, but the Association of Indian Automotive Component Manufacturers and the Indian government have to work hand in had to address some of the problems that are being faced by this industry – like inefficient infrastructure in terms

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of ports, roads, etc; unutilized capital equipment available in the industry, government led bureaucratic hurdles and many more such speed breakers that can curtail the speed of growth that this industry is witnessing today.

Some of the steps that can further improve the logistics management system being used by various firms in the Indian Automotive Component Industry are:

* Improving productivity of suppliers by technology transfer and funding.
* Further reducing inventory buffers and supply chain bottlenecks.
* Using latest technological initiatives to enhance the existing quality levels and streamlining the processes further.
* Using software's like Supply Chain Event Management or SCEM that monitor forecasts, orders, manufacturing schedules, inventories, and shipments etc.

Conclusion:

The more competitive the Indian automotive component industry becomes in the global arena, the more inseparable will the principals of logistics management become to its success and future growth. Though many of the leading automotive component manufacturers in India are having some sort of logistics management system in place, there are still a number of problems that the automotive component industry is facing on the logistics management front. In order to make a bigger mark in the global arena of automotive components, these problems have to be addressed and solutions implemented at the earliest.

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Impact of CRM in e-tailing industry In India: A Customer Perception Study

*Dr. Lokinder Kumar Tyagi
**Dr. Navneet Ghera

A Brief Overview

In view of the global competition, there are greater pressures on Retail Industry in India to bring greater satisfaction to the consumers. With the passage of time there has been a change in the strategy of Indian Retail Industry as they strive to become more competitive. It has become more imperative to define new standards of quality and services with the changing technology and environment in India. Indian Retail Industry has been divided into two category i.e. un-organized and organized. Unorganized retail offers unique services to its clientele i.e. Door delivery, personalized services and sometime credit facility by the small Kirana shops established in approximately 500 sq. feet area. The Big Mega Malls, Super stores, Big Bazaars Specialty stores, e-tailing etc. are the latest formats of organized Retailing. E-commerce and E-tailing is one of the sunrise industries in India and becoming more and more prominent among the people. E-tailing is growing because it helps consumers to save time and efforts. One of the significant reasons for its growth is access to internet users numbering more than 2.5 billion. In India demographics changes, changing in life styles and exposure to international brands are also key motivators of E-tailing.

E-Retailing or E-tailing offer an opportunity to cater to consumers across geographies, no operational timings, unlimited shelf space, and all this with miniscule quantity of infrastructure. In developed countries like India, this business model is a very good and easy way of growth.

It is proved beyond doubt that Retail is India's largest industry, which is accounting for over approximately 10% of the country's GDP. In India organized retailing contribute only 4.1% of the total market while 95.9% unorganized retail sector cater the needs of the Indian population. This industry provides around 8% of the employment in India. Yet it is the beginning only the retail sector in India is exploding and good trends are visible. Indian Industry has ambitious plans to grow at a very fast pace and it is expected that retail business will grow 13 per cent annually from US$322 billion in 2006-07 to US$590 billion in 2011-12. As per the experts, organized retail will result in the creation of world class infrastructure in India.

In spite of above boosting trends in retail industry, as researcher we believe that it is need of day and the retailers has to be more efficient, more systematic, more accurate and more profitable. For this Retailers should begin to see the benefits of customer relationship management. automation and innovation. Advance Technology or IT can change the means of competition with the help of Laser barcode, scanning, and instant checkout, online grocery shopping and automated operations. The detailed product data with demand forecasting available in a software modules and online payments collection are important milestones in the growth journey of Retail Industry. The Information Technology and Telecommunication has forced the retailers not to focus on capital expenditure budgets for the growth but to use the application software to increase efficiency and profitability. Special software has been designed to cover the specific requirements from sales point of view, supply chain management, customer relationship management, and assortment and so on. Software Companies like Oracle and JDA Software have understood the growing interest of utilizing IT in the retail business. JDA Software has catered software needs to nearly ten acquisitions in the last seven years for Textile, Food, and Consumer Goods Industry. This is the starting of the trends and as per the experts, the software market is expected to grow from $474.8 million in 2005 to $731.9 million in 2010, which means it will grow at compound annual growth rate of 9%.

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*Associate Professor, Bharati Vidyapeeth, University Institute of Management & Research, New Delhi.
**Assistant Professor, Bharati Vidyapeeth, University Institute of Management & Research, New Delhi.

The Ecommerce market is expected to touch 9210 Crore INR in 2007-08, E Tailing or e-retailing market is only about 1150 Crore INR according to a survey conducted by Internet and Mobile Association of India and Indian Market Research Bureau (IMRB).

The internet industry in India has experienced a tremendous growth in the last decade especially in urban and semi urban areas. There is now a reason that e-tailing should not flourish with the growing number of internet users. The increase in use of internet in the general public is very glaring i.e. a jump of 700% has been noticed in the last six years. Out of 21.4 million online users in urban areas in India only 10% are active buyers. In India most commonly purchased merchandises through internet marketing are electronic items, cloths, gift items etc. The Future Group offers more than 50000 products in 185 categories and is expecting revenue of Rs.300 crores. It also offers home delivery services in more than 1500 cities across India.

In spite of all these encouraging factors indicating chances for higher growth of e-tailing activities in India still considerably large number of population is not exposing to internet and its use. As per data 96.7 per cent Indian especially in the rural areas are not using internet and are far away from the e-tailing. Despite the vast awareness of organized retail formats the dependence of the rural poor for day today needs continues on Kirana Stores, Weekly Bazaars in their locality.

Statement of the Problem:

The study focuses on important dimensions of relationship Customer Relations Management, which plays very crucial role in the growth of e-tailing in India. The study encompasses various practical approaches like understanding of customer needs and focusing on their satisfaction has its impact on the growth of e-tailing in India. The study also suggests various measures to improve the level of growth in the organized retailing especially e-tailing. In view of enormous competition all over the world, this study also explores the possibility of greater attention and effort on Customer Relationship Management.

Objective of the Study:

The objective of this study is to understand the impact of customer relationship management CRM contributing in growth of e-tailing.

Sampling Frame and Design

Primary data required for this study has been managed through well designed questionnaire issued to the randomly selected samples, Personal Interview and telephonic interview. The random sampling method has been used for the purpose of this study considering their availability and approachability from different part of the society. The sample has been selected from National Capital Region.

Sources of Data

The Researcher has used both primary and secondary data to have better and clear focus on the objectives of the study.

Primary Data

Primary data has been collected from the constant user of e-tailing and retailers through a well structured questionnaire. The questionnaire focuses on the applicability of Consumer Relationship Management (CRM) from customer preferences and also from Retailers preferences. Similarly the questionnaire also focuses on role of Advance technology in the growth of organized retailing from customers' preferences and also from Retailers preferences. The details of the respondents have also been collected for record purposes**.**

Questionnaire Design:

To find out the authentic data to meet the objectives of this study, four variables were identified, which were quite relevant to the topic. These variables were also selected based on the literature survey and discussions with the experts and academicians. Based upon these variables a questionnaire has been designed. The questionnaire has been pre-tested with the help of prominent academicians and practioners and their suggestions were incorporated as per the need of the study.

Secondary Data:

Secondary data has also been collected from important sources i.e. Websites Journals, Newspapers, Magazines, Articles, Books etc. to have the proper theoretical background of e-tailing in India.

Data Collection:

A total 150 No. of questionnaires was distributed to different segments of the society through personal contacts, through e-mails. Only 120 completed questionnaires have been received from the respondent, which represent 80% of response rate. Only 20% respondents have not submitted their responses pertaining to the questionnaires.

Data Analysis:

The analysis of the data is done after tabulation of the collected data. The interpretation and tabulation of the data is done very careful to avoid any chance of error. The question wise responses received have been tabulated, interpreted and percentage calculated to achieve the objectives is given in Table 1 as under:-

Table 1.

Question wise responses received from the sample

Question	SA	A	U	D	SD
1. Do you agree that e-tailing is more popular than other organized retailing formats?	**10**	**30**	**-**	**80**	**-**
2. Do you agree that CRM is not being given due importance in Retail Industry in India.	**-**	**70**	**20**	**30**	**-**
3. Do you agree that perfect coordination between Information Technology and consumer Relationship Management is very important for the growth of e-tailing?	**80**	**40**	**-**	**-**	**-**
4. Do you agree E-tailing in India has bright scope in future.	**60**	**40**	**20**	**-**	**-**

(1)'SA' stands for strongly agree (2) 'A' for agree, (3) 'U' for uncertain,

(4)'D' for disagree and (5) 'SD' for strongly disagree, CRM for customer relationship management.

Inferences:

After collecting and analyzing the data, the researcher has to accomplish the task of drawing inferences followed by report writing. Data analysis has to be done very carefully, otherwise misleading conclusions may be drawn and the whole purpose of doing research may get vitiated. It is only interpretation that the research can expose relations and processes that underlie his findings.

The collected data has been analyzed and some important Question-wise inferences and interpretation are given below:-

Inference-1:

Do you agree that e-tailing is more popular than other organized retailing formats?

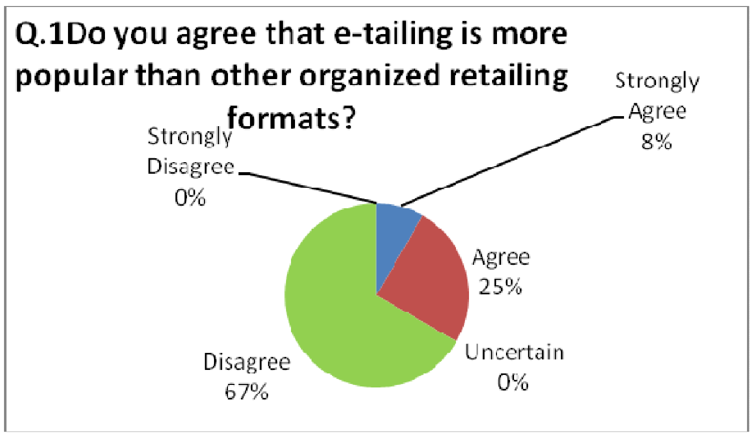

Figure.1

The responses received from the respondents revealed that 67% of the respondents have disagreed that e-tailing is more popular than other organized retailing formats.

Inference-2:

Do you agree that CRM is not being given due importance in Retail Industry in India.

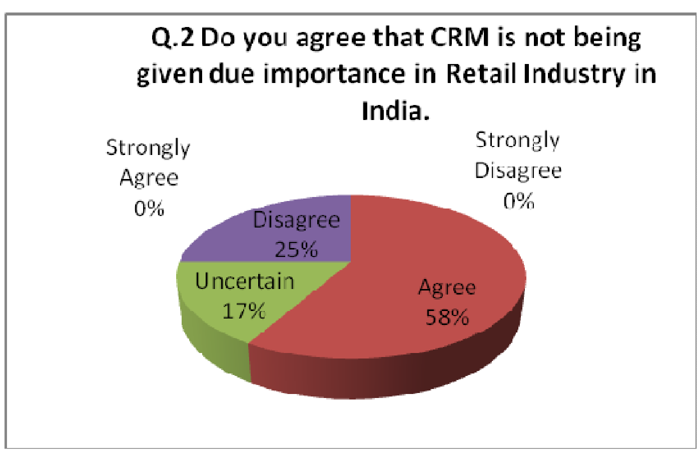

Figure-2.

Out of total data collected 50% disagree and 33% strongly disagree that CRM is not given due importance in retail industry in India while 17% respondents have agree with this view.

Inference-3:

Do you agree that perfect coordination between Information Technology and consumer Relationship Management is very important for the growth of e-tailing?

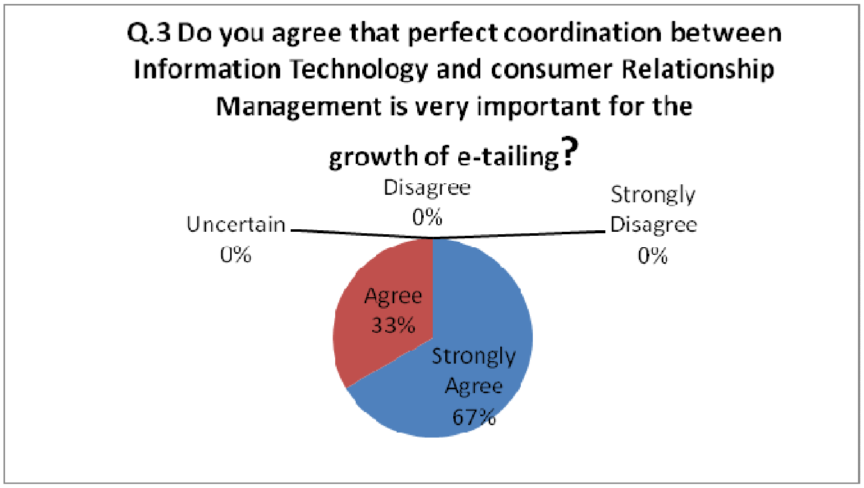

Figure-3.

Since 67% of respondents are strongly agree and 33% agree that there is significant contribution of relationship between IT and CRM towards growth of e-tailing hence Alternate Hypothesis is accepted.

Inference-4

Do you agree E-tailing in India has bright scope in future?

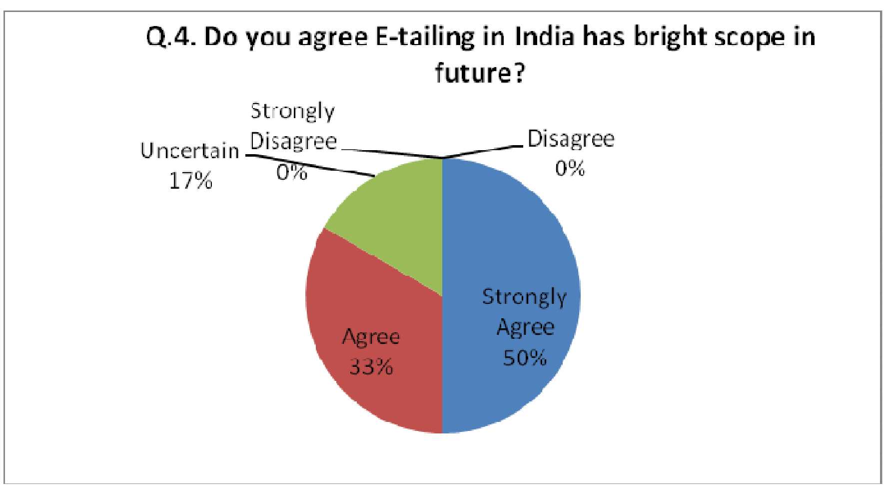

Figure-4.

Since 50% of respondents are strongly agree, 33% are agree and 17% uncertain about India having bright scope in future, hence it is predicted that e-tailing in India has enormous and bright scope.

CONCLUSION

E-tailing as the name suggests, is marketing through internet or e-mails. This age of advance technology or Information Technology has opened up new possibilities across the world. As per the latest statistics 400 million people access internet regularly in India. This study has revealed that the role of Customer Relationship Management in e-tailing especially in the age of automation and innovation are very crucial and important for the growth of any business . No doubt the future of retail industry in India is promising, the market is growing, government policies are becoming more favorable and emerging technologies are facilitating operations. The conclusion of the study are as under:-

- That e-tailing or internet marketing is not so popular as other organized Retailing formats as voted by majority i.e. 67% of the respondents.

- That the Consumer Relationship Management is very important in the growth of e-retailing supported by 80% of the respondent. But still 53% respondents feels that customer relationship management is not being given due importance in retailing in India. It means that there is large scope for the retailers to progress in this direction.
- That Coordination between IT and CRM is very important for the growth of retailing and e-tailing.
- That E-tailing has a great growth potential and has a bright scope in future as 83% respondent have strongly agreed that internet marketing is a sunrise area in India

Though the above trends are very encouraging towards having bright future of internet marketing or e-tailing in India but at the same time there are some feed back against e-retailing are:-

That other Retail Marketing formats have been viewed better than internet marketing because in Retail Marketing consumer can see and inspect the samples or goods in physical before purchasing the same. But in e-tailing we cannot check or verify the quality of the product or services.

Internet marketing can facilitate quick searching and order placing with e-payments but other important aspects of retailing such as delivery of goods, post sale services, customer satisfaction and relationship to be managed efficiently. The future of E-tailing depends on the use of internet by younger generation.

RECOMMENDATIONS:

While making recommendation, it is pertinent to mention here that in India internet marketing or e-retailing is just the beginning and it has already received much exposure. It is hard to believe that internet is just a decade old in India. The greater use of internet has resulted number of online marketing companies cropped up in the country and is a proof of how well the industry is flourishing. As internet is growing so the trend of online marketing. It is strongly felt that there is great scope of internet in the rural India. Government of India should take some definite steps for proper IT education for further growth of Retail industry in rural areas. It is strongly recommended that broad band connections to be increased in semi urban and rural areas. This will surely enable the purchasers in these areas to use E retailing. Another important recommendation for the growth of e-tailing is that mobile connectivity to internet should be enhanced that in turn will increase the market for e commerce. Companies should try and promote e-commerce by physical advertising also (ICICI has done excellent work in this area by even keeping a demo computers in the physical premises allowing customers to have a physical experience to promote e-banking

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A Study of Carbon Credit Accounting

*Dr.L.K.Karangale

Introduction:

Climate change caused by human activities that emit greenhouse gases into the air has started showing its affect in the frequency of extreme weather events such as drought, extreme temperatures, flooding, high winds;and severe storms. Global surface temperature has also increased between the start and the end of the 20th century, caused by increasing concentrations of greenhouse gases resulting from Fossil fuels burning and deforestation;

With the increasing attention given to the link between greenhouse gases and climate change, many companies are quantifying their greenhouse gases emissions for internal management purposes and an increasing number are also preparing a greenhouse gas statement:

(a) As part of a regulatory disclosure regime;
(b) As part of an emissions trading scheme or
(c) To inform investors and others on a voluntary basis, included as part of annual report.

Concept of carbon credit

The greenhouse gases and Pollutants that during the relevant period, have been emitted to the atmosphere or would have been emitted to the atmosphere had they not been captured and channeled to a sink.

Carbon dioxide (CO2) and any other gases, such as, methane, nitrous oxide, sulfur hexafluoride, hydroflurocarbons, perflurocarbons and chlorofluorocarbons. These other gases are often expressed in terms of carbon dioxide equivalents (Co2-e).

Determining which organizations or facilities to include in the company's greenhouse gas and Pollutants statement is known as determining the company's organizational boundary. In some cases, the applicable criteria may allow a choice between different methods for determining the company's organizational boundary. Determining the company's organizational boundary may require the analysis of complex organizational structures such as joint ventures, partnerships and trusts and complex or unusual contractual relationships. For example,a facility may be owned by one party, operated by another and process materials solely for another party.

: A pollutant is a waste material pollutes air, water or soil. Removal of greenhouse gases and Pollutants the company would have otherwise emitted to the atmosphere are ordinarily accounted for on a gross basis, that is, both the source and the sink are disclosed in the greenhouse has and Pollutants statement. Three factors determine the severity of a pollutant , its chemical nature, the concentration and the persistence. Some pollutants are biodegradable and therefore will not persist in the environment in the long term.

Review of Literature

The International Energy Agency (IEA) has pointed out that global temperature may rise at least 3 degrees Celsius because emissions will not be subdued before 2020, increasing the risk of mass flooding and disease.A study conducted by Martin Stuchtey, Partner with Mckinsey and Published in the Economic Times dated 19th March 2008 points out that 60% of global executives regard climate change as being strategically important.

Sameer Gupta, Empirical Analysis of Carbon Credit Trading, Published in ICFAI Reader, September 2008, concludes that India and China are likely to emerge as the biggest sellers and Europe is going to be the biggest buyer of carbon credits. He further states that climate change has become a corporate social responsibility and accordingly has a dimension of carbon Emission Reduction (CER) which leads to Carbon Credit Trading (CCT). Chakravarthi Anand in his article published "ICFAI" Reader'September,2008 on Current Global Trends in Carbon Credit Trading has pointed out that the international carbon market is a key development in the global capital market and is the world's fastest growing market. He further states that carbon credit trading has received a tremendous interest across the globe .It are a great opportunity for Indian and other global companies.

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*HOD Dept of Commerce B.B.College, Lonar Dist:Buldhana (M.S.)

Objectives of the Study

Following are the objectives of the study :

a. To study the concept of global warming and its impact on the economy and industry.
b. To study the concept of Green House and carbon emissions.
c. To evaluate the process of carbon credit accounting.
d. To study the concept of carbon credit and the progress of carbon credit trading in India.

Research Methodology

An analytical method is used for conducting the study. The study is based on secondary data which has been collected from books, periodicals, newspapers and websites. The data and information have been arranged logically in order to draw certain conclusions.

Analysis and interpretation of data

Carbon Credit :

Carbon Credit is a tradable permit scheme. It provides a way to reduce greenhouse gases emissions (discharges) by giving them a monetary value. A credit gives the owner the right to emit one tone of carbon dioxide. Carbon credits are generated as the result of an additional carbon project. A credit can be an emission allowance which is allocated or auctioned, by the administrators of a cap-and –trade program or an offset of greenhouse has equivalent carbon dioxide emissions. Kyoto Protocol sets quotas on the amount of greenhouse gases that countries can produce. Countries, in turn, set quotas on the emissions of business. Business organizations that are over their quotas must buy carbon credits for their excess emissions. On the other hand those organizations that are below their quotas can sell their remaining credits. Thus, by allowing carbon credits to be bought or sold, business organizations for which reducing their emissions would be expensive or prohibitive, can pay another business to make the reduction for it. Carbon credits can be exchanged between business or can be bought and sold in international markets at the prevailing market price.

The carbon emissions trading have been steadily increasing in recent years. According to the World Bank's Carbon Finance Unit 374 million metric tones of carbon dioxide equivalent (mmtCO2e) were exchanged through projects in 2005 i.e. a 240% increase relative to 2004 (110 mmtCO2e). Carbon credits create a market for reducing greenhouse gases emissions by giving a monetary value to the cost of polluting the air. Emissions become an internal cost of doing business and are visible on the balance sheet alongside raw materials and other liabilities or assets.

India signed the Kyoto Protocol in 2002 regarding carbon emission and trading was started in 2007.

There is a huge scope for India in Carbon Credit Trading as she is one of the leading generators of carbon emissions reductions through clean development mechanism. Carbon credit has also been traded as a commodity at the major commodity exchanges like Chicago Climates Exchange (CCX), European Climate Exchange (ECX) and Multi Commodity Exchange (MCX). MCX has entered into a strategic alliance with CCX in September 2005 to initiate carbon trading in India. The total trading volume of carbon credits reached 9600 tons on the first day of trading on MCX. Recently, five contracts of carbon credits have been working on MCX platform with expiry in December,2008,2009,2010,2011 and 2012.Inida,China and European countries are the potential market for carbon credits.

(i) Global Tends in Carbon Trading :

Trading in non generation commodities like carbon credits has placed MCX on the global map of innovative exchange. Future trading on carbon credits was launched with MCX in January 2001. The carbon credits traded globally has recorded a rapid growth in recent years.

Table -1

Global Trends in Carbon Credit

Years	Volume (Million Tones)
2003	50
2004	100
2005	350

2006	537
2007	551
	Source-world bank study report

Table 1 reveals that the volume of carbon credit created by the CDM has recorded a tremendous growth during the year 2003-2007. The global market in carbon is expected to be worth 34 billion by the end of 2011. Carbon credit is a tradable commodity at the major commodity exchanges i.e.: Chicago Climate Exchange, European Climate Exchange and Multi Commodity Exchange, India.

India has signed a Kyoto Protocol in 2002 regarding emissions. There are three mechanisms under the Kyoto Protocol for the developed countries which are under quota restrictions to acquire carbon credits.

These are Joint Implementation Clean Development Mechanism and International Emissions Trading. The CDM mechanism helps the developed countries to earn carbon credits. It also helps the developing countries to receive the capital, as well as the latest and clean technology. Under the IET Mechanism the countries can trade in the international carbon credit market. Carbon credit is traded globally and it is a recently traded commodity at major commodity exchanges.

7.Principles of Measurement: Emmissions can be categorized as :

1. Direct emissions which are emissions from sources that are owned or controlled by the company.
2. Indirect emissions, which are emissions that are a consequence of the activities of the company but which occur at sources that are owned or controlled by another entity. Indirect emissions can be further categorized as :
   a. Scope 2 emissions, which are emissions associated with energy, including electricity, heating/ cooling, and steam that is transferred to and consumed by the other company entity.
   b. Scope 3 emissions, which are all other indirect emissions.
3. The sources of emissions
4. The types of gases and Pollutants involved.
5. The uncertainties associated with quantification.

   Nearly all quantifications of greenhouse and Pollutants emissions involve some degree of uncertainty because it is virtually impossible in any circumstances to precisely count each molecule of greenhouse gases and Pollutants emitted by a company. To the extent the uncertainty relates to existing gaps in available scientific knowledge, it is unavoidable and permeates all quantifications of greenhouse gases and Pollutants emissions. However, all quantifications are made within the context of the applicable criteria, and criteria differ in how they treat estimation or measurement uncertainty, Some criteria stipulate rigid models methods, emissions factors that must be applied in all circumstances when calculating emissions from a particular source. For example the applicable criteria may require Scope 2 emissions from electricity to be calculated by multiplying kilowatt hours recorded on suppliers invoices by a prescribed emissions facto., Quantification in accordance with such criteria effectively eliminates estimation uncertainty for the purpose of reporting in accordance with those criteria.

Disclosures:

1. The categorization of emissions attributable to each material type of emission included in the greenhouse gas and Pollutants statement:
2. Which organizations or facilities are included in the company's organizational boundary, and the method used for determining that boundary if the applicable criteria allow a choice between different methods.
3. The method used to determine which scope 1 and scope 2 emissions have been included in the greenhouse gas and Pollutants statement:
4. The nature of Scope 3 emissions including that it is not practicable for the company to include all Scope 3 emissions in its greenhouse gas and pollutants statements. The basis for selecting those Scope 3 emissions sources that have been included.

Conclusion: India has signed a Kyoto Protocol in 2002 regarding emissions. There are three mechanisms under the Kyoto Protocol for the developed countries which are under quota restrictions to acquire carbon credits. These are Joint Implementation Clean Development Mechanism and International Emissions Trading. The CDM mechanism helps the developed countries to earn carbon credits. It also helps the developing countries to receive the capital, as well as the latest and clean technology. Under the IET Mechanism the countries can trade in the international carbon credit market. Carbon credit is traded globally and it is a recently traded commodity at major commodity exchanges. **References**

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Role of Backward Class Development Corporation in Economic Development of Backward Classes in Nanded District

*Dr.B.R.Suryawanshi

INTRODUCTION

The social strata which is known as the backward class represents the down trodden classes of the society. BC has its origin in the ancient Indian social system. The ancient Indian social systems divides the society into four broad classes namely the *Brahmin*, the *Kshatriya* (warrior class) the *Vaishya* and the *Shudra* (serving class) in addition to this fifth class known as *Atishudras*, who were untouchable existed in ancient India. This system is described a divine origin (vide Rigveda X.90,12 also Geeta.4) This system though it says that the classification is according the inherent aptitudes and activities adopted (*Guna* and *Karma*) but in practice the classification of the caste based upon birth thus in Indian society where the unwritten law still prevails the occupation of person is decided not by his skill and ability but by his birth the fourth class known as the servant class carried on occupations like black smith, gold smith, leather workers, merchant, physician, barber etc. Before the word 'backward classes' used for the down trodden classes who were generally coming from the *Shudra* class of ancient India was referred to as 'depressed class'. The word was used as early as in 1916 in home department letter No.3512, dated 12/03/1916, which the Government of India asked all the local Government to adopt a three fold classification of the depressed classes.

1. Depressed classes is untouchables
2. Aboriginal and Hill Tribes
3. Criminal Tribes

The word 'depressed class' was not used in the Census Report of 1901 and 1911. The report of Indian Statutory Commission 1930 has expressed that the term 'depressed class' was rather vague and also remarked that we could confine the term to those who are classes as 'untouchables'. Dr. Babasaheb Ambedkar in his draft submitted at Round Table Conference remarked that the term 'depressed class' refers to the 'untouchables'.

The term 'Scheduled Caste' and 'Scheduled Tribe' is also used to denote the backward classes of these two terms the former appeared in the first instance in the first Scheduled Chapter-II Section-26 of the Government of India Act 1935. The Constitution of India has also defined the term 'Scheduled Caste' and 'Scheduled Tribe' as below Article 866(24) of the Constitution of India defined expression Schedule Caste. Scheduled Caste means such caste races or tribes or parts or groups within such caste races or tribes as rare deemed under Articles 341 to be SC. For the purpose of this constitution the matter has been further discussed in Article 340, 341, 342 of the Indian Constitution.

However, no where the terms 'backward class' has been defined. The term 'backward class' represents the society backward strata referred by the constitution. SC and ST the term can also mean economically and socially depressed class. The present researcher has used this term to refer to that part of the Indian Society which is converted by specialised corporation as eligible for taking benefits of their various schemes for this study the meaning of backward class considered as defined by the specialised corporation is MPBCDC. According to the corporation BC means Scheduled Caste/Navbuddha/ST, VJNT, recognised so by the Governor of Maharashtra.

SIGNIFICANCE OF THE STUDY

With a view of socialistic pattern of society as mentioned in the constitution of India along with the basic principles of equity, fraternity, freedom and justice for all Government at Central and State levels

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**Associate Professor,* School *of Commerce And management sciences S.R.T.M.University, Nanded.*

established corporations which meant to work as agents of economic development of the backward classes by providing finance to them.The constitutional responsibility of Government of Maharashtra established various corporations for the backward class development. Such as Mahatma Phule Backward Class Development Corporation, Lokshahir Annabhau Sathe Development Corporation, Vasantrao Naik Vimukta Jati and Nomadic Tribes Development Corporation, Leather Industries Development Corporation, etc. These corporations are playing very dominant role for the development of backward classes by providing finance and creating self-employment opportunities for the backward classes. The Indian economy was characterized by high degree of poverty, illiteracy, ignorance and social inequalities. To solve these problems five-year plans have been adopted from 1951 onwards. The major objective of planning in India was acceleration of economic development with justice, for this process the State has been assigned a crucial role. Initially public sector was expected to control the commanding heights of the economy. Public sector would not only take into account economic goals like profit maximization but also consider social aspects like providing access to deprived sections to participate in the development process and thereby provide justice. In case of socially and economically deprived section like Scheduled Castes and Scheduled Tribes, a variety of special development programmes have been launched in addition to general development programmes.

OBJECTIVES OF THE STUDY

1. To study the socio-economic background of backward class beneficiaries.
2. To study the views and aspirations of backward class beneficiaries regarding the backward class development by Backward Class Development Corporation Ltd.
3. To examine the problems and difficulties faced by the backward class beneficiaries.
4. To suggest the suitable measures and remedies for the development of the backward class beneficiaries.
5. To study the performance of Backward Class Development Corporation Ltd.

RESEARCH METHODOLOGY

The present research work is based on the primary and secondary data, collected from the beneficiaries through questionnaire from Nanded district for the year 2000-2010, The data about economic development of the backward class people was collected by the researcher himself with the help of questionnaire. In addition to the primary data information was also collected from the various sources, which sources are: National Scheduled Caste and Scheduled Tribes Finance Development Corporation, Mahatma Phule Backward Class Development Corporation Ltd, Statistical Abstracts of Maharashtra, Government of India and Government of Maharashtra publications and journals, books, etc. National Backward Classes Finance Development Corporation.

SAMPLE DESIGN: At random sample of 100 beneficiaries were selected for the study purpose. Beneficiaries families have been selected as a respondents of the study. The different occupation viz. Agriculture, business, services and labour were duly represented in the sample.

STATISTICAL TOOLS

Present study is on impirical survey based on primary and secondary data. The data so collected has been edited (seriated) classified and presented in tabular, diagrams and graphic forms so as to make analysis and interpretation possible. Various tools and techniques have also been used such as percentage, averages, correlation for the purpose of analysis and interpretation.

LIMITATIONS OF THE STUDY: The sample size is limited, the usual limitations of resources in terms of money and time at the disposal of the researcher have contributed to limit the scope of the study, and the third limitation is regarding the collection of the primary data, The availability of the respondents for the purpose of survey has proved to be a major constraint for the researcher in addition very few beneficiaries were interested in directly disclosing their problems and personal information.

FINDINGS OF THE STUDY: The parameters like age, education, occupation, caste of the beneficiaries, annual income, their income sources, family size, other earning hands, assets, monthly savings and previous year's investment payment of income tax are taken into consideration in presenting the profile of the beneficiaries.

Table No:-1
Age of the Beneficiaries

Sr. No.	Age (In Years)	Frequency	Percentage
1.	Up-to 20	10	10
2.	20 – 30	15	15
3.	30 – 40	48	48
4.	40 – 50	24	24
5.	50 – 60	03	03
	Total	**100**	**100**
		Average Age = 35 Years	

Source:- Field Survey (2011-12)

The above Table highlights on the age of the beneficiaries (about the average age of the sample is 35 year's). 48% of the beneficiaries are from the age group of 30 to 40 years.

Table No:-2
Education of the Beneficiaries

Sr.No.	Education	Frequency	Percentage
1.	Illiterate	40	40
2.	Primary	08	08
3.	Matriculate	10	10
4.	Higher Secondary	20	20
5.	Graduate	15	15
6.	Post-Graduate	07	07
	Total	**100**	**100**

Source:- Field Survey (2011-12)

Table gives the details about educational qualification of the beneficiaries. 40% of the total sample is illiterate. 20% beneficiaries belong to the higher secondary qualification and 15% of the beneficiaries are graduates, there are 10% and 8% of the beneficiaries in the education group of matriculate and primary level respectively. Whereas 7% in the sample of the beneficiaries belong to the education group of the Post-Graduate level.

TABLE No:-3
Annual Income of the Beneficiaries from all Sources

Sr.No.	Income (in Rs.)	Frequency	Percentage
1.	Below 10,000	07	07
2.	10,000 – 20,000	35	35
3.	20,000 – 30,000	29	29
4.	30,000 – 40,000	12	12
5.	40,000 – 50,000	08	08
6.	50,000 – 60,000	06	06
7.	60,000 – 70,000	03	03
	Total	**100**	**100**
		Average Annual Income = Rs.25,800/-	

Source:- Field Survey (2011-12)

The above table shows the details of the annual income of the beneficiaries from all sources. The average annual income of the beneficiaries from all sources is Rs.25,800/-. There are 7% beneficiaries belonging to the income group of below Rs.10,000/- as 76% beneficiaries belonging to the income group in between Rs.10,000/- to Rs.40,000/- and 8% beneficiaries related to the income group of Rs.40,000/- to Rs.50,000/- . It is seen that only 6% and 3% in income group of Rs.50,000 to Rs.60,000/- and Rs.60,000/- to 70,000/- respectively. The average annual income of the beneficiaries comes to Rs.25,800/-.

TABLE No:-4
Scheme Selected by Beneficiaries

Sr.No.	Name of the Schemes	Frequency	Percentage
1.	Loan subsidy scheme	51	51
2.	Margin money scheme	14	14
3.	National scavengers scheme	10	10
4.	Training scheme	09	09
5.	N.S.F.D.C. schemes	16	16
6.	Others	--	--
	Total	**100**	**100**

Source:- Field Survey (2011-12)

The present data shows the schemes selected by beneficiaries. Out of the total sample of 100, 51% beneficiaries have selected loan subsidy schemes of the concerned corporation. Whereas 16% beneficiaries have selected national Scheduled Castes and Scheduled Tribes Finance Development Corporation Schemes and 14% beneficiaries have selected margin money scheme.

TABLE No:-5
Infrastructure Provided by Corporation to Beneficiaries

Sr.No.	Infrastructure	Frequency	Percentage
1.	Shed	19	19
2.	Building Construction	--	--
3.	Land	--	--
4.	Machinery	15	15
5.	Service	21	21
6.	Not Provided	45	45
	Total	**100**	**100**

Source:- Field Survey (2011-12)

The above table shows the infrastructure provided by the corporation. Out of the total sample of the beneficiaries 45% beneficiaries are in favour of Infrastructure is not provided by the corporation. 21% beneficiaries are in favour of service is provided by the corporation for the beneficiaries. Whereas 19% beneficiaries are in favour of the shed is provided to the beneficiaries for their business units and 15% beneficiaries are in favour of infrastructure of machinery given by the corporation.

TABLE No:-6
Corporation Amount due by Beneficiaries

Sr.No.	Remarks	Frequency	Percentage
1.	Less than 10%	30	30
2.	11 – 25%	35	35
3.	26 – 50%	16	16
4.	51 – 75%	09	09
5.	76 – 100%	10	10
	Total	**100**	**100**

		Average Bank Amount Due 28%	

Source:- Field Survey (2011-12)

It can be observed from the above table that out of the total sample of the beneficiaries 35% beneficiaries have expressed the views that amount due by the beneficiaries is in the range of 11% to 25%. Whereas 30% of the beneficiaries have expressed the opinion that less than 10% loan amount is yet to be paid. 16% and 10% beneficiaries are in the range of 26% to 50% and 76% to 100% and 9% beneficiaries are in the range of 51% to 75% amount due to the corporation. The average corporation amount due by the beneficiaries is 28%.

TABLE No:-7
Difficulties at the Time of Taking Loan

Sr.No.	Difficulties	Frequency	Percentage
1.	Lengthy procedure of documentation	18	18
2.	Delay by sanctioning authority	26	26
3.	Non corporation of employees	05	05
4.	Delay from bank	12	12
5.	Less bank target	19	19
6.	Less provision of govt. funds	20	20
	Total	**100**	**100**

Source:- Field Survey (2011-12)

It is observed from the above table that 26% of the beneficiaries have given their opinion about delay by sanctioning authority to get loan. 20% of the beneficiaries have expressed their difficulty in getting loans because of the less provision of the government funds. Where 19% and 18% beneficiaries have expressed their difficulty in obtaining loan is less target of the bank loan and lengthy procedure of documentation respectively. 12% of the beneficiaries have expressed their difficulties about delay from bank to obtain loan. Only 5% beneficiaries have expressed their difficulty regarding obtaining loan from the corporation and non co-operation of the corporation employees in sanctioning the loan proposals.

TABLE No:-8
Opinion of the Beneficiaries about the Employees of the Corporation

Sr.No.	Remarks	Frequency	Percentage
1.	**Co-operative**	**86**	**86**
2.	**Non-cooperative**	**11**	**11**
3.	**Fraudulent**	**03**	**03**
	Total	**100**	**100**

It can be observed from the above table that 86% beneficiaries of the backward class have expressed their opinion that the behaviour of concerned corporation employees was co-operative. Whereas 11% beneficiaries have expressed their views that the behaviour of backward class Development Corporation was not co-operative and 3% beneficiaries have expressed their views regarding the behaviour of corporation employees as fraudulent.

TABLE No:-9

Suggestions about Working of Corporation by Beneficiaries

Sr.No.	Suggestions	Frequency	Percentage
1.	Corporation should increase subsidy	40	40
2.	Easy document collection	19	19
3.	Provisions for permanent place for corporation office	10	10
4.	Avoid delay in sanctioning loan	18	18
5.	Implement new schemes	07	07
6.	Charge low rate of interest	06	06
7.	Arrange training programme	--	--
8.	Proper guidance through corporation	--	--
	Total	**100**	**100**

It is observed from the above table that out of the total sample of the beneficiaries 40% beneficiaries have given their suggestion that the corporation should increase the limit of subsidy. 19% of the beneficiaries have given their suggestion that the corporation should apply easy document collection system. Whereas 18% of the beneficiaries have suggested to avoid delay in sanctioning loans. 10% of the beneficiaries have given their suggestions to provide permanent office place. 13% of the beneficiaries have given their suggestions about working of the corporation that corporation should implement new schemes and charge low rate of interest on loan.

MAJOR CONCLUSION:

Following conclusions are drawn on the basis of statistical analysis of the primary data collected from the sample of the present study. The studied sample size boils out following design of the sample:

- Average Age of the sample is 35 years.
- Higher Secondary pass is the mode of educational qualification of the sample.
- Annual income of the beneficiary from all sources is about 25,800/-
- Most of the beneficiaries have selected loan subsidy schemes of the concerned corporation.
- The corporation is not providing any infrastructural facilities like shade, land and machinery to the beneficiaries.
- The corporation loan amount due by the backward class beneficiaries is in the range of 11% to 25%.

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Customer Relationship Management in Small Scale Industries – A study of Nanded City

*Dr. B.R.Suryawanshi
**Mr. R. V. Tehra

Introduction

The process of developing a cooperative and collaborative relationship between the buyers and sellers is called customer relationship management shortly called CRM. CRM aims at focusing all the organizational activities towards creating and maintaining a customer. CRM is a new technique in marketing where the marketer tries to develop long term collaborative relationship with customers to develop them as life time customers. CRM aims to make the customer climb up the ladder of loyalty.

The approaches in marketing functions are constantly changing in tune with the changing challenges that are faced at the market fronts. Today, marketers consider retaining of customers as a much more challenging job than acquiring customers in the context of growing competitive forces. Thus, the traditional transactional approach of marketing became insufficient to achieve the marketing goals. This scenario necessitated the emergence of a new approach namely Relationship Marketing.

The focus of transactional marketing approach is on individual transaction & does not concern continuous relationship with customers. The framework of transactional marketing does not contain a strategic long-term perspective. It centres around tentative adjustment process as regards performing marketing functions. Customers are viewed as outsiders to the business. The relationship marketing approach has gradually taken the shape of Customer Relationship Management. Relationship marketing has a narrow focus on the customers & only on the marketing functions of the organisation concerned. On the other hand, customer relationship management focuses more widely on customers & on the entire functions connected with the values creation & delivery chain of the organisation concerned. Organisations have preferred the usage of the term Customer Relationship Management (CRM) rather than relationship marketing.

FEATURES OF CRM

- Focus on customer rather than revenue from single transaction.
- Creating customer value rather than just adding features to the product.
- Long term focused
- High customer service
- High customer commitment through loyalty
- High customer contacts to identify customer needs and serve them better

OBJECTIVES OF CRM

CRM along with human resources of the company, enables the company to analyze the behaviour of customers and their value. The main areas of focus are as the name suggests: ***customer***, ***relationship***, and ***the management of relationship*** and the main objectives to implement CRM in the business strategy are:

- To simplify marketing and sales process
- To make call centres more efficient
- To provide better customer service
- To discover new customers and increase customer revenue
- To cross sell products more effectively

The CRM processes should fully support the basic steps of ***customer life cycle***. The basic steps are:

- Attracting present and new customers
- Acquiring new customers
- Serving the customers

*Associate Professor, School of Commerce & Management Sciences, S. R. T. M. University, Nanded (MH)
**Asst. Professor, School of Commerce & Management Sciences, S. R. T. M. University, Nanded (MH)

- Finally, retaining the customers

Benefits of CRM:

The following are some of the benefits of adopting CRM practices:

- Develop better communication channels
- Collect customer related data
- Create detailed profiles of individual customers
- Increased customer satisfaction
- Access to customer account history, order information, and customer information at all touch points
- Identify new selling opportunities
- Increased market share and profit margin
- Increased revenues
- More effective reach and marketing
- Improved customer service and support
- Improved response time to customer requests for information
- Enhanced customer loyalty
- Improved ability to meet customer requirements
- Improved quality communication and networking
- Reduced costs of buying and using product and services
- Better stand against global competition

Review of Literature

Eagerness toward Customer Relationship Management (CRM) began to grow in 1990 (Ling & Yen, 2001; Xu, Yen, Lin, & Chou, 2002).

Swift (2001) defined CRM as an" enterprise approach to understanding and influencing customer behaviour through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty, and customer profitability.

Kotler and Keller (2006) have defined Customer relationship management (CRM) as the process of managing detailed information about individual customers and carefully managing all customer "touch points" to maximize customer loyalty. Kincaid (2003) viewed CRM as "the strategic use of information, processes, technology, and people to manage the customer's relationship with your company (Marketing, Sales, Services, and Support) across the whole customer life cycle". Richards and Jones (2008) have defined CRM as "a set of business activities supported by both technology and processes that is directed by strategy and is designed to improve business performance in an area of customer management.

Having a glimpse to the above mentioned definitions of CRM one can understand that all above authors' emphasis is on considering CRM as a "comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and supply – chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value." (Parvatiyar & Sheth, 2001).

Objectives of the Study

Following are the broad objectives of study:

1) To understand the overall scenario of CRM in SSI units
2) To find out the number of company having customer database
3) To find out the types of difficulties in maintaining customer database.
4) To find out whether companies have a permanent / preferential customer
5) To find out the awareness of company about CRM practices.
6) To find out effectiveness of CRM practices adopted by company.
7) To find out manner in which CRM practices will benefit SSI in future

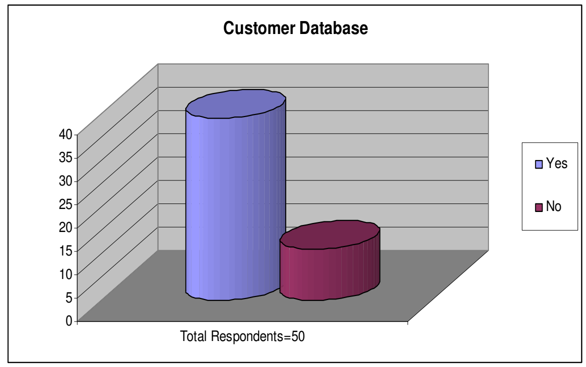
RESEARCH METHODOLOGY

This is an empirical study which focuses on the CRM practices of SSIs. The primary data has been collected through structured questionnaire from the owners of 50 small scale industries. The sample technique used was non-probability convenience sampling.

Data Analysis & Interpretation

Table No: 01
Customer database

Response		Percentage
Yes	39	78 %
No	11	22 %
Total	50	100 %

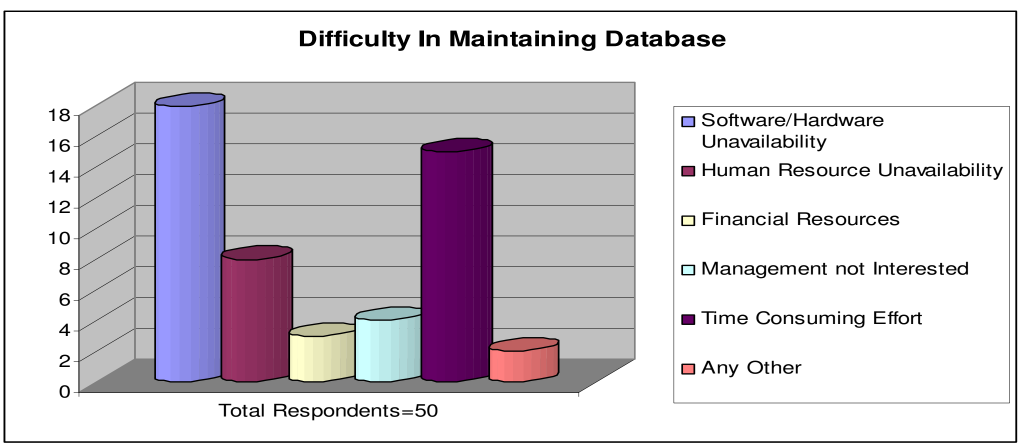


SOURCE: Field survey (2011-12)

Out of 50 respondents there are 39 respondents who have customer database. And except 11 respondents who have not customer database.

Table No: 02
Difficulty faced in maintaining a customer database

Software/Hardware Unavailability	Human Resource Unavailability	Financial Resources	Management not Interested	Time Consuming Effort	Any Other	Total
18 (36%)	8 (16%)	3 (6%)	4(8%)	15 (30%)	2 (4%)	50 (100%)

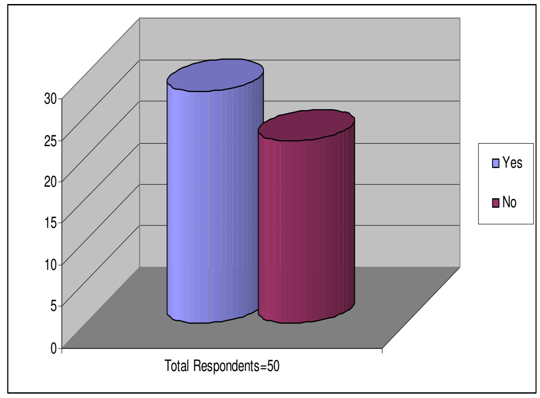


SOURCE: Field survey (2011-12)

Out of the 50 respondents, maximum numbers of respondents have difficulty in maintaining database is software/hardware unavailability & time consuming effort which are respectively 18 & 15. After this two another one is human resource unavailability which is 8.

Table No: 03-Permanent/Preferential customer

Response		Percentage
Yes	28	56 %
No	22	44%
Total	50	100 %

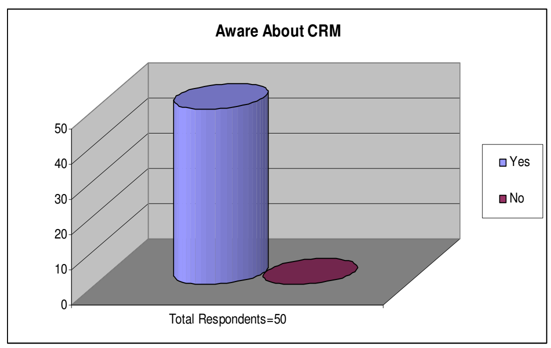


SOURCE: Field survey (2011-12)

There are 28 respondents who have permanent customer which percentage is 56%, & except 22 respondents have not permanent customer those percentage is 44%.

Table No: 04-Awareness about the CRM practices

Response		Percentage
Yes	45	90 %
No	05	10 %
Total	50	100 %



SOURCE: Field survey (2011-12)

90% of respondents are aware about the CRM practices.

Table No: 05-Effectiveness of CRM practices

Strongly Agree	Agree	Can't Say	Disagree	Strongly Disagree
10	6	18	15	1

SOURCE: Field survey (2011-12)

Out of all respondents there are the opinion can't say, disagree, strongly agree, agree & strongly disagree for which 18, 15, 10, 6, 1 respectively.

Future benefits of CRM practices

Higher Sales	Increase in Customers	Increase in Market Share	Higher Overall Profits	Total
15 (30%)	26 (52%)	2(4%)	7 (14%)	50(100%)

SOURCE: Field survey (2011-12)

There are 26 respondents who say increase in customer is beneficial to company by CRM practices in future which percentage is 52%, & except 15 respondents say higher sales; Two respondents say increase in market share & 7 respondents say higher overall profit.

Major findings

22% of the respondent companies do not maintain any database of the customers. Major problem behind not maintaining of the database is the Unavailability of the Hardware/Software (36%). From the respondents, 44% do not have any preferential customers. On the effectiveness of the CRM practices, only 20% of the respondents are strongly agreeing. On the future benefits of CRM, 52% of the respondents viewed that the CRM would increase the customers of the company.

Suggestions

The companies should maintain the detailed customer database which serves as the basis to the Customer Relationship Management process. Also, the companies should try to overcome the problem of Hardware or Software unavailability for maintaining database. A simple Excel Sheet or MS-Access software can be used for this process which does not requires any expert computer skills. The companies should try to identify their preferential customers & then focus on those customers for long term relationship. The companies should also try to monitor the CRM practices for finding out the effectiveness.

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Innovative time of Tourism and its impact on tourism industry in India

* Dr. Prasad Shivaji Madan

Introduction

Until 19th century, travel for recreation was only undertaken by the elite. With the advent of rail, mass travel was available for the first time and destinations such as Brighton, UK and Coney Island, NY developed. Status was then defined by the mode of travel. In 20th century status was revealed by the nature of the destinations. Travel and tourism has been going on since time immemorial, and for the 'twentieth century tourist, the world has become one large department store of countrysides and cities' (Schivelbusch, 1986). By 21st century, travel became a new economy - ***tourism*** - available to all with enough money.

The focus of the tourism industry has shifted from air travel, overnights, meals and so on to total experiences or fantasy worlds associated with specific destinations (Keller and Koch, 1995). This new tourism phenomenon is not only influenced by economic factors but also by new cultures and a new generation of tourists. In tourism, the different destinations compete worldwide through globalisation (Saayman, 1998).

The paradigm shift from mass tourism (also known as *Fordian Touris*m), which was the norm for more than three decades, no longer suffices to achieve competitiveness in tourism enterprises and regions. A new paradigm, or new tourism, is gathering momentum owing to its ability to face prevailing circumstances (Fayos-Solá, 1996).

Modern information and communication technology development in symbiosis with the transformation of tourism demand gave rise to a ***new tourism.*** This paradigm shift is not easy to define but is indicative of a new type of tourist who wants a new or different product. The new tourists are more experienced, more educated, more "green", more flexible, more independent, more quality-conscious and "harder to please" than ever before (Cater and Goodall, 1992; De Villiers, 1996). Furthermore, they are well read and know what they want and where they want to go.

What is New Tourism?

New Tourism is characterised mainly by ***supersegmentation of demand***, the need for flexibility of supply and distribution, and achieving profitability through diagonal integration and subsequent system economies and integrated values, instead of economies of scale (Fayos-Solá, 1996). This paradigm permits the tourism industry to offer products adapted to the increasingly complex and diverse needs of demand, while being competitive with the old standardized products. These markets of experience have become global, affecting the demand as well as the supply side of the tourism industry. The tourism industry has undergone profound changes, which have been categorized by Poon (1993) in the following groups: (a) new consumers, (b) new technologies, (c) new forms of production, (d) new management styles, and (e) new prevailing circumstances.

Key shifts in global tourism market trends are as follows:

- In the long term, the average standard of living in western developed countries will increase, as will the amount of discretionary money available for travel;
- Rising affluence will bring with it increases in the amount of free time available. Longer weekends and increased paid holidays have helped to stimulate expansion in attraction visitation;
- There is a shift in emphasis from passive fun to active learning;

INCREDIBLE INDIA CAMPAIGN:

The Indian Ministry of Tourism launched the Incredible India campaign in 2002 to encourage visitors from around the world to experience India.

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* Principal VSS College Jalna- India

The concerted marketing effort included Print, Radio and Television ads. The campaign also included road shows, which were planned for the UK, Canada, Singapore, Malaysia, Russia, Australia and New Zealand. The successful campaign received attention and praise from travel professional and is credited with increasing the number of tourists to the nation within just a few years.
India is probably the only country that offers various categories of tourism. These include history tourism, adventure tourism, medical tourism (ayurveda and other forms of Indian medications), spiritual tourism, beach tourism (India has the longest coastline in the East) etc.

FINANCIAL CRISIS IN INDIAN TOURISM INDUSTRY:
Recession has impacted all the sectors and on the backdrop of recessionary trends in US, European and other developed countries, the underdeveloped and developing countries are also experiencing the pinch. The direct and indirect effect of global slowdown has its impact on India too in the form of reduced money flow, reduced trade and visitors of the foreigners. Because of the recent crisis, the Tourism sector also affected.

IMPACT OF FINANCIAL CRISIS IN TOURISM INDUSTRY:
The Global financial crisis appears to be moving towards the resolution. Tourism is the a multi-sectoral activity and the industry is affected by many other sectors of the national and International economy. The financial crisis affected all the countries financial sectors and its leads to the decrease in the visitors of the foreigners and its leads to decrease in the foreign exchange. Here the researcher understood that, highest revenue earned during the period of 2008 and in 2009 the revenue was affecting due to the financial crisis.

STATEMENT OF THE PROBLEM:
The present research will intend to study the perceived implications of the impact of global recession(financial crisis)on the Tourism Industry in India. Even though Indian tourism sector is vast one, the researcher is try to find out the impact of global recession in this field.

OBJECTIVES OF THE STUDY:
* To Study the impact of new age tourism in Indian industry.
*To study the growth and trend performances of Foreign Tourist Arrivals in India.
* To analyse the Impact of financial crisis in Foreign Exchange Earnings of Indian Tourism sector.
* To study about the top ten source countries for Foreign Tourist Arrivals in India for 2011-12.

ANALYSIS AND INTERPRETATION OF DATA :

Table No.1 shows about the Foreign Tourist Arrivals(FTAs)in India for the years 2002-2012.Here the values has been predicated by using, Trend analysis under the method of Least square for the years 2010-2012

TABLE NO:-1
Foreign Tourist Arrivals (FTAs) in India 2002-2012

Year	FTAs In India(in Million)
2002	2.38
2003	2.73
2004	3.46
2005	3.92
2006	4.45
2007	5.08
2008	5.28
2009	5.17
2010	5.79
2011	6.16

2012	6.53

Source:Bureau of Immigration,Govt.of India, for (2002-2012)

The table No.1 shows about the Foreign Tourist Arrivals in India for the year 2002-2012.It shows continues growth year after year, except for the year 2009,due to the Financial Crisis in the Global. So in that year there was decrease in the arrivals of the foreigners. But it has been recovered in the year 2010 itself and now it has been start increasing.

TABLE NO:-2

Growth rate for Foreign Tourist Arrivals (FTAs) in India 2002-2012

Year	**FTAs In India(in Million)**	**Growth rate**
2002	2.38	--
2003	2.73	14.70
2004	3.46	26.74
2005	3.92	13.29
2006	4.45	13.52
2007	5.08	14.15
2008	5.28	3.93
2009	5.17	-2.08
2010	5.79	11.99
2011	6.16	6.39
2012	6.53	6.01

Source:Bureau of Immigration,Govt.of India, for (2002-2012)

From the table No.2 it has been clear that in the year 2004 the growth rate is more compare to all the years ie 26.74. Growth rate shows negative value in the year 2009. This has been due to the global financial recession. After that it is recovered. In the year 2012 it might be 6.01.

TABLE No:-3

Foreign Exchange Earnings (FEE) (in US$ Million) from Tourism in India, 2002-2012

Year	**FEE** In India(in Million)
2002	3103
2003	4463
2004	6170
2005	7493
2006	8634
2007	10729
2008	11832
2009	11394
2010	13175
2011	14289
2012	15403

Source:Reserve Bank of India, for (2002-2012)

The table No.3 shows about the Foreign Exchange Earnings (FEE) (in US$ Million) for the year 2002-2012.It shows continues growth year after year, except for the year 2009 due the Financial Crisis. But it has been recovered in the year 2010 itself and now it has been start increasing

TABLE 4

Growth rate for Foreign Exchange Earnings (FEE) (in US$ Million) from Tourism in India, 2002-2012

Year		**Growth**
2002	3103	--
2003	4463	43.83
2004	6170	38.25
2005	7493	21.44
2006	8634	15.23
2007	10729	24.26
2008	11832	10.28
2009	11394	-3.70
2010	13175	15.63
2011	14289	8.45
2012	15403	7.80

Source: Reserve Bank of India, for (2002-2012)

From the table No.4 it has been clear that in the year 2003 the growth rate is more compare to all the years ie 43.83. Growth rate shows negative value in the year 2009. This has been due to the global financial recession. After that it has been recovered. In the year 2012 it might be 7.80.

TABLE NO:- 5

Foreign Exchange Earnings (FEE) (in Rs. Crore) From Tourism in India, 2002-2012

Year	**FEE** In India(in crores)
2002	15064
2003	20729
2004	27944
2005	33123
2006	39025
2007	44360
2008	51294
2009*	54960
2010*	58855
2011*	63789
2012*	68722

Source:Reserve Bank of India, for (2002-2012)

The table No.5 shows about the Foreign Exchange Earnings (FEE) (in Crores) for the year 2002-2012.It shows continues growth year after year, except for the year 2009 due the Financial Crisis. But it has been recovered in the year 2010 itself and now it has been start increasing and in the year 2012 it might be reached to Rs.68,722 Crores.

TABLE NO:- 6

Top 10 Source Countries for Foreign Tourist Arrivals (FTAs) in India in 2010

S.No	Source of country	FTAs In India(in million) **(P)**	Percentage (%)share
1	USA	.916	16.40
2	UK	.755	13.52
3	Bangladesh	.381	6.82
4	Canada	.240	4.30
5	Germany	.224	4.01
6	Sri Lanka	.219	3.92
7	France	.218	3.90
8	Japan	.165	2.95

9	Australia	.164	2.94
10	Malaysia	.160	2.87
Total of top 10 countries		3.442	61.64
Others		2.142	38.36
All countries		5.584	100

Source: Bureau of Immigration ,Govt of India (2012)

The table No.6 shows about the top 10 countries for FTA's in India for the year 2010(P). USA places the first position, followed by UK and least place go for the Malaysia.

TABLE NO:- 7
Comparison of Old and New Tourists

	New Tourists	
Search for the sun	=>	Experience something different
Follow the masses	=>	Want to be in charge
Here today, gone tomorrow	=>	See and enjoy but not destroy
Just to show that you had been	=>	Just for the fun of it
Having	=>	Being
Superiority	=>	Understanding
Like attractions	=>	Like sports
Precautions	=>	Adventurous
Eat in hotel	=>	Try local fare
Homogeneous	=>	Hybrid

Source: *Tourism, Technology and Competitive Strategies*, Auliana Poon.
Travel is no longer a novelty to the new tourist. Studies support what industry executives have been noticing for the last few years. People expect more out of their vacations than they used to and they are more adventuresome. Surveys done by the Canadian Tourism Research Institute indicate a high degree of interest in getaway vacations, ecotourism, cultural tourism and combining a business trip with a pleasure trip.
Over the next ten years, tourism products and attractions will have to cater to visitors who are more demanding and discriminating, as well as more active and more purposeful in their choice of destination. There will be a shift in emphasis from passive fun to active learning, and the quality and genuineness of visitor experiences will be crucial to future success in a competitive market.
An Acronym that is relevant to describe the 'new' tourist is REAL, which stands for:
- **R**ewarding
- **E**nriching
- **A**dventuresome
- **L**earning Experience

A key underpinning concept for REAL tourism is authenticity of experience, which is often related to the environment and culture and seen to be unaffected by "mass" tourism

Conclusion
A new tourism is emerging, sustainable, environmentally and socially responsible, and characterised by flexibility and choice. A new type of tourist is driving it: more educated, experienced, independent, conservation-minded, respectful of cultures, and insistent on value for money.
Starting in the eighties and mid-eighties (depending on the tourism receiving region in question) a number of dramatic environmental changes occurred which moved the "tourism industry" much closer to the characteristics of the new economy. Used to more convenience, faster service and more options from his/her every-day-life the new tourist also insisted on more options, more entertainment and fun, more diversified sports facilities and cultural variety in his/her vacation (see e.g. Weiermair & Fuchs, 2000).

This new consumer (tourist) thereby has exercised pressure upon the tourism industry and tourism enterprises to develop new products, services and experiences. Information technology is opening up an astonishing array of travel and vacation options for this new tourist. To remain competitive, tourism destinations and industry players alike must adapt. For many, the challenge is to "reinvent" tourism. Market intelligence, innovation, and closeness to customers have become the new imperatives. Thus, on the horizon of the postmodern landscape, a New Age of tourism is dawning: New Age tourism for New Age people.

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A study of Marketing strategies for Gowardhan Milk in Maharashtra state

*Dr. Rajesh S. Shinde

Introduction

Milk is recognized as the most valuable and whole- some food for man, being nutritive as well as a protective food. Throughout the world, there are more than 6 billion consumers of milk and milk products, the majority of them are in developing countries. Over 750 million people live within dairy farming households. World's dairy farms produced about 720 million tone of milk in 2010.India is the world's largest producer and consumer of milk. New Zealand and Australia are the world's three largest exporters of milk and milk products. China, Mexico and Japan are the world's largest importers of milk and milk products. Milk is a key contributor to improving nutrition and food security particularly in developing countries. Improvements in livestock, dairy technology and milk quality may offer the most promise in reducing poverty and malnutrition in the world.

India is a largest milk producer in the world, in the 1968-69 milk production was only 21.2 million tones it increase to 104.8 million tons in 2007-08. This of course must be attributed in great measure to Operation Flood and the historic Co-operative movement. Operation flood was launched in 1970; Operation Flood has helped dairy farmers direct their own development, placing control of the resources they create in their own hands. A National Milk Grid links milk producers throughout India with consumers in over 700 towns and cities, reducing seasonal and regional price variations while ensuring that the producer gets a major share of the consumers' rupee. The main objectives of 'Operation Flood' were to increase the milk production and augment of rural income. India is developing very fast, and the people in India have started living a better life and have started eating better food. From morning to evening, you have milk based products such as milk with breakfast; curd, paneer, butter milk, lassi with lunch; cheese in sandwich or burgers that one has for snacks; and again in the night milk and other milk based products are consumed. If one calculates roughly, all this will account to 30-35 percent of your daily grocery needs.

Milk Production:

India continues to be the largest producer of milk in world. Several measures have been initiated by the Government to increase the productivity of livestock which has resulted in increasing the milk production significantly to the level of 102 million tonnes at the end of the Tenth Plan (2006-07) as compared to 53.9 million tonnes in 1990-91. The production of milk in 2010-11 was 121.8 million tonnes as compared to 116.42 million tonne in 2009-10 indicating growth of 4.66%.

Most of the milk is produced in rural areas, while the profitable market for milk and its products is largely urban markets. In view of these peculiar problems it has been rightly recognized by the Planning Commission that "producer's co-operatives should be organized in villages to supply milk to the urban milk supply schemes, milk powder making plants and to the consumers". This would not only ensure adequate supplies of fresh milk to the urban consumers but also bring profitable returns to the producers. Inspite the milk co-operative dairies in the country they were not able to manage the demand supply of milk and milk products and hence the Government permitted private players to enter into this business.

Dairy Development in Maharashtra:

The State ranks sixth in India in milk production. During 2010-11, the production of milk was 7.7 million MT and the per capita daily availability was 190 gms at the State level while the production of milk was 112 million MT and the per capita daily availability was 264 gms at All-India level. During 2011-12, the milk production is reached at 7.9 million MT. During 2009-10, there were 74 milk processing plants and 129 government /co-operative milk chilling centers with capacity of 80.5 lakh litres per day and 22.5 lakh litres per day respectively.

* Associate Professor, School of Management, SRTMU, sub centre Latur India.

The average daily collection of milk by the Government and co-operative dairies taken together (excluding Greater Mumbai) was 34.74 lakh litres during 2009-10 and 34.09 lakh litres during 2010-11 (upto October, 2010).

The Gowardhan Milk Dairy:

In an ordinary village, a four hour drive away from Mumbai, Manchar, Dist Pune exists two of the country's youngest brands, Gowardhan and Go, This is the brain child of Mr. Devendra Shah.

This business was not open for private players and was ruled by the license raj which gave the milk procurement right only to state agencies and cooperatives. In 1991, the then Finance Minister Manmohan Singh announced de-licensing policy which included the dairy sector. The extensive ranges of the products are processed at this ultra modern dairy. The dairy plant is fully automated of international standards and equipped with the best European technology. Right from reception of milk to the finished product, the company maintains strict no-human- contact through the entire manufacturing process. The plant churns out 1,000,000 liters of milk per day, has an output capacity upto 10 MT of butter, 25 MT of ghee and 10 MT of dahi (yoghurt) and 65 MT of milk powder. The dairy Farm is spread over 35 acres housing 3,800 Holstein Freisens breed of cow. With plans to take the Indian cheese and curds market head on; the company has touched a turnover of 550 cr. in the financial year 2009-2010. Milk Foods, which deals in only 100 % cow's milk and milk products, and owns the 'Gowardhan' *in 1989-91*, around the time of Operation Flood; there was huge deluge of milk produce in Maharashtra, as was the case all over India. The Govt had declared “milk holidays” and grasping this opportunity the company build a global dairy products business. While there were government organizations and cooperatives in place, there was large number of farmers with cows whose produce was not getting sold, which lead to wastage of their produce. The dairy initially was started with 30,000 liters and currently has the numbers at 10-12 lakh liters. Over the period, the company has diversified into products such as ghee, cheese, and more. The dairy is currently managing one of India’s largest cattle farm and Asia’s largest cheese plant.

Gowardhan manufactures dairy products that are not just 100% natural, but also lighter and rich in calcium. That's because the milk, procured from its own cow farm - the largest in Asia - is 100% natural cow's milk. What's more, the use of latest European technology in our manufacturing units ensures superior quality and freshness of our products, giving them the unique Gowardhan taste and flavor. The commitment to quality and innovation has resulted in huge investments in infrastructure and technology. The integrated dairy and cow farm at Manchar is rapidly scaling up to cater to the ever expanding circle of customers in India, who seek all-natural, wholesome and delicious dairy products.

Exports:

Gowardhan after getting success in the domestic market the dairy is exporting milk powder, butter and butter oil, anhydrous milk fats and ghee to 27 countries in the Middle East, South East Asia and Africa. The company is soon going to include cheese in the product mix. Some of the significant customers include Yakult for the skimmed milk powder and BEL, Morocco (world famous manufacturers of cheese) The Go Chees is the product which is highly demanded in Bhutan.

Institutional Sales:

Gowardhan is a one-stop, efficient and reliable supplier to reputed hotels, restaurants, institutions and caterers. The wide range of products which the company supplies include cheese, butter, ghee and milk powder. Each of these products comes with the Gowardhan assurance of purity and quality. The company is having a national tie-up with companies like Baskin Robins, Barista, and Café Coffee Day etc. To grab the opportunity in the market the company has also expanded the retail presence significantly Gowardhan and Go brands of are now available at large retailers and modern retail outlets, reaching out to more and more customers with the promise of a healthy, active life products.

Product Rang:

The brands cover a wide range of products to cater to consumers around the world who put a premium on taste, nutrition, health, craftsmanship and sheer indulgence. Innovation, constant study or the markets and observations about the food habits in this country where observed and to fulfill the need of the customer this plant was started in 1992. Eyeing an opportunity and working on it. The plant is manned by experts from the U.K. and the U.S.A.

Quality Control the mantra of success:
To ensure that the products are consistent in taste and nutrition the plant implemented a multistage quality control program through the entire production process. This begins on the farms and ends with a final check of the packaged product. The real proud is that all the efforts have been recognized and accredited by government agencies worldwide. The company is an ISO 9000 certified company and also US FDA registered. The plant is only brand in India to have obtained the ISO 15161 certification from New Zealand.

Future Extension:
With plans of going national and introducing a slew of innovative products into the market, Gowardhan is adding two more production centers one in Palamner, on the outskirt of Bangalore and another in Srirampur, Ahmednagar of Maharashtra each with a milk processing capacity of 500,000 liters a day.

Niche marketing of cow milk in Mumbai:
After expensively packaged bottled drinking water, milk seems bent on acquiring the “luxury” tag. People have become very health conscious and have shown a lot of interest. State-of-the-art technology and temperature controlled logistics make it the first of its kind in the category Gowardhan, a private dairy, has targeted the niche luxury milk sector and has signed up a select group of South Mumbai families to avail Pride of Cows, its new milk delivery initiative.
The milk comes from a herd of specially-imported Jersey-Holstein cross-bred cows. The brand is available in one-litre bottles priced at Rs. 75 per litre, a jump from the average price of Rs 35 per litre. To maintain the quality of milk the cows are being given a special diet that abounds in iron, vitamins and Omega-3 fatty acids.
Trained, uniformed delivery staffs are transporting the milk from Gowardhan’s Bhagyalaxmi Dairy Farm near Pune to the homes of South Mumbai in a refrigerated vehicle. The South Mumbai families were selected following a survey done by the company. “The milk is instantly pasteurized, chilled and packaged in bottles with no human contact to ensure that the milk is hygienically procured. In fact, every cow goes through an electronic health check up every time it is milked, to ensure that it is at peak health for milking,

Launches new range of ‘Go’ cheese products
Gowardhan Dairy, one of largest private dairies in India, recently has launched a new cheese brand, ‘GO’ Cheese. The brand will bring in a range of delicious cheeses and cheese products such as cheddar, mozzarella, spreads, wedges and powders for the Indian consumer, which will all be prepared from 100 per cent cow milk. The cheese products introduced through the 'GO' Cheese range have been made in Gowardhan's cheese manufacturing facility at Manchar. The plant is Asia’s largest cheese manufacturing facility with a daily production capacity of over 40 tonne.

As far as the market of cheese is concern the growth is at around 40-45 percent. There is a booming market of food chains such as pizza outlets (Dominoes, Pizza Hut, and others), restaurants like Ruby Tuesday, and many other food joints that serve Italian food. All these places need a constant and heavy supply of cheese. Mostly, this requirement is fulfilled by importing cheese from other countries, because there are no local players focusing on this market. Grasping this opportunity that is lying untapped here and hence ventured out with an array of cheese based products. The company has recently launched a very high end cheese under the brand name of GO in variety of forms like Processed Cheese, Cheese slices, Cheese Spread Plain, Pizza Cheese & Cheese powder. Internationally, there are about 350 varieties of cheese. The dairy is determined to bring in as many varieties as possible under our brand Go.

Conclusion:

From the early days, milk production was entirely on a decentralized basis and the collection of milk was by private marketing agencies. Due to the absence of a system of dairying based on commercial rural milk production, collection, bulk transportations, processing and marketing of milk and milk production to meet the demand of the growing population, the gap between demand and supply in cities continued to grow and acute shortage was felt in many areas. Then after the milk supply was centralized to the co-operative milk organization, but this organization where not able to manage the demand and supply. Taking into consideration the need and demand of the people the milk business was open for the private players in 1993 and the increasing and expansion of Gowardhan as a successful entrepreneur is in front of the society.

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Understanding the role of trainees in effective training: A paradigm for effective training

*Dr Memon Ubed Yusuf

Introduction

Training is considered to be the cornerstone in present demanding environment. Irrespective of the nature of industry it is the knowledge, skill and attitude of employees which brings a positive change in the working of organization as well as employees.

Since training is no longer a reactive function, planning and implementing it in its true sense becomes essential.

Training which aims at leading to transfer of learning and thereby promoting development o employees depends on how minutely and effectively it is been designed. It includes following parameters or factors –

1. Training needs assessment at individual, organizational and task level.

2. Appropriate identification of training objectives

3. Identification of *trainees* - On the basis of age, experience, expectation, interest and learning capacity

4. Selecting the right trainer -Taking on his experience, expertise, core areas, suitability and expected rapport with audience to give a new direction to trainees.

5. Selection of support tools- Training aids, methods and techniques, venue, study material, special equipments or labs, infrastructure, sitting arrangement, refreshments etc.

6. Preparing training budget –Including directed indirect expenses right from trainers fee to expenses including making of kit, study material , printing cost, refreshments, lunch, interiors, special equipments,. Along with considering the needs which involve indirect cost including employees absence from routine work during training also becomes a challenges to estimate but does matters to be included in estimating training budget

7. Doing SWOT analysis of training program after training and improving upon if any further remodeling is needed.

Role of trainees in training program

Since it is the end user or the end customer who is the ultimate beneficiary of any function it becomes most significant to see the expectation and relevance of training program for trainees. It is the integration and clarity in between trainer and trainees along with the system that makes training program overall success.

Irrespective of best identified factors and parameters chosen for effective training it is most importantly the selection of right trainees and personal and environmental factors of trainees which is important to focus.

Essential factors to be considered for trainees while designing n effective trainee oriented training program-

1) Understanding level of learners –Since there lies a difference in adult in young learning the first factor tat needs to be considered is to differentiate their level of understanding as to whether they are young or adult learners .The general characteristic of adult learners is as follows-

* Since as adult learners transfer of learning is a challenging task because adult have some peculiar characteristic that differentiate the pattern of andragogy from pedagogy. They are-Owner of unique personal experience.
* More concerned with short term application of needs.
* Capable and wiling to take additional responsibility.
* Ability to better visualize and construct real life situation.
* Requirement of essential attributes
* Willingness to put extra effort
* Degree of dependence on trainer

* Assistant Professor, Dept of Commerce, Sir Sayyed College of Arts and commerce, Aurangabad India.

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2) For any good training what is most significant is a **cross communication** and 2-way feedback between trainees and trainer so that a rapport can be developed which would facilitate in transfer of learning

3) Open interchange of trainees and trainers profile-It is not only important that trainees should be aware of a trainers profile to acquaint with knowledge skills and experience he has equally important is the fact that an equal focus should be on trainees profile which should be known to trainer so tat he can suit the needs of trainees in bringing suitable changes in designing training module, selection of training technique and assuring proper transfer of learning to trainees at large.

4) Applying and modifying the ADDIE model as per the trainees –Once a trainer knows the trainees profile bringing needed change right from **A**nalyzing, **D**esigning, **D**eveloping, **I**mplementing and Evaluating (ADDIE) the training module needs a suitable designing and implementation to ensure full proof transfer of learning .

5) Understanding the ways of learning of trainees (Learning styles) –Since the very purpose of training is transferring knowledge to trainees at maximum it is only possible when a trainer knows the different ways by which trainees learn Based on ways in which trainees learn the patterns of learning can be categorized into –
a) Affirmative or endorsement of existing learning
b) Building on present level of competencies
c) Learning after de-learning
d) Development of new knowledge or skills
e) Direct input by the trainer
f) Learning through sharing in group
g) Learning through practice and exercise
h) Informal methods of observation
i) Out of session exchange with participants and learners.

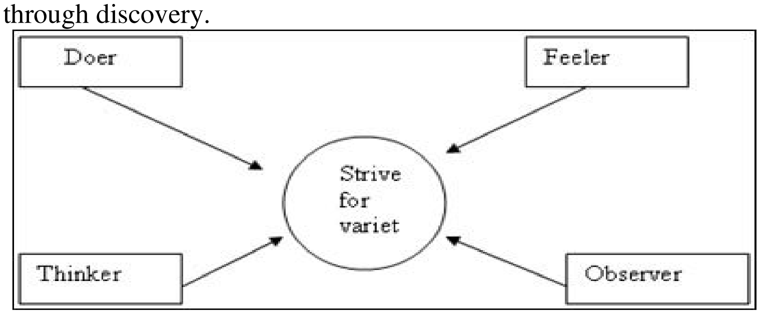
6) Equally important is to consider the **categories of learner** it can be divided as **–**

<u>Doer</u>: Like to be actively involved in learning process, want to know how they will apply learning in real world, like information presented clearly and concisely.

<u>Feeler</u>: People-oriented, expressive, focus on feelings and emotions; thrive in open, unstructured learning environment.

<u>Thinker</u>: Rely on logic and reason, like to share ideas and concepts, analyze and evaluate, enjoy independent work.

<u>Observer</u>: Like to watch and listen, tend to be reserved, will take their time before participating, and thrive on learning through discovery.



Once the category of trainees is known it becomes way for the trainer to select the right training tools for trainees. For e.g. trainees belonging to Doer category practicing, simulation applying concepts related exercise will be better. Similarly for trainees belonging to feelers category Personal Experience, Role

plays, Group exercises will be of great help. For training the thinkers' category trainee's tools like Reading, Questioning, and Independent activities helps in better transfer of learning. For observer lecture, group discussion tools are effective.
Thus by identifying the category to which the trainees belong an effective trainer should seek to selection of right training tool for ensuring better transfer , retention and implication of learned concepts for trainees **.(Refer exercise for evaluating category of learners annexure-1)**

6) **Monitoring trainees inventory analysis** –On a continuous basis it is very important for a trainer to monitor the progression of each step of training program. It includes –
* Assess the needs of learners.
* Design a training plan that meets the needs of learners.
* Develop a training program based on a training plan.
* Implement a training program that a trainer develops.
* Evaluate the training program based on whether the needs of your learners have been met

7) **Assessing the change in trainees and providing feedback after training** – Post training feedback and communicating the response to the trainees on the basis of tools used for evaluating the performance (eg.questionniare, observation, survey, interview etc) can also be used to make training more effective both for trainees as well as trainers.

8) **Analyzing personal attributes of trainees** - both focusing personal and environmental factors of trainees is also essential on the part of trainer while designing an effective need base and result oriented training program for trainees.
It includes-

* Individual goal
* Family situation
* Learning style
* Experience
* Psychological aspects
* Interest

If such information is clearly been made available to the trainer it will become easier for him to design an appropriately suitable training program which will focus on better development of **Motivation to learn, Attention, Retention and behavioral reproduction** of the learned concepts by the trainees
9) Adoption of mastery approach on part of trainers -The mastery learning approach to training assumes that all participants can master (learn) the required knowledge or skills, provided there is sufficient time and appropriate training methods are used. Effective learning strategies, such as mastery learning, take these differences into account and use a variety of teaching and training methods
The mastery approach also enables the participant to have a self-directed learning experience. This is achieved by having the trainer serve as a facilitator and by changing the concept of testing and how test results are used. Use of right tools to assess performance of employees like competency modeling and behavior modeling should be used.

Conclusion
Thus in nutshell it can be concluded that since training is a highly innovative and creativity demanding function of an organization it depends on the expertise ,focus and vision of trainer that how well he uses his expertise to design it as per trainees or end users needs so that it can be more result driven. Training been a consistent process it involves updating the KSA (Knowledge, skills and attitude) on part of trainees .A training can only be effective when the learning in form of implication reflect in behavior and working of trainees in form of efficient and committed employees.
This demands a consistent and multi-tudinal planning, a logical analysis and continuous monitoring so tat right from defining the training objective by assessing needs to what outcome is expected could be made

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in letter and spirit. Until focus on trainees is made at large the selection of rest of all factors cannot make a training program fully effective and result oriented. As a trainer it becomes very important to see if skill acquisition, skill competency and skill proficiency are properly developed or not.

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Global Recession and its Impact on Indian Economy

*Prof Durdana Siddiqui

INTRODUCTION

The current global financial crisis is rooted in the subprime crisis which surfaced over a year ago in the United States of America. During the boom years, mortgage brokers attracted by the big commissions, encouraged buyers with poor credit to accept housing mortgages with little or no down payment and without credit checks. A combination of low interest rates and large inflow of foreign funds during the booming years helped the banks to create easy credit conditions for many years. Banks lent money on the assumption that housing prices would continue to rise. Also the real estate bubble encouraged the demand for houses as financial assets. Banks and financial institutions later repackaged these debts with other high-risk debts and sold them to world- wide investors creating financial instruments called CDOs or Collateralized Debt Obligations (Sadhu2008). In this way risk was passed on multifold through derivatives trade.

RECESSION

Recession can be defined as a period of general economic decline; typically defined as a decline in GDP for two or more consecutive quarters. A recession is typically accompanied by a drop in the stock market, an increase in unemployment, and a decline in the housing market. A recession is generally considered less severe than a depression, and if a recession continues long enough it is often then classified as a depression. Recessions are generally believed to be caused by a widespread drop in spending. Governments usually respond to recessions by adopting expansionary macroeconomic policies, such as increasing money supply, increasing government spending and decreasing taxation.

CAUSES OF RECESSION?

An economy which grows over a period of time tends to slow down as a part of the normal economic cycle. An economy typically expands for 6-10 years and tends to go into a recession for about six months to 2 years. A recession normally takes place when consumers lose confidence in the growth of the economy and spend less. This leads to a decreased demand for goods and services, which in turn leads to a decrease in production, lay-offs and a sharp rise in unemployment. Investors spend less as they fear stock values will fall and thus stock markets fall on negative sentiment.

HISTORY OF RECESSION`S

Global Recessions

The IMF estimates that global recessions seem to occur over a cycle lasting between 8 and 10 years. During what the IMF terms the past three global recessions of the last three decades, global per capita output growth was zero or negative. Economists at the International Monetary Fund (IMF) state that a global recession would take a slowdown in global growth to three percent or less. By this measure, four periods since 1985 qualify: 1990-1993, 1998, 2001-2002 and 2008-2009.

The Indian economy exhibited significant resilience in 2008-09 in the face of an intense global financial crisis and the subsequent severe global recession. In a globalised world, however, the natural process of transmission of contagion operating through the trade, capital flows and confidence channels affected the domestic economic and financial conditions. Real GDP growth, which had averaged at 8.8 per cent during 2003-08, decelerated to 6.7 per cent in 2008-09.

US RECESSION-2008

The **financial crisis of 2008–present** is a crisis triggered by an insolvent United States banking system. It has resulted in the collapse of large financial institutions, the bailout of banks by national governments

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*Associate Professor, Dept of Economics, Sir Sayyed College of Arts and commerce Aurangabad

and downturns in stock markets around the world. In many areas, the housing market has also suffered, resulting in numerous evictions, foreclosures and prolonged vacancies. It is considered by many economists to be the worst financial crisis since the Great Depression of the 1930s. It contributed to the failure of key businesses, declines in consumer Wealth estimated in the trillions of U.S. dollars, substantial financial commitments incurred by governments, and a significant decline in economic activity. The collapse of a global housing bubble, which peaked in the U.S. in 2006, caused the values of securities tied to real estate pricing to plummet thereafter, damaging financial institutions globally. Questions regarding bank solvency, declines in credit availability, and damaged investor confidence had an impact on global stock markets, where securities suffered large losses during late 2008 and early 2009. Economies worldwide slowed during this period as credit tightened and international trade declined.

IMPACT ON INDIA

Since US is one of the major super powers, a recession–mild or deeper will have eventual global Consequences? The crisis rapidly developed and spread into a global economic shock, resulting in a number of European bank failures, declines in various stock indices, and large reductions in the market value of equities and commodities A slowdown in the US economy was definitely a bad news for India because Indian companies have major outsourcing deals from the US. India's exports to the US have also grown substantially over the years. But inspite of all this India has successfully weathered the great financial crisis of September 2008. Indian gross domestic product (GDP) has grown around 6% in every quarter of the most difficult 12 months in recent history.

Why did India suffer so little in the Great Recession that laid low the biggest economies of the West?

There were many factors that saved the Indian economy from dire consequences of the global recession. Indian banks and financial institutions had almost entirely avoided buying the mortgage-backed securities and credit default swaps that turned toxic and felled western Financial institutions. India's merchandise exports were indeed hit by the Great Recession but Service exports did not fall - computer software and BPO exports held up well. Foreign direct investment remained high in 2008-09 despite the global financial crisis. Financiers reversed Flows into India, but long-term investors in plant and factories completed their ongoing projects. Monetary policy was accommodating in 2008. The RBI lowered interest rates and expanded Credit. The government cut excise duties to stoke demand. All these factors cushioned the shock to the economy.

Table 1: The Institute of International Finance (IIF) Projections for Growth (2008- 10).

World Economy	2% growth in 2008 and predicted to shrink to 0.4% in 2009
USA (World's Largest Economy)	1.3% growth in 2009
Japan (World's Second Largest Economy)	0% growth predicted in 2010
China	6.5% growth in 2009
India	5% growth in 2009

INDIAN ECONOMY- 2009

Indian economy has been witnessing a phenomenal growth since the last decade. The country is still holding its ground in the midst of the current global financial crisis. In fact, global investment firm, Moody's, says that driven by renewed growth in India and China, the world economy is beginning to recover from the one of the worst economic downturns in decades.

The growth in real Gross Domestic Product (GDP) at factor cost stood at **6.7 per cent** in 2008-09. While the sector-wise growth of GDP in agriculture, forestry and fishing was at 1.6 per cent in 2008-09, industry witnessed growth to 3.9 per cent of the GDP in 2008-09.

The Prime Minister, Dr Manmohan Singh, on August 15, 2009, in his address to the nation on its 63rd Independence Day, said that the Government will take every possible step to restore annual economic growth to 9 per cent.

Further, the World Bank has projected an 8 per cent growth for India in 2010, which will make it the fastest-growing economy for the first time, overtaking China's expected 7.7 per cent growth.
A number of leading indicators, such as increase in hiring, freight movement at major ports and encouraging data from a number of key manufacturing segments, such as steel and cement, indicate that the downturn has bottomed out and highlight the Indian economy's resilience. Recent indicators from leading indices, such as Nomura's Composite Leading Index (CLI), UBS' Lead Economic Indicator (LEI) and ABN Amro' Purchasing Managers' Index (PMI), too bear out this optimism in the Indian economy.
Industrial output as measured by the index of industrial production (IIP) clocked an annual growth rate of 6.8 per cent in July 2009, according to the Central Statistical Organisation.
Significantly, among the major economies in the Asia-Pacific region, India's private domestic consumption as share of GDP, at 57 per cent in 2008, was the highest, according to an analysis by the McKinsey Global Institute.
Meanwhile, foreign institutional investors (FIIs) turned net buyers in the Indian market in 2009. FIIs inflows into the Indian equity markets have touched US$ 10 billion in the April to September period of 2009-10.
Foreign direct investments (FDI) into India went up from US$ 25.1 billion in 2007 to US$ 46.5 billion in 2008, achieving a 85.1 per cent growth in FDI flows, the highest across countries, according to a recent study by the United Nations Conference on Trade & Development (UNCTAD).
According to the Asian Development Bank's (ADB) 'Asia Capital Markets Monitor' report, the Indian equity market has emerged as the third biggest after China and Hong Kong in the emerging Asian region, with a market capitalisation of nearly US$ 600 billion.

The Economic scenario

Indian investors have emerged as the most optimistic group in Asia, according to the Quarterly Investor Dashboard Sentiment survey by global financial services group, ING. As per the survey, around 84 per cent of the Indian respondents expect the stock market to rise in the third quarter of 2009.
With foreign assets growing by more than 100 per cent annually in recent years, Indian multinational enterprises (MNEs) have become significant investors in global business markets and India is rapidly staking a claim to being a true global business power, according to a survey by the Indian School of Business and the Vale Columbia Center on Sustainable International Investment.
In its optimistic report on Macroeconomic and Monetary Development of the economy in 2009, the Reserve Bank of India (RBI) said overall business sentiment was slated for a sharp improvement from that in the April-June 2009 quarter.
AS EVERY business sector is affected by present global crisis and everybody is talking of slowdown in business, still in India there are few sectors which will grow in this adverse situation. Let's have a look.

Food

According to Ministry of Food Processing Industry (MFPI), the food processing industry in India was seeing growth even as the world was facing economic recession. According to the minister, the industry is presently growing at 14 per cent against six to seven per cent growth in 2003–04.The Indian food market is estimated at over US$ 182 billion and accounts for about two thirds of the total Indian retail market. Further, the retail food sector in India is likely to grow from around US$ 70 billion in 2008 to US$ 150 billion by 2025

Railway

The railways registered 13.87 per cent growth in revenue to Rs 57,863.90 crore in the first nine months ended December 31, 2008. While total earnings from freight increased by 14.53 per cent at Rs 39,085.22 crore during the period, passenger revenue earnings were up 11.81 per cent at Rs 16,242.44 crore. The railways have enhanced freight revenue by increasing its axle loading, improving customer services and adopting an innovative pricing strategy.

PSU Banks

As seen in the private sector much of the job cuts due to global slowdown, its the public sector undertaking (PSU) banks which gained much confidence due to job safety and security. More and more people are likely to turn towards government institutions, particularly banks in the quest for safety and security.

A report "Opportunities in Indian Banking Sector", by market research company, RNCOS, forecasts that the Indian banking sector will grow at a healthy compound annual growth rate (CAGR) of around 23.3 per cent till 2011.

Education

As education is considered as the basic necessity and in India it is seen as a long term investment by parents and with respect to the demand still there is a huge supply gap. The craze to study in foreign university among the Indian youth still alive which will prompt foreign education institute to target India provided vast young population willing to join. We will see more and more foreign educational institutions coming up in India in recent coming years.

Huge government as well as private investment is likely to flow into the Indian educational system. D E Shaw, a US$ 36 billion, global private equity firm is planning to invest around US$ 200 million in the Indian education sector.

Telecom

Telecom sector, according to industry estimates, year 2008 started with a subscriber base of 228 million and will likely to end with a subscriber base of 332 million – a full century. The telecom industry expects to add at least another 90 million subscribers in 2009 despite of recession. The Indian telecommunications industry is one of the fastest growing in the world and India is projected to become the second largest telecom market globally by 2010.

IT

Recent news shown that Indian IT sector will grow 30 to 40 per cent next year. And on the other side to survive in current slowdown, industries have to decrease the cost and for that they will resort to customised IT solutions which will further boost up the software solution demand.

India is fast becoming a hot destination for outsourced e-publishing work. As per a Confederation of Indian Industry (CII) report, the industry is growing at an annual rate of 35 per cent and India's outsourcing opportunities in the value-added and core services such as copy editing, project management, indexing, media services and content deployment will help make the publishing BPO industry worth US$ 1.46 billion by 2010.

Health care

India in case of health care facilities still lakes the adequate supply. In health care sector also there is huge gap between demand and supply at all the levels of society. Healthcare, which is a US$ 35 billion industry in India, is expected to reach over US$ 75 billion by 2012 and US$ 150 billion by 2017. The healthcare industry is interestingly poised as it strives to emerge as a global hub due to the distinct advantages it enjoys in clinical excellence and low costs.

Luxury products

The high and affluent class of society will not be affected much by this global crises even if their worth is reduced significantly. They will not change their lifestyle and will not stop spending on luxurious goods. So luxurious product market will not be affected and in fact to maintain the lifestyle those affluent will spend more for it. Luxury car makers are pouring in to woo the nouveau riche (Audi, BMW are the most recent entrants).

M&A & Marketing Consultants

As in the current business slow down survival will be the main focus, the marketing and management consultants will be called for to reduce the costs and to show the ways to survive and stay in market.

Others may join hands to fight with this situation together will call for the Marketing & M&A consultants. In a booming market there are growth strategies and M&A opportunities to advise on. When businesses are cutting back, consultancies will be right there to help clients decide where to wield the axe.
According to Ministry of Commerce and Industry's estimation, the current size of consulting industry in India is about Rs 10000 crores including exports and is expected to grow further at a CAGR of aproximately 25 per cent in next few years.

Media and Entertainment
According to a report published by the Federation of Indian Chambers of Commerce and Industry (FICCI), the Indian M&E industry is expected to grow at a compound annual growth rate (CAGR) of 18 per cent to reach US$ 23.81 billion by 2012. According to the PWC report, the television industry was worth US$ 5. 48 billion in 2007, recording a growth of 18 per cent over 2006. It is further likely to grow by 22 per cent over the next five years and be worth US$ 12. 34 billion by 2012.

The rural India growth story
The Indian growth story is spreading to the rural and semi-urban areas as well. The next phase of growth is expected to come from rural markets with rural India accounting for almost half of the domestic retail market, valued over US$ 300 billion. Rural India is set to witness an economic boom, with per capita income having grown by 50 per cent over the last 10 years, mainly on account of rising commodity prices and improved productivity. Development of basic infrastructure, generation of employment guarantee schemes, better information services and access to funding are also bringing prosperity to rural households.

Per Capita Income
Per capita income of Indian individuals stood at US$ 773.54 in 2008-09, according to Central Statistical Organisation data. The per capita income in India stood at US$ 687.03 in 2007-08 and has risen by over one-third from US$ 536.79 in 2005-06 to US$ 773.54 in 2008-09.

Agriculture

Agriculture is one of the strongholds of the Indian economy and it accounts for 18.5 per cent of the gross domestic product (GDP).
The average growth rate of agriculture and allied sectors during the last two years i.e., 2006–07 and 2007–08 has been more than 4 per cent as compared to the average annual growth of 2.5 per cent during the 10th Five-Year Plan.
The current revival in agriculture sector has been possible mainly due to a number of initiatives taken in the recent years. While public sector investment in the farm sector has grown from 1.8 per cent of sectoral gross domestic product (GDP) in 2000–01 to 3.5 per cent in 2006–07, private sector investment has increased from 8.9 per cent in 2003–04 to 9.9 per cent in 2006–07.
According to a Rabo bank report the agri-biotech sector in India has been growing at a whopping 30 per cent since the last five years, and it is likely to sustain the growth in the future as well. The report further states that agricultural biotech in India has immense potential and India can become a major grower of transgenic rice and several genetically engineered vegetables by 2010.
The food processing sector, which contributes 9 per cent to the GDP, is presently growing at 13.5 per cent against 6.5 per cent in 2003–04, and is going to be an important driver of the Indian economy.

Production
India has become the world's largest producer across a range of commodities due to its favourable agro-climatic conditions and rich natural resource base.
India is the largest producer of coconuts, mangoes, bananas, milk and dairy products, cashew nuts, pulses, ginger, turmeric and black pepper. It is also the second largest producer of rice, wheat, sugar, cotton, fruits and vegetables.

According to the Centre for Monitoring Indian Economy (CMIE), crop production is expected to rise by 1.7 per cent during FY 10. Food grain production is expected to increase by 1.1 per cent. Of this, wheat production is projected to remain at the same level of 80-million tonnes as estimated for FY 09. Rice production is projected to increase by 1.1 per cent to 98.8-million tonnes. Production of coarse cereals and pulses is also expected to rise in FY 10.

Cotton production in India, the world's second-largest producer, may rise 10 per cent to about 32 million bales (one bale is equal to 170 kg) in the 2009-10 season (October-September) on high support price and more sowing of high-yielding Bt seeds.

India's coffee output is pegged at 3.1 lakh tonne in 2009-2010, 4.4 per cent higher compared to 2008-09, according to the post-blossom estimates released by the Coffee Board.

Exports

According to the government's agri-trade promotion body, Agricultural and Processed Food Products Export Development Authority (APEDA), India's exports of agricultural and processed food products posted a 38 per cent increase in the 2007–08 fiscal, bolstered by an increase in shipments of coarse cereals like maize, jowar and barley. According to official data, India exported about 17.5 million tonnes of agricultural and processed foods worth about US$ 6.39 billion in FY 2007–08 against 10.9 million tonnes valued at about US$ 4.37 billion in the previous year. Though the global recession is still lingering on, India's agri-export turnover is expected to double in the next 5 years, according to APEDA. Agri-export turnover is set to rise from US$ 9 billion to nearly US$ 18 billion by 2014.

Despite recession, the country's agri-exports have registered a 25 per cent growth in 2008-09.

At present, around 70 per cent of the country's agricultural and processed food exports are to developing countries in the Middle East, Asia, Africa and South America.

Economic Prospect For Year 2013

The overall mood of the industry looks promising with growth at 10.6 per cent for the five month Period, April- to August 2013. However, growth slipped to 5.6 per cent for the month of August 2010 from 10 percent plus in the previous year. Capital goods production remained volatile as growth dipped into the negative zone on two occasions during the present fiscal after a steep rise. However, the average growth stood at 29percent during the period April- August as against 3.4 percent increase in the corresponding period of previous year. Output in the basic and intermediate goods rose but not as much as seen in the previous year. Consumer goods segment went up by 8.6 percent during the period from April to August in 2010-11, as against 3.6 percent increase in output in the previous year and the rise was seen on account of consumer durables segment.8 of the 17 industry segments were seen to surpass the growth rate during the first five months ofFY11 as compared to the growth observed in the previous year. The six core infrastructure industries continues to remain positive cumulatively up to August 2010,however the pace of growth is slightly lower as compared to the growth posted in the previous year. Growth in the overall infrastructure industries mainly came from crude petroleum, petroleum refinery and steel. Government's efforts in taming inflation brought positive results. In September 2010 the rate of inflation was brought under 10 per cent. Currently the rate of inflation averaged for the month of September 2010 was 8.62 percent; this has come down from 9.55 percent in August and 10.3 in July2010.During the month of September the confidence of the foreign investors in the Indian stock market was seen to go up. The index Sensex was observed to swing between 19-20 K and Nifty was seen move between 5- 6 K points. In August FY 11, M3 decelerated to 15 percent calculated on a Y-o-Y basis as compared to 19percent in the previous year. The percentage changed in the net bank credit to the government halved as compared to the increase observed in the previous year. However, borrowings by the commercial sector were seen to increase by 18.3 per cent vis-a-vis the increase of 13.8 percent in the previous year. Investments in the government securities slowed compared to the previous year and so were the aggregate deposits. The total credit off-take increased which was on account non-food segment. Fiscal deficit up to August this year was lower at Rs 151425 crores compared to the fiscal deficit recorded in the previous year which was at Rs 182290 crores. The reasons for low fiscal deficits were increase in the revenue receipts (non tax source) on account of disinvestments in the PSU sand auction of 3G and BWA spectrum. Total merchandise trade from April – August FY11 stood at USD 227 billion compared to the total trade of

USD 171.9 billion in the corresponding period of previous year. The trade deficit widened by 56 billion (upto August) as the merchandise exports cumulatively from April to August 2010-11 rose to USD 85 billion as compared to USD 66 billion in the 2009-10. Imports were also seen to increase by 33 per cent to USD 141 billion.FDI is an area which requires special attention because of its inherent long term investment intentions. Presently the FDI investments received up to August this year is running behind the investments received in the previous year.

India's Economic Outlook Projectio					
		2007	**2008**	**2009**	**2010**
GDP Growth		**9.40%**	**7.30%**	**7.60%**	**8.30%**
CPI		**6.40%**	**9.30%**	**5.50%**	**4.90%**

At the end of 2009, the Indian economy was growing at 7% a year. The strongest growth was coming from the manufacturing and construction sector (with growth of 9% a year). The weakest section of the economy was agriculture which showed growth of just 0.9%

The strong rate of economic growth boosts prospects for the Indian Rupee in 2010. With such a high rate of growth, interest rates are likely to be higher in India than elsewhere. It could make India an attractive place for depositing money.

Inflation Direction -

Since the global economies are emerging from the lows, in a short run, inflation is expected to rise due to bounce back in demand for commodities. According to the estimates, inflation would likely to reach up to 10%, resulted, the expectations of the monetary policy tightening from the Reserve Bank of India in the second quarter review of monetary policy. Asian economies – Chinese economy in particular, along with India are in the strongest place for a sustained recovery. There are increasing signs of a recovery in a private domestic demand.

Thus, the Indian economy performed remarkably well, despite the global economic crisis. The IMF, in its latest update, has projected growth rates for the year 2009 and 2010 for the world economy at (-) 0.8% and 3.9% respectively while the projections for India by the IMF are 5.6% and 7.7% respectively. Despite impressive growth figures and projections, the poor performance figures and projections, the poor performance of external sector and service sector call for nuanced policy interventions.

Exports-Imports

Cumulative value of imports for the period April- December 2009 was US$ 193.8 billion (Rs. 927969 crore) as against US$ 253.8 billion (Rs. 1126199 crore), registering a negative growth of 23.6% in US$ terms and 17.6% in Rupee terms over the same period last year.

	DECEMBER	**APRIL-DECEMBER**
EXPORTS (including re-exports)		
2008-2009	13368	147569
2009-2010	14606	117587
%Growth 2009-2010/ 2008-2009	9.3	-20.3
IMPORTS		
2008-2009	19456	253809
2009-2010	24753	193829
%Growth 2009-2010/ 2008- 2009	27.2	-23.6
TRADE BALANCE		
2008-2009	-6088	-106240
2009-2010	-10147	- 76242

Foreign Direct Investment

FDI inflow experienced a declining trend in the first three quarters of 2008-09, but has shown improvement in the fourth quarter. The sectors which received major part of this FDI flow are the manufacturing sector (21.1%) followed by financial services (19.4%) and the construction sector (9.9%). The revival in capital flows witnessed during the first quarter of 2009-10 gathered momentum during the second quarter of 2009-10.

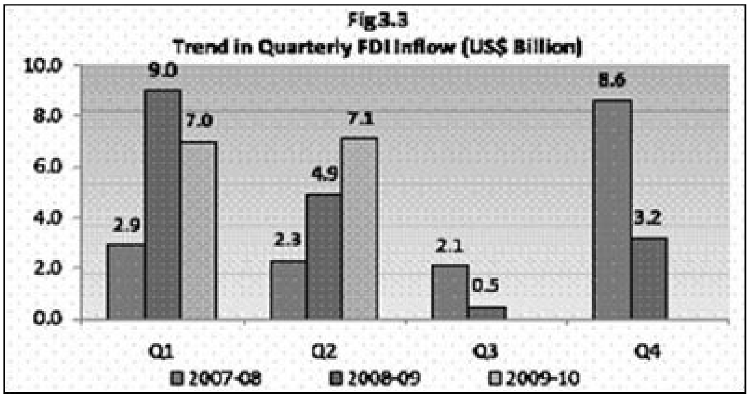

Fig3.3
Trend in Quarterly FDI Inflow (US$ Billion)

Foreign portfolio investment In US$ terms, during2008-09, FIIs recorded a net outflow of US$ 15.0 billion as against net inflows of US$20.3 billion a year ago. However, this trend reversed in the first quarter of 2009-10 with a net inflow of US$ 8.2 billion and US$ 7.0 billion during the second quarter of 2009-10.During 2009-10, the sharp increase in FII inflows is attributable to the recovery in domestic stock markets following international trends and the comparatively better growth prospects in India.

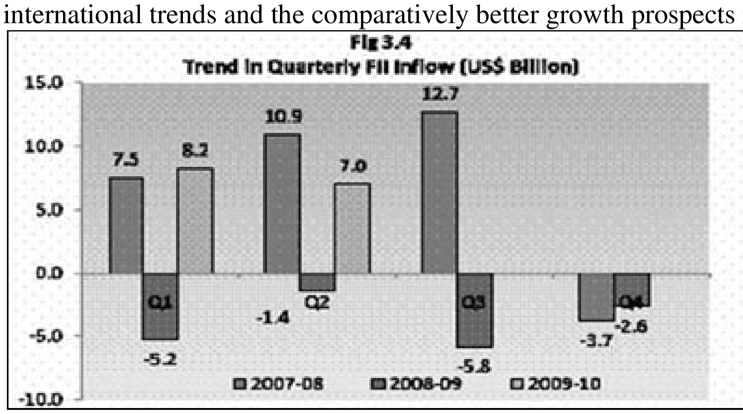

Fig 3.4
Trend in Quarterly FII Inflow (US$ Billion)

Road ahead

Agriculture is set to play a more dynamic role in the economy, with the government's increased focus on the sector.

In the 2009–10 budget, the government has taken many steps to aid the growth of the sector and focus on the achievement of self-sufficiency in food grains. Agriculture credit is likely to touch US$ 67.14 billion for the year 2009-10. In 2008-09 agriculture credit flow was at US$ 59.3 billion.

How European crisis could impact India? Understanding the linkages…..

A crisis in an economy impacts other economies via three channels:

Trade Channel: When an economy falls into a recession, it impacts the affected country's trading partners too. Falling household and business demand in the slump-hit economy hits the exports/imports of its trading partners.

The share of exports to EU (excluding UK) and imports from EU has fallen over the years. In 1987-88, exports to EU constituted about 18.6% of total exports. This has declined to 17.5% by 2008-09. The decline of imports is higher from 25% in 1987-88 to 12% in 2008-09. Hence, total trade between India and EMU is about 29.5% and could be impacted due to the crisis. (**Source:** RBI)

However, trade channel can impact Indian external sector indirectly as well. When the recent crisis gripped the world 2008, most policymakers, economists and experts put forth the view that India would be only marginally affected. Two reasons were cited for this-

* First, India was a virtual non-entity in global trade as its share was less than 0.5%-0.7% of the total global trade volumes. Hence, it was assumed that its economy was largely insulated from the turmoil.

* Second, share of developed economies in trade had declined. In 1987-88 developed economies contributed 59% of exports and in 2008-09 their share has declined to 37%. The share of developing economies has increased from 14% in 1987-88 to 37% in 2008-09. In case of imports developed economies share has again fallen from 60% in 1987-88 to 32% in 2008-09 while developing economies has risen from17% to 32%. (Source: RBI)

Because of this shift it was felt that impact of global crisis on Indian economy would be limited. As crisis originated in US and developed economies with developing economies still growing, it was felt Indian trade will continue to grow. However once the crisis struck in September 2008, Indian trade sector declined sharply and growth was negative for 13 straight months from Oct-08 to Oct-09.

Financial Channel: The current crisis has shown the power of finance channel (though trade channel was also very strong as above analysis points). The impact of turmoil in one economy's financial markets is not merely transmitted to other markets, the quantum and direction of the movement is also more or less similar (decline in equity markets, rise in corporate bond spreads and depreciation in currency). This is because cross border financial linkages have increased substantially over the years. Besides, the correlation between assets too has been rising across the world. If you plot the BSE Sensex with other advanced economy stock indices, you more or less see the same trend. So much so, one can determine the trend in the Indian equity market by just looking at movements in other global indices.

External Commercial Borrowings : External commercial borrowings could also decline if the European crisis spreads to other economies.

CONCLUSION

The recession in the US market and the global meltdown termed as Global recession have engulfed complete world economy with a varying degree of recessional impact. World over the impact has diversified and its impact can be observed from the very fact of falling Stock market, recession in jobs availability and companies following downsizing in the existing available staff and cutting down of the perks and salary corrections. Globally the financial sector sacking the existing base of employees in high numbers in US the major example being CITI Group same still followed by others in hospitality industry Jet and Kingfisher Airlines too. The cut in salary for the pilots being 90 % can anyone imagine such a huge cut in salary. Various steps taken by RBI to curb the present recession in the economy and counter act the prevailing situation.

The sudden drying-up of capital inflows from the FDI which were invested in Indian stock markets for greater returns visualizing the Potential Higher Returns flying back is continuing to challenge liquidity management. At the heart of the current liquidity tightening is the balance of payments deficit, and this NRI deposit move should help in some small way. India is no different. New measures do not change our view on the growth outlook. Indeed, we remain concerned about the banking sector and financial sector. The BOP- Balance of Payment deficit – at a time when domestic credit demand is very high – is resulting in a vicious loop of reduced access to liquidity, slowing growth, and increased risk-aversion in the financial system. In total the recession have turned down the growth process and have set the minds of economists and others for finding out the real solution to sustain the economic growth and stability of the market which is desired for the smooth running of the economy. Complete business world is in doldrums situation and if this situation persists for a longer duration this may force small business enterprises to vanish as they have lower stability. To run smoothly they require continuous flow of liquidity which is dried out from the market. In present situation down fall in one sector one day leads to a negative impact on the other sector thus altogether everyone feel the impact of the Financial crises with the result of the current recession which started in US and slowly and gradually due to linked global world have impacted everyone. Solution for the problem still remains at the top of the mind of every one, still everyone is facing the impact of recession but for "how long" is the major question which is of great importance. "When there is a will there is a way" thus goes an old saying. Hopefully the whole business world will realize this and will work on this sincerely. Only an honest and human approach is no more the requirement it has gone to the level of strategic decision for the future.

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Investing strategy of Retail Investor in Indian Capital Market: Portfolio and Profitability

*Dr. Kailas Thombre
** Mr. Swapnil Kalyan Laghane

Introduction

After the Liberalization, Privatization and Globalization (LPG), beginning from the early 1990s, The Government of India has initiated several reforms to regulate and develop the markets and to ensure adequate protection for the Indian investor. With this end in view, the Securities and Exchange Board of India (SEBI) set up in 1988 was strengthened. Permitting of FIIs, global mutual funds and merchant bankers poured in new dynamism and vitality into the markets. Further, several steps were taken to promote the primary markets and streamline the secondary market operations. Most importantly, the National Stock Exchange, a state-of-the art technology driven new stock exchange and central depositories, the NSDL and the CDSL were established. This entire path breaking initiatives together with abolition of taxation on dividend, reduction of long term capital gains tax and allotment of quota in IPO for small investors have begun to attract the Indian investors to the capital markets in droves and the number of retail investors had increased multi-fold in the post-reforms era. A SEBI/NCAER study revealed that by the year 2000-01, 21 million individual investors had invested in equity/debentures.

As per SEBI definition, a retail investor is one who finances a listed company in the form of equity (shareholder) or debt (debenture holder) upto Rupees one lakh through an IPO.

Methodology

The study is based on a random sample survey of one hundred retail investors conducted in the city of Faridabad near Delhi in October 2010. The retail investors, drawn from those who visited two Depository Participants' and five Brokers' offices (Angle Broking, Sharekhan, 5 Paisa, Reliance Money, ICICI) were administered a questionnaire. The data obtained through the questionnaire has been supplemented with secondary data from business newspapers and the Internet.

Results

According to the survey, major chunk of the investors is located in east Faridabad (60%) which is across the railway line and (40%) in west Faridabad which is new industrial town includes male (70%) and female (30%) of which 86% are well educated with a graduate or higher degree. The typical investor is married and past middle age with a monthly income ranging between Rs.25,000 and above and is employed in white-collar jobs as well as self employed due to small industrial units. There seems to be active participation of the upper middle-income individuals in the share market. It can be surmised from Table 1 that share market participation is more among men than women and increases with the level of income and it appears to increase with age and education. The level of education and work environment of the typical investor suggest that his entry into the stock markets is an informed one rather than a stray foray.

Reason for investing in the stock market: An overwhelming majority, 87%, invests in the stock market for capital gains and the remaining 13% invest for dividends and bonus. A majority had begun with investing small sums in the stock market. About 26% had an original investment of less than Rs.25,000, about 52% had an original investment ranging between Rs.25,000 and Rs. 40,000 and about 22% had an original investment of more than Rs.40,000.

* Assistant Professor Deogiri College Aurangabad
* Research Fellow Dr. Babasaheb Ambedkar Marathwada university Aurangabad.

They sourced their capital for stock market investments from their own personal finances and none borrowed for investing in the stock market.

Stock market experience: Over the past decade, the various investor friendly market reforms seem to have brought new investors to the capital markets. Table 2 indicates the investment experience of the retail investors. The data indicates that a majority of the investors, (68%), are rather new entrants with less than 5 years experience, while 30% of the respondents have less than two years experience. About 20% has five to ten years of exposure to the markets, while only 12% has experience of more than ten years.

Share of stock market securities in financial assets: A recent nationwide survey of over 60,000 households by National Council of Applied Economic Research (NCAER) and Max New York Life entitled 'How India Earns, Spends and Saves', reveals that most Indians prefer keeping 65 percent of their savings in liquid assets like bank or post office deposits and cash at home, while investing 23 percent in physical investments like real estate and gold and only 12 percent in financial instruments. The survey found that only 0.5 percent of the Indians invest in equities. Table 2 reflects the share of stock market investments in the total financial assets of the investors such as shares, debentures, bank/post office deposits, company deposits and Government/public sector bonds. The data shows that a majority of respondents, 48%, have invested 10% to 25% of their financial assets in the stock market. 40% of the respondents have less than 10% of their financial assets in the stock market. Only 12% of the respondents invested more than 25% of their financial assets in the stock market. The investors seen to be cautious about the risk involved in the stock market.

Investing through primary market: In recent years, guidelines issued by SEBI to streamline public issues together with the prospect of making a quick gain on listing of the shares in a buoyant market, public issues are becoming an avenue for investment for retail investors. Investing through the primary market might be important considering that once the shares debut for trading, they usually become dearer to invest in, if the company is reputed one. The primary market investors are entitled to get right shares, majority of the respondents, (42%), have invested less than 25% through primary market. They seem to be buying in the secondary market after the stocks have performed well. Several surveys found that many first-time equity investors enter the stock market through the Initial Public Offering route.

Investments in debentures and public deposits: Equity share capital appears to be the most popular mode of investing in the capital market. 80% respondents have invested in equity shares, while 12% have invested in debentures and only 8% have invested in public deposits. Of late, the government had begun to mobilize resources through disinvestment of public sector shares. Major public sector concerns such as Coal India Limited, NHPC, SJVNL, SAIL, BALCO, ONGC, BHEL and NTPC had made hugely successful public issues. In the sample, 46% of the respondents have made investments in public sector concerns.

Investment in mutual funds: According to the 'India Household Investor Survey', 2006, majority of retail investors do not regard mutual fund equity schemes as a superior investment alternative to direct holding of equity shares. The percentage of households who owned equity shares directly is more than 2.5 times the percentage of those who owned any mutual schemes. As per another survey, the penetration of mutual funds in the retail investor segment is still low at 6 per cent of GDP against 70 percent in US. The data reveals that a considerable majority, (two third), have not invested in mutual funds. The failure of the Unit Trust of India, a highly popular public sector Mutual Fund, could have discouraged the investors from Mutual Funds, although there is a mushroom growth of such Funds in recent years.

Trading on-line: On-line trading is a new invention in the Indian stock market. There are several on-line trading companies and the investors in cities are reportedly using this trading channel rather than trading through brokers. The commission charged for on-line trading is much lower that what brokers charge for buying/selling shares. The data indicates that a majority of the retail investors, (48%), are yet to use this

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channel, due to high-risk perception and lack of familiarity with on-line systems. Nevertheless, the proportion of those who trade on-line is quite considerable (52%).

Knowledge about promoters of companies: Competent management is a sine quo non for the profitability of a company and capital market gains, therefore, imperative on the investors to examine the background of promoters /directors before making investment decisions. While a substantial majority of the respondents, (84%), look into the standing and credibility the promoters or directors of a company before investing in shares of a company and the remaining 16% do not examine the track record of promoters/directors of the company before taking investment decisions. The retail investors seem to exercise due diligence about the management of companies.

Diversification of risk: Diversifiable risk is that risk which can be eliminated by investing in different types of companies. According to the risk theory, such risk becomes zero if an investor invests in 15 companies. Beyond that diversification does not help. The data suggests that about 20% of the retail investors have not completely eliminated the diversifiable risk as they have invested in less than 15 companies.

Trade or hold ? As an investor gains experience in the stock market, he tends to trade his stocks taking advantage of price movements rather than be a passive investor. Table 2 reveals that a majority of the respondents, (70%), trade regularly and the remaining 30% just buy and hold stocks do not trade at all. Those who trade regularly can be considered as the active players. Stock traders who trade more frequently tended to have a larger deal size and a larger total transaction value. There is a tendency to buy and hold shares especially among the less knowledgeable. They are only stockholders but not stock traders.

Taking investment advice from a share broker: For retail investors who trade on-line, a broker would be dispensed with. However, for those who trade through exchanges, broker suggestions on the trading decisions may have considerable weight. The study reveals that about three-fourths of the respondents buy/sell shares always/often based on the advice of their broker. On the other side 60% retail investors follows the tips given on various news channels and sites. About 5% investors used the SMS facilities provided by the paid agencies as intraday tips.

Timing of the disinvestment: A prudent investor closely watches share price movements and sells or buys to maximize profits and minimize losses. Table 2 shows that 73% of the respondents sell when the share price goes up, 14% sell when the share price goes down considerably, 8% sell when **a** company is in losses while 5% do not relate their disinvestment decisions to share price movements. Those who generally buy and hold also mentioned that they disinvest when the share prices go up substantially.

Trading in futures: The SEBI has introduced the first derivatives product index futures in June 2000. Mostly, the institutional investors/high net worth investor's trade in futures due to the high margins and higher investment required. Table 2 indicates the popularity or otherwise of futures trading among the smaller investors. It shows that about two-thirds of the retail investors deal in futures market indicating their responsiveness to developments in the capital markets and their propensity to taking risk.

Returns from the stock market: Returns from the capital market comprise dividends, capital gains and bonus shares. The returns from stock market are evaluated against bank interest rate. The number of times the original investment has grown is also taken into account. It is apparent from the data in Table 2 that a vast majority of the respondents, 82%, have got more than bank interest rates, 12% have got returns equal to bank interest rate and 6% have got less than bank interest rates. Hence, one can conclude that a majority of the respondents have benefited by investing in the stock market.

Growth of original investment: As indicated by the investors, capital appreciation is the main reason why they invest in the stock market. Table 2 concludes that most of the investors' investment grew much faster than bank/post office deposits, which will take more than seven years to grow two times.

Gains/Losses from the Stock Market: The study tried to find out whether the investors have gained considerably from their stock market investments. It is heartening to note that most of the respondents, (about 82%), have gained considerably from their stock market investments and they mentioned that it is worthwhile investing in the stock market. Only about 18% have lost their money in stock market operations.

Watching share price movements and business news: About 85% of respondents monitor the share price movements by reading and listening to business news every day. Aspects such as knowledge about the promoters watching business news and share price movements are looked into, in order to know whether the investor is taking informed decisions or not. Recently introduced 20 : 20 by CNBC on the basis if IPL 20 : 20 and previously GUL & TULSIAN program shown by the same channel influenced the retail investors in majority.

Buying and selling shares based on market movements: Unless investors react quickly to market changes, they cannot benefit from their stock market operations. A large chunk, (85%), buys/sells shares based on market movements. Hence, most of the investors may be deemed to be active players in the market.

Re-investment of capital gains and dividends in the capital market: About three-fourths reinvested their capital gains from the market in the market and about two-thirds reinvested the dividends. The retail investors do not seem to depend on stock market returns for running the households due to income from salaries, business or profession or other sources.

Conclusion

According to the findings of the sample survey, the typical retail investor in Faridabad is well educated and belongs to the upper middle class strata of the society. The investor is a relatively new entrant to the capital markets possibly drawn to it by the investor friendly, easy to access markets of the liberalized era. The findings of the study are encouraging in that the majority of the investors seem to be well aware of the nuances of the markets and the risk involved. Equity is more popular than debentures, debt or mutual funds. The retail investors are investing in both primary and secondary markets and are timing their investment/disinvestment decisions in tune with market movements. The level of involvement of the respondents in the stock market is high and their participation is demonstrated by greater diversification and trading activity. This demonstrates the stock market investors' recognition that they must take control of their own stock market destiny by being watchful and alert to market movements. The investors seem to know what they are doing and why they are doing it. New developments in the markets like online and futures trading seem to have found favour with quite a good number of the investors. A good percentage of the investors have gained from the markets and reinvested the same in capital markets. The sample investors are generally positive about the stock market and showed a higher degree of satisfaction. From the findings of the survey it may be concluded that the retail investor is hereto stay and the capital markets may well emerge as strong contenders for traditional investment avenues like bank/post office deposits.

Table: 1 Profile of the Retail Investor

SL.No.	Character	Response %
1.	**Gender**	
	Male	70
	Female	30
2.	**Age in Years**	
	Below 25	14
	25 To 40	36

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	40 To 60 60 and above	35 15
3.	**Education** Under Graduates Graduates Post Graduates Professionals	 14 26 42 18
4.	**Income per Month (in Rs.)** Less than 10,000 10,000 To 25,000 25,000 To 40,000 40,000 and above	 8 18 52 22
5.	**Employment Status** Employed Self employed Retired	 38 41 21
6.	**Objective of Investment** Capital Gain Dividend and Bonus Shares	 87 13

Table: 2 Investments by Retail Investor

SL. No.	Character	Response %
1.	**Entry into the Market** Less than 2 years 2 To 5 Years 5 To 10 Years 10 and above Years	 30 38 20 12
2.	**Share of Stock Market in Financial Assets** Less than 10 % 10 to 25 % 25% and above	 40 48 12
3.	**Percentage Investment through Primary Market** Less than 25% 25 To 50 % 50 To 75 % 75 % and above	 42 36 12 10
4.	**Mode of Investment** Equities Debentures Public Deposits	 82 10 8
5.	**Invested in Mutual Funds** Yes No	 36 64
6.	**Trading On-Line** Yes No	 52 48
7.	**Knowledge about Promoters of Companies** Know Do Not Know	 84 16
8.	**Diversification of Risk**	

	Less than 5 companies 5 To 10 companies 10 To 15 companies 15 to 20 companies 20 and above companies	20 44 20 12 4
9.	**Trade V/s Hold** Generally buy and hold Trade regularly	 30 70
10.	**Time of Selling Shares** When a company's price goes up When a company's price goes down When a company is in losses Not Applicable	 73 14 8 5
11.	**Trading in Futures** Yes No	 65 35
12.	**Return from Stock Market vis-à-vis Bank Interest** Bank Interest Rate Less than Bank Interest Rate More than Bank Interest rate	 12 6 82
13.	**Growth of Original Investment** Less than Two times Two times Three times Four and more than Four times	 18 38 27 17
14.	**Gains/ Losses from Stock Market** Gains considerably Lost some money	 82 18
15.	**Watching Share Price Movements and Business News** Yes No	 85 15

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Foreign Direct Investment in Retail Sector in India

* Mr. D.N. Ghumbre
** Mr. Manoj Pagare
*** Mr. Manoj Jantre

FDI in the Retail sector

Retailing is one of the world's largest private industries. Liberalizations in FDI have caused a massive restructuring in retail industry. The benefit of FDI in retail industry superimposes its cost factors. Opening the retail industry to FDI will bring forth benefits in terms of advance employment, organized retail stores, availability of quality products at a better and cheaper price. It enables a countries product or service to enter into the global market.

"There are many factors contributing to the boom in this sector. To name a few, increased consumerism with a capacity to spend on luxury items and increased spending power in the hands of Indians. More Indians are travelling abroad and are exposed to different cultures and way of life and thereby more brands. India's internal consumption is also high and the consumption pattern owning to diversity in culture, religion and the family values that encourage spending on specific occasions keeps the retail business well oiled. Marriages add a big dimension to the retail spends. Our culture expects a lot of give-and-take for marriages, festivals and other important events of life. Hence, it's imperative for people right from rural to the urban, irrespective of their caste and creed or economic status, to spend on gifts as a part and parcel of life. And that's the reason worldwide retailers eye the Indian market," says Swati Salunkhe, managing director, Growth Centre (I) Pvt Ltd.

The size of India's retail sector is currently estimated at around $450 billion and organised retail accounts for around 5% of the total market share. Ratings agency Fitch has assigned a stable outlook to the retail sector for 2012 as factors like expected sales, growth-driven expansion and efficient working capital management are likely to benefit retail companies . It is estimated that the retail sector would continue to grow at 10-12 % per annum, which is extremely encouraging when the country's economy is only projected to grow at 6%.

EMERGING AREAS

Within retail, the emerging sectors would be food and grocery, apparel, electronics, e-commerce, fashion and lifestyle.

"The upcoming areas within retail are luxury, super specialty stores/ malls, and renewed emphasis on high streets. Unfortunately, malls have become expensive affairs for most of the retailers. Therefore, a huge investment and emphasis has been laid down on e-tailing or online stores that has wider reach and are economically viable," says Darlie Koshy, DG and CEO, Institute of Apparel Management.

Any professional who has an experience in the retail industry or a relevant qualification in the field of retail industry like visual merchandising, marketing or has pursued a retail course can get into this field.

FDI Policy in India: It will be prudent to look into Press Note 4 of 2006 issued by DIPP and consolidated FDI Policy issued in October 2010 which provide the sector specific guidelines for FDI with regard to the conduct of trading activities.

a) FDI up to 100% for cash and carry wholesale trading and export trading allowed under the automatic route.

b) FDI up to 51 % with prior Government approval (i.e. FIPB) for retail trade of 'Single Brand' products, subject to Press Note 3 (2006 Series)

c) FDI is not permitted in Multi Brand Retailing in India.

FDI in Single Brand Retail: The Government has not categorically defined the meaning of "Single Brand" anywhere neither in any of its circulars or nor any notifications.

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* Dept. of Commerce Kalikadevi Mahavidyalaya Shiroor Dist.Beed
** Siddharth College Jafrabad
*** Research Fellow Dr. Babasaheb Ambedkar Marathwada university Aurangabad.

In single-brand retail, FDI up to 51 per cent is allowed, subject to Foreign Investment Promotion Board (FIPB) approval and subject to the conditions mentioned in following

(a) Only single brand products would be sold (i.e., retail of goods of multi-brand even if produced by the same manufacturer would not be allowed)

(b) Products should be sold under the same brand internationally,

(c) single-brand product retail would only cover products which are branded during manufacturing and

(d) Any addition to product categories to be sold under "single-brand" would require fresh approval from the government.

FDI in Multi Brand Retail: The government has also not defined the term Multi Brand. FDI in Multi Brand retail implies that a retail store with a foreign investment can sell multiple brands under one roof.

In July 2010, Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce circulated a discussion paper on allowing FDI in multi-brand retail. The paper doesn't suggest any upper limit on FDI in multi-brand retail. If implemented, it would open the doors for global retail giants to enter and establish their footprints on the retail landscape of India. Opening up FDI in multi-brand retail will mean that global retailers including Wal-Mart, Carrefour and Tesco can open stores offering a range of household items and grocery directly to consumers in the same way as the ubiquitous 'kirana' store.

Benefits of FDI in multi-brand retail Soaring inflation is one of the driving motives behind this move towards multi-brand retail. Allowing international retailers such as Wal-Mart and Carrefour, which have already set up wholesale operations in the country, to set up multi-brand retails stores will assist in keeping food and commodity prices under control. Moreover, industry experts feel allowing FDI will cut waste, as big players will build backend infrastructure. FDI in multi-brand retail would also help narrow the current account deficit.

Additional benefits include moving away from an industry focus on intermediaries and job creation. Moving away from intermediary-only benefits. There is broad agreement on the need to improve efficiencies in the household trade of consumer goods. Competent management practices and economies of scale, joined with the acceptance of global best practices and modern technology, could immensely recover systemic competence.

Like their foreign counterparts, Indian customers are entitled to receive quality products, produced, processed and handled under a hygienic environment through professionally-managed outlets. Speculative apprehensions that small retailers will be adversely affected are not reason enough to deny millions of consumers access to products that meet global standards.

Furthermore, today's intermediaries amid producers and customers add no value to the products, adding hugely to final costs instead. By the time products filter through various intermediaries and into the marketplace, they lose freshness and quality, and often go to waste. However, intermediaries garner huge profits by distributing these losses between producers and customers by buying products at low prices from producers, but selling at extremely marked-up prices to consumers. In an unbalanced system that incorporates multiple intermediaries simply for logistics, only intermediaries benefit. safety valves There is concern about the competition presented to domestic competitors and the monopolization of the domestic market by large international retail giants. The Indian government feels that FDI in multi-brand retailing must be dealt with cautiously, given the large potential scale and social impact. As such, the government is considering safety valves for calibrating FDI in the sector. For example:

- A stipulated percentage of FDI in the sector could be required to be spent on building back-end infrastructure, logistics or agro-processing units in order to ensure that the foreign investors make a genuine contribution to the development of infrastructure and logistics.
- At least 50 percent of the jobs in the retail outlet could be reserved for rural youth and a certain amount of farm produce could be required to be procured from poor farmers.
- A minimum percentage of manufactured products could be required to be sourced from the SME sector in India.
- To ensure that the public distribution system and the Indian food security system, is not weakened, the government may reserve the right to procure a certain amount of food grains.
- To protect the interest of small retailers, an exclusive regulatory framework to ensure that the retailing giants do not resort to predatory pricing or acquire monopolistic tendencies.

Impact on the sector:

- While FDI in multi-brand retail is needed in the long term, its passage (if it happens) may act as a sentiment booster the market desperately needs. The global appetite to invest in India has waned in recent months. But foreign investors may not rush in even after the proposal is passed. "Once the law is passed, the implementation in the first phase may be restricted to Congress-ruled states and a few other states. The leading foreign players will be interested if a reasonable number of states opt for it. Once some states implement it and others see the benefits, it may spread to other states despite the objections from the traders' lobby," says Shah.

Impact on the listed stocks

- So, don't jump to the conclusion that this new law will be a boon for the Indian retail sector stocks. What is good for the economy or the sector need not be good for individual companies. For example, several cashstrapped companies from the retail sector may be hoping that they can divest a part of the stake to foreign players and use the money to repay their debts. Some may also want to sell out totally if 100% FDI is through. However, it will be risky to assume that the only option available to global retail players like Wal-Mart and Tesco is to buy out existing players. In fact, the probability of that happening is remote.
- Even if it happens, existing players may not be able to get a very high price because most them are not doing well now. "FDI in multi-brand retail is going to benefit existing Indian players only if foreign players buy partial or full stake in these companies. If the foreign companies go it alone or go with other partners, it will only increase competition for the existing players," says Shah

LIMITATIONS OF THE PRESENT SETUP

- **Infrastructure:** There has been a lack of investment in the logistics of the retail chain, leading to an inefficient market mechanism. Though India is the second largest producer of fruits and vegetables (about 180 million MT), it has a very limited integrated cold-chain infrastructure, with only 5386 stand-alone cold storages, having a total capacity of 23.6 million MT. , 80% of this is used only for potatoes. The chain is highly fragmented and hence, perishable horticultural commodities find it difficult to link to distant markets, including overseas markets, round the year. Storage infrastructure is necessary for carrying over the agricultural produce from production periods to the rest of the year and to prevent distress sales. Lack of adequate storage facilities cause heavy losses to farmers in terms of wastage in quality and quantity of produce in general. Though FDI is permitted in cold-chain to the extent of 100%, through the automatic route, in the absence of FDI in retailing; FDI flow to the sector has not been significant.

Intermediaries dominate the value chain

- Intermediaries often flout mandi norms and their pricing lacks transparency. Wholesale regulated markets, governed by State APMC Acts, have developed a monopolistic and non-transparent character. According to some reports, Indian farmers realize only 1/3rd of the total price paid by the final consumer, as against 2/3rd by farmers in nations with a higher share of organized retail.

Improper Public Distribution System ("PDS")

- There is a big question mark on the efficacy of the public procurement and PDS set-up and the bill on food subsidies is rising. In spite of such heavy subsidies, overall food based inflation has been a matter of great concern. The absence of a 'farm-to-fork' retail supply system has led to the ultimate customers paying a premium for shortages and a charge for wastages.

No Global Reach

- The Micro Small & Medium Enterprises ("MSME") sector has also suffered due to lack of branding and lack of avenues to reach out to the vast world markets. While India has continued to provide emphasis on the development of MSME sector, the share of unorganised sector in overall manufacturing has declined from 34.5% in 1999-2000 to 30.3% in 2007-08. This has largely been due to the inability of this sector to access latest technology and improve its marketing interface.

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Role of Scheduled Commercial Banks in Socio-Economic development of Scheduled Caste and Scheduled Tribes in Marathawada Region

*Mr. Gaikwad S.B.
**Mr. Anil Donde

Introduction

Indian banking industry, the backbone of the country's economy, has always played a key role in development the economic catastrophe from reaching terrible volume in the country. It has achieved enormous appreciation for its strength, particularly in the wake of the worldwide economic disasters, which pressed its worldwide counterparts to the edge of fall down. If we compare the business of top three banks in total assets and in terms of return on assets, the Indian banking system is among the healthier performers in the world. This sector is tremendously competitive and recorded as growing in the right trend. Indian banking industry has increased its total assets more than five times between March 2000 and March 2010, i.e., US$250 billion to more than US$1.3 trillion. This industry recorded CAGR growth of 18 percent as compared to country's average GDP growth of 7.2 percent during the same period. The commercial banking assets to GDP ratio has increased to nearly 100 percent while the ratio of bank's business to GDP has recorded nearly twofold, from 68 percent to 135 percent. The overall development has been lucrative with enhancement in banking industry efficiency and productivity. It should be underlined here is financial turmoil which hit the western economies in 2008 and the distress effect widened to the majority of the other countries but Indian banking system survived with the distress and showed the stable performance. Indian banks have remained flexible even throughout the height of the sub-prime catastrophe and the subsequent financial turmoil.

The Indian banking industry is measured as a flourishing and the secure in the banking world. The country's economy growth rate by over 9 percent since last several years and that has made it regarded as the next economic power in the world. Our banking industry is a mixture of public, private and foreign ownerships. The major dominance of commercial banks can be easily found in Indian banking, although the co-operative and regional rural banks have little business segment.

Significance and objective of the study

India is developing country. There are many social strata that need upliftment. This begins with financial aid. Banks play vital role in improvisation of such strata. SC & ST population in India is 16% and 8% respectively according to the census of India. (2001) Banks are the backbone for financial upliftment of Scheduled Caste and Scheduled Tribes.

There are so many special schemes for SC & ST in Scheduled Commercial Banks like PMEGP, SJSRY, SCP, MM, SGSY, and SLRS these schemes provides financial aid to the Scheduled Caste and Scheduled Tribes for social and economical development. Still considering total population this financial assistance is insufficient. Hence, it needs an enquired to pertain many questions that arise in such situations such as:

- What are the special schemes for Scheduled Caste & Scheduled Tribes?
- How these schemes are implemented?
- What is the Credit Deployment of such banks?
- What is the role played by these banks in the development of SC, & ST?
- Basic role of these banks and functions?

To study these and many more questions, it was felt necessary to derived for this study. Hence this paper is an important step in this area.

1) To study the social and economical development of SC & ST in Marathawada region.
2) To know the disbursement of loan provided by the scheduled commercial banks to SC & ST.

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*Assistant Professor, Deptt. Of Commerce Muktanand Mahavidyalaya Gangapur
**Research Fellow Dr. B.A.M. University Aurangabad

3) To know the different schemes provided by the scheduled commercial banks for the development of SC & ST.
4) To assess the role of scheduled commercial banks in the social and economical upliftment of SC & ST.

There are different types of schemes and different types of offices, they provides fund for the upliftment to the weaker section of the society. Which include Lokshahir Annabhau Sathe Development Corporation, Mahatma Phule Backward Class Development Corporation, District Rural Development Agency, and Local self Govt. agencies, District Industrial Center, Khadi Village and Industries Board, Zilla Parishad, Nagar Parishad etc. Govt. sponsored many offices and different schemes playing vital role in developing to the weaker section of the society specially Scheduled Caste and Scheduled Tribes.

Limitations of the study

There are several schemes sponsored by state Govt. and different corporations for the development of Scheduled Caste and Scheduled Tribes communities. To access the development by Scheduled Commercial Banks Govt. sponsored schemes are selected. For the effectiveness those schemes are selected that it directly benefited to Scheduled Caste and Scheduled Tribes. It is also called as major Govt. sponsored schemes. It is the part of Lead Bank scheme. Lead Bank allots the target to the Scheduled Commercial Banks and other banks under the guidance of planning committee headed by District Hon'ble Collector. The paper covers last five year performance and Marathawada region only.

Research Methodology

To analyze the performance for Scheduled Commercial Banks and access the development secondary data are used. Due certain limitations it was not possible to access more than one year performance. There are many Govt. sponsored schemes and development scheme for the SC ST communities so only major six schemes are selected.

Secondary data has collected from different publications of RBI such as follows

1) Basic statistical returns. (BSR)
2) Report of currency and finance.
3) Report of trend and progress of banking in India.
4) Statistical tables relating to banks in India
5) Monthly RBI bulletins.
6) Indian Banks Association reports.
7) CMIE (center for monitoring Indian Economy Pvt. Ltd. Monthly review of Indian economy.
8) EPW (Economic and Political Weekly).

And other related publications with related web sites.

Socialization of Scheduled commercial Banks

As a sequel to the debate on a non-official resolution calling for nationalization, 1967 the essential idea under the concept of social control implies that while there was a need for stimulating saving and attracting them into the banking system, at the same time, a powerful and equitable distribution of credit has to be ensured. Thus, social control of banks means there greater participation under the effective guidance of the state in the mobilization of deposit and allocation of credit to the socially desirable sectors of the economy which would ensure enlarge material benefits to the nation at large, in the form increased output, employment and income.

The scheme of social central of banks, however introduced by the Government on December, 14, 1967, under the banking laws (Amendment) 1968, the major scheduled commercial banks come under social control, when the then Finance Minister Morarji Desai made a statement in the Loksabha while explaining its objectives, main features and the mode of functioning. In his statement, Mr. Desai categorically stated that there was no need for nationalizing banks at those times, and social control measures alone would efficient serve the purpose.

The important objectives[1] of the social control of banks were:

1. To strengthen the banking system by preventing banks failures and thus to sustain public confidence in banking and to promote the growth of banking on sound lines.

2. To produce a uniform and all round development of the banking structure by appropriate expansion, co-ordination and integration of all allied banking institutions.
3. To check concentration of economic power through equitable distribution of banks credit.
4. To stress the need for extending banking services in the rural sector.
5. To make bank finance available for essential productive purposes in the priority sector such as agriculture, small scale industries and exports etc.

Target for social banking

For this 47 percent of the resources, the objectives for credit deployment to meet the objectives of social banking (i.e. social banking target) [2] are as under

1. Banks are required to deploy not less than 40 percent of the total advances to priority sector.
2. 10 percent of total bank credit of 25 percent of the total priority sector credit to be given to weaker sections such as small and marginal farmers landless labourers., shre-croppers etc. artisans and village and cottage industries and beneficiaries belonging to SCs/STs.
3. 18 percent of total banks credit provided as direct finance to agriculture and allied activities by March. 1989.
4. 1 percent of total bank credit has to be given under the scheme of Differential Rates of Investment (DRI) at 4 percent.

Within the above statutory pre-emption and targets for social- banking, banks have to ensure[3]

1. Minimum C-D ratio of 60 percent, both at rural and semi-urban branches.
2. Removal of regional/inter-state imbalances in respect of deployment of credit.
3. That production of no sector/unit suffers due to inadequacy of credit.

Table No. 1.1
Major Govt. sponsored schemes

Sr. No.	Scheme
1	SGSY
2	PMRY
3	MPBCDC SCP
	MPBCDC MM
	MPBCDC SLRS
4	LASDC SCP
	LASDC MM
5	SJSRY
6	KVIB SCP
	KVIB MM

Source: Annual Credit Plan Aurangabad district 2010

Table no. 1.8 shows the major Govt. sponsored schemes which has selected for the study purpose. Mainly there are 6 schemes and it includes 4 another substitute scheme called as Margin Money scheme. The details of these schemes with statistical analysis are discussed below. But for clearance of research methodology and techniques of the research this information stated before the stakeholders.

Table No. 1.2
Scheme wise performance of Marathawada region
(Year 2010) (Rs. in lakh)

Description			General			SC/ST			
Sr. No.	District	Implementing agency	Advances	Recovery	% of recovery	Advances	Recovery	% of recovery	General adv. % To sc/st
1	Aurangabad	PMEGP	7386.82	180.40	2.44	1187.46	29.00	2.44	16.08
		KVIB	9542.15	2772.69	29.06	598.97	169.94	28.37	6.28
		MPBCDC SCP	2494.11	725.50	29.09	210.26	64.45	30.65	8.43
		MPBCDC MM	3361.63	360.68	10.73	265.01	22.46	8.48	7.88
		LASDC SCP	2850.87	412.50	14.47	332.27	42.46	12.78	11.66
		LASDC MM	2080.46	174.88	8.41	239.32	19.15	8.00	11.50
2	Beed	KVIB	6805.10	1201.83	17.66	501.69	115.08	22.94	7.37
		MPBCDC SCP	297.13	78.54	26.43	18.23	10.85	59.52	6.14
		MPBCDC MM	1214.39	27.74	2.28	166.55	4.02	2.41	13.71
		LASDC SCP	83.74	0.00	0.00	4.30	0.00	0.00	5.13
3	Jalna	PMEGP	98588.24	8920.40	9.05	7294.67	477.97	6.55	7.40
		KVIB	7479.42	1408.31	18.83	602.60	136.97	22.73	8.06
		MPBCDC SCP	8054.42	626.82	7.78	1609.74	74.08	4.60	19.99
		MPBCDC MM	28697.72	2089.87	7.28	810.50	83.24	10.27	2.82
		LASDC SCP	1710.28	0.00	0.00	56.04	0.00	0.00	3.28
		LASDC MM	5070.31	476.71	9.40	633.44	54.08	8.54	12.49
4	Latur	PMEGP	28831.19	6464.67	22.42	3958.82	676.04	17.08	13.73
		KVIB	18371.91	4776.86	26.00	2158.49	373.78	17.32	11.75
		MPBCDC SCP	3514.22	934.14	26.58	317.10	71.59	22.58	9.02
		MPBCDC MM	4157.79	715.59	17.21	497.23	94.91	19.09	11.96
		LASDC SCP	1348.19	6465.67	479.58	116.46	24.32	20.88	8.64
5	Nanded	PMEGP	18872.81	1891.26	10.02	3488.72	598.66	17.16	18.49
		KVIB	113.71	0.00	0.00	46.49	0.00	0.00	40.88

		MPBCDC SCP	209.94	688.79	328.09	54.88	274.78	500.69	26.14
		MPBCDC MM	1566.26	838.57	53.54	575.90	286.68	49.78	36.77
		LASDC SCP	1106.42	943.07	85.24	362.58	318.73	87.91	32.77
		LASDC MM	316.04	0.00	0.00	21.98	0.00	0.00	6.95
6	Osmanabad	PMEGP	11333.03	14107.97	124.49	1264.86	2038.15	161.14	11.16
		MPBCDC SCP	77.82	22.39	28.77	24.24	6.97	28.75	31.15
		MPBCDC MM	5228.35	1707.44	32.66	912.51	314.13	34.42	17.45
		SLRS	275.74	349.27	126.67	19.17	24.29	126.71	6.95
		LASDC SCP	665.63	615.08	92.41	105.61	57.21	54.17	15.87
		LASDC MM	1185.47	417.24	35.20	220.58	74.52	33.78	18.61
7	Parbhani	PMEGP	17340.12	3337.48	19.25	4655.59	367.67	7.90	26.85
		KVIB	6797.62	509.52	7.50	531.95	132.13	24.84	7.83
		MPBCDC SCP	4259.55	3348.82	78.62	1314.60	908.83	69.13	30.86
		MPBCDC MM	7002.95	2240.57	31.99	1086.10	331.50	30.52	15.51
		LASDC SCP	328.34	1225.09	373.12	96.62	308.28	319.06	29.43
		LASDC MM	2037.07	239.95	11.78	215.80	25.42	11.78	10.59

Source: Bank of Maharashtra, Head office, Pune

Table No. 1.2 highlights of Scheme wise performance in Marathwada Region excluding Hingoli district. Aurangabad is in leading in disbursement of loan through different schemes. It is expected too. While considered total population of SC and ST and overall financial position of banks and district economy. No doubt Aurangabad is the fastest growing industrial hub in Asia. But it is also needed to develop in all sectors. While framing annual credit plan of particular district it is nice thing that bank has given more importance to the weaker section but other hand it looks like a big star. Because star reflects on corner side but if we avoid flashing corners. Then it can found a big gap inside the center point. This way Aurangabad is leading in disbursement but inside part of recovery whole increasing broader and broader. Means in future it will be harmful to bank and overall economy. In Aurangabad district 7386.82 lakh disbursed under PMEGP scheme. Only 2.44 percent recovery was showed. Both the KVIB and PMEGP showed good recovery rate with compare to other schemes. In Beed district 2.4 percent amount was recovered under MPBCDC MM scheme. While disbursing to the SC, ST 13.71 percent is the difference in SC, ST disbursement and general. 98588.24 lakh advances was disbursed to the general caste means other than SC, ST. Out of 7294.67 lakh was disbursed to SC, ST under PMEGP scheme in Jalna district. LASDC SCP noted clearly zero recovery in the year 2010. It is bad remark for the bank and LASDC Corporation. Out of total advances only 17.8 percent amount was recovered in Latur district under PMEGP scheme. The difference calculated 13.73 percent in same scheme. Nanded is leading while disbursing to the SC, ST followed by Aurangabad district. Under KVIB scheme corporation not succeed to delivered good service and disbursement. Osmanabad and Parbhani both the district are backward in Marathawada region. Looking at the overall digits it clearly noted that the performance of overall schemes was not so satisfactory but need to growth in recovery.

Concluding Remark

India is a welfare State, committed to the welfare and development of its people and of vulnerable sections in particular. The preamble, Directive Principles of State Policy, Fundamental Rights and specific sections, viz., Articles 38, 39 and 46 in the Constitution of India, stand testimony to the commitment of the State to its people. Socially disadvantaged groups of Scheduled Castes/ Scheduled Tribes have received special focus over the years for their social and economic advancement. Government has taken several steps for framing appropriate policies needed to design and implement various welfare programmes for achieving the objective of creating favorable environment to ensure speedy socio economic development of SCs/ STs. For the well being of these communities, special target-oriented programmes are being implemented by earmarking funds, providing subsidies, offering reservations in employment and educational institutions etc.

While planning SLBC and DLBC gave more emphasis on these sectors. Worried point is recovery rate. Study strongly recommended that there must be growth in recovery rate. The role of manager is important in recovery, they should notice that it is his prior duty to guide the beneficiary and make them aware to repay the loan in time.

Bank

Scheduled commercial banks playing vital role in upliftment of weaker sections specially scheduled caste and scheduled tribes. As mentioned above SCBs gave more importance to the government sponsored schemes according to guideline of RBI.

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