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EDITORIAL

Greeting to the Readers!

After an overwhelming response and most enthused participation at SEMCOM National Seminar 2019, we are pleased to present before you the first bunch of selected papers presented in the seminar. As usual the issue contains blend of emerging research problems and issues in the area of commerce and management. Marketing is the most dynamic and widely researched area where in a study on women's views about online shopping websites concludes that females have been active on online shopping. "Responsiveness" of the websites is the main factor that attracted women to the website to shop online and "Privacy and Security" is the major contributing factor to the overall satisfaction of women from shopping online websites, followed by Easy accessibility, Reliability & Promise fulfillment, Services offered. Measurement of Customers' Satisfaction: An Inevitable Exercise for Service Excellence and Customer Delight is an epigrammatic review of Literature on 'Customer Satisfaction' with special reference to marketing of services. A conceptual study on need of Customer Relation Management (CRM) in running a Business Organization reveals various activities which could maintain the customer business relation and raise the customer base. Economic concerns are those that shape the future of the nation. A study on regional disparity of FDI within India is an attempt to understand and analyze the variations in FDI among the different states. It also predicts the implications of these variations in FDI and presents the corrective measures. A paper on Impact of demonetization over Primary market- a post demonetization study of selected IPO's aims to find the impact of demonetization over IPO's issued by Indian companies even in post demonetization era. A thought provoking research on the Comprehensive and Progressive Agreement for Trans-Pacific Trade Partnership is presented by a budding researcher.

An empirical study on usage of VOIP Apps with reference to Anand city presents technological approaches and user preferences to avail optimum technology benefits.

A Study of Credit Risk Management of Selected Public Sector Banks of India represents area of finance and helps to find the causes for financial losses in public sector banks in past decade and help to examine bank financial future based on bank's methodology to manage credit risk. Two more studies are on studying an Impact of IND as on Financial Ratios with special reference to Wipro and a study on R&D spending and Its Impact on profitability of selected automobiles companies respectively. In the area of banking, one study discusses future benefits of Islamic banking and another measures the perception of the Bankers about the Cross Selling Activities. The issue does partake moral responsibility by incorporating a study on Corporate Social Responsibility by exploring relationship between CSR activities and financial performance of the enterprise. The mood continues with a paper on skills development of rural students and the process of training and the challenges faced by trainers in making these children confident in the urban atmosphere. The study exhibits how parents can also become the part of this skill development programme in order to encourage their children.

We hope this issue satisfies the keen aspirations of the readers. Keep Researching.

Best wishes,
Waheeda Thomas

About SEMCOM

Sardar Gunj Mercantile Cooperative Bank Ltd. (Anand) English Medium College of Commerce and Management (S G M English Medium College of Commerce and Management) popularly known as SEMCOM was established in the year 1997 with the aim/vision to impart quality education to students who desire to graduate in commerce, management and IT. The college has successfully completed

18 years. Its alumni has established themselves in various walks of life across the globe. The college has been established by Charutar Vidya Mandal (CVM), an educational trust with a vision to regenerate society through education. SEMCOM was set up with the generous donation of Rs. 35 lakhs against the total project cost of Rs. 150 lakhs by Sardar Gunj Cooperative Bank Ltd. (Anand) on self- finance basis keeping in mind the changing policy of the government in inviting private institutions to supplement the government's efforts in higher education. The college has an ISO Quality System since 2004, which upgraded to 9001:2008 in September 2009. The college is re-accredited grade "A" by NAAC with a CGPA of 3.01 on 4 point scale. The college, within a short span of time has made its presence felt in India and abroad.

The college is affiliated to Sardar Patel University, Vallabh Vidyanagar.

Objectives / Goals

- To focus on integral development of students.
- To offer courses and programs in tune with changing trends in the society as a whole.
- To update the curriculum as per the need of the business and industry.
- To create unique identity in the educational world at the national as well as international level.
- To institutionalize quality in imparting education.
- To incorporate innovations on a continuous basis in the entire process of education at institutional level.
- To create platform for the students for exhibiting their talent and for development of their potentials.
- To generate stimulating learning environment for students as well as teachers.
- To build cutting edge amongst the students to withstand and grow in the competitive environment at the global level

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Women's Views About Online Shopping Websites

Dr. Seema G Hariramani

Abstract

According to the report by ASSOCHAM-Resurgent India study; Indian e-retail is expected to touch $17.52 billion by the end of 2018. "The total retail sales are growing at a staggering rate of 15%, registering a double digit growth figure year after year," it said. Marketers are trying to woo the females also because shopping is the one activity that attracts each and every woman. Looking to the hue and cry of getting virtual space and getting customer attention and retention, the study has been undertaken to understand the women consumers' views about the different characteristics of websites. With the help of structured questionnaire and a sample of 285 women internet users of Ahmedabad, selected with the convenience sampling technique; the study concluded that females have been active on online shopping for last two years. Flipkart, amazon, snapdeal remained top preference of women for shopping online. "Responsiveness" of the websites was the main factor that attracted women to the website to shop online and "Privacy and Security" is the major contributing factor to the overall satisfaction of women from shopping online websites, followed by Easy accessibility, Reliability & Promise fulfilment, Services offered.

Key Words: Factor Analysis, Internet Users, Online Shopping, Website Characteristics, Women Online Shoppers

Introduction

The www revolution has transformed the word into a small village. In the race of running ahead of competitors, each business is trying to be online. Consumers purchase online to save time, money, resources and energy. Online purchase makes them informed and provides knowledge to them. The e-commerce has transformed the way business is done in India. As per the report of IBEF the Indian e-commerce market which was US$ 38.5 billion as on 2017 is expected to grow to US$ 200 billion by 2026. The sharp growth of the ecommerce industry has been triggered by increasing internet and smart phone penetration in India. The ongoing digital transformation in the country is expected to increase India's total internet user base to 829 million by 2021 from 445.96 million in 2017. India's internet economy is expected to double from US$125 billion as of April 2017 to US$ 250 billion by 2020, majorly backed by ecommerce. India's E-commerce revenue is expected to jump to US$ 120 billion in 2020 from US$ 39 billion in 2017, growing at an annual rate of 51 per cent, the highest ever in the world. Google and Tata Trust have collaborated for the project 'Internet Saathi' to improve internet penetration among rural women in India.

According to the report by ASSOCHAM-Resurgent India study by the end of 2018, Indian e-retail is expected to touch $17.52 billion. "The total retail sales are growing at a staggering rate of 15%, registering a double digit growth figure year after year," it said. Marketers are trying to woo the females also because shopping is the one activity that attracts each and every woman. Looking to the hue and cry of getting virtual space and getting customer attention and retention, the study has been undertaken to understand the women consumers' views about the different characteristics of websites.

Literature Review

Reviewing literature gives us insights into the depth of the topic to be studied. A thorough review of literature was done to find out the gap which can be filled through this study. It was found that very few research studies have been specifically conducted on the women online shoppers hence it was an effort to fill this gap with this study. A glimpse of the research studies conducted on the said topic:

Mary Wolfinbarger and Mary Gilly (2009) conducted a study with the objectives of identifying and measuring the consumer experiences and website attributes that are associated with quality and satisfaction. It was found that consumers shop online for goal-oriented, instrumental reasons, and for experiential reasons. Further, the study highlighted that accessibility/ convenience, selection, information availability, control of sociality, low commitment to the experience and more generally, a sense of freedom and control mark goal-directed buying while offline shopping is more likely to be associated with experiential benefits, the experiential shoppers enjoy the fun of surfing various sites and finding the best deals. **Carlota Lorenzo-Romero, & et. al. (2013)** examined the relationship between online aesthetics, perceived quality of websites, and the impact of this perception on the actual intention to purchase from the website. An experimental research indicated that quality perceptions and buying intentions are not affected by the first impression of a website. Longer exposure to a website is an important determinant of buying behaviour, while all the above mentioned three types of aesthetics are important determinants of the customer's quality perception about the site and the customer's intention to buy a product. **Hemamalini K (2013)** conducted a study in Coimbatore to evaluate consumer's attitude towards online shopping for four products (Books, E-tickets, Insurance and Computers) have been considered based on Peterson et al. (1997) and to investigate the intention to shop online for each of the above said product. The study revealed that product involvement, attitude and reason for online shopping varied with different product types. Further, it was found that Books are interesting to shop online, followed by Computers, E-tickets and Insurance. **Deepjyoti Choudhury and Abhijit Dey (2014)** tried to find out whether there is any impact of five factors like internet literacy, gender, educational qualification, website usability and online product price on online shopping in Assam. The findings of the study revealed that there is a significant relationship of online shopping with gender, internet literacy, and online product price but there is no relationship between website usability and education with online shopping. **Mercy Makhitha and Nobukhosi Dlodlo (2014)** with an objective to determine the dimensions that influence the online shopping consumers in South Africa conducted a study wherein majority of students in the sample were undergraduate females. The findings of the study revealed that students value the convenience of the online shopping experience the most. Further, Security was also a major consideration for female rather than male consumers, when shopping online. Albeit, the results of the independent t- tests revealed significant differences along the security dimension but significant differences could not be established along convenience, ease of use and perceived benefits. **Taweerat Jiradilok and et. al. (2014)** wanted to test the conceptual framework of customer satisfaction that leads to online purchase intentions for experienced and inexperienced online purchasers. The study highlighted that Appropriate Pricing, Website Information Quality, Responsibility, Assurance, Empathy, and Experience in Purchasing are found to be significant and have positive effect on Purchasing Intention. Further, those who have never purchased online mainly pay their attention to the sense of security and service (reliability, responsibility, assurance, empathy) while appropriate pricing has no influence on their decision. **Ke Zhao (2015)** with the objective to investigate the decision-making process of online consumption of Chinese consumers and wanted to evaluate how cultural, social, personal, and environmental factors impact on the customers' online shopping decision. Findings of the study suggested two main factors of intangibility and virtuality of internet; were the major concerns of Chinese people. Further, Chinese people prefer to build long-term relationship with retailer and frequently communicate with others in forum. Age, online shopping experience, privacy typology and risk perception were the personal factors, price, web design, product features and post purchase evaluation were the environmental factors that have impact on Chinese people. **Preeti Singh and Radha Kashyap (2015)** wanted to know the online shopping behaviour of consumers and what problems they face. The results of the study indicated that females had positive attitude to purchase online apparel as compared to males. Further, working females were more inclined towards online shopping as compared to working males. The results also showed that most of the people who shop online are from the age group of 20-30 years. **Rizwana Bashir, Irsa Mehboob and Waqas Khaliq Bhatti (2015)** tried to examine the relationship between various factors i.e. trust, time, product variety, convenience and privacy derived from literature and their effect on the consumer behavior towards online shopping. The findings suggested that trust and convenience will have greater impact on the decision to buy online or not. **Zivile Bauboniene and Gintare Guleviciute (2015)** wanted to explore the factors that encourage and discourage the consumers to shop online. The findings of this study indicated that the main factors influencing consumers to shop online are convenience, simplicity and better price. Further it showed that men shop online more often than women because of the lower price. More people from 25–35 year age group choose shopping online because of lack of time and a wide range of products. The most beneficial factor of shopping online as per the study was identified as a possibility to compare prices and buy at a lower price. **Pavan. K. A and N. Nirmaladevi (2016)** with the objective to understand the purchasing pattern, opinion regarding the service quality, ease of use, security and payment process of online shoppers. The study highlighted the customer choices and opinion with regard to online shopping. Service quality, ease of use, security and payment process; all are important to online shoppers while purchasing online. **Pritam P. Kothari and Shivganga S. Maindargi (2016)** highlighted the factors which online Indian customers keep in mind while shopping. The study found that cognition, sensed usefulness, comfort of use; sensed enjoyment and security are the five factors that affect consumer perceptions about online purchasing. Further the study found some barriers like intangibility of the product before buying, fear of receiving wrong or bad product, problems of product returns and sharing personal details. Lastly, it was found that occupation does not play any role in product choice.

Research Methodology

Research methodology suggests the ways and means through which the research work has been conducted and data analysed. It highlights the objectives of research, types of data, sampling design, methods and techniques of data analysis.

Research Objectives

To understand the women's views regarding websites characteristics, following objectives were established:

- To know the women's preferences of websites
- To identify the factors reflecting women's views towards website characteristics
- To establish the relationship between the factors reflecting women's views towards website characteristics and overall satisfaction levels of women online

shoppers

Research Design, Sample, Data Collection and Research Instrument

To elicit the views of women online shoppers regarding online shopping website's characteristics, a conclusive research design was selected. A structured questionnaire having 25 Likert Scale statements along with basic and demographic information was circulated among the women of 18 years and above age selected through two stage sampling method for primary data collection. The data was cleaned and made error free. The responses were coded and recorded in SPSS software for data analysis. Cronbach's Alpha was calculated to test the reliability of the instrument.

Statistical Tools

Descriptive and Inferential Measures
Factor Analysis
Multiple Regression Analysis

Data Analysis

First of all the questionnaires were coded and data was checked for inconsistencies. After cleaning the data tables were prepared and descriptive studies were conducted. Frequencies and percentages were derived. To check the reliability of the instrument, Cronbach's Alpha was computed for the scale items. Cronbach's Alpha was 0.918 which suggests a fair and acceptable reliability. Factor Analysis was applied to find out the factors reflecting the women's views regarding websites. In order to identify the most contributing factor affecting overall satisfaction of women online shoppers, multiple regression analysis was carried out between the overall experience (dependent variable as measured on the five point scale) and extracted factor scores as independent variables.

The demographic profile of the respondents is as follows:

Table -1: Demographic Details (n=285)

Sr. No.	Demographics	Percentage
1	Age	
	15 years to 25 years	180
	26 years to 35 years	77
	36 years to 45 years	20
	46 years to 55 years	6
	Above 55 years	2
2	Marital Status	
	Single	197
	Married	88
3	Education	
	SSC	5
	HSC	17
	Graduation	100
	Post-Graduate	112
	Professional Degree	51
4	Occupation	
	Student	137
	Service	74
	Business	19
	Profession	33
	House wife	22
5	Monthly Income	
	Less than Rs. 25,000	187
	Rs. 25,001 to Rs. 50,000	57
	Rs. 50,001 to Rs. 75,000	15
	Rs. 75,001 to Rs. 1,00,000	8
	Above Rs. 1,00,000	18
6	No. of credit cards per person	
	None	187
	1	65
	2	27
	3	3
	4	1
	5	0
	More than 5	2
7	Family size	
	2 Members	18
	3 Members	42
	4 Members	108
	5 Members	72
	6 Members	32
	More than 6	13

Analysis And Discussions

Table-2 below indicates the descriptive analysis of the scores obtained of 285 respondents on 25 variables under study:

Table-2: Descriptive Statistics

Sr. No.	Variables	Mean	Std. Deviation	Co-efficient of Variation
1	It is quick and easy to complete transactions on the online shopping websites	1.8281	0.77500	42.39374214
2	Online shopping websites offer cheaper rates	2.2211	0.84561	38.0716762
3	Online shopping websites offer a variety of products to choose from	1.8947	0.78463	41.41183301
4	Online shopping websites provide in-depth information	2.2070	0.89754	40.66787494
5	Online shopping websites' interface is easy to navigate	2.2596	0.84083	37.21145335
6	Websites offer more payment options (Cash on delivery, Hire Purchase, Easy Instalments etc.)	1.8000	0.80841	44.91166667
7	Online shopping websites offer different language options to help different customers of different nationalities	2.1579	0.95293	44.16006302
8	Website design/layout helps me in searching and selecting the right kind of product while shopping online	1.9684	0.83226	42.28104044
9	The online shopping websites represent the product accurately	2.2491	0.89070	39.60250767
10	Online shopping websites deliver exactly what is ordered	2.2491	0.94815	42.15686275
11	Online shopping websites deliver the product by time they promise	2.1193	0.88402	41.71282971
12	Online shopping websites deliver undamaged products	2.4211	1.00959	41.69964066
13	Online shopping websites offer toll free numbers and email contacts	1.9333	0.80870	41.83003155
14	Online shopping websites are willing and ready to respond to customer needs	2.0877	0.78455	37.57963309
15	Online shopping websites provide quick answers to queries raised	2.3088	0.88578	38.36538462
16	When you have problem online shopping websites shows interest to genuinely solve your problem	2.3474	0.87736	37.37582006
17	Online shopping websites offer many payment options	1.8491	0.73281	39.63063112
18	Online shopping websites offer warranty/guarantee services	2.1930	0.94643	43.15686275
19	Online shopping websites offer free home delivery of products	2.1263	0.99551	46.81888727
20	Online shopping websites offer easy and hassle free product return processes	2.2877	0.96853	42.33640775
21	Online shopping websites offer easy reparability service procedures	2.4035	0.96158	40.00748908
22	Online shopping offers 24 x 7 hours convenience shopping	1.7895	0.82515	46.11064543
23	I feel safe in my transactions while shopping online	2.0912	0.91856	43.92501913
24	Online shopping websites have adequate security features	2.1895	0.82173	37.53048641
25	I feel my privacy is protected while shopping online	2.1719	0.92038	42.37672084

The highest means score corresponds to variable no. 12 which indicates that online shopping websites deliver undamaged products. The least mean score belongs to variable no. 22 which implies that very few people believe that online shopping offers 24 x 7 hours convenience shopping really makes them shop online. The Coefficient of Variation of variable 5 is the least one which indicates that the responses for variable no. 5 are most

consistent. The Coefficient of Variation of variable 19 is the highest one which indicates that the responses for variable no. 19 are most inconsistent.
Factor analysis was applied to identify the factors that reflect the women consumers' views about different characteristics of websites. In order to test the data appropriateness for factor analysis "KMO and Bartlett's Test" was carried out in the Table-3 as below:

Table-3: KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.899
Bartlett's Test of Sphericity	Approx. Chi-Square	2966.903
	Df	300
	Sig.	0.000

A high value of KMO is 0.899 which is closer to 1.0; hence the data is fit for Factor analysis. In order to test the null hypothesis Bartlett's Test of Sphericity was applied which showed that the significant value was 0.000 which is less than the 0.05 this testified that the sample was appropriate for factor analysis. It may be noted here that the sample size of 285 is more than 11 times the number of variables twenty five (25). All this justify the use of Factor Analysis for this study.
In order to test the following hypothesis:

H0: There is no significant relationship between the variables in the population.

H1: There is a significant relationship between the variables in the population.

Bartlett's Test of Sphericity was applied which showed that the significant value was 0.000 which is less than the 0.05 and hence the null hypothesis (H0) was rejected, approx chi-square value is 2966.903 which is also very large and hence it can be concluded that there is a significant relationship between the variables in the population or in other words the variables are highly correlated with each other. Principal component method was applied because the primary concern of this analysis was to determine the minimum number of factors that will account for maximum variance in the data.

Factor Analysis

Table-4: Total Variance Explained									
Com-po-nent	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Vari-ance	Cumu-lative %	Total	% of Vari-ance	Cumu-lative %	Total	% of Vari-ance	Cumu-lative %
1	8.572	34.289	34.289	8.572	34.289	34.289	3.623	14.494	14.494
2	1.640	6.561	40.850	1.640	6.561	40.850	3.063	12.252	26.745
3	1.452	5.809	46.658	1.452	5.809	46.658	2.615	10.461	37.206
4	1.355	5.420	52.078	1.355	5.420	52.078	2.497	9.988	47.194
5	1.213	4.851	56.929	1.213	4.851	56.929	2.434	9.735	56.929
6	0.954	3.818	60.747						
7	0.874	3.497	64.244						
8	0.870	3.481	67.725						

9	0.788	3.153	70.879						
10	0.731	2.925	73.804						
11	0.714	2.858	76.662						
12	0.677	2.709	79.370						
13	0.619	2.477	81.848						
14	0.572	2.287	84.135						
15	0.555	2.222	86.356						
16	0.492	1.967	88.323						
17	0.426	1.703	90.027						
18	0.409	1.636	91.663						
19	0.396	1.586	93.249						
20	0.350	1.400	94.649						
21	0.331	1.323	95.972						
22	0.298	1.191	97.163						
23	0.262	1.047	98.210						
24	0.229	0.916	99.126						
25	0.219	0.874	100.000						

Table-4 above helps explaining the extraction of five major factors that describes the women consumer's views about online shopping websites along with their extracted cumulative percentage variances. As the table shows, all the five factors jointly explain 56.929% of the total variance in the responses towards the variables that describe the online shopping website's characteristics.

Extraction Method: Principal Component Analysis.

Varimax rotation was applied because the purpose was also to determine those factors which are uncorrelated with each other. The rotated component matrix is given in the Table- 5 below:

	Table -5: Rotated Component Matrix					
Sr. No.		**Component**				
		1	**2**	**3**	**4**	**5**
1	It is quick and easy to complete transactions on the online shopping websites	0.102	0.484	0.004	0.046	0.511
2	Online shopping websites offer cheaper rates	0.196	0.232	0.081	0.137	0.616
3	Online shopping websites offer a variety of products to choose from	0.148	0.135	0.296	0.254	0.524
4	Online shopping websites provide in-depth information	0.303	0.120	0.221	0.174	0.601
5	Online shopping websites' interface is easy to navigate	0.176	0.052	0.217	0.390	0.555
6	Websites offer more payment options (Cash on delivery, Hire Purchase, Easy Instalments etc.)	0.189	0.204	0.077	0.732	0.185
7	Online shopping websites should offer different language options to help different customers of different nationalities	0.084	0.091	0.066	0.559	0.334
8	Website design/layout helps me in searching and selecting the right kind of product while shopping	-0.020	0.211	0.240	0.562	0.266
9	The online shopping websites represent the product accurately	0.187	.185	.487	-.080	0.429
10	Online shopping websites deliver exactly what is ordered	0.107	0.158	0.685	0.087	0.234

11	Online shopping websites deliver the product by time they promise	0.124	0.215	0.610	0.094	0.217
12	Online shopping websites deliver undamaged products	0.161	-0.060	0.626	0.216	0.093
13	Online shopping websites offer toll free numbers and email contacts	0.630	0.068	-0.004	0.282	0.184
14	Online shopping websites are willing and ready to respond to customer needs	0.730	0.140	0.232	0.192	0.145
15	Online shopping websites provide quick answers to queries raised	0.772	0.125	0.123	0.046	0.202
16	When you have problem online shopping websites shows interest to genuinely solve your problem	0.712	0.085	0.135	0.097	0.245
17	Online shopping websites offer many payment options	0.416	0.044	0.234	0.658	-0.080
18	Online shopping websites offer warranty/guarantee services	0.473	0.201	0.394	0.269	0.037
19	Online shopping websites offer free home delivery of products	0.251	0.403	0.479	0.365	-0.192
20	Online shopping websites offer easy and hassle free product return processes	0.562	0.347	0.421	0.053	0.013
21	Shopping websites offer easy reparability service procedures	0.526	0.466	0.242	-0.049	0.158
22	Online shopping offers 24 x 7 hours convenience shopping	0.384	0.428	-0.165	0.370	0.123
23	I feel safe in my transactions while shopping online	0.114	0.811	0.174	0.118	0.167
24	Online shopping websites have adequate security features	0.170	0.705	0.226	0.203	0.212
25	I feel my privacy is protected while shopping online	0.158	0.780	0.123	0.180	0.162

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 7 iterations.

The Factor analysis resulted in a total of five (5) factors that describes the women consumer's views about online shopping websites. The Factors were named according to the variables that correlated within them.

Table-6: Factor Matrix

Factor Number	Factor Name	Items	Item loading			
				Total factor loading	Eigen Value	% of Variance
1	Responsiveness			3.775	3.623	14.494
		Online shopping websites are willing and ready to respond to customer needs	0.730			
		Online shopping websites provide quick answers to queries raised	0.772			
		When you have problem online shopping websites shows interest to genuinely solve your problem	0.712			
		Online shopping websites offer warranty/guarantee services	0.473			
		Online shopping websites offer easy and hassle free product return processes	0.562			
		Shopping websites offer easy reparability service procedures	0.526			

2 Privacy & Security			2.724	3.063	12.252
	Online shopping offers 24 x 7 hours convenience shopping	0.428			
	I feel safe in my transactions while shopping online	0.811			
	Online shopping websites have adequate security features	0.705			
	I feel my privacy is protected while shopping online	0.780			
3 Reliability and Promise Fulfilment			2.887	2.615	10.461
	The online shopping websites represent the product accurately	0.487			
	Online shopping websites deliver exactly what is ordered	0.685			
	Online shopping websites deliver the product by time they promise	0.610			
	Online shopping websites deliver undamaged products	0.626			
	Online shopping websites offer free home delivery of products	0.47920			
4 Services offered			2.511	2.497	9.988
	Websites offer more payment options (Cash on delivery, Hire Purchase, Easy Instalments etc.)	0.732			
	Online shopping websites should offer different language options to help different customers of different nationalities	0.559			
	Website design/layout helps me in searching and selecting the right kind of product while shopping	0.562			
	Online shopping websites offer many payment options	0.658			
5 Easy Accessibility			2.807	2.434	9.735
	It is quick and easy to complete transactions on the online shopping websites	0.511			
	Online shopping websites offer cheaper rates	0.616			
	Online shopping websites offer a variety of products to choose from	0.524			
	Online shopping websites provide in-depth information	0.601			
	Online shopping websites' interface is easy to navigate	0.555			
	Total		**14.704**	**14.232**	**56.93**

Factors affecting Women Customer's Views regarding Website's Characteristics

The table above shows the five factors that affect the women customer's views about online shopping websites characteristics along with the percentage of variance covered by each factor that shows their relative importance in terms of perception about online shopping websites characteristics. It can be clearly seen that women customer's perceptions about websites are highly affected by "**Responsiveness**" offered by the websites. The second most important factor turns out to be the Privacy & Security, followed by Reliability and promise fulfilment, Services offered, and Easy Accessibility.

Establishing the relationship between the women customer's views regarding websites characteristics and overall satisfaction levels of online shoppers

Further, Multiple Regression Analysis has been carried out to examine the relationship between the various websites characteristics and the overall satisfaction from the online shopping.

Table-7: Multiple Regression Analysis

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.256	0.047		48.371	0.000
Responsiveness	9.530E-5	0.047	0.000	0.002	0.998
Privacy & Security	0.108	0.047	0.137	2.303	0.022
Reliability & Promise Fulfilment	0.003	0.047	0.003	0.059	0.953
Services offered	-0.003	0.047	-0.004	-0.063	0.950
Easy Accessibility	0.009	0.047	0.012	0.203	0.840
Note: R^2 = 0.019; Adj R^2 = 0. 001; Sig. F = 0.377; F value = 1.070; Dependent variable: Overall Satisfaction					

Predictors: Responsiveness, Privacy & Security, Reliability & Promise fulfilment, Services offered, Easy accessibility.

Dependent Variable: Overall Satisfaction

The above table shows that the estimated regression model can be presented as:

Overall Satisfaction = 2.256 + 0.0000953 * Responsiveness + 0.108 * Privacy & Security + 0.003 * Reliability & Promise Fulfilment - 0.003 * Services offered + 0.009 * Easy accessibility.

Thus "**Privacy & Security**" is a major contributing factor to the overall satisfaction level which implies that the variables related to divulging with the personal details are the major factors that affect the women online shopper's satisfaction or dissatisfaction. R squared is the proportion of variation in the dependent variable explained by the regression model. The values of R squared range from 0 to 1. Small values indicate that the model does not fit the data well. The sample R squared tends to optimistically estimate how well the model fits the population. For the above data, R squared value is 0.019 which is very low indicating very weak relationship between the extracted factor scores and overall satisfaction of the women online shoppers, which implies that several other factors which affect the women online shoppers' overall satisfaction are not revealed through this study. This may deal with some other factors such as price, product variety, promotion, trust, product information; may be more contributing factors to their overall satisfaction rather than the above mentioned factors.

Knowing the women customer's preferences of websites

- Majority of the female internet users are of young age who are in the income category of less than Rs. 20,000.
- Females have been shopping online for last two years.
- Responsiveness, Privacy & Security, Reliability & Promise fulfillment, Services offered, Easy accessibility were the main factors that affect the women consumer's perception about website characteristics.
- Flipkart, amazon, snapdeal remained top preference for shopping online and few others like myntra, jabong, shopclues, bookmyshow, yepme, homeshop18 and ebay are other popular websites from where they had shopped.
- Flipkart outnumbered all the other websites on various attributes except true offers reasonable prices and best packaging.
- The areas indicating the scope of improvement for amazon are reasonable prices, attributes of purchase procedure, best packaging, true offers, delivery services, and appealing website.
- Best payment options, best packaging, best return policy, simple purchase procedure and good delivery system are the strengths of snapdeal.
- Shopclues is mainly popular for offering reasonable prices of the products as per the study.
- "Privacy & Security" is a major contributing factor to the overall satisfaction level which implies that the variables related to divulging with the personal details and the security and trust are the major factors that affect the women online shopper's satisfaction or dissatisfaction.

Managerial Implications

The study is useful for the marketers of online products. They can understand the women customer's perceptions regarding the website characteristics that women value the most, the factors they consider for their purchase decision, from what and how they get value. Marketers can formulate their strategies according to the women perceptions to attract more and more women customers online. flipkart, amazon and snapdeal compete with myntra and jabong so these marketers should be ready to face the competition.

Further Research

In future a longitudinal study can be conducted with more representations geographically to understand how to hook the women shoppers on their websites and enhance perceived benefit and trust in an online user. The likelihood of shopping online and the profile of customers may vary if a study is expanded to other geographic regions of India. Future research with regard to reasons to buy online, frequency of shopping, choice of products can be undertaken and a comparative study between consumers from different regions, states or countries can give the meaningful results. Women experiences with purchase of different products or services from different websites can also be studied.

Conclusion

Government of India has been taking many initiatives to digitize the transactions and remove any inconsistencies if any. Government of India has taken various initiatives namely, Digital India, Make in India, Start-up India, Skill India etc. An application named "Bheem" for UPI has been launched by GOI for digitizing India. India has been on the 2nd rank as far as the internet users are concerned in the world. Younger generation is now tech savvy. With the smart phone revolution, people now shop online not just for time and money saving but for fun and entertainment purpose also. The study revealed that females prefer to shop from flipkart, amazon and snapdeal in order of preference. Responsiveness is the most important factor that attracts women towards shopping from website and the same is also a major contributing factor to the overall satisfaction level. The study is useful to the "click" companies to know the women customer's perceptions regarding the different characteristics of websites, the website factors affecting their purchase decision and from what they get value and accordingly companies can formulate the strategies to woo the online female customers. In future similar studies can be conducted with different regions, cities, states and nations or comparative studies can also be undertaken.

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Regional Disparity of FDI within India

Sumana Chatterji

Abstract

Since the NEP of 1991, India has witnessed steady flows of FDI in the country. In 2017-18, India received FDI worth $ 61.96 billion. Though the FDI flows are in general increasing over a period of time, it is imperative to know whether the distribution of these flows are equal or not among a hugely diverse county like India. Since all the regions of the country are not equal in terms of factor endowments and development, the ability to attract FDI will be different. Also the impact of FDI on each region will differ. This article is an attempt to understand and analyze the variations in FDI among the different states and also try and understand the implications that these variations in FDI on their level of development with the objective of finding out corrective measures.

Key words: FDI, Regional Disparity, Policy Environment

Introduction:

Amongst the twenty nine states and seven Union Territories of India, there is a huge diversity in terms of size, population, climate, topography, vegetation and linguistic and cultural aspects etc. Thus existence of regional disparities in the economic development of a vast developing country like India is a common phenomenon. The degree and extent of inequality vary from period to period and sector to sector. Though perfect regional balance is neither feasible nor economically possible, the issue of regional disparities in India has acquired social and political implications and influences various policy decisions of the government. For India as a country it is, therefore, essential to derive maximum benefit from the FDI flows and ensure that the rising FDI flows do not lead to an increase in regional inequality.

For the purpose of this article, the concept of region is based on the data as per the RBI's regional office, on account of practical consideration of data availability from the Reserve Bank of India and is not based on the definition prescribed by the National Development Council. The State's Re-organization Act, 1956 of India, in which the whole country has been divided into zones, states, union territories as Indian States are politico-administrative units and are considered economic planning regions.

Global FDi Flows:

Figure 1: FDi Inflows global and by group of economies, 2005-2016

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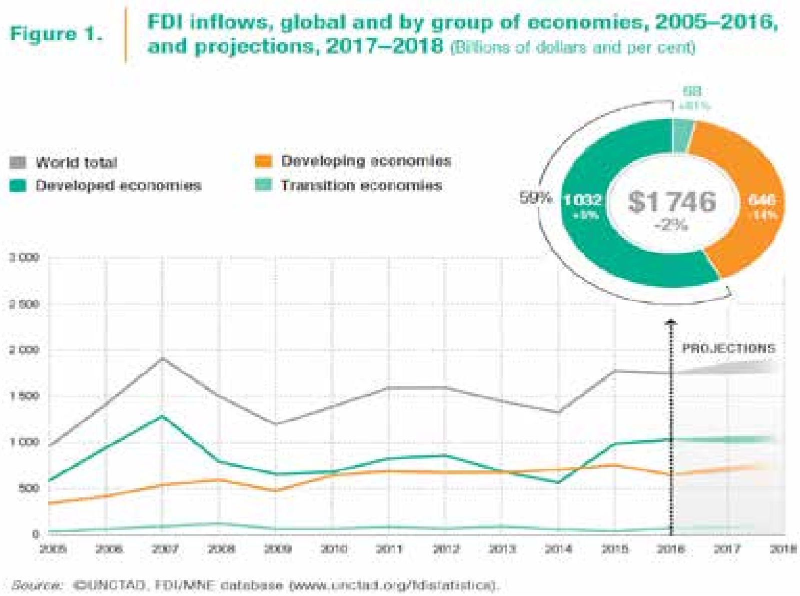
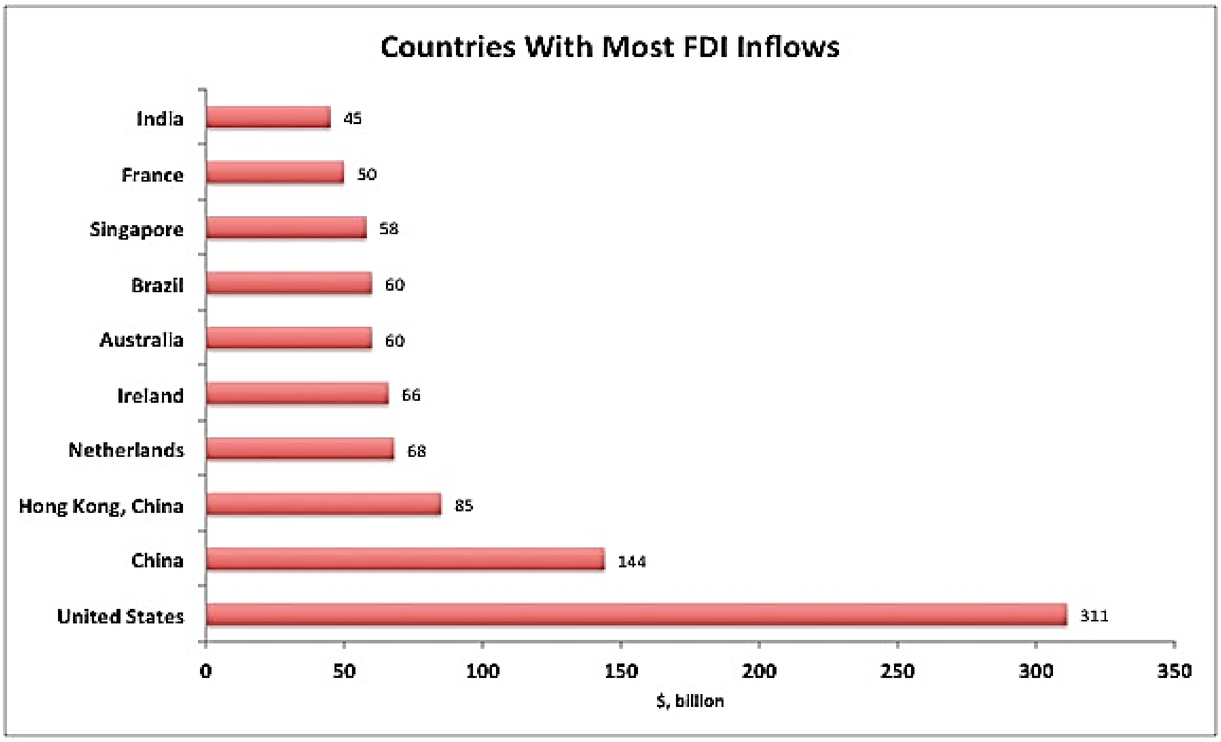


Source: UNCTAD, WIR, 2015

Following a surge in foreign investment in 2015, global FDI flows fell 2 per cent, to $1.75 trillion, amid weak economic growth. A fall in inflows to developing economies was partly offset by modest growth in developed countries and a sizeable increase in transition economies. As a result, developed economies accounted for a growing share of global FDI inflows in 2016, absorbing 59 per cent of the total. A combined upturn of economic growth in major regions and improved corporate profits is likely to boost business confidence, and consequently MNEs' appetite to invest. A cyclical uptick in manufacturing and trade is expected to result in faster growth in developed countries, while a likely strengthening of commodity prices should underpin a recovery in developing economies in 2017. As a result, global FDI flows are expected to increase by about 5 per cent in 2017 to almost $1.8 trillion.

The outlook for global FDI activity hence is more optimistic. Economic and technological factors underpin the upturn in FDI activity. The economic resilience of developing Asia and emerging economies in general, together with improving growth forecasts for major developed economies. In the survey of top executives carried out in the first months of 2017, the economic situation in developing Asia ranked as the top macroeconomic factor influencing FDI. (Unctad, WIR2 017). FDI to developing economies remained stable at $653 billion and saw a 2% increase year-on-year (graph below)

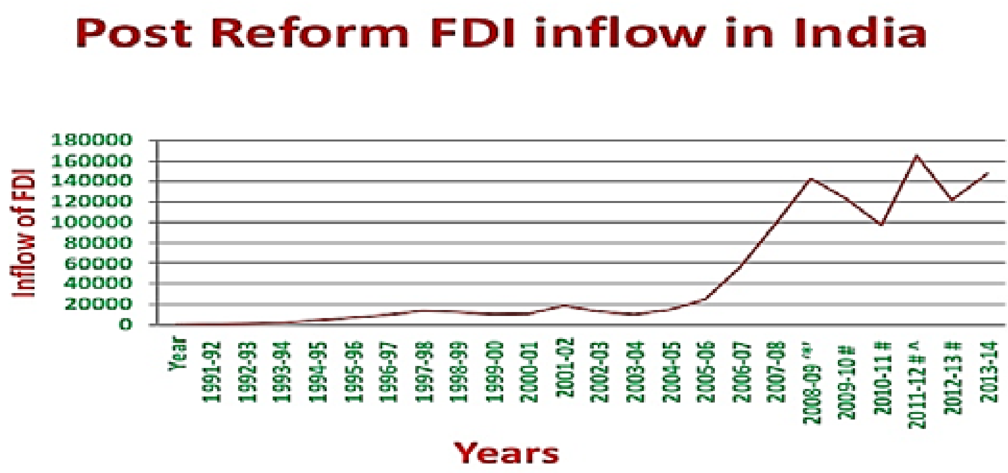
Figure 2: Top 10 countries that received the most FDI in 2017:



Source: UNCTAD Global Investment Trends Monitor. All figures for 2017 are estimates.

FDI flows to India:

Figure 3: FDI Inflows to India in Rs. Crore in the post reforms period



Source: DIPP, department of Commerce, GOI India liberalized its economy in 1992 and since then the FDI inflows to the country has increased many folds. This strong persistent growth ended as an outcome of the financial crisis in the year 2008-09. As per IMF's Global Stability Report, October 2012, India emerged as one of the major emerging recipients of FDI among the emerging market economies and is consistently ranked among the top three most preferred global investment destinations. India's Foreign Direct Investment (FDI) policy has gradually been improving to make market more investor friendly.

Regional Disparities in FDI in India:

Historically FDI has moved from developed to other developed or developing countries preferably in sectors like mining, tea, coffee, rubber, cocoa plantation, oil extraction and refining, exports, etc. Gradually their operations have also included services such as banking, insurance, shipping, hotels, etc. Based on location choice the Multi-National Corporations tend to set up their plants in big cities in the developing countries, where infrastructure facilities are easily available. Therefore, in order to attract FDI flows, the recipients countries/regions were required to provide basic facilities like land, power and other public utilities, concessions in the form of tax holiday, development rebate, rebate on undistributed profits, additional depreciation allowance and subsidies. Drawing from this argument, this article focuses on the disparities in FDI flows among the various regions of India.

As per the RBI region office wise data, India comprises six regions such as Hindi Belt, Eastern India, North-Eastern India, Western India and Southern India. States and UT covered in each region are noted as follows.[1]

1 There is no need to consider Hindi Belt region separately, as Bihar, Jharkhand are covered in Eastern region of India and Madhya Pradesh and Chhattisgarh are covered in Western region of India.

Northern India	Punjab, Rajasthan, Haryana, Himachal, Pradesh, Jammu and Kashmir, Uttar Pradesh, Uttarakhand, Delhi, Chandigarh
Southern India	Andhra Pradesh, Karnataka, Kerala, Tamilnadu, Pondicherry, Lakshwadeep
North Eastern India	Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura
Western India	Maharashtra, Gujarat, Goa, Madhya Pradesh, Chhattisgarh, Dadra and Nagar Haveli, Daman and Diu
Eastern India	West Bengal, Odisha, Bihar, Jharkhand, Sikkim, Andaman and Nicobar Islands
Hindi Belt	Bihar, Jharkhand, Madhya Pradesh, Chhattisgarh

Source: Ministry of Commerce and Industry, Govt, of India.

Table 1: FDI Equity Inflows to Indian States ((US $ Million)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Maharashtra	12,431	8,249	6,097	9,553	8,716	3,420	6,361	9,511	19,654
Delhi	1,868	9,695	2,677	7,983	3,222	6,242	6,875	12,743	5,884
Karnataka	2,026	1,029	1,332	1,533	1,023	1,892	7,444	4,121	2,132
Gujarat	2,826	807	724	1,001	493	860	1,531	2,244	3,367
Tamil Nadu	1,724	774	1,352	1,422	2,807	2,116	3,818	4,528	2,218
Andhra Pradesh	1,238	1,203	1,262	848	1,159	678	1,369	1,556	2,195
West Bengal	489	115	95	394	424	436	239	955	50
Chandigarh	0	224	416	130	47	91	39	27	6
Goa	29	169	302	38	9	17	35	18	83
Madhya Pradesh	44	54	451	123	220	119	100	80	76
Kerala	82	128	37	471	72	70	230	90	454
Rajasthan	343	31	51	33	132	38	541	50	165
Uttar Pradesh	0	48	112	140	31	25	110	80	8
Orissa	9	149	15	28	52	48	9	6	12
Assam	42	11	8	1	5	1	5	10	2
Bihar	0	0	5	24	8	1	11	43	10
Region not indicated	4,181	3,148	4,491	12,782	4,004	8,245	6,211	3,936	7,162
Top 6 States	22,113	21,757	13,444	22,340	17,420	15,208	27,398	34,703	35,450
Top 2 States	14,299	17,944	8,774	17,536	11,938	9,662	14,319	22,254	25,538
Total	27,332	25,834	19,427	36,504	22,424	24,299	34,928	39,998	43,478

Source: Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India.

Note:

1. FDI equity inflows include 'equity capital component' only.
2. Maharashtra includes Maharashtra, Dadra & Nagar Haveli and Daman & Diu.
3. Delhi includes New Delhi and part of U P and Haryana.
4. Tamil Nadu includes Tamil Nadu and Pondicherry.
5. West Bengal includes West Bengal, Sikkim, and Andaman & Nicobar Islands.
6. Chandigarh includes Chandigarh, Punjab, Haryana and Himachal Pradesh.
7. Madhya Pradesh includes Madhya Pradesh and Chhattisgarh.
8. Kerala includes Kerala and Lakshadweep.
9. Uttar Pradesh includes Uttar Pradesh and Uttaranchal.
10. Assam includes Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura.

Table 2: FDI Equity Inflows to Indian States (Percentage of total)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Maharashtra	45.5%	31.9%	31.4%	26.2%	38.9%	14.1%	18.2%	23.8%	45.2%
Delhi	6.8%	37.5%	13.8%	21.9%	14.4%	25.7%	19.7%	31.9%	13.5%
Karnataka	7.4%	4.0%	6.9%	4.2%	4.6%	7.8%	21.3%	10.3%	4.9%
Gujarat	10.3%	3.1%	3.7%	2.7%	2.2%	3.5%	4.4%	5.6%	7.7%
Tamil Nadu	6.3%	3.0%	7.0%	3.9%	12.5%	8.7%	10.9%	11.3%	5.1%
Andhra Pradesh	4.5%	4.7%	6.5%	2.3%	5.2%	2.8%	3.9%	3.9%	5.0%
West Bengal	1.8%	0.4%	0.5%	1.1%	1.9%	1.8%	0.7%	2.4%	0.1%
Chandigarh	0.0%	0.9%	2.1%	0.4%	0.2%	0.4%	0.1%	0.1%	0.0%
Goa	0.1%	0.7%	1.6%	0.1%	0.0%	0.1%	0.1%	0.0%	0.2%
Madhya Pradesh	0.2%	0.2%	2.3%	0.3%	1.0%	0.5%	0.3%	0.2%	0.2%
Kerala	0.3%	0.5%	0.2%	1.3%	0.3%	0.3%	0.7%	0.2%	1.0%
Rajasthan	1.3%	0.1%	0.3%	0.1%	0.6%	0.2%	1.5%	0.1%	0.4%
Uttar Pradesh	0.0%	0.2%	0.6%	0.4%	0.1%	0.1%	0.3%	0.2%	0.0%
Orissa	0.0%	0.6%	0.1%	0.1%	0.2%	0.2%	0.0%	0.0%	0.0%
Assam	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bihar	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%
Region not indicated	15.3%	12.2%	23.1%	35.0%	17.9%	33.9%	17.8%	9.8%	16.5%
Top 6 States	80.9%	84.2%	69.2%	61.2%	77.7%	62.6%	78.4%	86.8%	81.5%
Top 2 States	52.3%	69.5%	45.2%	48.0%	53.2%	39.8%	41.0%	55.6%	58.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Author's calculations based on table 1

Figure 4: Trend of FDI equity inflows to the top 6 states (2008-2017)

Source: DIPP, Dept. of Commerce, GOI

The rise in FDI flows to India has been accompanied by strong regional concentration. The top six states, *viz*., Maharashtra, New Delhi, Karnataka, Gujarat, Tamil Nadu and Andhra Pradesh accounted for over 75 per cent of the FDI equity flows to India. Thus the western and the southern states dominate in getting a larger share of FDI. Maharashtra and Delhi account for roughly 50 percent of the share. (table 1, 2 and figure 4).

The backward states of the country popularly known as BIMARU states, which including Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh (including newly created states of

Uttarakhand, Jharkhand, Chhattisgarh) having large share in area and population of the country received very less amount of FDI. The share of Bihar and Jharkhand being rich in natural resources is negligible. North-east states of Guwahati region of RBI covering Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura again received a very negligible amount of FDI.

There is strong regional disparity in the pattern of FDI flows, with the southern and western states faring much better than the other parts of the country. Three southern states (Tamil Nadu, Kamataka, Andhra Pradesh) and the two western states (Maharashtra, Gujarat) received the highest share of total FDI, while rest of the states are lagging behind to attract FDI.

Economic reforms assigned great power to state governments and encouraged greater competition among them to attract more FDI. The central government helps in formulating policies and helps the states in implementing them. The state governments try to attract FDI through their own policies like concession in the form of tax holidays, development rebate, and rebate on undistributed profits, subsidized inputs, providing land and public utilities at lower prices etc. for the foreign investors. However as the data shows not all of them have an equal success.

Understanding the dynamics of such inter-state variations in FDI inflows is very important for balanced regional development in the country. The skewed distribution of FDI inflows towards some specific states, thereby increasing the imbalance in regional development are likely to have serious consequences on socio-economic-political stability of the economy. This study is an attempt to analyze the strategies of locational preference adopted by MNCs and policy changes that can be achieved in order to deal with this issue.

Literature Review:

Internationally, there are many studies analyzing the factors affecting the location choice of the foreign direct investors. However, many of those determinants are country-specific and may not be completely relevant to state/provincial level movement of FDI flows. The literature on regional distribution of FDI flows within a country on the other hand, is relatively scarce. Most of the available studies relating to FDI flows at the state/ provincial level relate to the U S, the European Union and China. There are few analytical studies on interstate differences in FDI flows in India.

Dunning (1998) in his path breaking work has identified how the locational choice of the MNCs have evolved over a period of time. According to him the increase in intellectual capital a higher knowledge component in manufacturing goods and increase in the share of skilled labour force are instrumental in MNCs location choice. This trend is reflected in the growth of the knowledge and information oriented services sector. Secondly the presence of clusters of complementary activities also play a major role in attracting FDI. The economies of scale arising from spatial bunching of firms, shared service centers, distribution networks, and specialized factor inputs provide a major incentive. Dunning also emphasizes the fact that MNCs look for locations which offer best economic and institutional facilities to utilize the core competence of the MNCs. Finally he says the growing international economy coupled with investment friendly policies by many national governments play an important role in attracting FDI.

Since the last few decades "agglomeration" factor has emerged as a key determinant for FDI flows. Agglomeration economies emerge when there are some positive externalities in locating near other economic units due to the presence of knowledge spillovers, specialized labor markets and supplier network (Krugman

1991). Many studies done specially in developing economies have found that regions with higher existing stock of FDI are likely to attract more investments due to agglomeration externalities. (He Canfei 2002).

Coughlin, Terza and Aromdee in their study on the US economy (1989) found that the number of potential sites, state per capita income, and manufacturing density within a state, better transportation infrastructure, higher unemployment rates and higher expenditures to attract FDI were positively linked to FDI flows. On the other hand, higher wages and higher tax rates had negative impact on FDI flows. Fisher and Peters (1998) found that incentives offered by various states like job credits, property tax abatements, sales tax exemptions, grants, loan guarantees, firm specific job training and infrastructure subsidies had a positive impact on investment flows to the U S.

Santis, Mercuri and Vicarelli (2001) found that total fiscal wedge on labor was a more important determinant for FDI flows rather than corporate tax rates within EU. Wolff (2006) on the other hand found that within the EU, after controlling for unobserved country characteristics and common time effects, the top statutory corporate tax rate of both, source and host country, turned insignificant for total FDI . However, overall experience revealed that global companies give more importance to the simplicity and stability of a country's tax system than generous tax rebates. Chidlow and Young (2008) found that in Poland knowledge-seeking factors along with market and agglomeration factors, acted as the main drivers of FDI to a particular region while efficiency , low input cost, availability of labour and resources and geographic encouraged FDI to the other areas.

For the Chinese economy Luo *et al* (2008) found that factors such as natural resources and low labour costs were not important in determining FDI flows to China's hinterland. Instead, policy incentives and industrial agglomerates were the most important determining factors for FDI flows. Xu *et al* (2008) found that agglomeration economies influenced the location choices of FDI in China, and cumulative FDI in an area had a pivotal demonstration effect on the FDI flows. The study also found that labour quality along with labour cost matters in FDI locational choice. For instance HongKong and Shangai had a strong agglomeration influence on FDI flows in china.

Boermans *et al* (2009) found that the effect of market size on FDI was larger in provinces with better institutions, lower labour cost and larger market size , better infrastructure and governance.

Siddharthan (2006) found that the determinants of regional distribution of FDI flows were similar in India and China. His study found in China, regions with high per capita income, better socio-economic indicators, better infrastructure facilities in terms of electricity, road and rail network and higher international orientation in terms of their per capita international trade, attracted higher FDI flows. Similarly, in India, the states with high per capita income, high industrial output, and situated at the coasts attracted high levels of FDI.

For the Indian economy, Goldar (2007) found that city-size was an important factor influencing location decisions of industrial plants. The presence of a metropolitan city in a state also had a favourable influence, which probably captured the advantage in 'headquartering' the country operations of the MNEs. The location decisions FDI flows were found to be influenced by the investment climate and availability of educated workers in the state, and the availability of civic amenities in the cities. Morris (2007) argued that in India, the regions with the metropolitan cities had the advantage in 'headquartering' the country operations of MNEs and therefore, attracted bulk of the FDI flows. Nunnenkamp and Stracke (2007) found significant positive correlation of FDI with per capita income, population density, per capita bank deposits, telephone density, level of education and per capita net value added in manufacturing in India. FDI, on the other hand was negatively correlated with state population, and had insignificant relation in respect of availability of electricity and unemployment rate. Aggarwal (2005) found that infrastructure, regional development and human development were key factors in attracting higher FDI both in the export and domestic market sectors. , Lall and Mengistae (2005) in their study in Indian cities found that the local business environment had significant bearing on location decisions. Firms were also attracted by agglomeration economies from clustering of firms in their own industry.

Ramachandran and Goebel (2002) pointed out that Tamil Nadu had emerged as one of the most favoured investment destination in India on account of a number of advantages like strong and stable government with pro-active government policies, investor-friendly and transparent decision making process, sound diversified industrial infrastructure, comfortable power situation, abundant availability of skilled manpower, harmonious industrial relations and absence of labour unrest, high quality of work culture and peaceful life, attractive incentives package in the country, highly cosmopolitan composition and high proportion of English speaking population. FDI in Tamil Nadu is dominated by investments in the IT sector.

Region Wise Analysis:

Table 3: FDI Inflows in regional offices in India

Sr. No	Regional Offices of RBI	States Covered	2000-2012 (Jan-Dec)	2013 Jan-Dec	2014 Jan-Dec	2015 Jan-Dec	2016 Jan-Dec	2017 Jan-Dec	Cumulative Total (from January 2000 to Dec. 2017)	
			FDI (US$ Mn)	FDI (US$ Mn)	FDI (US$ Mn)	FDI (US$ Mn)	FDI (US$ Mn)	FDI (US$ Mn)	FDI (Rs Mn)	FDI (US$ Mn)
1	Mumbai	Maharashtra, Dadra & Nagar Haveli, Daman & Diu	61,471	4,619	5,087	7,380	21,832	13,659	62,28,136	1,14,047
2	New Delhi	Delhi, Part of UP and Haryana	36,138	2,816	7,365	13,861	6,939	7,156	41,17,630	74,275
3	Bangalore	Karnataka	10,531	1,640	2,524	4,855	2,423	6,881	16,49,349	28,854
4	Chennai	Tamil Nadu, Pondicherry	10,069	2,650	3,332	5,292	1,365	3,869	15,13,896	26,578
5	Ahmedabad	Gujarat	8,609	714	901	2,297	3,485	1,435	9,61,494	17,440
	Hyderabad	Andhra Pradesh	7,674	810	1,352	970	2,411	1,315	7,92,483	14,533
6	Kolkata	West Bengal, Sikkim, Andaman & Nicobar Islands	2,158	445	338	929	115	208	2,25,228	4,194
7	Kochi	Kerala, Lakshadweep	902	74	111	198	439	204	1,08,972	1,928
8	Jaipur	Rajasthan	648	65	550	43	166	104	88,542	1,576

9	Chandigarh	Chandigarh, Punjab, Hary-ana, Himachal Pradesh	1,188	73	69	24	10	108	72,730	1,472
10	Bhopal	Madhya Pradesh, Chattisgarh	932	182	102	57	51	68	72,601	1,392
	Panaji	Goa	773	18	34	19	6	118	48,192	969
11	Kanpur	Uttar Pradesh, Uttranchal	340	24	76	109	21	82	35,454	652
12	Bhubanesh-war	Orissa	341	16	40	6	10	13	21,413	425
13	Patna	Bihar, Jharkhand	34	4	10	45	10	10	6,713	113
14	Guwahati	Assam, Arunachal Pradesh, Ma-nipur, Megha-laya, Mizoram, Nagaland, Tripura	78	1	1	10	5	9	5,122	104
15	Jammu	Jammu & Kashmir	-	-	4	-	2	-	389	6

Source: Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India.

Table 5: Cumulative FDI Inflows received in Regions of India:

Region of India	2000-2012	2013	2014	2015	2016	2017
Northern	38314	2978	8060	14037	7136	7450
Eastern	2533	465	358	980	135	231
Southern	29176	5174	7319	11315	6638	127270
North Eastern	78	1	1	10	5	9
Western	71245	5533	6124	9753	25374	15280
Regions not indicated	5	7887	6887	3233	7112	8336

Source: author's calculation based on previous table

Table 6: Cumulative FDI Inflows received in Regions of India in percentages:

Region of India	**2000-2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Northern	27%	14%	28%	36%	15%	5%
Eastern	2%	2%	1%	2%	0%	0%
Southern	21%	23%	25%	29%	14%	80%
North Eastern	0%	0%	0%	0%	0%	0%
Western	50%	25%	21%	25%	55%	10%
Regions not indicated	0%	36%	24%	8%	15%	5%

Source: author's calculation based on previous table

Tables 5 and 6 shows that from 2000-2012 and then till 2017, the Western regions of India followed by the Northern regions have attracted the maximum FDI flows. The Southern region has also got a fair share in the FDI flows. However the Eastern and specially the North Eastern regions have been thoroughly neglected in FDI inflows. The following section analyses some of the leading and lagging factors affecting the FDI inflows across various regions comprising the different states of India.

FDI in Northern India:

FDI as per RBI Office wise region in Northern India includes four regions namely Chandigarh, Rajasthan, New Delhi, Kanpur. Chandigarh region includes Chandigarh Union Territory, Punjab. Haryana, Himachal Pradesh. Jaipur region includes Rajasthan state. New Delhi region includes Delhi, part of Uttar Pradesh and Haryana. Kanpur region consist of Uttar Pradesh and Uttarakhand. Of all these states the region of Delhi attracts the most FDI (on an average 25% from 2010 to 2017). Delhi has ranked second only to Mumbai, among the Indian cities in terms of FDI inflows during 2000 to 2010. It should be noted that the other states in the Northern region do not perform that well in attracting FDI. Major Sectors attracting FDI in New Delhi are Information Technology and ITES, Real estate. Retail and Leisure, Hotel and Tourism, Healthcare Hub and Medical Tourism, Transport and Logistics, Financial Services etc. Industries in the Haryana region attracting foreign direct investment are Information technology. Electrical goods. Food processing industries. Automobiles, Readymade garments, light engineering etc.

The reasons for the Delhi region including parts of Haryana and UP attracting more FDI are as follows:

1. One of the prime reasons is availability excellent infrastructure facilities in terms of land, power, proper connectivity by roads, airports, availability of industries, etc.
2. The impact of FDI on Delhi economy has been impressive leading to substantial growth in sectors like IT, real estate, retail and tourism.
3. The tertiary sector including services like commercial trade, business services, tourism and hospitality, transportation, communication, banking and insurance, real estate, public administration, etc. has contributed to the major development of Delhi and the tertiary sector has received huge amounts of FDI.
4. Delhi was able to attract a high FDI inflow in the realty sector, as the central government has allowed 100 per cent FDI, pertaining to integrated townships.
5. Investor friendly govt, policies and its pro-active and efficient administrative system is attracting FDI towards the region.
6. The northern region provides abundant supply of skilled manpower and residential and corporate estates that are of world class standards.

FDI in Western India:

FDI inflows in Western India comprises RBI regions of Mumbai which covers Maharashtra, Dadra & Nagar Haveli, and Daman & Diu, Ahmedabad region which covers Gujarat state, Panaji region which covers Goa, Bhopal region which covers Madhya Pradesh and Chhattisgarh. Of all these states Maharashtra and Gujarat attract the highest amount of FDI. Maharashtra attracts the highest amount of FDI in the country(on an average around 30%). Sectors which have been heavily benefited from foreign investments in Maharashtra include Engineering, Electronics Hardware, Automobiles and Auto Components, Consumer Durables, Chemicals, Petrochemicals, Pharmaceuticals, Information Technology and Biotechnology.

FDI in Maharashtra:

1. Maharashtra is one of the most industrialized states in India with healthy performance in the industrial and services

sectors.

2. Maharashtra offers a business-friendly environment, excellent infrastructure which includes highest power installed capacity and effective marine communication through Mumbai Port and Jawaharlal Nehru Port, (JNPT) which provides effective communication network with markets of Southern, Northern & Western India.
3. Mumbai is known as the Financial and Commercial Capital of India and has Bombay Stock Exchange and National Stock Exchange.
4. The state is also equipped with highly-skilled and trained workforce, and effective policies in the industrial units through Maharashtra Industrial Development Corporation (MIDC).
5. The Delhi Mumbai Industrial Corridor (DMIC) project is expected to boost further industrial development in the state.
6. FDI Inflows in Maharashtra has brought in innovative technologies in the industrial units, has raised the competitiveness of the business units, and has increased investment from the domestic market to a great extent. The export market has got a real boost up from the FDI Inflows in the state and has also got a bonus of accessibility in the global markets.

FDI in Gujarat:

1. The state of Gujarat has emerged as one of the leading states in attracting FDI in India. The main leading factors are as follows:
2. The state is highly industrialized which helps in attracting FDI.
3. The govt.'s pro-investment investment policies with conducive investment climate are responsible for attracting major foreign investments in the state.
4. Efforts are taken by government by organizing "Vibrant Gujarat Global Investors Summit every two years, to showcase its achievements and attract global investors to the state.
5. The state government has been extensively focusing on infrastructure development in the state. Therefore gave thrust on providing extensive network of roads, railways and airports.
6. It has abundant skilled manpower available.
7. The state has 42 sea ports which makes Gujarat a strategic location for exports and access to African and Western and Middle Eastern markets.
8. Gujarat has a very strong chemical and petro-chemical industries base. To capitalize on this, the government is implementing Dahej Petroleum, Chemicals, Petrochemical Investment region (PCPIR).

FDI in Eastern India:

The Kolkata region of RBI has West Bengal, Sikkim states and Andaman and Nikobar Islands as UTs. The Kolkata region also includes Sikkim and Andaman and Nikobar Islands. These territories have not attracted much FDI due to their geographical locations, e.g. Sikkim state is very hilly region where it is difficult to set up industries for domestic as well as foreign investors. Andaman and Nicobar Islands are small group of Islands situated at the southern part of our country. Though these Islands are equipped with lot of natural resources, our Government has to initiate the investment in these regions to make it more attractive for foreign investors. It is difficult at this juncture to attract FDI in these regions due to infrastructure limitations such as limited connectivity with ports, rail and air transport, social and industrial backwardness etc.

The Bhubaneswar region of RBI includes Odisha state, which is one of the lagging states in India and state govt, has recognized this fact. The govt, is taking many decisions in policy and regulatory matters in order to make the state a favored destination for foreign investors in India.

Bihar and newly created state of Jharkhand which comes in Patna region of RBI, are counted as one of the most economically backward states in India, and could not attract much foreign investment. The reasons behind not attractive destination for foreign investors are given below:

1. Inadequate infrastructure facilities.
2. Low Human Development Index of Bihar and around half of the population living below poverty line.
3. Bihar has a total road length of 1.13 Lakh Kms, of which a significant portion remains unpaved. These roads become inaccessible during rains. Thus proper infrastructure facilities are lacking in the region.
4. The educational qualification of the people in these states is very poor, which is of utmost important for the development of industrial sector.
5. Agriculture would continue to play an integral part of the development process in the state as 90 per cent of the population lives in villages depending on agriculture as a prime source of their livelihood. As per the economic survey of Bihar, expenses on food account for as much as 65 per cent of the total consumer expenditure of the state.

FDI in Southern India:

FDI inflows in Southern India comprises RBI regions of Hyderabad which covers Andhra Pradesh state. Bangalore region which covers Kamataka state, Kochi region which covers Kerala state and Lakshadweep UT, Chennai region which covers Tamil Nadu state and Pondicherry UT. Of all the states in this region Tamil Nadu and Andhra Pradesh attract the highest amount of FDI. The state is home to leading automotive establishments like BMW, Ford, Hyundai, Mitsubishi and Renault-Nissan.

The Chennai region attracted FDI for the following reasons.

1. Manufacturing sector accounts for more than 60 per cent of industrial GDP in the state. The manufacturing facilities across the automotive spectrum enhance the state's performance in the auto industry. As per the state's policy note for the industries department Tamil Nadu accounts for 30 per -35 per cent of India's automobile production.

2. The government of Tamil Nadu has reduced the stamp duty by 50 per cent.

3. There has been a rapid emergence of IT in Tamil Nadu over the years. Establishment of Software Technology Parks of India (STPI) Chennai in 1995 has played a vital part in encouraging and promoting SMEs across the state. It has established its sub-centres at Trichy, Madurai, Tirunelveli, Coimbatore and Pondicherry.

4. Kudankulam Atomic Power Project Stage-II is the largest power generation project in terms of investments in Tamil Nadu. The project will have six units of 1,000 MW each located in Tirunelveli, Tamil Nadu.

5. Increase in tourism in the state is a growth engine for economic development in terms of providing employment and foreign exchange earnings.

The state of Andhra Pradesh is one of the favored destinations among foreign investors. The state has been going through a developmental spree in the past few years. Hyderabad is a favourite investment destination among foreign investors.

1. The liberal policies and the availability of good infrastructure have helped in attracting investments in agro-food processing, IT, infrastructure and engineering based industries from abroad.

2. The economy of Andhra Pradesh has achieved steady progress in the past few years, supported by healthy performances in the industry and services sectors.

3. Government of Andhra Pradesh is actively pursuing SEZ policy with 27 operational SEZs in the state.

4. Given its vast endowment of mineral

resources, the state has developed policy to explore, exploit and develop the mineral sector with the constructive cooperation of private and public sectors.

5. The IT sector has emerged as an important growth driver in Andhra Pradesh, with the segment contributing to 49 per cent of the total state exports. Government is also implementing PCPIR at Visakhapatnam-Kakinada- Rajahmundry within the Visakhapatnam and East Godavari Districts of Andhra Pradesh covering an area of 603.58 sq. kms which is expected to boost investment and create employment.

FDI in North Eastern India:

FDI inflows in North Eastern India India comprises the states of states like Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, and Tripura. Of all the states in this region The regions in North Eastern India depict lot of volatility in attracting FDI. There are various lagging factors responsible as follows.

1. Due to their socio-economic problems and regional diversity in terms of terrain, infrastructure availability, these regions could not attract smooth flow of FDI towards them.

2. The region in north-eastern states is very hilly and motor able infrastructure is neither easily accessible, nor convenient to people. Tar roads are not available everywhere. For foreign investors it is very difficult to start new business venture in such terrain.

3. Moreover, these seven sister states are mainly into agriculture as a prime occupation. Industrial development is very limited and mostly into tourism sector.

4. Heavy industries are absent in these regions. Geographically the area captures maximum rainfall, e.g. Cherapunji in Assam state gets the maximum rainfall in the country. Location wise setting up of any industry is practically difficult. Though, FDI in sectors like hydro-electricity power, agriculture is possible, foreign investors have made minimum investments in these states.

From the above data, it is revealed that the FDI is concentrating in regions which are already industrially advanced and have more opportunities in employment generation in various forms of business. Thus, MNEs tend to go to areas where other establishments from the home country are located, while industrially backward regions are lagging behind in attracting the quantum of FDI for the further development.

The above analysis suggests that following are the most important determinants of the regional distribution of FDI flows within a country.

a. size and growth of the local market
b. the level of industrial activity
c. the growth of the services sector
d. the availability and quality of physical infrastructure
e. labour market conditions
f. quality of labour
g. policy environment and tax incentives
h. business climate
i. agglomeration economies

1. Size of the Market:

The size of the local market generally measured by the scale and growth of a region, is s one of the most important determinants of location choice of FDI as it provides an idea about the potential demand for a foreign firm's output. In large economies, local sales are more profitable than exports as they generate economies of scale. As found in several empirical studies, there can be a number of variables like GDP, growth rate of GDP, per capita income, personal income, population size, population density, population growth, consumption level, number of potential sites in a State etc that can represent market size.

1. Industrial Linkages:

Past researches such as Dunning (1993) suggested that natural resource seeking FDI looks for foreign locations that have natural resources and related infrastructure. Siddharthan (2006) found that the states with higher industrial output have attracted high levels of FDI. The sectoral distribution of FDI has significantly changed since 1990s. Initially the major focus of the MNCs was on the primary sector to satisfy their raw material needs. With the advent of technology and knowledge, the boom in IT and service sector and availability of a learned and talented Indian work force the focus has shifted towards the service and IT sector. Traditionally the FDI from developed to developing countries was in sectors like mining, infrastructure, oil extraction and refining, plantation crops and gradually due to the advancement in technology and knowledge their operations have now also include services such as banking, insurance, IT etc. The same trend can be witnessed for India. Following is the sectoral breakup of FDI flows in India.

Table 7: Sectoral Orientation of FDI Equity Flows to India (US $ million)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Services Sector (Financial & non-financial)	6,138	4,353	3,296	5216	4,833	2225	4443	6889	8684
Construction Development			1,227	731	1,332	1226	769	113	105
Telecommunication	2,558	2,554	1,665	1,997	304	1307	2895	1324	5564
Computer Software & Hardware	1,677	919	780	796	486	1126	2296	5904	3652
Drugs & Pharmaceuticals		213	209	3,232	1,123	1279	1498	754	857
Power	985	1,437	1,272	1,652	536	1066	707	869	1113
Automobile Industry	1,152	1,208	1,299	923	1537	1517	2726	2527	1609
Metallurgical Industry	961	407	1,098	1,786	1466	568	359	456	1440
Total	**13471**	**11091**	**10846**	**16333**	**11617**	**10314**	**15693**	**18836**	**23024**

Source: Department of Industrial Policy and Promotion (DIPP), Government of India.

It may be observed from Table 3 that financial and non-financial services alone accounted for 19 per cent of the cumulative FDI flows to India since April 2000. Taking into account telecommunication, computer hardware & software, construction and other services activities, overall, the services sector in India has attracted around 50 per cent of FDI flows during the same period.

1. Infrastructural facilities:

It is a well established fact that better infrastructural facilities have a positive effect on the location choice for FDI. Availability of transportation facilities to reach the nearest port or output markets have historically been considered as an important determinant of setting a business in a particular place. Transport infrastructure includes the presence of major ports close to the coast location, availability and quality of road and rail network. Apart from transport, physical infrastructure in the form of availability of power, telephone density, access to finance, availability of civic amenities and degree of urbanisation are also important determining factors.

1. Aggolomeration Effects on FDI:

As countries begin to industrialise, there is a tendency for industries to initially concentrate in areas where physical infrastructure is readily available. Subsequently related industries gravitate closer together, thereby taking advantage of inherent synergies. In the process, industry clusters are formed,

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with each geographical area specialising in certain activities, leading to spatial diffusion of industries. This clustering of firms, which is also known as the "agglomeration" factor has emerged as an important determinant of regional distribution of FDI flows within a country during the last two decades. These clustered firms have a shared access to localised support facilities, shared service centers, distribution networks, customised demand pattern and specialised factor inputs. The presence of agglomeration economies is reflected in terms of prior foreign investment presence, prior concentration of manufacturing plants, number of enterprise in a region, presence of various economic zones like SEZs, industrial parks, industrial clusters, etc. Gujarat and Maharashtra are prime examples of this factor.

1. Labour Conditions:

The theory suggests that efficiency seeking foreign firms prefer lower wage locations to minimise their cost of production. However , over time the quality of labour has also gained importance as a determining factor for attracting FDI flows. Since higher wage levels reflect higher labour productivity or higher quality of human capital, therefore an investing firm which is looking for high quality and skilled labour may be attracted by the higher wage rate.

2. Policy Environment:

The policy environment of a region is characterized by the policy framework adopted by the government. As discussed above the policy framework of India was very stringent prior to 1991, after which the government liberalized its' policy to reap the benefits of globalization. Since then, various state governments have been providing sector specific or region specific incentives to attract more FDI. For e.g. liberal regulations, settlement of investment disputes and various tax related incentives to attract FDI inflows.

Policy Implications:

FDI to India has increased significantly in the last decade. However, the growth in FDI flows has been accompanied by strong regional concentration. Over the years, there has been a major regional disparity in FDI inflows. States like Delhi, Haryana, Maharashtra, Karnataka, Tamil Nadu, Gujarat and Andhra Pradesh have together attracted more than 70 per cent of total FDI inflows to India during the last 15 years. However, States with vast natural resources like Jharkhand, Bihar, Madhya Pradesh, Chhattisgarh and Odisha have not been able to attract foreign funds directly for investment in different sectors, due to poor physical, institutional, social and political infrastructure. The regional disparity of FDI is a worldwide phenomenon and is not limited to India. In China, eastern zone provinces attract higher FDI flows because of its high per capita income and living standards reflected into better socio-economic indicators, better infrastructure facilities in terms of electricity, road and rail network and also higher international orientation in terms of their openness to trade. Similar is the case in Romania, where FDI investments are limited to BucureIJti - Ilfov regions and Russia where the distribution of FDI is attributed to regional factors. This uneven distribution of FDI inflows leads to rising disparity in regional economic growth and creates a serious social divide and the Government needs to take proper steps to have more inclusive growth.

The data reveals that market size, agglomeration effects and size of manufacturing and services base in a state have significant positive impact on the regional distribution of FDI flows in India. Infrastructure, however, has a significant positive impact on FDI flows. The presence of strong agglomeration effect indicates that the states already rich in FDI flows tend to receive more of them which make it more difficult for the other states to attract fresh investments. In view of this difficulty, a conscious and coordinated effort at the national and the state government levels would be essential to make the laggard states more attractive to FDI flows.

The first and a direct method to achieve this objective may be to design the national FDI policy in such a way that a sizable portion of FDI flows to India move into the laggard states. In view of the Chinese experience, similar set of policies may be considered in the Indian context to direct part of the FDI flows to the states, which are not receiving much of FDI flows at present.

The second and an indirect way is to provide a boost to the overall economy of the less advanced states, with special thrust on the manufacturing, services and the infrastructure sectors so that they themselves become attractive to foreign investors. It has been observed that size of the manufacturing sector has a significant positive impact on FDI flows. This implies foreign investors' preference for states with a strong industrial base. Therefore, it is essential for the less industrially developed states to catch up with the developed ones to attract larger share of FDI flows. The National Manufacturing Policy (NMP), recently announced by the Government of India is a welcome step and may help in this direction if properly implemented. The equity and distributive justice would be best fulfilled if under the NMP, the Government gives top priority to the states with lower industrial base to give them a chance of catching up with the others.

Third, the services sector has attracted a large share of FDI flows to India in the recent period. The growth of the services sector can create more employment for skilled, semi-skilled and unskilled people. It has been observed that in the recent period, it is the IT/BPO services which has created the largest job opportunity in India and not the manufacturing industries. Therefore, apart from providing a boost to the manufacturing sector, it is equally important to provide a boost to the services sector, which spans the value chain from low-end localised services to the most sophisticated globally-competitive intellectual property based services. Accordingly, the manufacturing policy in India needs to be complemented by a compatible services policy.

FDI in mining in the recent period has garnered attention but has been confronted with a number of socio-economic problems. The operations of two of the mega FDI steel projects - POSCO India and Arcelor Mittal have been delayed due to seemingly intractable problems, mostly surrounding socio-economic issues like acquisition of land, forest and environment clearances, rehabilitation and resettlement of the project affected people, Naxalite movements in Chhattisgarh, Jharkhand, Orissa and West Bengal, non-allocation of adequate captive mines, and supply of raw materials. Given the large potential for FDI in mining due to the Central Government's thrust towards development of the infrastructure sector, and with a number of large FDI projects in mining in the pipeline (POSCO India steel projects in Orissa and Karnataka, Arcelor Mittal steel projects in Orissa, Jharkhand and Karnataka, BP-Reliance oil and gas project in Andhra Pradesh, Lafarage cement project in Himachal Pradesh *etc.*), it is essential for the central and the state governments to take coordinated policy efforts towards creating a more favourable policy environment by simplifying the land acquisition procedure and reducing the delay in the approval mechanism.

Finally, of late, there has been a lot of debate about the merits and demerits in liberalising FDI in retail, insurance, pension and aviation sectors in India. With the issue of FDI still hot, it is important for the government to take due care in formulating its FDI policies so as to reduce the regional disparity rather than aggravating it.(Reserve Bank of India Occasional Papers Vol. 32, No. 2)

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An empirical study on usage of VoIP Apps with reference to Anand city

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Abstract

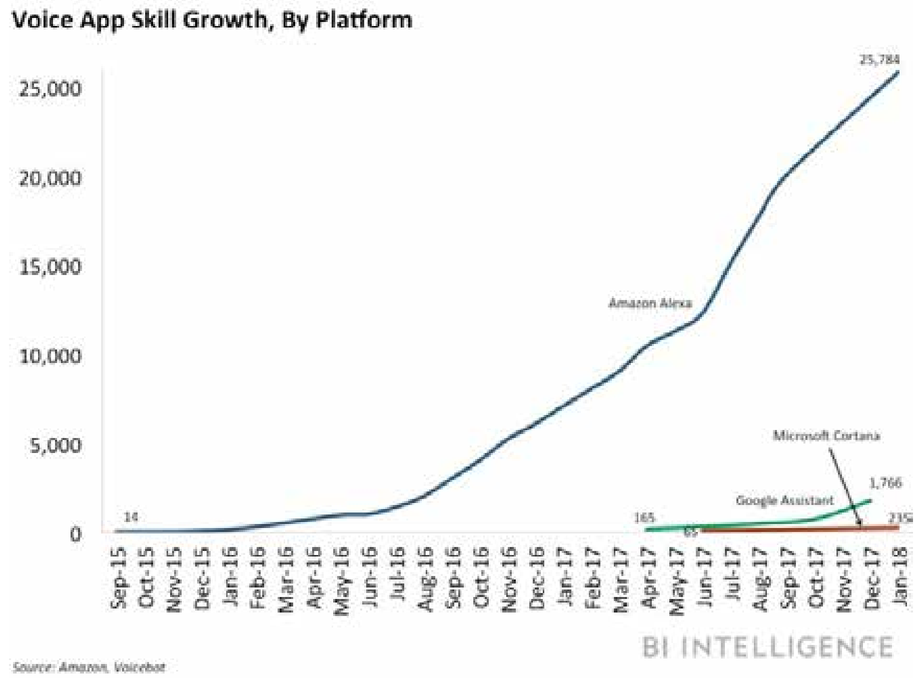
With the boom in the Internet scene of India, people began switching to video calls to just simply have a casual talk or discuss something important. The voice calls are always a first choice for many and is hardly to be replaced by video calls, but that doesn't mean video calls are a dud. There are several apps that allow video conferencing and calls, along with additional features that come handy as move along to use them more frequently. The most popular apps in India that come with video calling feature are WhatsApp, Google Duo, and Skype and Viber etc. But still there are some who are prominent amongst all of them. Virtually all mobile devices now have front-facing cameras, as do most laptops. So video calling is both easy to use and pretty much everywhere. The present research paper aims to study the differences in usage of this communication service WhatsApp v/s Google Duo calling. The present study has been carried out in Anand City. Relationship between many independent variables and the dependent variable are statistically tested and are interpreted so as to bring out useful inferences. Many practical suggestions have been given in the study.

Keywords: WhatsApp Calling, Google Duo calling, virtual

Introduction:

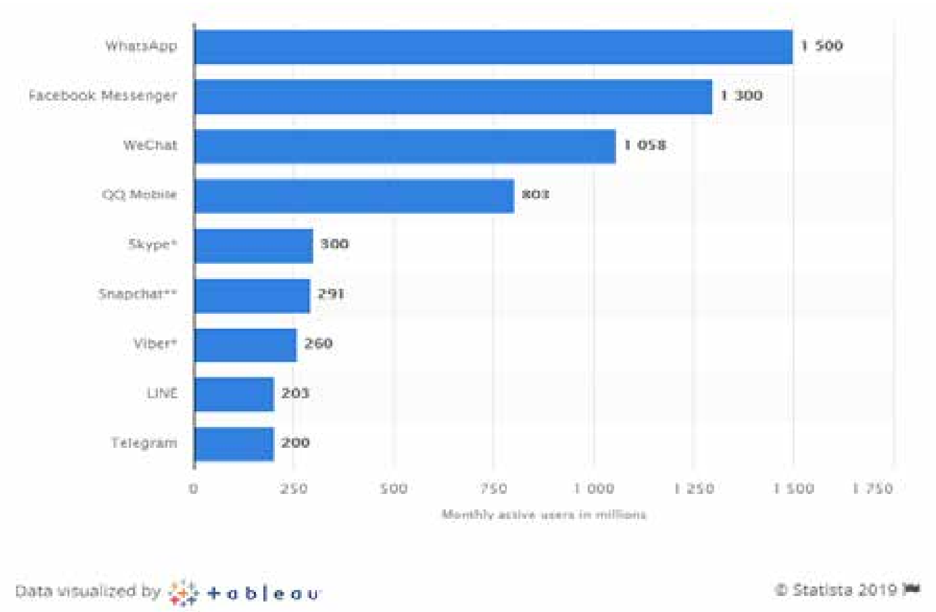
Communication is the key to success for any business. Companies quickly adopt those Technologies that promise to enhance the way people communicate in a business environment. Voice over IP (VoIP), because of the tremendous transformation it has brought to the business communications sphere, has fared no differently.

The market for smart speakers and voice platforms is expanding rapidly. The installed base of smart speakers and the volume of voice apps that can be accessed on them each saw significant gains in 2017. In order to align the customer needs the smart speaker equipped homes are now the new and the most emerging format. Voice App development is a virtuous cycle with several broken components. The consumer market is expanding and it has given a rise to more brands and developer voice apps. The developers but are facing the problems of finance which is a hindrance to the market of voice app growth. Discover and customer retention is also a big problem for these voice apps. But when you see the overall market the voice app is continuously growing and that is depicted from the chart below.



Source:- Business Intelligence Report, 2018

Monthly active users of different VoIP applications



Source:- Business Intelligence Report, 2018

The above chart depicts the monthly active users of different VoIP apps and the highest rank in millions is obtained by Whatsapp.

WhatsApp

WhatsApp is the most popular messaging app with over 200 million monthly active users in India. The Facebook-owned app introduced the video calling feature in 2016. This app gained popularity to that great extent that in India there were 50 million minutes of video call were made daily. Since then WhatsApp has been making several improvements in video calling to make the service efficient. The video calls on WhatsApp can be made to all those people who are in the contact list or someone who appears from the chat screen.

Google Duo

Google has several video calling apps such as Hangouts, however at the I/O conference in 2016, Google realized to focus more on messaging and calling apps. It launched the Google Allo and Google Duo apps at the conference. Google has been talking a lot about the Google Duo app in the Indian market. It started offering the people who didn't use Google Duo a glimpse of how it works along with a download button. Google Duo is comparatively simpler than WhatsApp since it doesn't support textual messaging. It comes with voice and video calls where the latter is what it is primarily known for. The Google Duo has an interesting feature called Knock-Knock that lets the person who you are calling see your video before the call is answered. However, you won't be able to see their video unless the call is answered.

Skype

Skype is one of those that absolutely need no introduction. With super new features, design, and a tons of users, Skype is the app to stay connected with people around the globe. Skype works on a wide range of devices and is one of the most reliable video calling apps. With the help of skype we can send photos, text, videos, voice messages, and many more. The consumers can enjoy low calling rates to landlines and cell phones across the globe.

Viber

Launched in 2013, Viber is another preferred and popular video calling apps that has over 11 million downloads. Filled with cool features and attractive functionalities, Viber is a cross-platform application and can be installed on various devices. Free international video and voice calling app is a feature of the same. Eye-catching and funny emoji and cool stickers to your texts. The automatic encryption secures your messages, video and voice calls, texts, etc.

Review of Literature:

Chenguang Yu (2017) conducted a measurement study on three popular mobile video call applications: FaceTime, Google plus Hangout, and Skype, in both Wi-Fi and Cellular networks. s. Through an extensive set of measurements over a wide range of wireless network conditions, we showed that mobile video call quality is highly vulnerable to burst packet losses and long packet delays; end-to-end video delay is highly correlated to end-to-end packet delay in cellular networks, regardless of the signal strength; while FEC can be used to recover random packet losses, the inability to differentiate congestion losses from random losses can trigger vicious congestion cycles; and conservative video rate selection and FEC redundancy schemes often lead to better video conferencing.

Zahoor Hussain (2017) described in their paper that now a days, Social media, since a good deal of time, has rapidly been entering into every sphere of life. It has now variety of shapes (Twitter, Facebook, Email, Yahoo, LinkedIn and WhatsApp) to work at the different platforms like Banks, Schools, colleges, hospitals and universities. People are now using these different social media tools for their variety of purposes. On every platform mentioned above, these tools have different usage frequency.

Rahul Kadam, & Prerna Mhatre (2016) concluded that that WhatsApp is the most used App amongst chat apps like Facebook, We Chat. WhatsApp is mostly popular among youth & working professionals. Word of mouth is major source of spreading of WhatsApp popularity.

Annie Dayani Ahada, Syamimi Md Ariff Lim (2014) referred that with the ease and affordability provided by WhatsApp use, this study revealed how the undergraduates use it as an 'all-in-one' mobile communication tool. The study found that WhatsApp use benefits the undergraduates in terms of discussing and sharing information related to study matters, apart from their everyday communications with families, friends and relatives. Inevitably, the undergraduates also faced critical issues arising from their frequent use of WhatsApp, which includes the need to attend WhatsApp messages immediately, the exposure to false or unregulated information or media contents, mobile connectivity and addictive-like behaviors (e.g. disruptions to their studies). ***Abdullah Azfar et.al (2014)*** examined ten popular mVoIP applications and determined that only Yahoo application does not encrypt text communications. Using both histogram and entropy analysis, we determined that Skype, Google Talk, Nimbuzz and Tango encrypt voice data; and ICQ, Viber, Yahoo, Fring, Vonage and WeChat use some sort of voice encoding mechanism, but does not encrypt the voice data. Our results contribute towards a better understanding of legal interception of mVoIP communications. Future work includes decoding the captured unencrypted sessions to determine what user information (e.g. number of the mobile handset, location, IMEI) is being transmitted by the mVoIP applications during the login and voice or text communication session.

Research Methodology:

Research Problem:

For years, the internet was mainly used for data services. With the increase in internet penetration and broadband speeds, voice communication has also become possible on the internet. In India, VoIP calling apps like WhatsApp, Skype, Viber and Google Duo (P2P) have become popular and are giving a tough competition to traditional PSTN based voice technologies. VoIP has many advantages over Public Switch Telephone Network (PSTN) calls and hence are becoming the preferred mode for business calling or personal calls.

Objectives of study:

1. To know the most preferred VoIP applications
2. To Know the reasons for using this applications and frequency of the same
3. To identify the problems while using this application
4. To suggest the guidelines for effective implementation of VoIP applications

Sampling Unit and Sample Size:

In our research study we have selected only few VoIP applications with 101 responses.

Sources of Data:

The present study is an empirical one based on primary data. For the collection of primary data a structured questionnaire has been framed. With the help of questionnaire, survey was conducted in Anand city. The secondary data have been drawn from articles in journals, periodicals, newspapers as well as various websites.

Sampling

Using convenience sampling technique, primary data has been collected. Enough care has been taken to make the sample representative of the population.

Statistical Tools

After the completion of survey, a thorough check up of the data has been made. The collected data has been analyzed with the tools like Chi-Square Test, Cross Tabulation. Besides this, tables, pie charts, bar diagrams etc. have been used to analyze the data.

Limitations:

1. The present study has constraints of time and money.
2. There may be chances of errors due to random sampling.
3. The respondents of the study belong to Anand city only and therefore may not give the same result as on a national scale.
4. There might be biasness in the respondent's view.

Data Analysis & Interpretation:

Table 1: Demographic Profile

	Age	No of Responses	Frequency
Age	18 – 25 Years	59	58.4
	26 – 35 Years	19	18.8
	36 Years and Above	23	22.8
Gender	Male	53	52.5
	Female	48	47.5

From the above table which represents demographic profile, 58.4% respondents fall in the age group of 18-25 years and 18.8% fall in the age group of 26-35 years and rest are in the age group of 36 years and more. The table also depicts 52.5 % are male and rest are female respondents. 18-25 age group being youth enjoys the leisure of WhatsApp (chatting, sends pictures and videos).Gender being the major factor considering in this social networking app survey depicts the major users are male which is 52.5% of and 47.5% of female, the reason for being the male respondent are not so concerned with security issues in usage of apps and female will take a few steps back when it comes to revealing important information on such social media VoIP apps.

Table 2: Descriptive Statistics

Questions	No of Responses		Frequency	
Use of VoIP Apps within India or Abroad	57	44	56.4	43.6
Use of VoIP Apps through Mobile Data or Wi-Fi	69	32	68.3	31.7
Intended Recepients: Family, Friends	63	38	62.4	37.6
Frequency of Calling: Everyday / Weekly	32	39	31.7	38.6
Fortnightly / Monthly	13	17	12.9	16.8
Most used Services of VoIP: Audio / Video	12	35	11.9	34.7
Both	54		53.5	
Problems while using VoIP Services Poor Audio / Poor Video	7	36	6.9	35.6
Both / No Problem	29	29	28.7	28.7
Reasons for the Problem persists Handset / Internet Bandwidth	5	96	5	95
Most favorite VoIP App Google Duo / Skype	20	3	19.8	3.0
Viber / WhatsApp	2	76	2.0	75.2

1. Majority are using VoIP apps for calling in India rather than abroad and maximum respondents are using Mobile Data rather than Wi-Fi as mobile service providers have come out with lot of benefits in terms of internet data.

2. As WhatsApp being the most popular app for every age group, it used the most and it is used by each and every one to communicate with friends and family.
3. 38.6% respondents are using VoIP apps almost weekly for audio and video calling whereas only nominal respondents are using it fortnightly.
4. Most of the people are aware about the concept of audio and video-calling and knows how to use it and the percentage of population aware about it are 94% while reaming 6% are still far away for it.
5. Now coming towards the security each and every individual suggest that WhatsApp should have high level of security while there are very few who are not concerned about it.
6. According to the survey WhatsApp being the favourite app for communication it used by everyone on their own mobile phones are highest and majority have confessed that Internet Bandwith is a major problem for them while using these VoIP apps.

Statistical Analysis:

H0: Age Group and Frequency of Calling are independent variables
H1: Age Group and Frequency of Calling are dependent variables

How old are you? * What is the frequency of Calling? Cross tabulation						
Count						
Everyday		What is the frequency of Calling?				Total
		Weekly	Fort-nightly	Monthly		
How old are you?	18 - 25 Years	19	23	6	11	59
	26 - 35 Years	6	10	2	1	19
	36 and Above	7	6	5	5	23
Total		**32**	**39**	**13**	**17**	**101**

Chi-Square Tests			
	Value	**df**	**Asymp. Sig. (2-sided)**
Pearson Chi-Square	5.696[a]	6	.458
Likelihood Ratio	6.035	6	.419
Linear-by-Linear Association	.247	1	.619
N of Valid Cases	101		

Table shows that Table value is greater that p-value (>0.05).Therefore, null hypothesis (H01) is accepted and concluded that Age Group and Frequency of Calling are independent variables. There is no relationship between the age group and the frequency of calling.

H0: There are no problems faced while using VoIP Apps through Mobile Data or Wi-Fi
H1: There are problems faced while using VoIP Apps through Mobile Data or Wi-Fi

While using these Apps do you use Mobile Data or Wi-Fi? * Do you face any problem while using above services? Cross tabulation						
		Do you face any problem while using above services?				
	Poor Audio Quality	Poor Video Quality	Both	No Problem at All		
While using these Apps do you use Mobile Data or Wi-Fi?	Wi-Fi		2	8	8	14
	Mobile Data		5	28	21	15
Total			**7**	**36**	**29**	**29**

Chi-Square Tests					
	Value	**df**	**Asymp. Sig. (2-sided)**		
Pearson Chi-Square	5.434[a]	3	.003		
Likelihood Ratio	5.296	3	.151		
Linear-by-Linear Association	3.865	1	.049		
N of Valid Cases	101				

Table shows that Table value is lesser than p-value which is (<0.05). Therefore, null hypothesis (H01) is rejected and it can be concluded that there are problems faced while using VoIP Apps through Mobile Data or Wi-Fi. 4G speed is now available with every mobile service providers and with the benefit of JIO Internet plan, it has been a common phenomenon that majority of people use VoIP apps by using Mobile Data.

Conclusion:

The aim of this research is to investigate if WhatsApp and Google Duo can be used by respondents to enhance the connectivity with other respondent's world. From the research we came to know about the important conclusion regarding the customer of WhatsApp. WhatsApp has been in market for quite some time and is being used by most and offers functionality like text based messaging and file transfer. WhatsApp is clearly emerging as an alternative for SMS and MMS messaging as well as for Video Calling. Demographic ration does not affect the usage of WhatsApp. WhatsApp has become very popular and besides all, this Application is highly addictive and can create a great impact on regular users.

The study focuses on customer aspects of WhatsApp in terms of their satisfaction with the use of the information sharing apps. In the study, most respondents are satisfied with the use of information sharing apps. Customer satisfaction is affected by factors such as needs fulfillment, performance improvement, ease of use, security/privacy, and influence of the peer.

The word of mouth and free accessibility has given great advantage to bring awareness in the customer about the product with increasing smart phone market. WhatsApp has captured the market but company has to keep innovating to maintain the satisfactory level of existing customer. From this survey respondents have opined positively for the idea of using WhatsApp for many activities such as business purpose and social connectivity. It gives a platform to connecting with respondents.

From the research we came to know about the important conclusion regarding the customer of Google Duo. Google Duo has been in market for lesser time and is being used by most and it offers functionality like text based messaging and file transfer. As Google Duo is also an emerging app right now it would take a little bit more time to capture the market.

Suggestions:

1. **Multiple/Conference facility in video calling other than WhatsApp:** It should provide such a facility that one can do a conference even while making a video call and can get connected to multiple number of users at the same time.
2. **Facility to record video call:** Also it should also have a facility to record the video call in order to maintain the records if needed for future use.
3. **Keep it private**: While making a video call using any of the app one should keep in mind that they are alone or else using in private in order to avoid the illegal or other malicious practice.
4. **Use it whenever it is necessary:** One should use it when it is necessary and try to avoid the usage of it very often as it consumes more mobile data as well as the battery of the device.

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A Study of Credit Risk Management of Selected Public Sector Banks of India

Dr. Kamini Shah, Utkarsh Amaravat

Abstract

The main sources of income for banks are credit interest earned by them and in today's scenario the Non-Performing Asset of Public Sector banks are biggest hurdles for the Indian government. It means banks are recurring losses compare to revenue generated by them and government has to pump additional finance to run public sector banks. Even in the financial year 2015-16 mostly all public sector banks are in loss as all banks had to do provision for bad loans. Therefore, to study the credit risk management used by public sector banks are necessary. This study will help to find the causes for financial losses in public sector banks in past decade and help to examine bank financial future based on bank's methodology to manage credit risk.

Key Words: Public Sector Banks, Credit Risk Management, Non Performing Assets, State Bank of India, Bank of Baroda, Punjab National Bank, Canara Bank, Union Bank of India.

Introduction

Public Sector Banks are the main lifeline of Indian Economy. To improve Public Sector Banks condition and boost Indian economy on 25th October, 2017 the central government has announced Rs.2.11 lakh crore help to recapitalize public sector banks which will create an extra burden on the pocket of central government. Out of 21 Public Sector Banks more than 50 % of Public sector banks are running in losses due to increasing non-performing assets. All Public Sector Banks are generating around 90 % of the profit out of total profit through credit interest earned. Credit is the main source of interest income; hence Credit risk is the most important for any bank.

The probability of loss due to a borrower's failure to make payments on any type of debt is known as Credit Risk. It is potentiality in which borrower will fail to meet obligations as per agreed terms. At first due to this risk, loss of principal has occurred and later on interest income also, which disturbs cash flows of the bank and increase cost of recovery which may sometime complete or partial. Risk based credit pricing are associated with an efficient market based on assessment of market participants.

The Credit risk management is used to manage banks credit exposures based on credit risk rating, risk based pricing or limit based pricing. The credit risks of entire portfolio as well as the risk in individual credits or transactions are required to manage by banks. Banks have to classify the effect of credit failure on other risks. Credit risk management is the process to reduce losses by understanding the adequacy of a bank's capital and loss of loan reserves at any given time. Effective Credit Risk Management is a necessity and the biggest challenge for any banking organisation to get long term success.

Few public sector banks like State Bank of India, Bank of Baroda, Punjab National Bank, Canara Bank and Union Bank of India are oldest public sector banks and doing well accept losses in financial year 2015-16. These banks are considered as top 5 public sector banks in India and they are also facing the same issue of non-performing asset like other public sector banks in India. Therefore, to study credit risk management of these five banks are important to prepare a general credit risk model for all public sector banks.

Literature Review

The Economic Times (2017, May 31), "India's big bad loan problem: Banks with highest NPAs" which suggest that NPA is increased in all commercial banks in India. It suggests that it is necessary to do credit risk management to strengthen Indian Economy.

Adu-Gyamfi M (2016) studied on The Bankruptcy of Lehman Brothers: Causes, Effects and Lessons Learnt. The researcher concluded that the world finest bank Lehman brother was collapsed due to weakness in risk management strategy implementation due to which US economy was almost collapsed in 2008.

Saeed M S and Zahid N (2016) studied on the impact of Credit risk on profitability performance of commercial banks. The researchers found out that out of various risks involve in banks, Credit Risk is the most common and dangerous which have positive associations with Bank profitability means lower Rate of Interest and Higher Credit lending increase Bank profitability.

Bhaskar P J (2014) studied on Credit Risk Management on Indian Bank. He studied theoretical aspects of the credit risk rating and concluded that Risk Management is prevented from damage and Risk should be taken with full knowledge, clear purpose and understanding.

Richard E, Chijoriga M and Kaijage E (2008) studied on Credit Risk Management system of a commercial bank in Tanzania. The researchers revealed that Credit Risk Management system of commercial banks is made up of credit policy and strategies such that it is provided operational and general guideline. Staff and Technology are only parameters affect available system facilitating factors such as quality

Research Gap:

Bank's non-performing assets and profitability is directly affected by Credit Risk Management tools, but till date no one is studied credit risk management along with credit portfolio analysis of Public Sector Banks, so the researcher made an attempt to bridge the gap by doing a Study of Credit Risk Management of Public Sector Banks.

Research Methodology

Problem Statement:

To study of Credit Risk Management of selected Public Sector Banks of India.

Objective of the Study:

1. To understand various credit risk related ratio of Public Sector Banks.
2. To analyze Public Sector Banks advances based on security.
3. To analyze the credit risk involved in various credit facilities of Public Sector Banks.
4. To explore the evolution in Public Sector Banks credit risk taking.
5. To analyze the movement of non-performing assets of Public Sector Banks.
6. To evaluate Public Sector Banks credit risk exposures.
7. To find out the impact of effective credit risk management policies on bank's non-performing assets and profitability.

Research Hypothesis:

1. H0: There is no impact of priority sector advances on Public Sector Banks non-performing assets.
   H1: There is an impact of priority sector advances on Public Sector Banks non-performing assets.
2. H0: There is no impact of provision made for advances on Public Sector Banks profitability.
   H1: There is an impact of provision made for advances on Public Sector Banks profitability.
3. H0: There is no impact of unsecured advances on Public Sector Banks non-performing assets.
   H1: There is an impact of unsecured advances on Public Sector Banks non-performing assets.
4. H0: There is no impact of risk category wise exposures on provision made against category wise advances.
   H1: There is as impact of risk category wise exposures on provision made against category wise advances.

Research Design:

The researcher has used exploratory type research design to explore insights of the research problem.

Sampling Method:

The researcher has used Quota Sampling Method.

Sampling Unit:

All 21 Public Sector Banks has been considered as sampling unit.

Sample Size:

The researcher has considered 5 Public Sector Banks as mention below,
1. State Bank of India (SBI)
2. Bank of Baroda (BOB)
3. Punjab National Bank (PNB)
4. Canara Bank (CB)
5. Union Bank of India (UBI)

Data collection:

The researcher has used secondary data i.e. financial statements of Public Sector Banks. The period for the study considered is 9 years from FY (Financial Year) 2008--09 to FY (Financial Year) 2016--17; however, some of the data is available only for four years.

Rationale/Significance of the Study:

This study will help Public Sector Banks;
1. To know the Public Sector Bank advances based on security.
2. To analyze the credit risk involved in various credit facilities of Public Sector Banks.
3. To understand the evolution of credit risk taking in Public Sector Banks.
4. To understand movement of non-performing assets in Public Sector Banks.
5. To find solutions to reduce non-performing assets in Public Sector Banks.
6. To understand various provision made by Public Sector Banks based on risk category wise exposure.
7. It will also help other Private Sector Banks and Government to understand credit risk management policy of Public Sector Banks. Even Government of India and RBI can used this study to strengthen Indian Financial System by comparing it with Private Sector Banks

and issue necessary guidelines in general for all Public Sector Banks so they can improve their profitability and reduce their non-performing assets.

Data Analysis & Interpretation

To illuminate various aspects of credit risk management at Public Sector Banks, The data is analyzed in a descriptive, multi-dimensional manner.

Capital Adequacy Ratio:

The usage of Capital Adequacy Ratio is to promote stability of the financial system and to protect depositors. This ratio is also known as Capital to risk-weighted asset ratio.

$$Capital\ Adequacy\ Ratio = \frac{\text{Tier 1 Capital} + \text{Tier 2 Capital}}{\text{Risk Weighted Asset}}$$

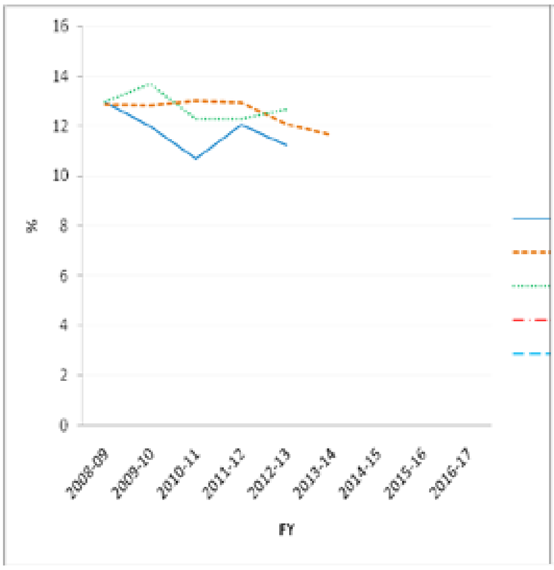

Fig 1 Capital Adequacy Ratio (Basel I)

Fig 2 Capital Adequacy Ratio (Basel II)

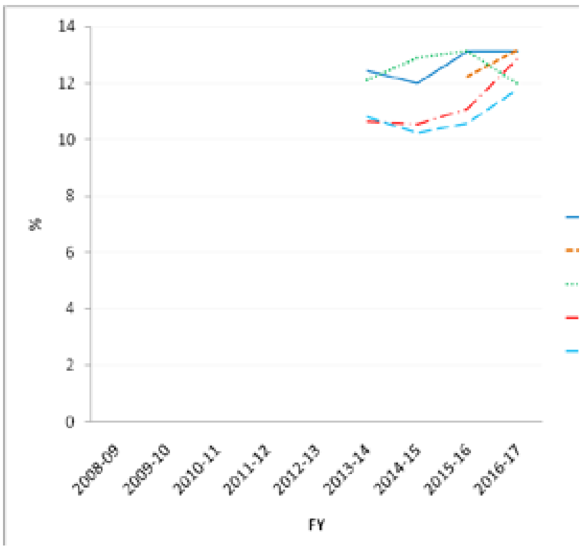

Fig 3 Capital Adequacy Ratio (Basel III)

Where,

Tier 1 Capital is the capital (equity capital) that is available easily without requiring stopping banking operations to cushion losses.

Tier 2 Capital is the capital that is available in case of winding up of the bank means liquidation of asset and cushion losses which is not providing preservation to depositors and creditors.

Risk-weighted Assets is the weighted sum of the bank's credit exposures including appearing and non-appearing on the bank's balance sheet. Risk-weighted Assets are measured using the Basel Committee guidance for assets of each credit rating slab.

Capital Adequacy Ratio is providing stability to the depositor by reducing their risk and Banks has to follow Basel Committee guidance. As per Basel III guideline, minimum accepted

Capital Adequacy Ratio is 11.5%.

Capital Adequacy Ratio as per Basel I and Basel II is reflected in Figure 1 and 2 respectively. Now a day's Banks have to follow BASEL III norms. As shown in Figure 3, overall Capital Adequacy Ratio in Public Sector Banks is increased to fulfil Basel III norms.

Also note that Reserve Bank of India (RBI) has declared deadline to fulfil Basel I norms to Basel II norms and Basel II norms to Basel III norms, hence, not on same FY all Public Sector Banks have fulfilled or started to full fill guideline of upcoming Basel norms, but completed norms before completion of dead line.

Provision Coverage Ratio:

The ratio of provisioning to Non-Performing Asset (NPA) is known as Provision Coverage Ratio. This ratio indicates provision of funds bank has to keep aside to cover proposed loan losses.

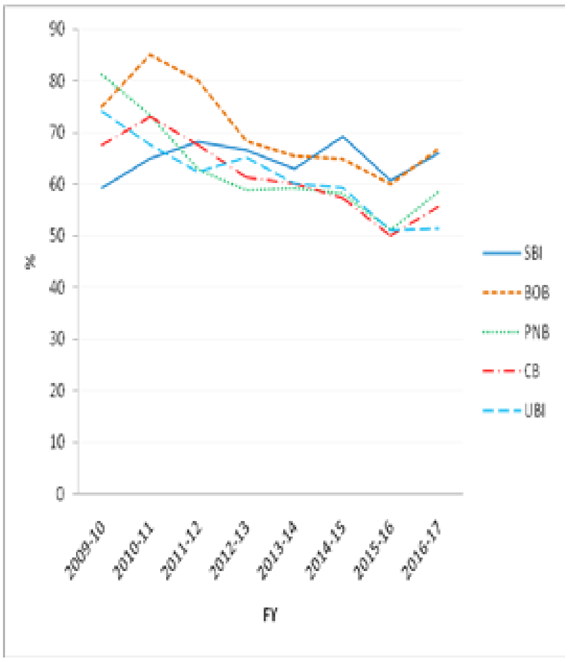

Fig 4 Provision coverage ratio

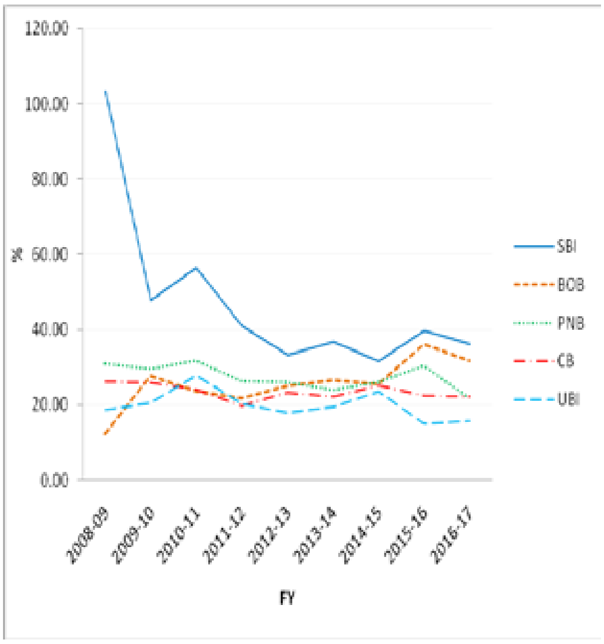

Fig 5 % of Provision against Income

Based on Income Recognition and Asset Classification (IRAC) norms, Banks has to do provision. Provision for loan is made through income generated during FY, Hence increase in provision for loan is directly associated with banks profit.

As shown in Figure 4, Provision Coverage Ratio is increased around 11 % in State Bank of India over decreased in Bank of Baroda, Punjab National Bank, Canara Bank and Union Bank of India around 11 %, 28 %, 18 % and 31 % respectively. As reflected in Figure 5, State Bank of India, Bank of Baroda, Punjab National Bank, Canara Bank and Union Bank of India have reduced percentage of provision against income around 65 %, 158 %, 30 %, 16 % and 15 % respectively. This suggests that Public Sector Banks have more focus on managing credit risk, hence banks have not done more provision against income and profit is not affected.

Advances Based on Security:

Credit Risk is always associates whenever Bank is giving advances, hence security against advances are necessary to reduce risk. Banks have various scheme of advances among which some advances are secured with Tangible Asset like housing loan, mortgage loan, etc, some advances are secured with Bank/government guarantee and some advances are unsecured like personal loan, education loan without the mortgage, etc. With unsecured advances highly Credit Risk is associated.

As shown in Figure 6, State Bank of India, Bank of Baroda, Punjab National Bank, Canara Bank and Union Bank of India have increased secured advances by tangible asset around 19 %, 5 %, 5 %, 11% and 14 % respectively to reduce Credit Risk. As reflected in Figure 7, Advances Covered by Bank/ Government Guarantees are increased around 37 % in Bank of Baroda and 34 % in Union Bank of India over decreased in State Bank of India, Punjab National Bank and Canara Bank around 64 %, 43 % and 3 % respectively. As Shown in Figure 8, State Bank of India, Bank of Baroda, Punjab National Bank, Canara Bank and Union Bank of India have decreased unsecured advances around 14 %, 33 %, 15 %, 33 % and 56 % respectively to reduce credit risk.

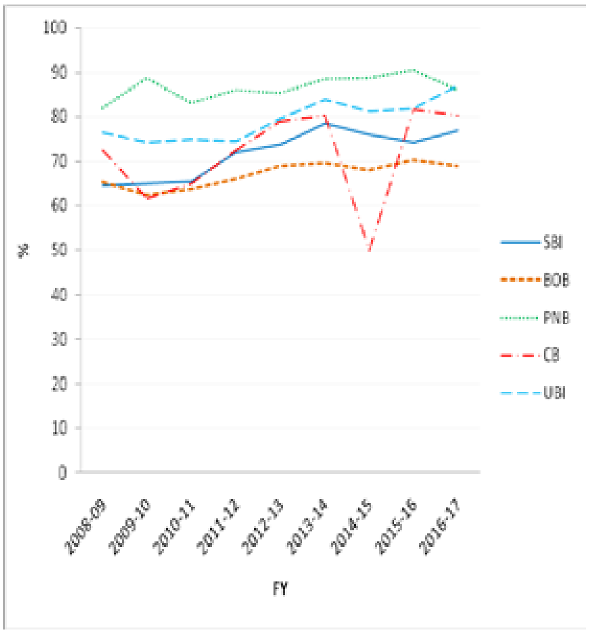

Fig 6 Advances secured by Tangible Asset

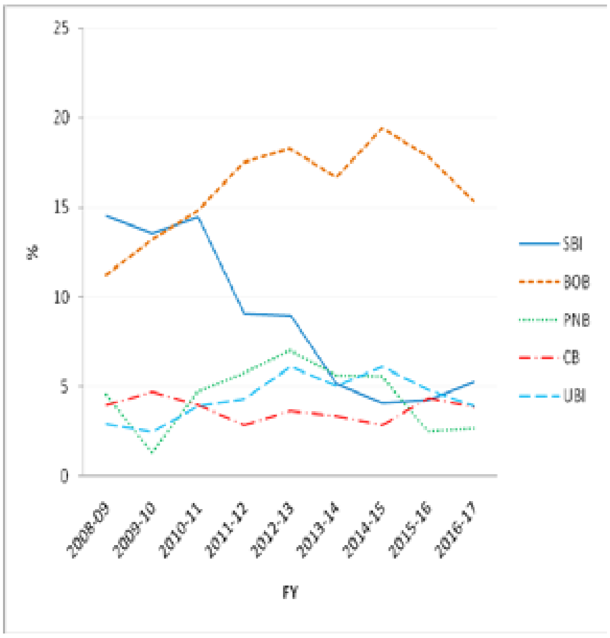

Fig 7 Advances Covered by Bank/ Government Guarantee

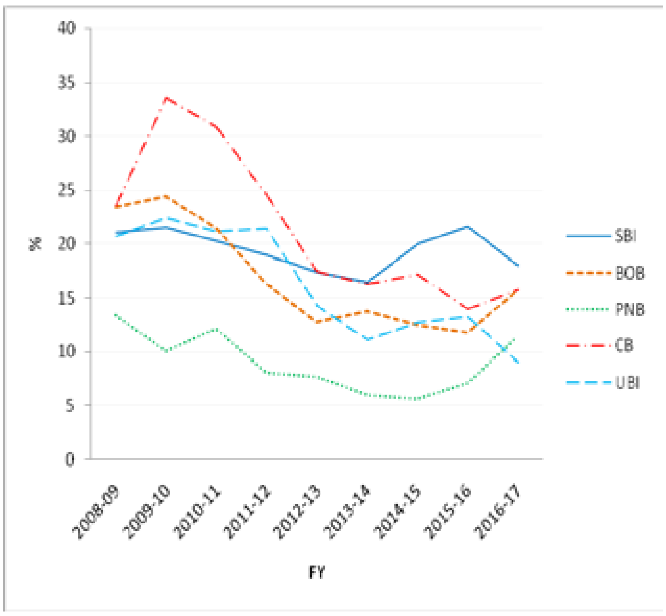

Fig 8 Unsecured Advances

Credit Risk Involved in various Credit Facilities:

Various credit facilities are provided by Public sector banks which are mainly divided into priority sector and non-priority sector. One can figure out risk involved in various credit facilities through NPA among total advances lending over those facilities.

As shown in Table 1, overall NPA has added on in Public Sector Banks in priority sector every year and grow rapidly in Bank of Baroda over other Public Sector Banks. Based on this data, one can say that for Public Sector Banks

- Advances to industries sector eligible as priority sector lending is one of the risky advances as NPA almost increased 133 %, 220 %, 147 %, 75 % and 164 % in State Bank of India, Bank of Baroda, Punjab National Bank, Canara Bank and Union Bank of India respectively in last 4 years. In this scheme Government financial inclusion schemes i.e. start up India, Stand up India, PMJDY, etc. are included. NPA of agriculture and allied activities as priority sector advances are decreased around 40 % in State Bank of India over increased in Bank of Baroda, Punjab National Bank, Canara Bank and Union Bank of India around 131 %, 108 %, 85 % and 10 % respectively in last 4 years. NPA of services as priority sector lending advances are decreased around 51 % in State Bank of India over increased in Bank of Baroda, Punjab National Bank, Canara Bank and Union Bank of India around 136 %, 20 %, 13 % and 77 % respectively in last 4 years. NPA of the Personal loan as priority sector advances are decreased around 47 % in State Bank of India over increased in Bank of Baroda, Punjab National Bank and Union Bank of India around 93 %, 4 % and 55 % respectively in last 4 years.

Table 1 - NPA % in various Priority Sector Credit Lending

FY	Agriculture and allied activities	Advances to industries sector eligible as priority sector lending	Services	Personal loans	Total Priority sector NPA
SBI					
2013-14	9.41	6.35	9.05	2.05	6.56
2014-15	9.06	10.79	6.5	1.33	6.85
2015-16	7.78	12.73	5.4	1.15	7.13
2016-17	5.65	14.78	4.43	1.08	6.32
BOB					
2013-14	5.15	4.84	5.12	2.86	4.72
2014-15	5.3	7.84	6.31	2.7	5.88
2015-16	10.74	13.51	12.55	5.01	11.06
2016-17	11.88	15.51	12.1	5.52	11.89
PNB					
2013-14	4.66	6.77	6.65	5.51	5.58
2014-15	5.47	11.94	10.18	4.24	7.49
2015-16	6	14.31	7.93	4	7.49
2016-17	9.68	16.71	7.95	5.78	9.88
CB					
2013-14	2.01	8.09	1.75	-	3.02
2014-15	2.4	12.74	1.87	-	4.09
2015-16	3.21	13.16	2.28	-	5.09
2016-17	3.72	14.19	1.97	-	5.53
UBI					
2013-14	6.05	5.62	4.58	2.25	4.86
2014-15	4.54	7.81	5.44	3.24	5.17
2015-16	6	11.2	6.24	3.2	6.27
2016-17	6.63	14.86	8.11	3.49	8.04

As presented in Table 2, NPA has added on to Public Sector Banks in non-priority sector every year and grow rapidly in Canara Bank over other Public Sector Banks. Based on this data, one can derive that for Public Sector Banks – Industries as non-priority sector lending is one of the risky advances as NPA almost increased 182 %, 320 %, 257 %, 430 % and 259 % in

State Bank of India, Bank of Baroda, Punjab National Bank, Canara Bank and Union Bank of India respectively in last 4 years. NPA of agriculture and allied activities as non-priority sector lending is increased 232 % in State Bank of India over other Banks. NPA of services as non-priority sector lending is decreased around 13 % in State Bank of India over huge increased in Bank of Baroda, Punjab National Bank, Canara Bank and Union Bank of India around 338 %, 168 %, 1038 % and 135 % respectively in last 4 years. NPA of the personal loan as non-priority sector lending - NPA is decreased around 59 % in State Bank of India, 43 % in Punjab National Bank and 15 % in Union Bank of India over increased in Bank of Baroda and Canara Bank around 116 % and 45 % respectively in last 4 years.

Table 2 NPA % in various Non Priority Sector Credit Lending

FY	Agriculture and allied activities	Industry	Services	Personal loans	Non Priority sector NPA
SBI					
2013-14	1.11	3.69	4.51	0.96	3.38
2014-15	3.98	4.13	2.29	0.6	3.24
2015-16	8.8	9.37	2.29	0.57	6.32
2016-17	3.69	10.39	3.94	0.39	7.06
BOB					
2013-14	0	5.05	1.17	2.05	3.01
2014-15	0	6.94	2.23	1.43	4.04
2015-16	0	21.22	7.17	5.06	12.38
2016-17	3.65	21.2	5.12	4.42	11.64
PNB					
2013-14	5.05	7.34	2.2	4.53	5.08
2014-15	1.82	8.11	3.43	5.16	6.02
2015-16	0	27.49	6.82	2.1	16.15
2016-17	2.26	26.21	5.9	2.59	13.74
CB					
2013-14	-	2.64	1.69	0.8	2.24
2014-15	-	4.62	2.95	0.79	3.78
2015-16	-	13.56	19.28	1.3	12.69
2016-17	-	13.99	19.23	1.16	12.99
UBI					
2013-14	0	4.43	2.89	3.03	3.74
2014-15	0	6.69	3.76	1.38	4.87
2015-16	39.42	13.36	3.48	1.9	9.83
2016-17	44.33	15.92	6.78	2.58	12.8

Bank Credit Risk Taking Evolution:

Credit Risk Management policy of any bank is the reflection of Credit risk-taking of any bank. As reflected in Figure 9, overall Priority sector advances have increased every year in public sector banks as it is mandatory for public sector banks for achieving government financial inclusion policy norms. Apart from other Banks in Punjab National Bank, Priority sector advances are decreased around 7 % in last 4 years.

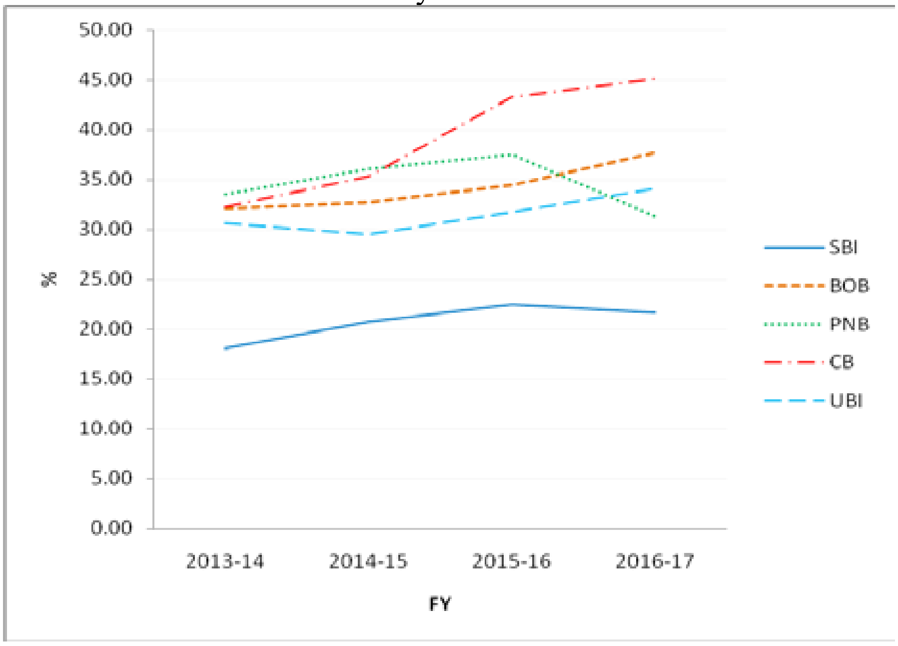

Fig 9 Priority sector Advances

As shown in Figure 10, Agriculture and allied activities as priority sector advances are decreased around 5 % in State Bank of India and 7 % in Canara Bank over increased in Bank of Baroda, Punjab National Bank and Union Bank of India around 26 %, 16 % and 20 % respectively in last 4 years. As reflected in Figure 11, State Bank of India, Bank of Baroda, Punjab National Bank and Union Bank of India have reduced advances in industries sector eligible as priority sector lending due maximum NPA gain in priority sector due to this sector over Canara Bank which is still increasing advances in this sector in last 4 years. As shown in figure 12, State Bank of India, Bank of Baroda, Punjab National Bank and Canara Bank have increased advances in services as priority sector over Union Bank of India in last 4 years as housing loan under Rs.28 lacs in metropolitan centre and 20 lacs in other centre belonged to this category cover 100 % security. As reflected in Figure 13, Public Sector Banks have reduced advances under personal loan as a priority sector.

Fig 10 Agriculture and allied activities (Priority sector)

Fig 11 Advances to industries sector eligible as priority sector lending

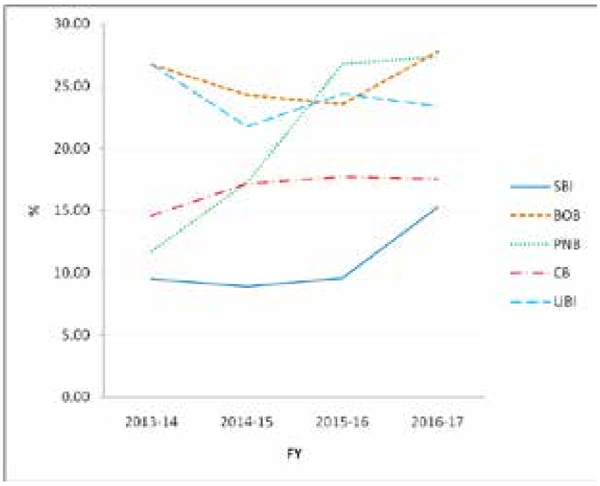

Fig 12 Services (Priority sector)

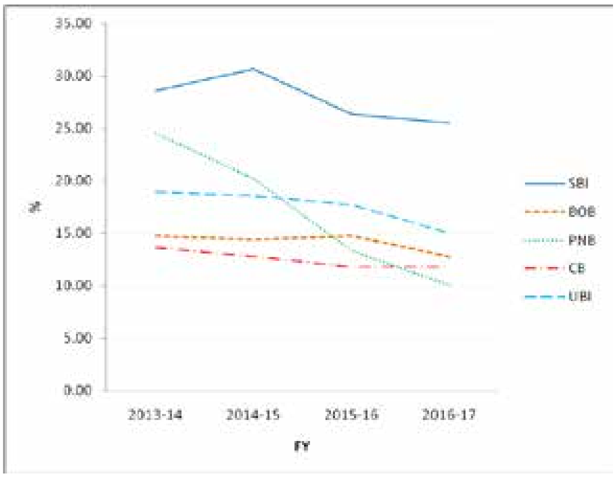

Fig 13 Personal loans (Priority sector)

As shown in Figure 14, overall Non-Priority sector advances have decreased every year in public sector banks as NPA growth rate is huge in this sector. Apart from other Banks in Punjab National Bank, Non-Priority sector advances are increased by around 3 % in last 4 years.

As reflected in Figure 15, Agriculture and allied activities as non-priority sector advances are decreased around 87 % in State Bank of India over increased in other banks including 218 % growth in Punjab National Bank in last 4 years. As shown in Figure 16, Advances to industries sector eligible as non-priority sector are reduced around 15 % in State Bank of India and 14 % in Bank of Baroda by considering NPA gain in this sector advances over increased in Punjab National Bank, Canara Bank and Union Bank of India around 7 %, 7 % and 31 % respectively in last 4 years. As reflected in Figure 17, Services as non-priority sector advances are increased in State Bank of India as NPA has reduced over years in this sector. In this sector other Public Sector Banks including Bank of Baroda, Punjab National Bank and Canara Bank have huge NPA gain still advances in this sector are increased 10 % in Bank of Baroda and 76 % Punjab National Bank over decreased in Canara Bank and Union Bank of India around 36 % and 65 % respectively in last 4 years. As shown in Figure 18, State Bank of India, Canara Bank and Union Bank of India have increased advances under personal loan as a non-priority sector over reduced in Bank of Baroda and Punjab National Bank over years.

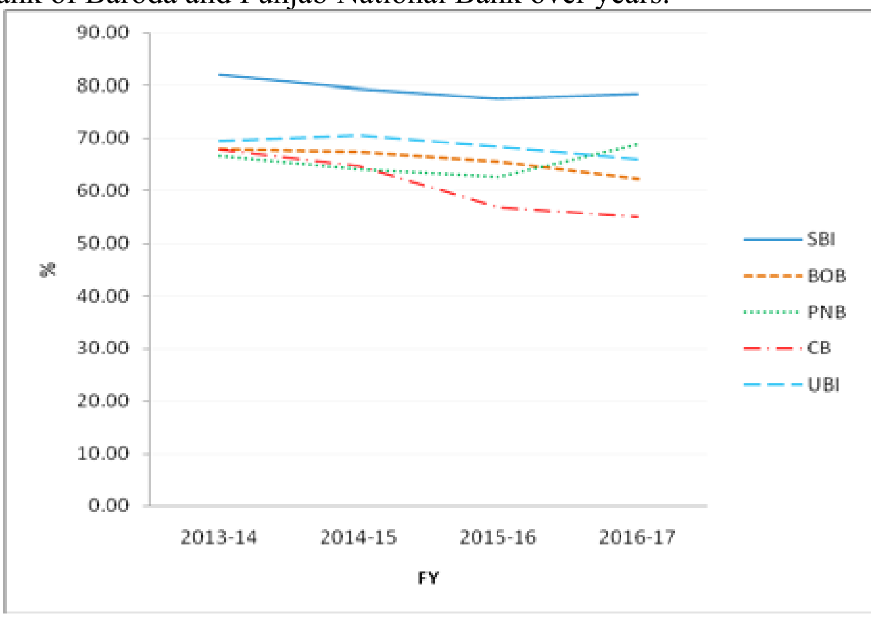

Fig 14 Non-Priority sector Advances

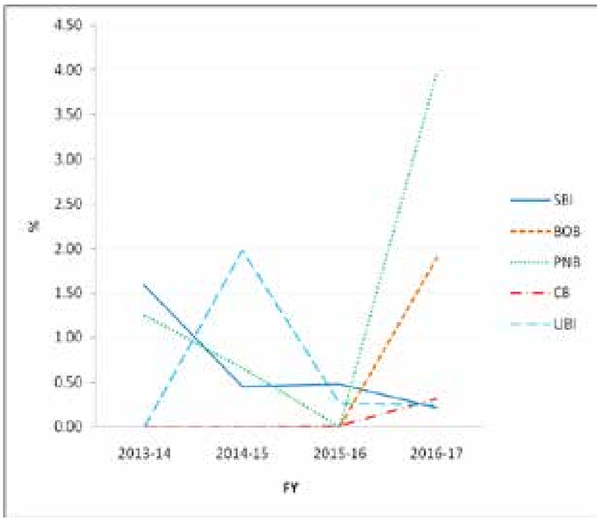

Fig 15 Agriculture and allied activities (Non-Priority sector)

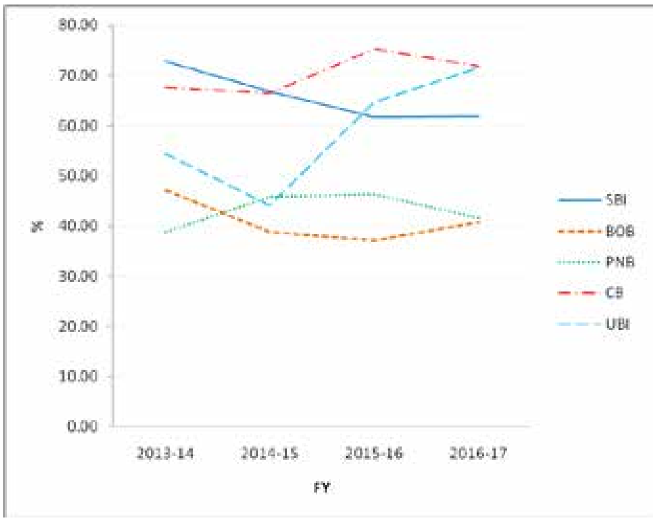

Fig 16 Advances to industries sector eligible as non-priority sector lending

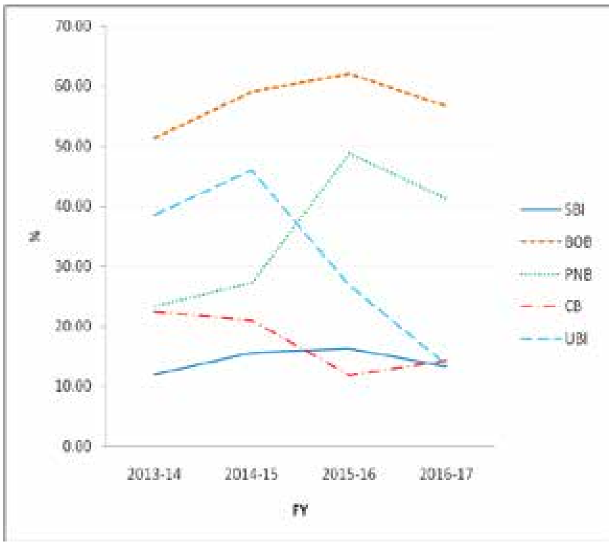

Fig 17 Services (Non-Priority sector)

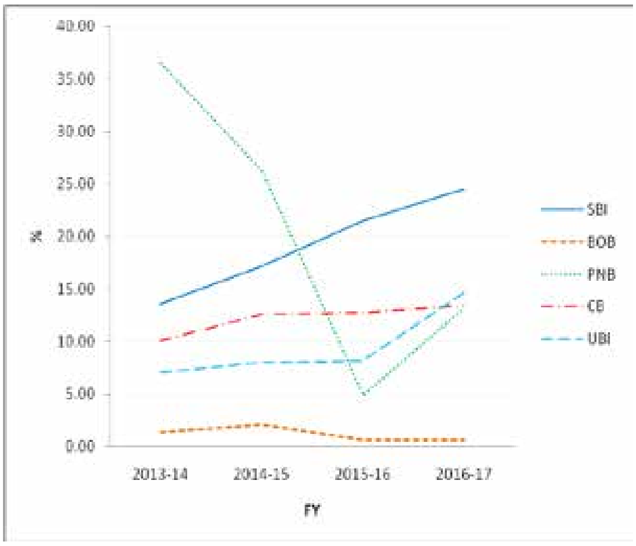

Fig 18 Personal loans (Non-Priority sector)

Movement of NPAs:

To measure the impact of Credit Risk Management tools used by Public Sector Banks over the years, it's important to find out movement of NPAs.

As reflected in Figure 19, State Bank of India, Bank of Baroda, Punjab National Bank, Canara Bank and Union Bank of India have decreased percentage of gross NPA add during the year around 51 %, 55 %, 35 %, 69 % and 35 % respectively which means Public Sector Banks Credit Risk Management tools are working, but as shown in Figure 20, Net NPA to Net Advances are increased 111 %, 1423 %, 4494 %, 481 % and 1832 % in State Bank of India, Bank of Baroda, Punjab National Bank, Canara Bank and Union Bank of India respectively that means Public Sector Banks have huge past NPA burden which is increasing Public Sector Banks Net NPA to Net Advances ratio.

Fig 19 % Of Gross NPA add during the year

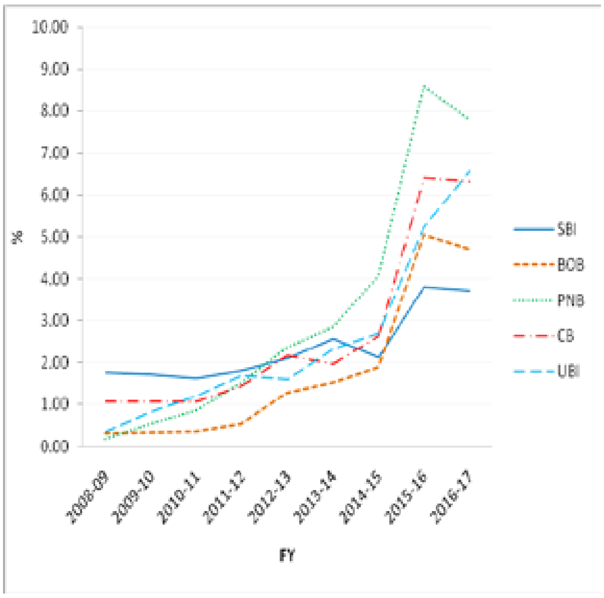

Fig 20 Net NPA to Net Advances

Risk Category Wise Exposure:

In Public Sector Banks, Credit exposures are classified into the various categories based on the risk involved in it. The main focus of Public Sector Banks on advances which involved insignificant or very low or low risk compared to risky advances, but due to the market scenario and competition, Public Sector Banks have been lending advances to very moderate or low or high risk or off credit or non-rated risk, etc. in fewer amounts amongst various risk categories advances.

As reflected in Figure 21, Figure 23 and Figure 25, overall Insignificant Risk exposures, Low Risk exposures and Moderate Risk Exposure have increased in Public Sector banks. State Bank of India has reduced low risk exposures with introducing new Very Low Risk Exposure category as shown in Figure 22. As reflected in Figure 24, Moderately Low Risk exposures have reduced in Public Sector Bank. As shown in Figure 26 to 31, State Bank of India and Bank of Baroda are only dealing with other remaining category risk exposures which are towards higher Risk side.

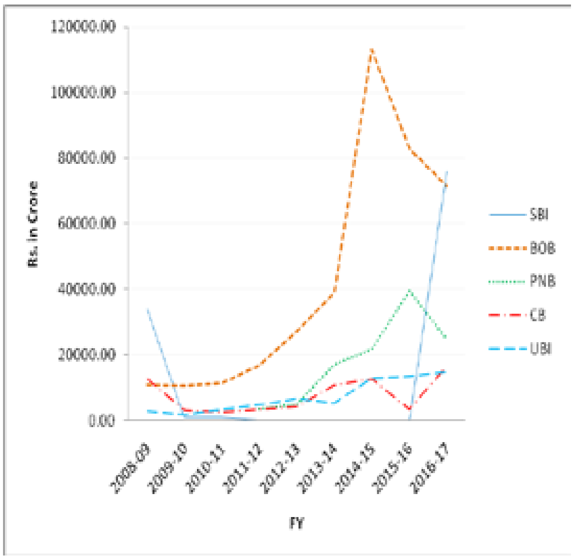

Fig 21 Insignificant Risk

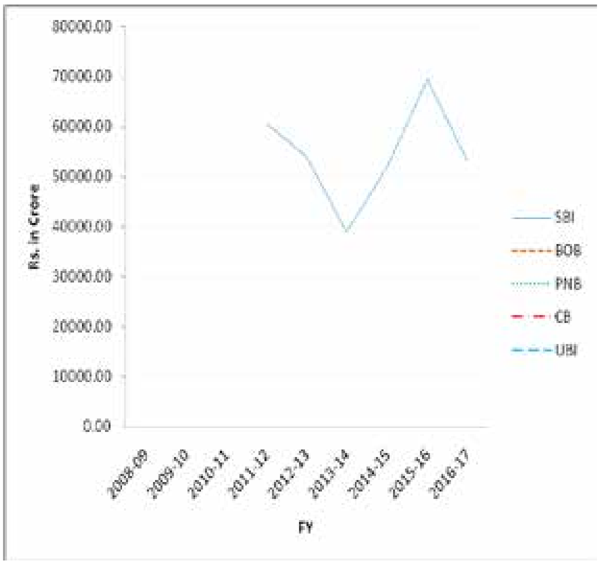

Fig 22 Very Low Risk

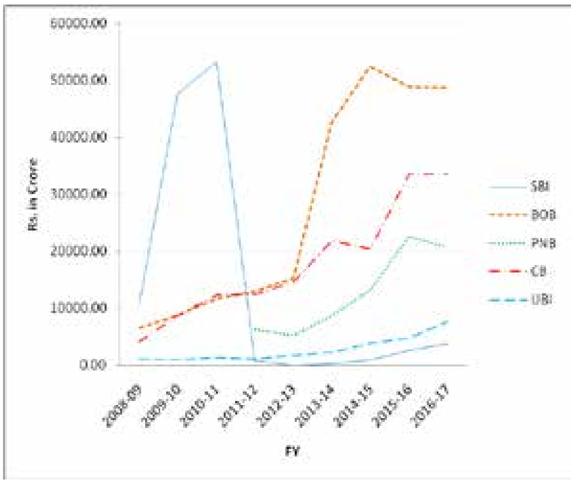

Fig 23 Low Risk

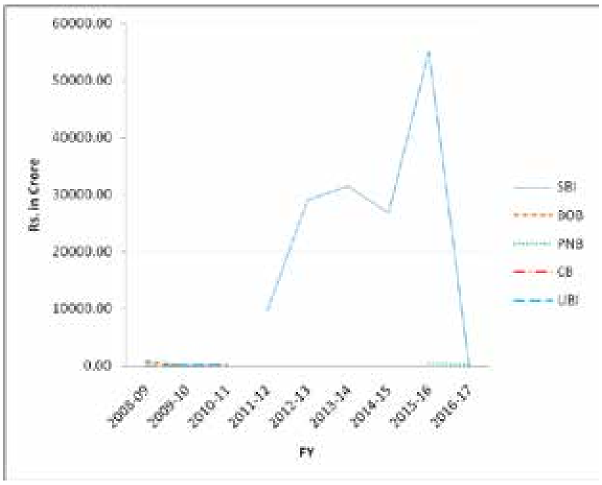

Fig 24 Moderately Low Risk

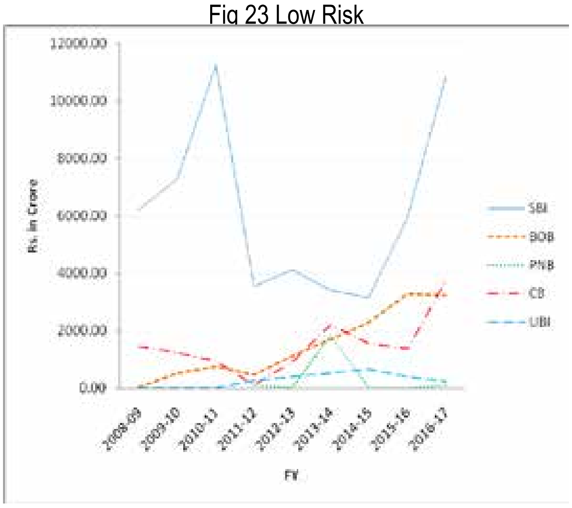

Fig 25 Moderate Risk

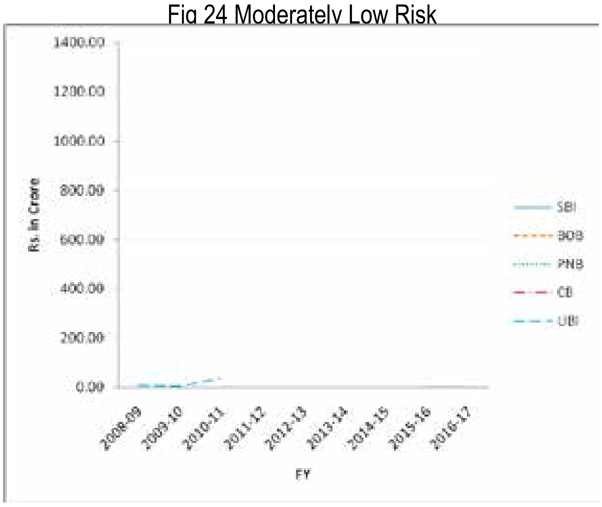

Fig 26 Moderately High Risk

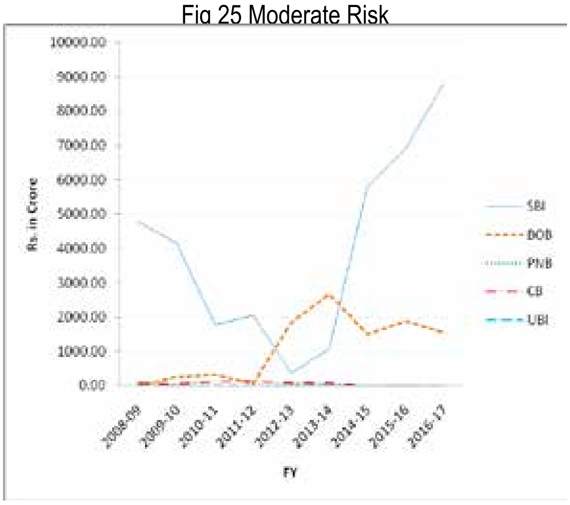

Fig 27 High Risk

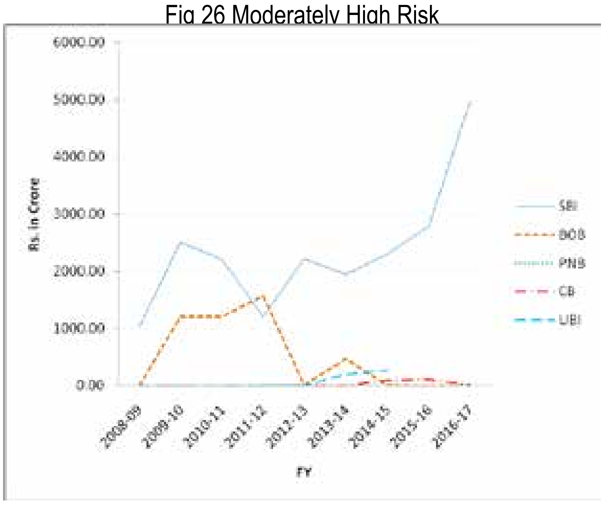

Fig 28 Very High Risk

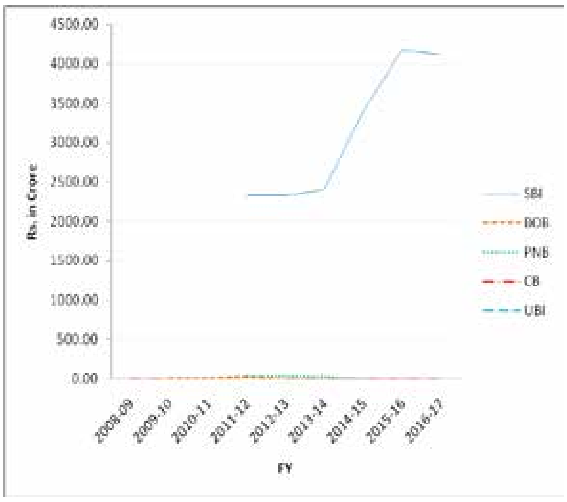

Fig 29 Restricted Risk

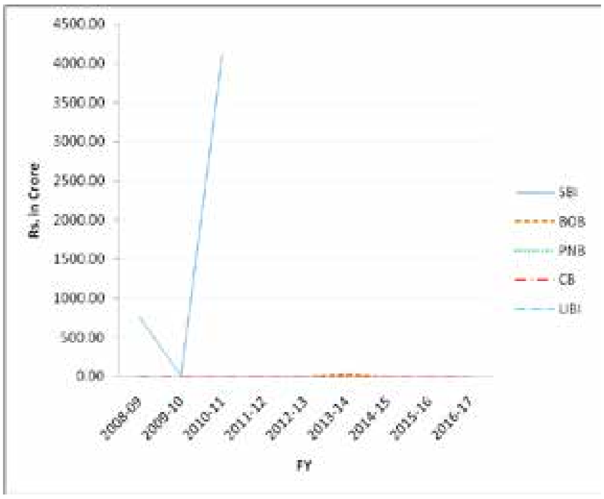

Fig 30 Off-credit Risk

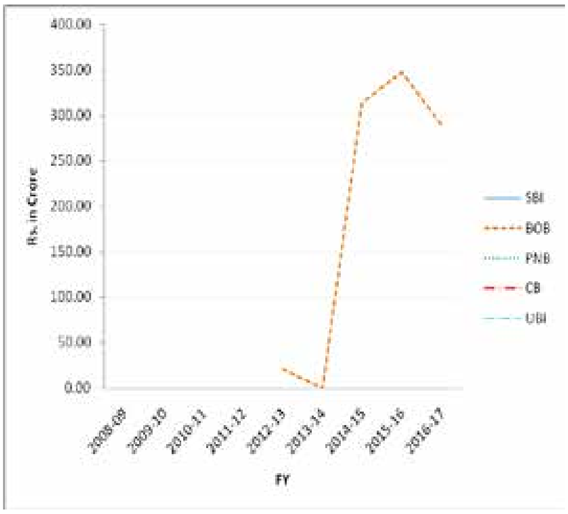

Fig 31 Non Rated Risk

As reflected in Figure 32 to 42, Provision has been made based on risk category wise exposures in Public Sector Banks, mainly for insignificant risk category and low-risk category in which mainly Public Sector Banks are dealing.

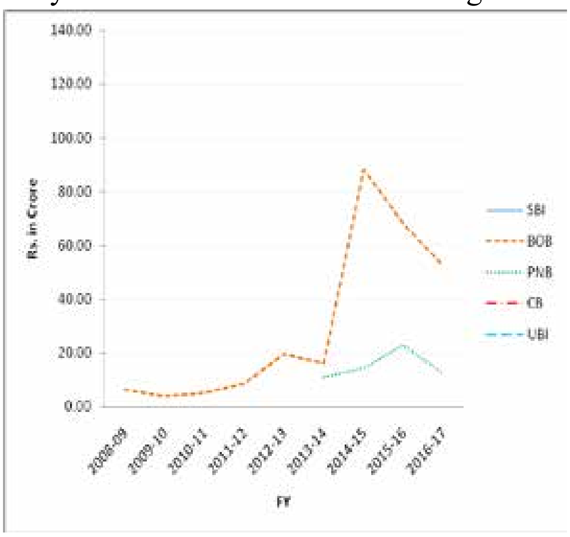

Fig 32 Provision for Insignificant Risk

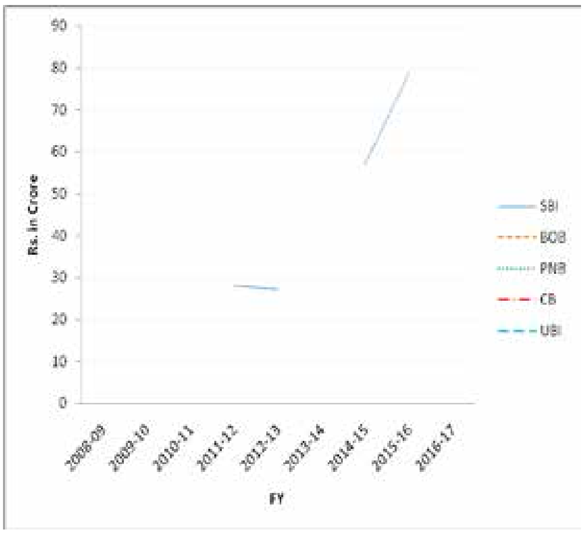

Fig 33 Provision for Very Low Risk

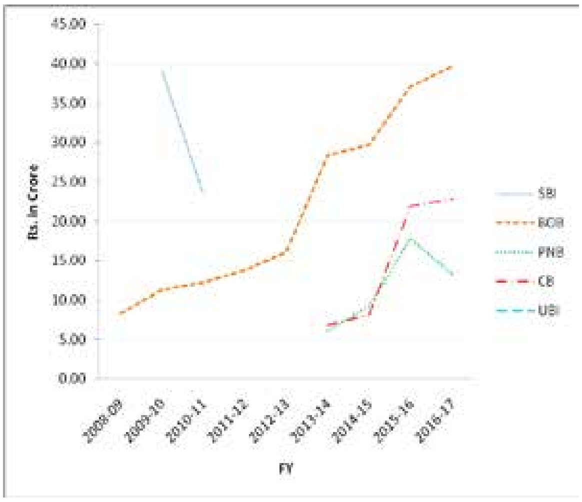

Fig 34 Provision for Low Risk

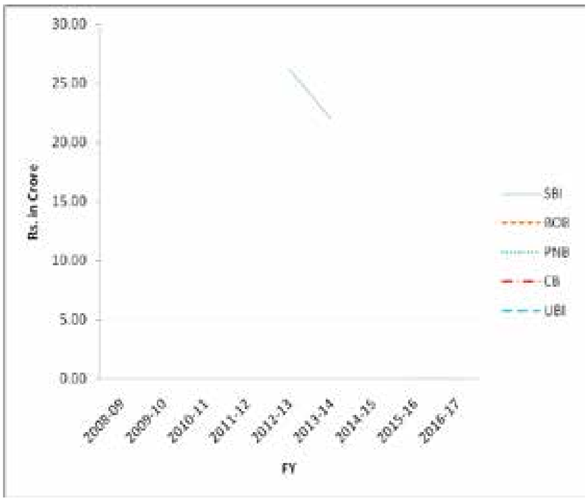

Fig 35 Provision for Moderately Low Risk

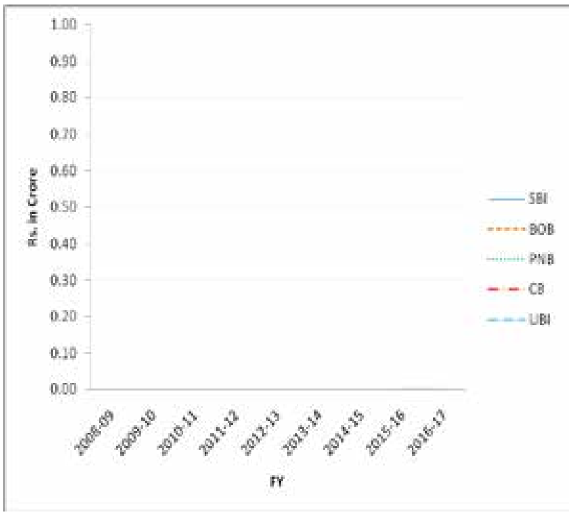

Fig 36 Provision for Moderate Risk

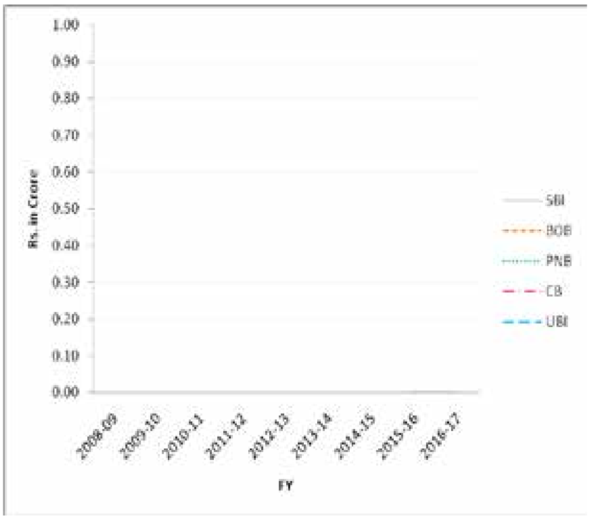

Fig 37 Provision for Moderately High Risk

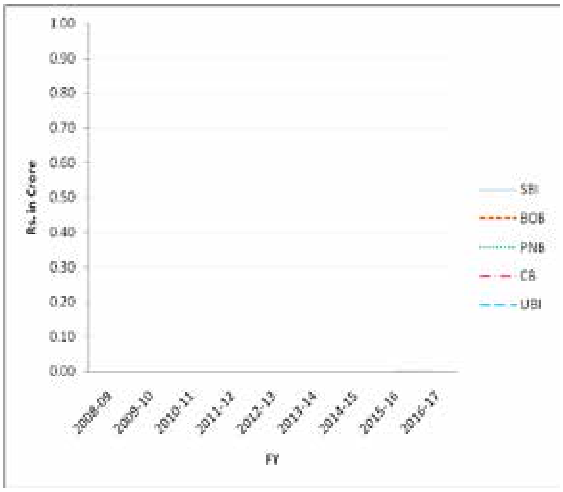

Fig 38 Provision for High Risk

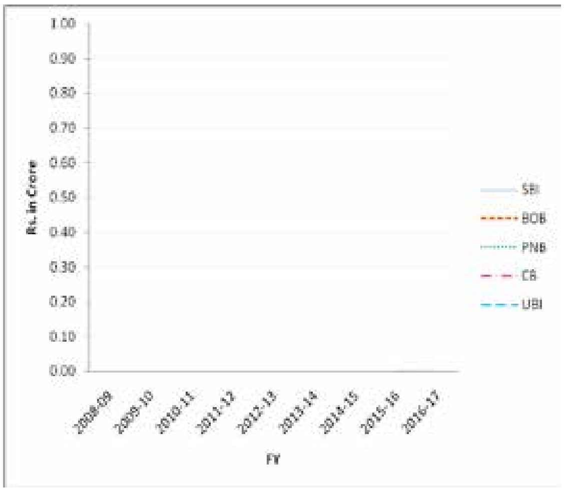

Fig 39 Provision for Very High Risk

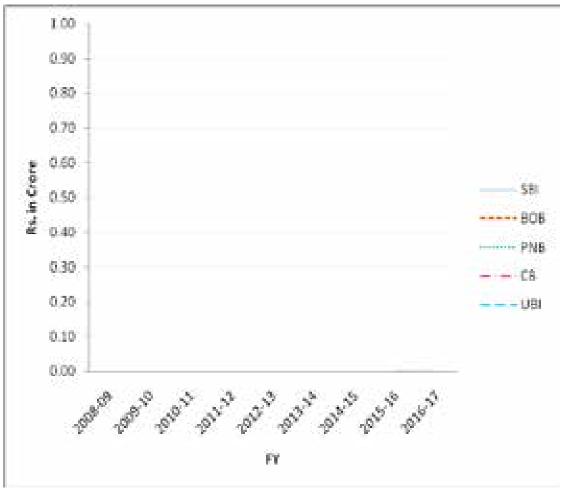

Fig 40 Provision for Restricted Risk

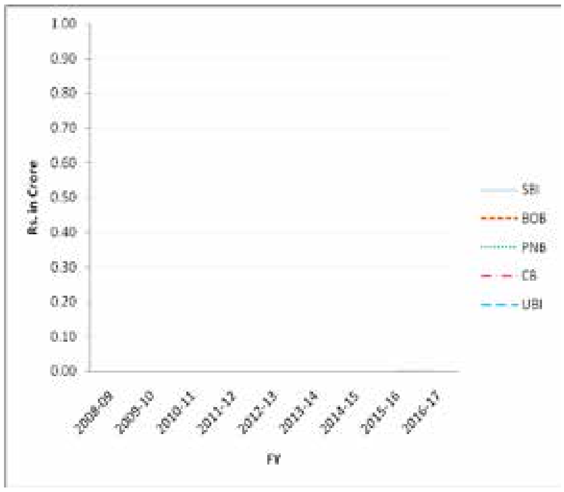

Fig 41 Provision for Off-credit Risk

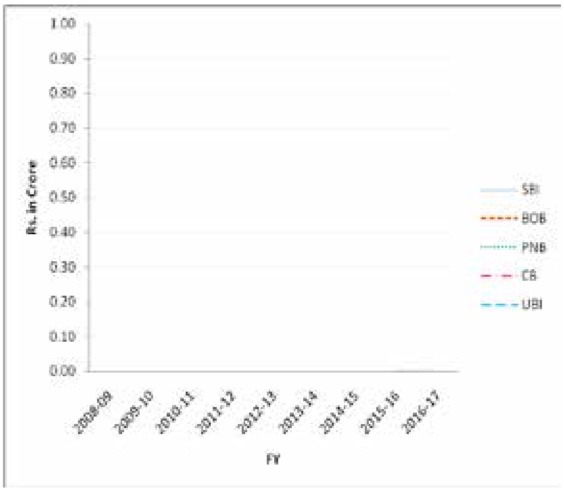

Fig 42 Provision for Non Rated Risk

Credit exposures are classified based on credit risk rating, risk based pricing and limit based pricing. Public Sector Banks are doing credit Risk rating in all credit exposures and try to identify future risk.

Hypothesis Testing

1. **H0:** There is no impact of priority sector advances on Public Sector Banks non-performing assets.

   H1: There is an impact of priority sector advances on Public Sector Banks non-performing assets.

ANOVA

	df	SS	MS	F	Sig.
Regression	1	503105698548298000000000000	503105698548298000000000000	212.81	0.00
Residual	18	42554235035096000000000000	2364124168616450000000000		
Total	19	545659933583394000000000000			

This hypothesis is tested based on a factor like priority sector advances on the bank non-performing assets. We can see that f value is 212.81 and p value is 0.00. As p value is less than 0.05, we reject the null hypothesis. It means there is an impact of priority sector advances on Public Sector Banks non-performing assets.

2. **H0:** There is no impact of provision made for advances on Public Sector Banks profitability.
H1: There is an impact of provision made for advances on Public Sector Banks profitability.

ANOVA

	df	SS	MS	F	Sig.
Regression	1	5353197741730380000000000	5353197741730380000000000	9.12	0.004291
Residual	43	25242855536588300000000000	587043152013682000000000		
Total	44	30596053278318700000000000			

This hypothesis is tested based on a factor like provision made for advances on the bank profitability. We can see that f value is 9.12 and p value is 0.0004291. As p value is less than 0.05, we reject the null hypothesis. Thus, it can be inferred that there is an impact of provision made for advances on Public Sector Banks profitability.

3. **H0:** There is no impact of unsecured advances on Public Sector Banks non-performing assets.
H1: There is an impact of unsecured advances on Public Sector Banks non-performing assets.

ANOVA

	df	SS	MS	F	Sig.
Regression	1	35306903770852900000000000	35306903770852900000000000	158.96	0.00
Residual	43	9551107791875380000000000	222118785857567000000000		
Total	44	44858011562728300000000000			

This hypothesis is tested based on a factor like unsecured advance on the bank non-performing assets. We can see that f value is 158.96 and p value is 0.00. As p value is less than 0.05, we reject the null hypothesis. There is an impact of unsecured advances on Public Sector Banks non-performing assets.

4. **H0:** There is no impact of risk category wise exposures on provision made against category wise advances.
H1: There is as impact of risk category wise exposures on provision made against category wise advances.

This hypothesis is tested based on risk category wise exposures on provision made against category wise advances. We can observe p value for insignificant risk exposures is 0.00, very low-risk exposures is 0.00, low-risk exposures is 0.00 and moderately low risk exposure is 0.00. All these values are less than 0.05. Thus, Null Hypothesis is rejected and it can be inferred that there is as impact of risk category wise exposures on provision made against category wise advances.

ANOVA

	df	SS	MS	F	Sig.
Insignificant Risk Exposures					
Regression	1	3277181488941910000000000	3277181488941910000000000	277.11	0.00
Residual	43	508524338718693000000000	11826147412062600000000		
Total	44	3785705827660600000000000			
Very Low-Risk Exposures					
Regression	1	1227411879335990000000000	1227411879335990000000000	85.09	0.00
Residual	43	620238240087134000000000	14424145118305400000000		
Total	44	1847650119423120000000000			
Low-Risk Exposures					
Regression	1	1835086629848390000000000	1835086629848390000000000	416.89	0.00
Residual	43	189277737203429000000000	4401807841940220000000		
Total	44	2024364367051820000000000			

Moderately Low-Risk Exposures					
Regression	1	1807140826305020000000000.00	1807140826305020000000000.00	20.01	0.00
Residual	43	3883371499087480000000000.00	90310965095057700000000.00		
Total	44	5690512325392500000000000.00			
Moderate Risk Exposures					
Regression	1	0	0	0.00	1.00
Residual	44	448895082133300000000000	10202160957575000000000		
Total	45	448895082133300000000000			
Moderately High-Risk Exposures					
Regression	1	0	0	0.00	1.00
Residual	44	145180585910000000000	3299558770681820000		
Total	45	145180585910000000000			
High-Risk Exposures					
Regression	1	0	0	0.00	1.00
Residual	44	20416415669400000000000	464009447031818000000		
Total	45	20416415669400000000000			
Very High-Risk Exposures					
Regression	1	0	0	0.00	1.00
Residual	44	6473312743540000000000	147120744171364000000		
Total	45	6473312743540000000000			
Restricted Risk Exposures					
Regression	1	0	0	0.00	1.00
Residual	44	6255088695110000000000	142161106707045000000		
Total	45	6255088695110000000000			
Off Credit Risk Exposures					
Regression	1	0	0	0.00	1.00
Residual	44	1679460977200000000000	38169567663636400000		
Total	45	1679460977200000000000			
Non Rated Risk Exposures					
Regression	1	0	0	0.00	1.00
Residual	44	30313557050000000000	688944478409091000		
Total	**45**	**30313557050000000000**			

The value of significance of regression for moderate risk exposures is 1.00, moderately high-risk exposures is 1.00, high-risk exposures is 1.00, very high risk exposures is 1.00, restricted risk exposure is 1.00, off credit risk exposures is 1.00 and non-rated risk exposures is 1.00. The p value is more than 0.05 in above mention seven risk exposures. Thus, Null Hypothesis is accepted. It means that there is no impact of risk category wise exposures on provision made against category wise advances.

Findings:

The major findings can be discussed as follows:

- Based on BASEL III norms, the Public Sector Banks have classified its assets based on risk category and provision is made for it, even the bank has increased its capital reserves. State Bank of India, Bank of Baroda, Punjab National Bank, Canara Bank and Union Bank of India have made around 14%, 26%, 4%, 69% and 42% respectively capital reserve provision from Profit after tax which helps bank to increase Capital Adequacy Ratio.

- The Public Sector Banks are moving towards reducing provision coverage ratio means the provision against income as Public Sector Banks are more focusing on managing credit risk with low provision and higher profit.
- Overall Public Sector Banks are decreasing non-priority sector advances while increasing priority sector advances to fulfil government financial inclusion policy except Punjab Nation Bank which is doing the reverse. In priority sectors, Public Sector Banks are increasing their retail-based service sector advance which is considered as secured advances.
- In Public Sector Banks, addition of gross NPAs are reducing means credit risk management methodology is working still Public Sector Banks are living in huge past NPA burden.
- Public Sector Banks are moving their credit portfolio towards securing advances to reduce the possibility of future NPAs. Also, Public Sector Banks have classified credit risk exposure into various categories and mainly dealing into an insignificant risk or very low risk or low risk or moderate risk category and even the bank has made adequate provision for it.

Suggestions:

To analyze credit risk involved in various credit facilities based on the possibility of NPAs and past records, Public Sector Banks are having credit risk management system. Public Sector Banks are mainly diverting credit portfolio towards securing advances at present to reduce the possibility of future NPAs but this is not a feasible solution. Overall Public Sector Banks are decreasing its priority and non-priority sector industrial advances drastically as NPA increases in this sector over the years, but if advances in such sector are decreasing; it will reduce banks NPAs but also reduce bank profitability. Bank of Baroda and Punjab National Bank has to reduce or manage services – non priority sector advances as NPAs are increasing in this sector drastically over the years. To manage a diversified credit portfolio, Public Sector Banks have to look for an alternative solution or model which reduces NPAs and high profitability.

Conclusion:

Increases in NPAs are the biggest issue for Indian Public Sector Banks which reduce depositor trust towards the bank, but to fulfil BASEL III norms Public Sector Banks are increasing their capital provision and NPAs provision which will generate trust in the mind of depositors towards the bank. Most of Public Sector Banks have moved towards profit after losses in FY 2015-16. To deal with increasing NPAs, Public Sector Banks are diversifying their credit portfolio and moving towards secured advances, but Public Sector Banks have needed to evaluate a more feasible solution/model in competitive dynamic business world using which bank will be able to finance in all sectors with proper risk assessment rather than running towards one sector. Public Sector Banks are practicing credit risk rating system, risk based pricing method and limit based pricing method, etc. In Public Sector Banks addition of gross NPA is decreasing which shows banks are moving in the right direction.

Limitations of the study:

1. The researcher has used secondary data only for this research.
2. The researcher has considered 9 years duration of financial data of Public Sector Banks, but all required financial data are not available for 9 years. Thus, some of the analysis has been done using four years data. Hence, this research results may not be useful to Public Sector Banks.

Scope for Further Research:

Similar study can be done for all banks especially public sector banks separately to address the problem of NPAs which has become headache for the Government. An exhaustive study of all banks can help in identifying and creating a suitable credit risk management model for Indian banks.

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“Measurement of Customers’ Satisfaction”: An Inevitable Exercise for Service Excellence and Customer Delight

[An Epigrammatic Review of Literature on ‘Customer Satisfaction’ With Special Reference To Marketing Of Services]

Dr. (CS) Kalpesh Purohit

Abstract

The secret for multidisciplinary approach of successful Service Marketing is rooted with characteristics of services and role of “People”, people and people” in the service exchange process. Measurement of Customers’ Satisfaction and ensuring it, was viewed as an optional exercise and confined to very few operators in the market place, which has become an evitable condition or probably an ‘Entry Pass’ to chase destination of ‘Customer Delight’. The growth and growth of services, in particular, as an engine and catalyst of modern- day economic prosperity has resulted in a veritable explosion of academic literature dealing with the diverse periphery of Service Management, Service Marketing and customers’ Satisfaction. In the present day contacts, growing number of academicians, researchers and industry experts have begun to pool their knowledge across disciplines, such as Operations Research, Human Resource Management, in order to extend the frontiers of Service Marketing and Service Management thought in to the twenty-first century. Ensuring Customers’ Satisfaction and moving towards the ‘Customer Delight’ requires thro understanding of Services Management, in general, and inevitably includes conceptualization of ‘Service Quality’, ‘Customers’ Satisfaction, and its measurement, in particular.

An attempt is made in the paper to throw light on certain indispensable aspects of Customers’ Satisfaction and its measurement by carrying out an extensive review of literature of contribution made by researcher in the area as pioneering work.

Prologue:

The Service Sector of Indian Economy contributes to around 55 per cent of India’s GDP during the year 2016-2017. It plays a leading role and contributed 68.6 per cent of the overall average growth in GDP in the year 2016-2017. There was 9.4 per cent growth in the Indian economy during commencing phase of 21st century. The service sectors of Indian economy that has grown faster than that of the Indian economy includes Information Technology which is most leading service sectors in Indian economy; IT-enabled services (ITeS); Telecommunications; Financial Services; Community Services, and Hotels and Restaurants (http://business.mapsofindia.com). In the present day scenario Marketing of Services has become extra vigilant and challenging task for all marketers in the market place. It is because of the pioneering reason that Service Marketing is largely based on Customer Relationship Management (CRM) practices. With special reference to it, the consumers buying are intangible and his or her purchase decisions are based on the reputation of a single person; it’s more difficult to compare the quality of similar services and the consumers cannot return the service. Thus marketers have to be extra vigilant to ensure delivering satisfaction to the customers who have availed services to build brand image and good long term Customer Relationship.Marketing of services, due to its unique features, such as, intangibility; heterogeneity; perishability, and inseparability, requires detailed knowledge of Processes, People and Physical evidence, in addition to the four traditional Ps of the marketing mix strategy. Marketing of services is a people-dependent process, owing to the fact that there is often no tangible product that is delivered to customers. Due to the dependency in case of marketing of services on the service provider, the importance of concepts like relationship marketing cannot be ignored in marketing of services. 'Service Quality' and its measurement, 'Role of People as Internal Customers', 'Customers Satisfaction' and its measurement have started soliciting proactive approach on the part of marketers to be successful in the market place, which requires in-depth understanding of the areas.

An Epigrammatic Review Of Literature:

An attempt has been made by the researcher to review the research made by others in the area of conceptualization of Customers' Satisfaction and its measurement together with its related aspects:

Joseph W. Newman And Richard Staelin (1971)[1] had presented new research findings which helped explaining marked differences observed in purchase decision times for new product and appliances. The research paper was based upon the basic ingredient involved in the buying behavior that How long are buyers of major consumer durables "in process" on their purchasing decisions? What factors were related lo differences in decision time? The analysis showed that the effects of variables were often neither additive nonlinear, considerations handled by constructing interaction terms. (Joseph W. Newman And Richard Staelin, 1971).

James R. Bettman (1973)[2] had attempted to concentrate upon the primary concern to model risk in terms of its components. This study attempted to remedy some of the shortcomings of earlier studies like no other study had attempted to obtain values for both the dependent measure, perceived risk, and the component measures and to measure the components in a non-arbitrary manner, a theoretical model of risk and its components is needed. Finally, linear models were used for handled risk. The model of risk shown here suggests that if the marketer desires to reduce risk, he can attempt to influence either the buyer's decision rule or his importance for the product class.

(James R. Bettman, 1973).

Berry,L.L (1981)[3] had strongly admitted the core purpose of internal marketing , and attempt to study why and how to find and maintain customer conscious employees for the purpose of customer satisfaction enrichment. It is also a means of developing and maintaining a "Service Ethos", which has often been used as a competitive advantage for organizations when they get it to work. The paper highlighted the technique as well as difficulties to be responded for effectively developing the internal marketing as a part of framing marketing strategy. The paper provided a useful exploration of the internal marketing concept and the aspects related with application of it. (Berry, L.L, 1981).

Booms,B.H. and M.J.Bitner (1981)[4] had examined the management of personnel working to provide a service. They focused on those staff members as a service provider who have relatively enhanced level of association with service seeking clients. Drawing on "system view "of service management, the paper contends that in service management the operations, marketing and human resource functions are inextricably intertwined. (Booms,B.H. and M.J.Bitner 1981).

Robert B. Woodruff, Ernest R. Cadotte, and Roger Jenkins (1983)[5] had highlighted the problem in a sense that out of body of theoretical and empirical research had come the widely accepted confirmation/disconfirmation paradigm whereby customer Satisfaction/Dissatisfaction (CS/D) was viewed as resulting from a type of comparison process. In identifying which standards or norms influence CS/D, a major thrust of the proposed model calls for more attention to be directed toward the relationships among (1) Use situation, (2) Evoked set of brands, and (3) Brand experiences. Second, attempts to influence satisfaction and outcomes were best aimed at the antecedent cognitive processes. Consequently, future research needs to determine more clearly how these processes, through the zone of indifference, affect CS/D (Robert B. Woodruff, Ernest R. Cadotte, and Roger Jenkins, 1983).

William O. Bearden and Jesse E. Teel (1983)[6] the research study was an attempt to extend this research effort by incorporating consumer complaining behaviour into a theoretical model of consumer satisfaction. This study was designed to further understanding of consumer satisfaction by integrating complaint behaviour into an explanation of consumer satisfaction. Satisfaction is being depicted as a function of consumer expectations operationalized as product attribute beliefs and disconfirmation. The researchers had found some evidence that disconfirmation and expectations are correlated constructs. It was concluded that the consumer complaining behaviour construct itself warrants additional conceptualization and measurement attention (William O. Bearden And Jesse E. Teel, 1983).

Blaise J. Bergiel, Christine Trosclair (1985)[7] had provided an overview of instrumental learning and demonstrate its application in a marketing situation. The research paper argued that instrumental learning rests on the basic assumption that individuals learn mainly by producing changes in their environment and the most direct application of instrumental learning to marketing lies in the maintaining of product and service quality, as quality is perceived by the consumer.

(Blaise J. Bergiel, Christine Trosclair, 1985).

Ellen Day, Richard J. Fox (1985)[8] had examined current practices and presented suggestions for the marketing of service and maintenance agreements. The purpose of this article was threefold: first, to offer a brief review of current practices, which profiles the diversity of offerings and corporate philosophies; second, to discuss critical issues rose in prior studies and in our research; and finally, to present suggestions for the marketing of such offerings.

Some of the interesting observations of the researchers were viz., product warranties, in general, have not been employed as an important strategic tool by most consumer durable manufacturers, some retailers aggressively promote the availability of service contracts at the point of product sale, while others sell these contracts in a passive manner. (Ellen Day, Richard J. Fox, 1985)

Raymond p. Fisk, Stephen W. Brawn, Mary Jo Bitner (1985)[9] had tracked the evolution of the key ideas within the relevant literature, documenting the prolific authors who had contributed to this stream research. The authors had described the distinctive nature of the literature in service marketing; with its focus on the "3 I's: Interaction between academics and service practioners; Interdisciplinary orientation and an International or global focus from the beginning. This specific work is valuable not only for its contribution to an understanding of the evolution of the service marketing literature, but also for the suggested referred references. (Raymond p. Fisk, Stephen W. Brawn, Mary Jo Bitner, 1985).

Heskeet, James L (1986)[10] the referred research had a contribution in three areas viz., quality of service, customer loyalty or customer retention and service mapping. The author had reviewed the multifunctional nature of the service encounter and the implication of this for organization structures, selection, training and compensation and had also dealt with process and function, thus illustrating the multifunctional and multifaceted aspect of service management. The paper had also highlighted some thought provoking ideas relating to what we can call a set of challenges for future research, they are relating with how to measure the "fit" between the internal elements of strategy and company; assessing inter-relationship between individual elements and each framework; factoring concept of focus, leadership and culture in to research; and how to apply the result into practice for better service management (Heskeet, James L, 1986).

Claes Fornell and Birger Wernerfelt (1987)[11] had attempted to give an economic model of protective marketing strategy to be designed for management of complaint. The authors had also provided arguments that protective marketing (e.g. Complaint management) can bring down the total expenditure of marketing by drastically elimination of the cost of aggressive marketing (e.g. Heavy advertising). Successful marketing strategy fundamentally depends on the firm's ability to identify and influence the flows of customers into and out of its franchise and into and out of the market. The authors had concluded their work by giving model on complain management (Claes Fornell And Birger Wernerfelt, 1987).

Gummesson, Evert (1987)[12] had explained the evolution of relationship marketing in terms of relationships, network and interaction. He had claimed that there is an aspirational movement from confined illusionary philosophy and thought of operational marketing towards a more weight on winning strategy on both the side as described and implied in relationship marketing. It is then viewed from three different view point viz. Organizational, Managerial, and Microeconomic. One of the most useful aspect of the research paper was the authenticated articulation of the three quite different elements of the market economy viz. Competitiveness, Collaboration, and Control. The paper had provided deep insight into the dynamic of marketing as against the conventional marketing (Gummesson, Evert, 1987).

David K. Tse And Peter C. Wilton (1988)[13] had elaborated research problem with agreement that post consumption consumer satisfaction/ dissatisfaction (CS/D) can be defined as the consumer's feed back to the assessment of the perceived discrepancy between customers' expectations or some other norm of perceived performance, and the actual performance of the product as experienced after its consumption. Researchers had suggested that CS/D is affected by a pre consumption evaluation norms and disconfirmation that is the extent to which this pre-experience comparison standard is disconfirmed. This research study had provided strong theoretical and empirical support for extending the Expectation and Disconfirmation model of CS/D to include direct influences from perceived performance. (David K. Tse And Peter C. Wilton, 1988).

George, William R. (1990)[14] had contributed in to two main parts. In the first part, the authors had argued that the marketing concept has been revised or reinterpreted to accommodate a core made up of relationships and an emphasis on activities which maintain relationships. The second part of the research paper had presented findings from the case study research aimed at exploring the intensity of interactive marketing in five Finnish companies from service and manufacturing sectors. The review of the research contribution revealed considerable scope for theory development regarding the consequences on society of the interactive and independent behaviors of service customers, service providers, and service facilitators (George, William R., 1990).

James H. Myers (1991)[15] had a base of studying all the prevailing methods for measurement of customer satisfaction available from the existing research output. Three useful perspective being used today to examine and evaluate customer satisfaction with a product or service that includes (1) Simple performance ratings, (2) Measurements based on equity theory, and (3) the Disconfirmation of expectations.

The focus of this article was on the last and most widely used approach, expectancy disconfirmation. The findings were also shown that wants deficiencies can be a better way to measure customer satisfaction than expectations deficiencies in the sense that the former are more highly related to overall satisfaction ratings (James H. Myers, 1991).

llemUKhiiiiorge, HanUF.Kemg (1991)[16] had conducted within a regulated business sector nursing homes. Typically, regulated industries face a more complex task of managing customer satisfaction than do unregulated industries. The purpose of research was to assist an administrator in such an effort by developing a customer satisfaction survey. The concluding remarks presented that the instrument developed was a preliminary effort to enable administrators to evaluate "ultimate" customer satisfaction. Measurement of those dimensions should provide the administrators with feedback on "Common Cause" problems within the home. Such feedback is important as work rule changes, changes in pay (positive or negative), administrative changes, and general staff turnover are likely to influence ultimate consumer satisfaction either directly or indirectly (llemUKhiiiiorge, HanUF.Kemg, 1991).

Bowen, D.E., E.E. Lawler III (1992)[17] had examined the propriety and usefulness of the Employee Empowerment Model versus the Traditional Management Control Model as operationalized to the service sector. The model advocates worker involvement and self-management, whereas the control model akin to the assembly-line concept of organizing work, based on hierarchy, procedure and work standardization. The research contribution suggested lower level of empowerment as "Suggestion Empowerment" and higher level of empowerment as "Job involvement". It was concluded that globalization and commitment, competition have placed pressure on manufacturing companies to optimize the human resource contribution to competitiveness by empowering the workers (Bowen, D.E., E.E. Lawler III, 1992).

Gammesson. E (1994)[18] had tracked the rational of the network approach to map the features of the assumption on which it is established. It had highlighted major marketing problem of firms as being concerned with the establishment, development and maintenance of lasting business relationships with the firms 'customers ,suppliers and other important actors. The insight generated by this research focused on interaction in business relationships. It was admitted in the research outcome that there exist a conflict regard to adopting relationship marketing as tool since it dose cost and some other issues related with technology, structure profitability are to be responded (Gammesson. E, 1994).

Payne, A.F.T., and M.K. Clark (1994)[19] had focused attention on services marketing to ultimate end markets, emphasizing that there were a number of end markets as well as internal markets within the business entity to which philosophy, thoughts, and practices of literature of marketing can put in to the use. The researcher had accepted a wider combined focus of markets with which a service provider generally deals with, and proposed a "Six Markets Model". The strategic design developed and adopted for managing services marketing with the three key sequential exercise. It was suggested that further research is required which has examine the extent to which this broad view of marketing replaces the domain of other disciplines such as management or occupational theory (Payne, A.F.T., and M.K. Clark,1994).

Parasuraman A., Valarie A Zeithaml and Leonard l. Berry (1994)[20] had reported a contention that a drastic shift in the application of the principles of marketing is taking shape in the present day context. The object of this study was to investigate and examine the nature and outcomes of the marketing paradigm of today's marketing mix management and how trends have taken place in business and in modern marketing research. Customer Relationship Marketing (CRM) or relationship building and organizational management were found to be an underlying dimensions in the research into these areas. (Parasuraman A., Valarie A Zeithaml and Leonard l. Berry, 1994)

Fynes, B. and S. Ennis (1994)[21] had examined the variety of drastic alterations influencing production or industry producers and corporate institutions. Amongst the focus dealt by the authors were the moves towards lean production, increasing significance of logistics, the increasing quest for quality manufacturing and the derive for World Class (Fynes, B. and S. Ennis, 1994)

James L. Walker (1995)[22] had attempted to present conceptual understanding while apparently acknowledging the process of service consumption, offers practitioners critically get insight into controlling service performance to offer satisfaction to consumers. The purpose of this research was to present a rich conceptual understanding of the disconfirmation paradigm appropriate for service performance. The crucial components that had been discussed with considerable theoretical and with evidential support by the disconfirmation model. This model argues that customer satisfaction is concern to both the volume and direction of disconfirmation; with respect to following there probable results viz., negative disconfirmation, positive disconfirmation, and confirmation (James L. Walker, 1995).

Nigel F. Piercy and Neil A. Morgan (1995)[23] had presented data and information on executive workshop and research proofs to promote an argument that both research and managerial functioning should carry in terms of its implication. This model has conceptualized and argue that exercise to be learned as a versatile conceptual thought, acknowledging an investigative angle of the Tool , Process and System, but also a behavioral aspects like Approach and Ambitions, Aspirations and Motivation of the people involved, and an institutional dimension reflected with Administrative functioning, Organizational Culture, Subculture and flows of Communication and information that is the relation in which the official organizational system works. (Nigel F. Piercy and Neil A. Morgan, 1995).

Prem N. Shamdasani ,Jagdish N.Sheth(1995)[24] had tried to define service quality and customer satisfaction standards in operational terms of the extent to which the partner is willing to provide quality and timely technical support to customers. This research represented a first attempt to examine systematically the joint effects of these experimental aspects in a relatively challenging inter organizational context of marketing joint ventures. The results confirmed the significance of Commitment, Competence and Compatibility in ongoing strategic ventures since they strongly influenced satisfaction and continuity of venture. (Prem N. Shamdasani, Jagdish N.Sheth, 1995).

V Hanna, C J Backhouse and N D Burns (1995)[25] had considered the relationship between human behavioral patterns taking shape in industrial environments and its impact on the customer satisfaction externally. The hypothesis was attempted to form and test correlating behavior pattern of those who are related with the service provider to levels of customer satisfaction a route can be found to improve performance by changing behaviors of the concern persons. This work was closely related with generating a new dimension of motivation. The work examined the relationship of personal factors viz., personal need satisfaction and moral development, and organizational factors viz., organizational culture and cohesiveness. The overall conclusion of the exercise was that there existed a need to dull situational controls on staff behaviour by giving the local managers more work autonomy especially over decision making. It was concluded that there are many factors affecting the behavior of individual employees and groups in the functional environment (V Hanna, C J Backhouse and N DBurns, 1995).

Roger Hallowell (1996)[26] had focused on the relationships among Customer Satisfaction, Customer Loyalty, and Profitability and had presented an empirical investigation of one retail bank and tried to present research outcome for general application.

The research purpose was to explain the relationship of profitability to intermediate, customer concern outcomes that service marketer can influence directly. Its findings supported the theoretical learning that customer satisfaction is related to customer loyalty, which in turn is related to profitability. The researcher on service marketing and

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customer satisfaction should try to avoid the things, viz. the first to the degree possible they should work with an organization to develop illustrative measurement systems before measuring customer satisfaction, loyalty, and profitability, the second, that they may want to focus on both for the purpose of extending external validity and to examine whether variance explained will dramatically increase for data sets from industries in which profitability can be expected to be more closely associate to customer satisfaction (Roger Hallowell, 1996).

Vidal Diaz De Rada Iguzquiza (1996)[27] had intended to find, from a crucial perspective and present the components having impact on the Customer Satisfaction(CS); in particular, the subjective perception of consumers' personal economic position having comparison for a period of last 12 months. It was concluded that customer satisfaction found natural relation with the economic position which is related and forming the strong relationship between this variable, and the feeling of personal happiness that really attracts attention, and it should be taken into consideration that people who benefit from a high social position knows better not only their own personal situation, but also the social circumstances of their environment which lead them to look to the future with more optimism. (Vidal Diaz De Rada Iguzquiza ,1996).

Bernd Stauss and Patricia Neuhaus (1997)[28] had laid down lacunas and limitations in the operational aspects related with measurement of customers' satisfaction which can be concluded as a factor contributing for the probable mistake that why customers' satisfaction fails to be a relationally valid indicator for customer loyalty. The instrument used for measuring satisfaction implied the concept that customer satisfaction is a state of experience that might vary in degree but not in quality. This lead to the assumption that customers who experience the same degree of satisfaction have a qualitatively similar experience, and having the same intentions concerned with their future behavior towards an organization. (Bernd Stauss and Patricia Neuhaus, 1997).

Banwari Mittal, Walfried M. Lassar (1998)[29] had explored the problem of Customer Defection in service sector that reflect great challenge to understand Customers' Disloyalty as opposed to physical products companies .

The research problem was identified based on the assumption that if the research scholar realized a gap between customer satisfaction and customer loyalty, it would question the important assumption service provider make about the satisfaction-loyalty correspondence, and so an attempt to investigate the linkage between customer satisfaction and customer loyalty on the one hand and measurement of service quality on the other hand. They were of the opinion that measuring satisfaction only can convey to them whether the customer is satisfied or not, but not how to make use of it and in what further way utility of this learning can be established. The concluding remarks revealed that it turned out that the relationship between Customers' Satisfaction and Loyalty is asymmetrical that is while dissatisfaction may nearly ensure switching, satisfaction does not guarantee loyalty. (Banwari Mittal, Walfried M. Lassar, 1998).

David A. Tansik Robert Routhieaux (1999)[30] had attempted an investigation to find effect of music an inherently stressful environment on customers, persons waiting for surgery of patients in a hospital's surgery waiting room. These persons were either the actual service seeker or customers of the hospital using the hospital's services, or were specifically involved in the decision making make use of the hospital services for the patient's surgery, or it also includes often those assuming responsibility for making financial payments. The results and conclusions of the research had contributed to the ongoing research concerning the role of atmospherics or ambience of a service system in customers' quality assessment and satisfaction evaluations. It was further recognize that inclusion in the

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overall atmosphere and ambiance is a low cost provision can only give relaxations from stress to the concern audience ,but having less impact on overall service assessment or evaluation.

Cynthia A. Lengnick, Hall, Lawrence W. Inks (2000)[31] had attempted to investigate the probability of customers to have control and influence over the outcomes they experience by focusing on the probable means for customers are having to influence the outcomes. They had tested assumed and developed a relationships between customer roles and different perceived individual-level results. The authors had discussed the core issue in underlying this study if customers can affect the result in their relationship with a firm or not? It was recognized that the degree of service concern might also can exert an indirect impact on experienced results. It was concluded that buyer influence on advantageous outcomes were shaped by two dimensions viz. the Customers' perception about service organization and quality of service and the association developed with the service organization. This study has created a base for some avenues of future research.

The results offered a convincing explanation of the significance of viewing customers from a variety of perspectives, not simply as the punchers of the firm's product and services. The detail explanation demonstrated on the views and opinion of the customers has implications for researchers and service provider both in the competitive scenario and inside an organization. (Cynthia A. Lengnick, Hall, Lawrence W. Inks, 2000).

Felicia G. Lassk (2000)[32] had investigated one aspect of customer satisfaction of c-store. The objective of the research study was to examine c-store clients' feelings and aspirations of products and services offered there to enlarge the product and service mix, and as a result to that convert it in to an increased customers' satisfaction. The attributes were identified, through exploratory research that includes Customer Service, Cleanliness and Hygiene, Value Perception, and concern and experience of Personal Security, Ambiance and its Employees, and the Product and Service mix. The results of the study revealed limited generalization because of the fact that only the store specific opinions of clients were reported. However, it was strongly suggested that administration should investigate perception of the customers with regards to service and product mix (Felicia G. Lassk, 2000).

Joan L. Giese, Joseph A. Cote (2000)[33] had tried to resolve existing inconsistencies by offering a framework that researchers can use to develop clear and logically consistent, context-specific understanding of customer satisfaction. This research had suggested a conceptual understanding of customer satisfaction based on similar the views of customers. It discussed how this skeleton of understanding can be used to develop a conceptual base of satisfaction to confine different learning on context. It tried to ensure that concept of satisfaction are consistent with consumers' opinion. In this study, an attempt was made to learn consumers' meanings of satisfaction and consumers must understand what service provider mean when he is having intention to use the term, satisfaction. Under this study satisfaction was viewed of in terms of three basic components. The authors had attempted to identify the conceptual definition of satisfaction, relate specific necessary elements for any meaningful definition of satisfaction, and highlight an exercise for developing context-specific definitions that can be compared across the various studies. (Joan L. Giese, Joseph A. Cote, 2000).

Praveen K. Kopalle Donald R. Lehmann, (2000)[34] had focused on three marketing-mix variables viz., the level of the advertisement of product quality, average actual quality, and the price charged. A service provider who inflates its quality and has high sales initially but has to face the trouble of lower sales at the later stage when consumers learn that the product could not satisfy their expectations. Quality expectations depend on the advertised and true levels of service quality. The results suggested that puffery increases as the base satisfaction level increases, price increase, and quality decreases respectively. The model deals with the issues such as a non-linear relation between the gap between actual and announced quality and satisfaction, and customers' tendency to strategically lower their expectations while evaluating satisfaction. The researchers had also examined decisions relating price as well as both average actual and advertised quality (Praveen K. Kopalle Donald R. Lehmann, 2000).

Tlmnas G. Noordennv, DmaRogeis, P. V. Sund K. BaUmshn (2000)[35] had estimated using conjoint techniques, the utility values associated with different levels of long-term care policy attenuates, as well as the overall importance of the attributes. A simulation procedure for estimating the percentage of customers who would prefer specific types of policies was also presented. The findings warranted attention because marketers often are concerned that some customers may assess feature or attribute importance differently as a result of prior product experience (Tlmnas G. Noordennv, DmaRogeis, P. V. Sund K. BaUmshn, 2000).

Claes Cassel & Jan A Eklof (2001)[36] had explored the pre-requisites for developing a common model useful for describing aggregate Customer Satisfaction Index (CSI) outcomes throughout Europe, consisting of similar efforts across the world. The research was pillared upon an assessment of the sustainability and robustness of empirical outcomes from ECSI pilot survey conducted in the year1999. The two connected problems in Structural Model Analysis had investigated viz. robustness of model structure for comparability, and measurement for identifying hidden factors. The findings of this research study were found positive for the propensity of a robustness in a model structure. (Claes Cassel & Jan A Eklof, 2001).

Jagdish N. Sheth, Atul Parvatiyar (2001)[37] had a transactional focus of marketing. It observed, the paradigm shift from transactions to relationships was that associated with the return of direct marketing both in Business-to-Business and Business to Consumer markets. Its object was to understand the evolution of relationship marketing, and to identify its associated matters.

The researcher had planned to explain that while relationship focused in the post-industrial era was a clear paradigm shift from the exchange focus of the industrial era, it is really a rebirth of marketing practices. (Jagdish N. Sheth, Atul Parvatiyar, 2001).

Utpal M. Dholakia, Vicki G. Morwitz (2002)[38] had explained that dealing with the survey questions changes measurement and judgments and behavior at the later stage. The research paper had examined the extent and relevance of the impact of measurement of customer satisfaction on consumer behavior as changes with the passage of time. An empirical research carried out with the help of experimental research design in the area of financial services setting. It made attempt to find that measurement of customer satisfaction whether changes one-time Purchase Behavior, or whether changes are related to customer behavior resulted out of defection, aggregate product use, and its impact on profitability, and whether there the results in effects that increase for months often vary and persist even a year later. Their findings provoke questions related to the design, interpretation, and ethics in the application of applied marketing research studies. (Utpal M. Dholakia, Vicki G. Morwitz, 2002).

Boris Bartikowski and Sylvie Llosa (2004)[39] had treated concern related factors theoretically and empirically. The purpose of the approaches was to divide attributes according to its relationship with CS. It was formulated to study the relationship of some of these approaches that can fetch a versatile understating of the results that brought about conceptual and organizational implications and applications and provided recommendation for future research. It had reviewed concept of attributes variant and invariant weight in relation to overall customer satisfaction. The research contributed suggestions as to how to assess validity of the methods so that it shall be a rational direction for future research (Boris Bartikowski and Sylvie Llosa, 2004).

Jae-Young Kim, Junyean Moon, Dongchul Han and Surinder Tikoo (2004)[40] had carried out research based upon the contention that staff of the service provider should be willfully involved and should be an inseparable part of in Customer-oriented behavior. The research paper had attempted to answer this question using a justice-based approach for a research problem that what leads to employee willingness to engage in customer-oriented behaviour? The researchers had identified two different dimensions viz., Distributive Justice and Procedural Justice of the individuals' judgment of workplace fairness. (Jae-Young Kim, Junyean Moon, Dongchul Han and Surinder Tikoo, 2004).

Jasmina Bajramovic, Lynne Emmerton, SusanE. Tett (2004)[41] had presented theoretical construct that can achieve learning on beliefs and attitude of clients, about their illness, treatment and medicine-taking should have positive effect on behavior and customer satisfaction with respect to treatment, and health outcomes may be improved. Its basic purpose was to explore, beliefs and expectations of general practitioners, customers and pharmacists in relation to concordance to allow further exploration of the implementation of principles of concordance in Australia. The recommendations were made about ways to achieve concordance by improved information sharing, and shared decision making (Jasmina Bajramovic, Lynne Emmerton, and SusanE. Tett, 2004).

Vicente Martínez-Tur, José M. Peiró, José Ramos (2005) [42] had elaborated the research work based on the contention that organizational limitations in performance of services were not only related to work performance and motivation. They had also predicted customer satisfaction. The constraints in actual work environment and customer assessment were found as related with each other because the customer was present while the actual services were provided. The objective of this study was to analyze the role of situational limitations in estimating customer satisfaction with service organizations. The research paper pointed out organizational implications and future directions for research on constraints and customers' satisfaction relationships. It contributed to the situational constraints literature by comparing the specific contribution of social verses technical constraints to estimate Customers' Satisfaction (Vicente Martínez-Tur, José M. Peiró, José Ramos, 2005).

Caterina C. Bulgarella (2005)[43] made model to argue that employee satisfaction not only having impact on employee involvement, commitment, engagement with the organization and employee loyalty, but it is also having deep direct and indirect impact on crucial factors related or determining customer satisfaction. The empirical literature conceptualized in their report highlighted the sensitive association of the relationship between employee attitudes and customer satisfaction. Employees feeling for their job not only has deep impact on their job experience, but also on visible business results like customer satisfaction, sales, and profitability. Employees can have rational and valid contribution to an organizational success by having a customer-centric approach while performing their job irrespective of the job that they perform, and in their work-related dealings with the customers. They can achieve this organizational aspiration only if they are satisfied with their job (Caterina C. Bulgarella, 2005).

Yong Tae Bang (2009)[44] had sought an understanding of the antecedents of customer satisfaction for both academics and marketers by dealing with Chinese pomegranate products consumed in Korea. It was concluded that customer satisfaction has an elastic type of character in each of its stages which gives service providers an opportunity to leave impact on the satisfaction judgment to a greater extent because it has not been crystallized. Customer satisfaction involves not merely disconfirmation intuition, decision and judgment but it is equally a subjective and affective component as well. This aspect is especially significant when companies are in the process and putting efforts in establishing a relationship with a customer in the early stages of dealings (Yong Tae Bang, 2009).

LIU Suisun, ZHAO Xing (2010)[45] had carried out a detail marketing research in the area of customer satisfaction. The ambit and scope of it by its requirement partial in nature. They put satisfaction models into either a macro level or a micro level to give simplification to their presentation. The pool of information that the researcher can review may consume a huge amount of time and effort, but the advantages of understanding customer satisfaction models may pay equal reward in useful analyses for the future research. (LIU Huiqun, ZHAO Xin, 2010).

Epilogue:

It may be an aspiration of every marketer to have pool of satisfied customers that surely ensures long term survival and growth in the market place. Marketers are always curious to know how satisfied their customers are while dealing with an offer and a brand. However facts to be accepted that Customer satisfaction, including its measurement is a multi-facet phenomenon and governed through variety of versatile factors that includes constituents of an Offer, People involved, Processes followed and Concern for improvement is shown by the marketers. Customers' experience (Satisfaction v/s Dissatisfaction) is an outcome of many elements constituted in an 'Offer' and these elements do very from one type of service to another and from one provider to another. It is a measurement of perceptual aspects of customer and therefore perceived significance of different variables keep on changing for different services. So it not possible to measure it with existing instrument or model, rather specific research instrument constituting specific variables to be developed by each individual organisation or marketers involving their own specific variables.

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Impact of demonetisation over Primary market- a post demonetisation study of selected IPO's

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Abstract

Demonetisation is a term when the present legal currency of any country is declared as an illegal tender either spontaneously or will be demolished after a period of time. Sometimes some government give time to exchange it, sometimes even time is not given. Share Market works on greed as well as rumors. One needs to be very specific while investing money. Indian market already went through many shocks given by harsahd Mehta to subroto roy! People took advantage of rumor and incomplete information. That's how a share market run!

This paper aims to find the impact of demonetisation over IPO's issued by Indian companies even in post demonetisation era. Surprisingly quite a number of ipos were issued after demonetization. Is it really worth to issue IPO's after demonetisation. What was the impact of under and over pricing of IPO's offer price?

Key words- demonetisation, IPO, Indian stock market.

Introduction

Primarily, issues made by an Indian company in primary market can be classified as public, rights, bonus and private placement. While right issues by a listed company and public issues involve a detailed procedure, bonus issues and private placements are relatively simpler. (a) Public issue can be in form of Initial Public offer (IPO) or Further public offer (FPO) where as Rights issue and Bonus issue too are good choice to raise funds from market.

From 1992, Indian primary market ushered in an era of free pricing. SEBI does not play any role in price fixation. The issuer in consultation with the merchant banker on the basis of market demand decides the price. The offer document contains full disclosures of the parameters which are taken in to account by merchant Banker and the issuer for deciding the price. The parameters include EPS, PE multiple, return on net worth and comparison of these parameters with peer group companies. On the basis of pricing, an issue can be further classified into fixed price issue or book building issue. In case of a fixed price issue the issuer at the outset decides the issue price and mentions it in the Offer Document, whereas in case on a book built issue the price of an issue is discovered on the basis of demand received from the prospective investors at various price levels.

The book building method is more efficient as it solves the "leakage" of value often seen with fixed priced IPOs. Here the issuer sets a price range within which the investor is allowed to bid for shares. The range is based on where comparable companies are trading and an estimate of the value of the company that the market will bear. IPO grading is intended to run parallel to the filing of offer document with SEBI and the consequent issuance of observations. Since issuance of observation by SEBI and the grading process, function independently, IPO grading is not expected to delay the issue process.

Parties to IPO

Literature review

Hema, (2010) mentioned in her paper that book building is a tedious process but for both IPO and FPO the companies need to undergo the process. It has pricing, demand and issuing opportunity to meet with demand in the industry. Though it is different than the ficxed pricing process but still useful for the companies.

Iqbal (2013), Pricing and performance of IPOs: Evidence from Indian stock market, mentioned in his paper that major of the companies always see market sentiment in advance and Indian companies are having tendency to bring IPOs' when the sentiment is high as well as positive. Indian market does not work for butterflies but for the long term investors.

Nalina and Rakesh , (2017), found in their paper , Indian IPOs performance, that after new government there was outer performance of Indian companies with reference to relative wealth of companies. Though there was worldwide crisis in stock market after the subprime. But in India performance was comparatively better. The wealth relative was underperformance during the subprime crisis due to global slowdown effect but corrective measures by fellow government made it a outer perform in2012 to 2016 time period.

Type of data- secondary

Type of research- analytical

Sample size: 41(these the exact number of IPO's Available for the time period)

Sampling method: The justified and random sampling method was used to conduct the survey.

Sampling unit: sampling unit is the main line IPOs listed in NSE and BSE for the period from 1st April 2017 to 31st march 2018, so that immediate impact of demonetisation can be analysed .

Data collection source- data is collected from the internet, journals and books and websites such as SEBI, NSE, BSE and MONEYCONTROL.

Tools- Sharpe ratio, Jonson's ratio, treynors ratio.

Objectives of the study

1. To measure the impact of demonetisation over initial under pricing of IPOs in India i.e. from the date of offer to the public to the date of their listing.
2. To examine the extent of short run under pricing and overpricing of IPOs in India

Outline of analysis:

To test the data and to derive to a conclusion, the use of different ratios such as listing day return, market benchmark return, market adjusted excess return, Sharpe's ratio, Treynor's ratio and Jenison's alpha measures are used.

Research methodology

List of IPO's included in study

Issuer Company	Issue Open	Issue Close	Listing date	Offer Price\ issue price (RS)
Hindustan Aeronautics Limited IPO	16-Mar-18	20-Mar-18	28-Mar-18	1215
Bandhan Bank Limited IPO	15-Mar-18	19-Mar-18	27-Mar-18	375
Bharat Dynamics Ltd IPO	13-Mar-18	15-Mar-18	23-Mar-18	428
H.G. Infra Engineering Ltd IPO	26-Feb-18	28-Feb-18	09-Mar-18	270
Aster DM Healthcare Ltd IPO	12-Feb-18	15-Feb-18	26-Feb-18	190

Galaxy Surfactants Limited IPO	29-Jan-18	31-Jan-18	08-Feb-18	1480
Amber Enterprises India Limited IPO	17-Jan-18	19-Jan-18	30-Jan-18	859
Newgen Software Technologies Limited IPO	16-Jan-18	18-Jan-18	29-Jan-18	245
Apollo Micro Systems Limited IPO	10-Jan-18	12-Jan-18	22-Jan-18	275
Astron Paper & Board Mill Ltd IPO	15-Dec-17	20-Dec-17	29-Dec-17	50
Future Supply Chain Solutions Ltd IPO	06-Dec-17	08-Dec-17	18-Dec-17	664
Shalby Limited IPO	05-Dec-17	07-Dec-17	15-Dec-17	248
HDFC Standard Life Insurance Company Ltd IPO	07-Nov-17	09-Nov-17	17-Nov-17	290
Khadim India Limited IPO	02-Nov-17	06-Nov-17	14-Nov-17	750
The New India Assurance Company Limited IPO	01-Nov-17	03-Nov-17	13-Nov-17	800
Mahindra Logistics Limited IPO	31-Oct-17	02-Nov-17	10-Nov-17	429
Reliance Nippon Life Asset Management Ltd IPO	25-Oct-17	27-Oct-17	06-Nov-17	252
General Insurance Corporation of India IPO	11-Oct-17	13-Oct-17	25-Oct-17	912
Indian Energy Exchange Ltd IPO	09-Oct-17	11-Oct-17	23-Oct-17	1650
MAS Financial Services Ltd IPO	06-Oct-17	10-Oct-17	18-Oct-17	459
Godrej Agrovet Limited IPO	04-Oct-17	06-Oct-17	16-Oct-17	460
Prataap Snacks Limited IPO	22-Sep-17	26-Sep-17	05-Oct-17	938
SBI Life Insurance Company Ltd IPO	20-Sep-17	22-Sep-17	03-Oct-17	700
ICICI Lombard General Insurance Company Ltd IPO	15-Sep-17	19-Sep-17	27-Sep-17	661
Capacit'e Infraprojects Limited IPO	13-Sep-17	15-Sep-17	25-Sep-17	250
Matrimony.com Limited IPO	11-Sep-17	13-Sep-17	21-Sep-17	985
Dixon Technologies (India) Limited IPO	06-Sep-17	08-Sep-17	18-Sep-17	1766
Bharat Road Network Limited IPO	06-Sep-17	08-Sep-17	18-Sep-17	205
Apex Frozen Foods Ltd IPO	22-Aug-17	24-Aug-17	04-Sep-17	175
Cochin Shipyard Ltd IPO	01-Aug-17	03-Aug-17	11-Aug-17	432
Security and Intelligence Services (India) Ltd IPO	31-Jul-17	02-Aug-17	10-Aug-17	815
Salasar Techno Engineering Ltd IPO	12-Jul-17	17-Jul-17	25-Jul-17	108
Au Financiers (India) Limited IPO	28-Jun-17	30-Jun-17	10-Jul-17	358
GTPL Hathway Limited IPO	21-Jun-17	23-Jun-17	04-Jul-17	170
Central Depository Services (India) Limited IPO	19-Jun-17	21-Jun-17	30-Jun-17	149
Eris Lifesciences Limited IPO	16-Jun-17	20-Jun-17	29-Jun-17	603
Tejas Networks Limited IPO	14-Jun-17	16-Jun-17	27-Jun-17	257
IndiGrid InvIT Fund IPO	17-May-17	19-May-17	06-Jun-17	100
PSP Projects Ltd IPO	17-May-17	19-May-17	29-May-17	210
Housing and Urban Development Corporation Ltd IPO	08-May-17	11-May-17	19-May-17	60
S Chand and Company Ltd IPO	26-Apr-17	28-Apr-17	09-May-17	670

Calculation of ratios

Issuer Company	Listing day returns	Market bench-mark return	Market adjusted excess return	sharpes ratio	treynor's ratio	jenson
Hindustan Aeronautics Limited IPO	-7.68%	-0.11%	-0.08	-0.82	-0.17	-0.14
Bandhan Bank Limited IPO	21.42%	0.89%	0.21	0.80	0.16	0.15

Bharat Dynamics Ltd IPO	-9.55%	-3.50%	-0.06	-0.92	-0.19	-0.16
H.G. Infra Engineering Ltd IPO	0.02%	-2.54%	0.03	-0.39	-0.08	-0.07
Aster DM Healthcare Ltd IPO	-5.64%	0.35%	-0.06	-0.70	-0.14	-0.12
Galaxy Surfactants Limited IPO	12.84%	-4.09%	0.17	0.32	0.07	0.06
Amber Enterprises India Limited IPO	30.57%	1.42%	0.29	1.31	0.27	0.24
Newgen Software Technologies Limited IPO	3.16%	2.90%	0.00	-0.21	-0.04	-0.04
Apollo Micro Systems Limited IPO	39.44%	2.67%	0.37	1.80	0.37	0.33
Astron Paper & Board Mill Ltd IPO	58.23%	0.83%	0.57	2.85	0.58	0.51
Future Supply Chain Solutions Ltd IPO	3.18%	1.20%	0.02	-0.21	-0.04	-0.04
Shalby Limited IPO	-3.66%	1.64%	-0.05	-0.59	-0.12	-0.10
HDFC Standard Life Insurance Company Ltd IPO	15.76%	-0.25%	0.16	0.49	0.10	0.09
Khadim India Limited IPO	-8.93%	-2.54%	-0.06	-0.89	-0.18	-0.16
The New India Assurance Company Limited IPO	-10.34%	-2.18%	-0.08	-0.96	-0.20	-0.17
Mahindra Logistics Limited IPO	0.03%	-0.98%	0.01	-0.39	-0.08	-0.07
Reliance Nippon Life Asset Management Ltd IPO	11.27%	1.25%	0.10	0.24	0.05	0.04
General Insurance Corporation of India IPO	-4.78%	1.26%	-0.06	-0.65	-0.13	-0.12
Indian Energy Exchange Ltd IPO	-1.45%	2.00%	-0.03	-0.47	-0.10	-0.08
MAS Financial Services Ltd IPO	29.90%	1.94%	0.28	1.27	0.26	0.23
Godrej Agrovet Limited IPO	22.76%	2.52%	0.20	0.88	0.18	0.16
Prataap Snacks Limited IPO	20.39%	0.17%	0.20	0.74	0.15	0.14
SBI Life Insurance Company Ltd IPO	1.13%	-1.05%	0.02	-0.33	-0.07	-0.06
ICICI Lombard General Insurance Company Ltd IPO	3.02%	-4.06%	0.07	-0.22	-0.05	-0.04
Capacit'e Infraprojects Limited IPO	26.99%	-2.11%	0.29	1.11	0.23	0.20
Matrimony.com Limited IPO	-9.30%	0.42%	-0.10	-0.91	-0.19	-0.16
Dixon Technologies (India) Limited IPO	38.95%	2.20%	0.37	1.78	0.36	0.32
Bharat Road Network Limited IPO	1.51%	2.20%	-0.01	-0.30	-0.06	-0.05
Apex Frozen Foods Ltd IPO	16.61%	0.57%	0.16	0.53	0.11	0.10
Cochin Shipyard Ltd IPO	17.24%	-3.02%	0.20	0.57	0.12	0.11
Security and Intelligence Services (India) Ltd IPO	-7.70%	-2.59%	-0.05	-0.82	-0.17	-0.14
Salasar Techno Engineering Ltd IPO	58.33%	0.00%	0.58	2.85	0.58	0.52
Au Financiers (India) Limited IPO	33.85%	2.63%	0.31	1.49	0.31	0.27
GTPL Hathway Limited IPO	0.96%	0.40%	0.01	-0.34	-0.07	-0.06
Central Depository Services (India) Limited IPO	43.04%	-1.17%	0.44	2.00	0.41	0.36
Eris Lifesciences Limited IPO	-0.32%	-1.55%	0.01	-0.41	-0.08	-0.07
Tejas Networks Limited IPO	2.39%	-0.80%	0.03	-0.26	-0.05	-0.04
IndiGrid InvIT Fund IPO	-1.57%	2.22%	-0.04	-0.48	-0.10	-0.08
PSP Projects Ltd IPO	-0.50%	1.88%	-0.02	-0.42	-0.09	-0.07
Housing and Urban Development Corporation Ltd IPO	17.24%	0.06%	0.17	0.57	0.12	0.10

S Chand and Company Ltd IPO	0.87%	0.14%	0.01	-0.34	-0.07	-0.06

Analysis and Results

The IPO performance has been analyzed by the IPO's post listing return, market benchmark return, and excess return of IPOs during the study period. If the IPOs are positively recorded, then it is considered that the IPOs are underpriced. If the IPOs are negatively recorded, then it is considered that the IPOs are underpriced. If the IPOs are negatively recorded, then it is considered that the IPOs are overpriced. In this study, IPO performance was analyzed in different ways as calculation of IPOs return, market index return, and excess return in different time frames. The positive and negative IPO return calculation and three different models' performance in relation to IPOs returns are also examined.

Out of total 41 IPOs in the financial year 2017-18, only 23 IPO generated the negative return as per the calculation of ratios the list of IPO which generated negative return is as follows:

Issuers Company	Listing day returns	Market bench-mark return	Market adjusted excess return	Sharpe's ratio	Treynor's ratio	Jenson's ratio
Hindustan Aeronautics Limited IPO	-7.68%	-0.11%	-0.08	-0.82	-0.17	-0.14
Bharat Dynamics Ltd IPO	-9.55%	-3.50%	-0.06	-0.92	-0.19	-0.16
H.G. Infra Engineering Ltd IPO	0.02%	-2.54%	0.03	-0.39	-0.08	-0.07
Aster DM Healthcare Ltd IPO	-5.64%	0.35%	-0.06	-0.7	-0.14	-0.12
Newgen Software Technologies Limited IPO	3.16%	2.90%	0	-0.21	-0.04	-0.04
Future Supply Chain Solutions Ltd IPO	3.18%	1.20%	0.02	-0.21	-0.04	-0.04
Shalby Limited IPO	-3.66%	1.64%	-0.05	-0.59	-0.12	-0.1
Khadim India Limited IPO	-8.93%	-2.54%	-0.06	-0.89	-0.18	-0.16
The New India Assurance Company Limited IPO	-10.34%	-2.18%	-0.08	-0.96	-0.2	-0.17
Mahindra Logistics Limited IPO	0.03%	-0.98%	0.01	-0.39	-0.08	-0.07
General Insurance Corporation of India IPO	-4.78%	1.26%	-0.06	-0.65	-0.13	-0.12
Indian Energy Exchange Ltd IPO	-1.45%	2.00%	-0.03	-0.47	-0.1	-0.08
SBI Life Insurance Company Ltd IPO	1.13%	-1.05%	0.02	-0.33	-0.07	-0.06
ICICI Lombard General Insurance Company Ltd IPO	3.02%	-4.06%	0.07	-0.22	-0.05	-0.04
Matrimony.com Limited IPO	-9.30%	0.42%	-0.1	-0.91	-0.19	-0.16
Bharat Road Network Limited IPO	1.51%	2.20%	-0.01	-0.3	-0.06	-0.05
Security and Intelligence Services (India) Ltd IPO	-7.70%	-2.59%	-0.05	-0.82	-0.17	-0.14
GTPL Hathway Limited IPO	0.96%	0.40%	0.01	-0.34	-0.07	-0.06
Eris Lifesciences Limited IPO	-0.32%	-1.55%	0.01	-0.41	-0.08	-0.07
Tejas Networks Limited IPO	2.39%	-0.80%	0.03	-0.26	-0.05	-0.04
IndiGrid InvIT Fund IPO	-1.57%	2.22%	-0.04	-0.48	-0.1	-0.08
PSP Projects Ltd IPO	-0.50%	1.88%	-0.02	-0.42	-0.09	-0.07
S Chand and Company Ltd IPO	0.87%	0.14%	0.01	-0.34	-0.07	-0.06

This study shows that the IPOs record positive IPO returns in different time spans and three measures also conclude that the IPOs over-performed, which means the investors earned more returns from their investments in the study period under low index performance.The investors can reduce the total risk by diversifying their investments in different sector IPOs to make more returns on IPOs and also minimize the risk by analyzing the market momentum before making an IPO investing decision. When the investors demand for new shares, the IPOs are underpriced and the IPOs are highly subscribed due to investment decisions for the IPOs.In the underpriced situation of the market, more companies want to enter in the market to go public with new shares.Overall, the IPOs record over-performance from the listing day to a year after listing day and the investors are rewarded with positive excess returns.

Future scope of the study-

Researchers: The study will be useful to the other researchers to carry on further research and exploring different areas in this topic. This study will be useful to the students and the educational institutes to gain the basic knowledge on this topic.: The study will be helpful to the financial sectors of the government agencies to do various analysis and to explore the other areas in this field. Organizations can use this study to know the risk taking ability and attitude of their clients and of overall investors.

Conclusion:

We came to know that how the book building runners, underwriters, and price makers in deciding the issue price of IPOs in boom and slump period, understanding investors' reaction with respect to IPO price implications. The exuberant behavior on the listing day of IPOs earned profit. Sometimes, the investors' disposition affects their investing decisions. IPO issuers and making their decisions to go public. The IPO issuers will always try to go public when the market is in the rising phase. Otherwise, they postpone their decision to go public due to fear of failure of an issue. Demonetisation was having a positive impact on IPOs'. After demonetisation almost all the PO's get a hype. So there was a positive impact over all over the Indian stock market particularly on primary market.

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An Impact of Ind-AS on Financial Ratios: With Special Reference To Wipro

Dr. Komal Mistry

Abstract

In this era of globalization economies of almost all countries are become globally connected and involved in the international business through multinational business concept. With the core objective of getting entered in the global joint ventures and international mergers companies are working where it is necessary to be uniform in all aspects including accounting or financial reporting. International Accounting Standard Board came with concept of uniform worldwide accounting system through uniform financial reporting standard i.e. International Financial Reporting Standard, due to differences in parent laws related to accounting in varying countries some have not adopted the IFRS and came with another way of converging GAAPs with IFRS, India has also done same thing and converged Indian Accounting Standard with IFRS (IFRS). This paper is concept paper analyzing impact of implementation of Ind AS on financial ratios of Wipro Company.

KEYWORDS: *IND AS, Financial Ratios, Wipro*

Introduction

The new concept of International Financial Reporting Standard is being introduced by International Accounting Standard Board. Many countries of world have adopted IFRS in the same nature and quality but many counties have made convergence of its past GAAP with IFRS. India is also one of those countries who converged with IFRS. Converged Indian Accounting Standards are known as Ind AS for achieving International business advantages. This is all because of India's commitment in G20 summit for adoption of IFRS. ICAI has played significant role in the introduction of Ind AS in India.

In 2011 initial attempt was made by ICAI for introducing Ind AS in India, at that time 35 converged Ind AS were announced but due to difficulties concern to taxation laws Ministry of Corporate Affairs had decided to postpone the same.

Ministry of Corporate Affairs (MCA) has notified the implementation road map of IND AS. It will be first apply to those companies, whose net worth exceeds Rs. 500 crore from 1st April, 2016. From 1st April, 2017 it will be followed by listed as well as other companies whose net worth is more than 250 crore. From 2017-18 it is mandatory for all companies whose net worth is more than 250 crore. Ind AS will be applicable to the associates, joint ventures and subsidiaries also.

On 30th March 2016, Ministry of Corporate Affairs has announced road map for implementation of Ind AS in Non-Banking Financial Companies, Implementation will be in two phase; 1st April 2018 and 1st April 2019. These emerging 39 Ind AS has affected key measurements of the companies of India due to drastic change in financial reporting practices from 1st April 2016. There are grass root level effects on company's process, It system, taxation, revenue recognition and remuneration policies.

Review Of Literature

Bhargav, V. & Shikha, D. (2013) have carried a study for determining the impact of IFRS on the financial statements and financial ratios through comparing financial statements as per Indian GAAP and as per IFRS. They have determined liquidity and profitability ratios and found out that liquidity of firm is well depicted in IFRS statements.

Dhonde, Mahendra D., Patil (2015) has pointed out in his research paper related to the procedure and impact of converged Indian Accounting Standards that reporting as per Ind AS will give better impact regarding information to the shareholders .It may cause the short term hindrance but in long run benefits of investment and consistency will definitely outweigh.

Muniraju, M. & Ganesh S.R. **(2016)** had found out the impact of IFRS convergence on Indian corporate sectors. He has made major areas impact assessment in various sectors like Airlines, Agriculture, Banking and FMCGs. They had found out that adoption of IFRS is more beneficial to attract the world capital market and people are not much aware about IFRS so necessary steps should be taken.

Gupta, P. et. al. (2017) has carried research with two co-authors for assessing impact of IFRS on financial ratios of the Wipro through comparing five year's financial data as per Indian GAAP and IFRS. They have also shown causes of differences in ratios because of transition to IFRS. He has found out that there are significant differences in ratios calculated as per Indian GAAP and IFRS.

Objectives Of The Study

The key objective this study is to determine the impact of Ind AS Implementation on the financial ratios of Wipro Company.

Hypotheses:

H_0: There is no significant difference in current ratio as per Indian GAAP and Ind AS.

H_0: There is no significant difference in Assets Turnover ratio as per Indian GAAP and Ind AS.

H_0: There is no significant difference in Debt Equity ratio as per Indian GAAP and Ind AS.

H_0: There is no significant difference in Net Profit ratio as per Indian GAAP and Ind AS.

Research Methodology

This research is purely based on secondary data. This data is collected by reviewing various types of online as well offline literatures like, books, per, journals, websites of related authorities and impact reports published by professionals etc.

Here financial statements of Wipro as per Indian GAAP are compared with the reconciled financial statements of same year as per Ind AS for the year 2015-16. Here date of only one year is compared so, all hypotheses are tested by one tail t-test in common, separate testing was not possible.

Comparison is done based on ratio analysis for which Current Ratio, Total Debt to Total Equity ratio, Net Profit to Total Income ratio and Assets Turnover ratio are calculated for the year 2015-16.

The Ministry of Corporate Affairs (MCA), in 2015, had notified the Companies (Indian Accounting Standards (IND AS) Rules 2015, which stipulated the adoption and applicability of IND AS in a phased manner beginning from the accounting period 2016-17. So, here researcher has selected year 2015-16 for the study as it was the last year of reporting as per GAAP.

Analysis

Western India Palm Refined Oil Limited is an India based company which deals in information technology related services. Headquarter is situated in Bengaluru of India. Promoter's group of Wipro is leaded by Mr. Azim Premji. Wipro is first company in India which is certified by ISO 14001. Under the title of Wipro many companies are working like Western India Product Ltd., Consumer care and lighting, Infrastructure Engineering and GE medical services. Here consolidated financial statements are considered from annual reports for ratio analysis.

Financial Ratios as per Indian GAAP for 2015-16.

Ratio	Upper Value	Lower Value	Ratios
Current Ratio	498922	232488	2.15
Debt Equity (Total)	258320	446886	0.58
Net Profit	89597	540965	16.56
Assets Turnover	707430	540965	1.31

Financial Ratios as per Ind AS for 2015-16.

Ratio	Upper Value	Lower Value	Ratios
Current Ratio	502825	218511	2.30
Debt Equity (Total)	256532	463660	0.55
Net Profit	85179	579951	14.69
Assets Turnover	720192	539962	1.33

Hypotheses Testing Result

All four hypotheses are tested commonly with one tail t-test and T Value is 0.293766 which is less than table value. So, all four null hypotheses are accepted here which means there is no significant difference in selected financial ratios if reporting is done as per Indian GAAP or Ind AS.

Conclusion

On the basis of analysis and hypotheses testing it can be concluded that Ind AS does not make significant difference in the financial ratios because it can be seen in the tables that there is minor difference in the selected and calculated ratios. This study is limited to Wipro Company only and only data of one is considered for finding impact of Ind AS but in broad studies with more samples and more years and more ratios there are chances of getting all areas of financial reporting more focused and assessed. In short Ind AS. May cause some problems to the companies because of key changes in reporting but it will prove fruitful to the country for setting international benchmarks and becoming globalized.

Future Scope Of Study

This study is based only on one year information of one company only, so study may be extended for long-term comparison between GAAP reporting and reporting under IND AS. Further study may be extended to group of companies as well as industries, which represents broader perspective.

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Cross Selling: Perception of The Bankers

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Abstract

To measure the perception of the Bankers about the Cross Selling Activities is the need of time because the researcher has met several people working in the banks who are feeling the stress of the cross selling activities. On one hand the banks are more interested in increasing the cross selling because it helps increase the profitability of the banks but, on the other hand the employees of the banks perceive such activities negatively because they feel burden of additional work stress because they have to perform these activities in addition to the traditional banking activities. The basic objective of this case is to get the idea about the perception of the bankers about the cross selling activities. The case is aimed at analysing the effects of various factors such as Gender, Designation, Type of Banks, Location of Branch affecting the bankers' perception about the cross selling and giving suggestions.

(Key words: Cross Selling, Profitability, Bankers, Banking Activities)

The Idea Generation:

Whenever, a customer enters the bank with some money, he becomes the target of the banker to sell the products like insurance, mutual funds, credit cards, etc. This gives stress to the customers as well as to the bankers. Sometime, it is stressful for the customers because they are misdirected by the bankers whenever they go to deposit their hard earned money. It is stressful for the bankers because they are pressurized to complete the targets of selling the mutual funds, credit cards, insurance, and etc. of the bank itself and the other products of third party. This kind of selling of 'other than banking product' is generally known as Cross Selling.

This situation of the current banking system led the researcher to make an analysis of positive and negative perceptions of the bankers about the Cross Selling activities done by them.

Concept of Cross Selling:

The concept of Cross Selling says that it is the activity of selling additional product or services to the existing customers or clients. It is defined as the action or practice of convincing the customers or clients to purchase the additional service or product. In the banking industry, the practices of cross selling can be seen widely now-a-days. It is often seen that the customer who want to make a fixed deposit of his money is otherwise convinced to purchase gold, credit cards, bonds, insurance, etc. This activity of selling the additional product is known as cross selling. The employees of the banks are given targets of selling such additional products. The bankers are required to work in the manner which does not suit their job profile. In spite of being a clerk or a cashier, he or she has to perform the marketing activities. This creates a stressful situation for them. On the other hand,

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when the customers walk in to the bank, they are always induced by the banks to purchase the additional product such as credit cards, insurance, gold, bonds, etc. This is a stressful situation for them also. In this case study, I have endeavoured to understand the positive and negative aspects of cross selling from the view point of the employees of the banks.

Operational Definition of Cross Selling:

As discussed above, the cross selling activities includes the bankers' efforts for selling the various financial products such as gold, credit cards, bonds, insurance, etc.
For this case study, the case writer has considered the wider scope of cross selling i.e. for this case study; cross selling includes the selling of third party products by the bankers.

Review of Literature:

Rekha, K., G., (2015) says that cross selling stands for the being able to offer some additional products to the existing customers of the bank in order to expand the business of the bank. The author also says that the cross selling will be possible only if the customer is satisfied with the existing banking service. The satisfied customer will always seek the same seller for the additional service rather than going with the other seller. According to **Stefania, C., and Valentina, M., (2007)** commercial banks are changing with the faster developments in money market and financial market. The banks are no longer performing the functions of receiving the deposits and lend money only; rather they have become the complex organizations providing a set of services such as mutual funds, insurance, brokerage, gold, etc.**Adams, W., J., and Yellen, J. L., (1976)**defined cross selling as a bundling strategy based on the assumption that once the loan applicant gets the loan, he becomes a warm customer, i.e. it becomes easier to sell that customer other services different from loans. According to **Allen, F., and Santomero, A., M., (2001)**the banks are facing the decline in their traditional business both in Europe and United States. That is why they have developed new selling strategies which are known as cross selling. **Berger, A. N., and Mester, L., J., (2003)** analysed that during Nineties the cost productivity degraded in US where as the profit productivity improved substantially. This happened due to banks' offering a wider variety of financial services.

Objectives of the Study:

This case study is undertaken to attain the following objectives:

- To understand the concept of cross selling.
- To analyse the perception of the employees of the banks about the cross selling activities.
- To analyse the positive and negative effects of cross selling activities on the employees of the banks.
- To suggest the suitable solutions for the effects of cross selling activities.

Limitations of the Study:

The present study is undertaken to attain the above mentioned objectives, but it has some limitations which can be stated as follows:

- The study covers a small sample size. So, the perception of the respondents taken in this study may not be generalized.
- The mood and emotions of the respondents at the time of giving responses may create the bias in opinion.
- This study is based on primary data collection. So, it involves all the limitations of primary data collection.
- Analysis about the perception is a qualitative study. So, this study involves all the limitations of qualitative study also.

Research Methodology:

A. Method of Data Collection:

In order to collect the responses about the perception of bankers, the researcher has developed a structured questionnaire and the same was sent to the respondents through "Google Forms" as well as the questionnaires were distributed in the physical forms to those who could not access the "Google Forms".

B. Sample for the Study:

Cross Selling activities done by the bankers affect both the parties i.e. Bankers as well as the Customers, but for this study, the case writer has tried to analyse the perception of the bankers. So, the bankers working in the Public Sector and Private Sector Banks are the sample for this study. Around 300 bankers were approached for the present study and questionnaires were given to them through "Google Forms" using Social Media and in physical forms to those who could not access "Google Forms" and Social Media. Out of the 300 bankers, 278 questionnaires are received back. When these questionnaires were screened, 232 questionnaires were found properly filled. So, the sample size for this study is 232 Bankers.

Table – 1

A Table Showing Sample Design Covered Under the Study

No.	Category	No. of bankers	
1	Gender	Male	149
		Female	83
2	Designation	Clerk	105
		Officer	82
		Branch Manager	45
3	Type of Banks	Public Sector	146
		Private Sector	86
4	Location of Branch	Urban	107
		Semi Urban	90
		Rural	35

C. Hypotheses for the Study:

The Study of perception of the bankers about the Cross Selling Activities is based on the following Null Hypotheses:

1. **Null Hypothesis (H_0):** Gender of the bankers does not create significant difference in the perception about cross selling activities.
2. **Null Hypothesis (H_0):** Designation of the bankers does not create significant difference in the perception about cross selling activities.
3. **Null Hypothesis (H_0):** Type of Banks does not create significant difference in the perception about cross selling activities.
4. **Null Hypothesis (H_0):** Location of Banks does not create significant difference in the perception about cross selling activities.

Method of Data Analysis:

In order to analyse the data received through the questionnaire, a specific method is adopted by the researcher. The questionnaire designed by the researcher, included 19 statements out of which 10 were for positive perception and 9 were for negative perception. All these questions were random in the sequence so that the respondents should not be biased while giving responses. The responses received through these questionnaires were coded. One the bases of these codes, positive and negative index was derived. The index was converted into the net index (Net Index = Positive Index – Negative Index) and the Net Index was tested using ANOVA. In order to use the ANOVA, the Net Index is considered as Dependent Variable and Gender, Designation, Location of Branch and Type of Banks are considered as Factors affecting the perception.

Analysis and Interpretation:

1. **Null Hypothesis (H_0):** Gender of the bankers does not create significant difference in the perception about cross selling activities.

Table - 2

A Table Showing Descriptive Statistics

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Male	149	-3.96	12.851	1.053	-6.04	-1.88	-33	25
Female	83	-10.24	14.061	1.543	-13.31	-7.17	-33	21
Total	232	-6.21	13.605	.893	-7.97	-4.45	-33	25

Table -3

A Table Showing Analysis of Variances

	Sum of Squares	Degree of Freedom	Mean Square	F	Sig.
Between Groups	2103.130	1	2103.130	11.898	.001
Within Groups	40656.939	230	176.769		
Total	42760.069	231			

From the statistical analysis, mentioned above, the researcher found that the significant value is less than 0.05 (5%).As per the statistical parameters; the null hypothesis is rejected if the significant value is < 0.05. So, the researcher may state that the null hypothesis is rejected. It means that, there is significant difference in the perception of the male bankers and female bankers. The Perception index shows that both male and female are negative towards the cross selling activities but the female respondents (-10.24) are more negative as compared to the male respondents (-3.96). This may be due to the fact that the females have to attend more social responsibilities as compared to male members. As a result they may not get enough time to perform the activities of cross selling. Rather, their focus might be on performing traditional job functions only.

1. **Null Hypothesis (H_0):** Designation of the bankers does not create significant difference in the perception about cross selling activities.

Table - 4

A Table Showing Descriptive Statistics

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Clerk	105	-4.74	13.171	1.285	-7.29	-2.19	-31	24
Officer	82	-9.13	13.684	1.511	-12.14	-6.13	-33	21
Branch Manager	45	-4.29	13.864	2.067	-8.45	-.12	-33	25
Total	232	-6.21	13.605	.893	-7.97	-4.45	-33	25

Table -5

A Table Showing Analysis of Variances

	Sum of Squares	Degree of Freedom	Mean Square	F	Sig.
Between Groups	1093.243	2	546.621	3.004	.052
Within Groups	41666.826	229	181.951		
Total	42760.069	231			

Significant value for the statistical test applied on the database shows that, the significant value is greater than 0.05 (5%). So, the null hypothesis is accepted in the given situation. It means that, there is no significant difference found in the perception towards cross selling among bankers of different designation. The statistical analysis shows that the bankers of all designations are negative towards the cross selling activities. The officers are having the highest negative perception towards the cross selling activities with the index of (-9.13). The clerks and branch managers also have negative perception of (-4.74) and (-4.29) respectively.

1. **Null Hypothesis (H_0):** Type of Banks does not create significant difference in the perception about cross selling activities.

Table - 6

A Table Showing Descriptive Statistics

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Public Sector Bank	146	-4.45	12.583	1.041	-6.50	-2.39	-33	24
Private Sector Bank	86	-9.20	14.785	1.594	-12.37	-6.03	-33	25
Total	232	-6.21	13.605	.893	-7.97	-4.45	-33	25

Table -7

A Table Showing Analysis of Variances

	Sum of Squares	Degree of Freedom	Mean Square	F	Sig.
Between Groups	1222.368	1	1222.368	6.768	.010
Within Groups	41537.701	230	180.599		
Total	42760.069	231			

From the statistical analysis, mentioned above, the researcher found that the significant value is less than 0.05 (5%), as per the statistical parameters the null hypothesis is rejected if the significant value is < 0.05. So, the researcher may state that the null hypothesis is rejected. It means that, there is significant difference in the perception of the bankers working in public sector banks and private sector banks. This analysis shows that the bankers of both Public Sector Banks and Private Sector Banks have negative perception towards the cross selling activities. When the index of perception of these employees is compared, it is found that the bankers of Private Sector Banks have more negative approach (-9.20) than the bankers of Public Sector Banks (-4.45). This may be due to more pressure of achieving the targets of cross selling on the bankers by the Private Sector.

1. **Null Hypothesis (H_0):** Location of Banks does not create significant difference in the perception about cross selling activities.

Table - 8

A Table Showing Descriptive Statistics

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Urban Area	107	-3.47	13.422	1.298	-6.04	-.89	-33	25
Semi-Urban Area	90	-11.29	12.325	1.299	-13.87	-8.71	-33	24
Rural Area	35	-1.51	13.555	2.291	-6.17	3.14	-28	21
Total	232	-6.21	13.605	.893	-7.97	-4.45	-33	25

Table -9

A Table Showing Analysis of Variances

	Sum of Squares	Degree of Freedom	Mean Square	F	Sig.
Between Groups	3898.202	2	1949.101	11.485	.000
Within Groups	38861.867	229	169.702		
Total	42760.069	231			

From the statistical analysis, mentioned above, the researcher found that the significant value is less than 0.05 (5%), as per the statistical parameters the null hypothesis is rejected if the significant value is < 0.05. So, the researcher may state that the null hypothesis is rejected. It means that, there is significant difference in the perception of the bankers working in different location of Branches. The statistical analysis shows that the bankers of all the regions are negative towards the cross selling activities.The index shows that the bankers of Semi Urban Branches are more negative (-11.29) as compared to the Urban (-3.47) and Rural (-1.51) areas.It might mean that the bankers of semi-urban areas feel more burden of cross selling activities as compared to the rest in the sample.

Findings of the Study:

The analysis gives following important findings about the cross selling activities performed by the bankers.

- The Perception index shows that both male and female are negative towards the cross selling activities but the female respondents (- 10.24) are more negative as compared to the male respondents (-3.96).
- The officers are having the highest negative perception towards the cross selling activities with the index of (-9.13). The clerks and branch managers also have negative perception of (-4.74) and (-4.29) respectively.
- The bankers of both Public Sector Banks and Private Sector Banks have negative perception towards the cross selling activities. When the index of perception of these employees is compared, it is found that the bankers of Private Sector Banks have more negative approach (-9.20) than the bankers of Public Sector Banks (-4.45).
- The bankers of all the regions are negative towards the cross selling activities. The index shows that the bankers of Semi Urban Branches are more negative (-11.29) as compared to the Urban (-3.47) and Rural (-1.51) areas.

Suggestions:

From the above written statistical analysis and findings, it can be interpreted that the perception of the bankers about the cross selling activities is negative.

- The banks should focus more on primary banking activities rather than focusing more on cross selling activities.
- Sometimes the cross selling activities are converted into the misleading activities and as a result the customers feel cheated. So, the banks lose such valuable customers. The banks should try to adopt ethical practices of cross selling.
- The analysis shows that the bankers do not get enough incentives of cross selling activities done by them. That is why their perception is negative. The banks should offer adequate incentives for cross selling activities.
- The banks should appoint the separate staff members for executing the cross selling activities so that the employees engaged in traditional banking activities do not feel stressed.

Conclusion:

It is in the benefits of the banks that they adopt cross selling activities in their branches. Such cross selling activities help increase the profitability of the banks. On the other hand the bank employees are pressurised to attain the targets of cross selling in addition with the traditional banking activities. Sometimes, the pressure of achieving the targets results into stress for the bankers and as a result their performance is negatively affected. This is harmful for the productivity of the bankers. It can be concluded from the above given statistical analysis as well as from the personal discussion with the bankers that the cross selling activities are negatively perceived by the majority of the bankers included in the sample of the study.

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Corporate Social Responsibility And Financial Performance of The Company – A Review of Ambuja Cements Limited

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Abstract

The concept of corporate social responsibility has gained unprecedented attention and become important part of companies' strategic decision making process. CSR is a concept which suggests that commercial corporations must fulfil their duty of providing care to the society. The practices of CSR are not new to Indian companies. However, Companies Act, 2013 has widened the scope of CSR in India. Though the interest and involvement in corporate social responsibility (CSR) has increased among investors and companies, the relationship between corporate social responsibility (CSR) and its impact on financial performance has been subject to studies.

India is the second largest producer of cement in the world having total cement production of approximately 280 million tonnes in 2017.Established in 1986; Ambuja Cements Ltd is one of the leading cement producers, selling cement under the 'Ambuja' brand.

The present study aims to explore relationship between CSR activities and financial performance of the enterprise. The study highlights different kinds of CSR practices adopted by Ambuja Cements Ltd. The study is based on secondary data taken from annual reports of ACL. To examine relationship between CSR and financial performance variables like Return on Assets (ROA), Return on Capital Employed (ROCE), Net Sales, Net profit and Enterprise value have been examined.

Keywords*: CSR, Financial Performance, Return on Assets, Return on Capital Employed, Enterprise value*

Introduction

The thought of social responsibility among businessmen, particularly in India, is not new. It can be easily seen in the form of temples, high mosques, dharmshalas and great educational institutes. Many Indian businesses are known for staying a step ahead of government as far as welfare of society is concerned. Till the late of 20th century, business firms were driven by economic/profit motive only. With the change in business environment, nature of involvement of business organization with social cause has undergone tremendous changes. In today's well informed world, being financially healthy and strong is not a blanket license to mint money. Businesses have to be sensitive to the expectation of society as well as stakeholders. Business organization receives inputs from the society in the form of material, labour and resources and, in turn, offers goods and services to society. Thus businesses rely on society for their existence and it is in the interest of businesses to take care of society. A developing country like India cannot rely on just government's efforts for sustainable development. The government perceives CSR as contribution by business houses to the nation's sustainable development goal.

The concept of CSR suggests that commercial corporations must fulfil their duty of providing care to the society. Generally CSR refers to fair and transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment. The most popularly used CSR definition by 'The World Business Council for Sustainable Development' is "Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (WBCSD, 1998).

Corporate Social Responsibility (CSR) is a concept whereby companies integrate social, environmental and health concerns in their business strategy (policy) and operations and in their interactions with stakeholders on a voluntary basis.

The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time (Carroll, 1979).

Rules For Corporate Social Responsibility Provision Under Companies Act 2013

Companies Act, 2013 is a landmark legislation that made India the first country to mandate and quantify CSR expenditure. The inclusion of CSR is an attempt by the government to engage the business houses with the national development agenda. The details on corporate social responsibility are mentioned in the Section 135 of the Companies Act, 2013. The Act came into force from April 1, 2014. Companies Act, 2013 has made it mandatory for companies to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. The following companies are covered under the Act:

Every company, private limited or public limited having net worth of INR 500 crore or more

Or

Companies having turnover of INR 1,000 crore or more

Or

Companies having net profit of INR 5 crore or more

The Act also mandates the companies to constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. CSR committee develops a CSR policy which is approved by the board and encompasses the CSR activities the corporations is willing to undertake. The details of the same are highlighted in the act. The CSR activities should not be undertaken in the normal course of business and must be with respect to any of the activities mentioned in Schedule VII of the act. The act also has penal provisions for corporations and individuals for failure to abide by the norms.

Review Of Literature

Gautam and Singh (2010) have examined CSR practices of India's top 500 companies. The outcome of the study shows that out of 500 companies 229 companies did not report their CSR activities. Out of remaining 271 companies only a few companies are having structured and well planned approach. Though CSR reporting practices have improved globally, there is a need to standardize the information enclosed in the report. Many companies have allotted less CSR fund across several activities.

Kansal and Joshi (2014) reviewed perceptions of shareholders and brokers regarding corporate social responsibility (CSR) initiatives by Indian companies. The outcome of the study shows that the respondents in each of categories of stakeholder groups agree that CSR-oriented companies enjoy higher levels of investor confidence, which is reflected in form of higher stock prices, and leads to enhanced reputation and corporate goodwill. Educational initiatives had received maximum attention from the both the groups of stakeholders.

Srivastava and Goyal (2015) have analyzed the pre and post legislative implications of CSR on Mahindra and Mahindra's policy framework. In their case study they focus on CSR initiatives of Mahindra and Mahindra. The outcome of the study states that the company makes noteworthy success in integrating social responsibility into their businesses. Along with changes in law companies like Mahindra would make certain changes in their CSR policy. The companies need to give preference to the local area and areas around it where it operates for spending the CSR resources which will help them to build a stronger community-business relationship.

Yadav and Singh (2016) have studied impact of CSR on financial performance of four commercial (two public and two private) banks of India. They study impact of CSR on financial performance of banks by using regression model and considering net profit as key financial indicator. It was found from the study that the quantum of CSR expenditure in all selected banks is increasing but in Public sector banks impact of CSR on net profit is insignificantly positive while in private sector banks impact of CSR on profit is significantly positive. Impact of CSR on overall banking performance differs individually.

Susruth (2017) examined the relationship between CSR and firm's financial performance of ten Indian Companies. The study is based on secondary data collected from ten randomly selected companies of India. The study ends with an outcome that there is a significant positive relationship between the CSR and Financial performance of the company. CSR spending helps the firm for long term sustainable development as well as to improve financial performance. The study demonstrates there is a significant difference between CSR and Firm's financial performance.

Objectives Of The Study

The objectives of the study are:

1. To study trend of CSR spending in Ambuja Cements Ltd during 2013 to 2017.
2. To examine relationship between CSR and financial performance of Ambuja Cements Ltd.

Research Methodology Of The Study

The study is analytical in nature. The study is based on secondary data sourced from published annual report of Ambuja Cements Ltd. Present study is undertaken for the period of five year commencing from 2013 to 2017. The data collected from annual reports and website of Ambuja Cements Ltd. After collecting the data for data analysis we have applied editing and tabulation and for the testing of hypothesis we have applied Pearson liner correlation and to determine impact of CSR on financial performance of Ambuja Cements Ltd we have applied regression analysis using SPSS 20 (Demo version).

CSR and Financial Performance: An Analysis of Ambuja Cements Ltd

India is the second largest producer of cement on the globe. India's cement industry is a vital part of its economy, providing employment to more than a million people, directly or indirectly. Established in 1986, Ambuja Cements Ltd is a part of the global conglomerate Lafarge Holcim. It is one of the leading cement producers, selling cement under the 'Ambuja' brand. Since 1993 Ambuja cements Ltd have started undertaking CSR activities through its separate wing named 'Ambuja Cement Foundation (ACF)'. The foundation undertakes projects and schemes to promote the social and economic development of communities in and around the manufacturing locations of Ambuja Cement. ACF's key focus areas include water resource management, agro-based livelihood, health care, education, women's empowerment, infrastructure, disaster relief, energy conservation and wild life protection. ACL is also contributing noteworthy amount directly for various projects. This section provides detail idea about relationship between CSR and financial performance as well as impact of CSR on financial performance of Ambuja Cements Limited.

Table: 1 Year-wise CSR Spending by Ambuja Cements Ltd

Year	Average net profit of last three years (Rs. Cr)	CSR Prescribed (2% of Average PAT) (Rs. Cr)	Actual CSR Spent (Rs. Cr)	Rank
2013	NA	NA	52.57	3
2014	1696	34.00	38.40	5
2015	1731.96	34.64	40.98	4
2016	1489.21	29.78	59.37	1
2017	1386.92	27.74	58.79	2
TOTAL	6304.09	126.16	250.11	-
AVERAGE	1260.818	25.23	50.02	-

(Source: Annual Reports of Ambuja Cements Ltd)

Chart: 1 CSR Spending Trend of Ambuja Cements Ltd.

Chart:2 Year-wise CSR Spending by Ambuja Cements Ltd

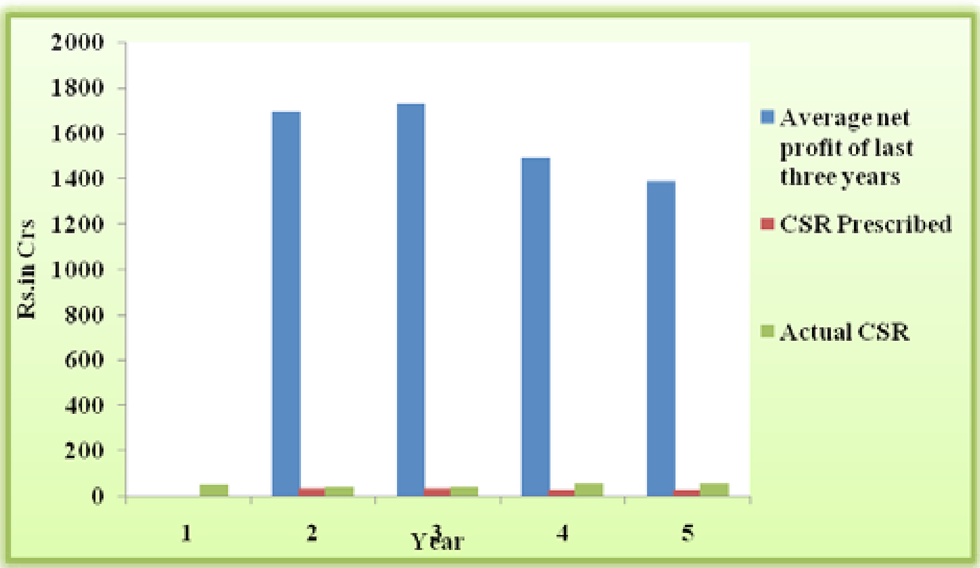

Chart 1 reflect trend of CSR spending for the study period while Chart 2 shows year-wise CSR prescribed as well as spent by ACL. It is very clear from chart 2 that after amendments in Companies Act CSR spending by company has also increased. ACL is a renowned company having rich history of engagement in social activities. Even prior to mandatory CSR Provision Company has spent handsome amount for social activities. For all the five year of study (2013-2017) total CSR spending by company is Rs. 250.11 crore and average spending is Rs. 20.02 crore.

Regression Analysis

To study impact of CSR on financial performance regression model has been used. Variables like EPS, DPS, ROCE, ROE, and ROA, sales, net profit and enterprise value have been studied for all five year under study.

Regression line of ROCE = α_1 (0.2210) +β_1 (CSRS) + β_2 (NP) + β_3 (EPS) is significantly fitted.

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	CSRS, NP, EPS[b]	---	Enter
a. Dependent Variable: ROCE **b.** All requested value entered			

Table:2 Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.998[a]	.996	.984	.52017
a. Predictors: (Constant):CSRS, NP, EPS[b]				

The above table describes that the co-efficient of determination R^2 is 0.996; it illustrates that model cover consistency. The co-efficient of co-relation R is 0.998[a] it shows that outcomes and predicted value are strongly co-related. The adjusted R^2 can be positive and will always be less than or equal to R^2, here adjusted R^2 is 0.984 that less than R^2. The standard error of the estimate shows the value of 0.52017 which is comparatively high, confirms that definite model is good and enough to define the given relation in the model.

Table:3 ANOVA					
Model	**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
Regression	68.038	3	22.679	83.819	.080
Residual	.271	1	.271		
Total	68.308	4			
a. Dependent Variable: ROCE **b. Predictors: (Constant):CSRS, NP, EPS**					

The above table gives an idea about the analysis of variance (ANOVA). The significant level is higher than 0.05 which is 0.08 which means that the variance of variable is separation into components between the groups is not deviated. (Hypothesis Rejected).

Table:4 Co-Efficient					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-2.210	2.383	---	-.927	.524
EPS	3.595	.514	1.802	7.001	.090
NP	-.013	.003	-.894	-3.856	.162
CSRS	.032	.044	.077	.736	.596
Dependent Variable: ROCE					

The above table present significant values in the right most columns suggest the rejection of the entries variables in the model but model except EPS and CSRS. Here, high t statistics and low standard error confirm the accuracy and fitness of these variables in the model. We can observe EPS and CSRS have positive impact on ROCE. But here, negative relationship between ROCE and NP.

Correlation

1. Correlation between EPS and all variables

H_{01}: There is no significant linear correlationship between EPS and DPS, Sales and EV.
To test the above mentioned hypothesis we have used pearson linear correlation as per the requirement.

Table:5 Correlation between EPS and all variables				
Variable	**Test Applied**	**Correlation Value**	**p-value**	**Result**
DPS	ANOVA	0.775	0.124	Insignificant
ROE	ANOVA	.944*	0.016	Significant
ROCE	ANOVA	.948*	0.014	Significant
ROA	ANOVA	.958*	0.010	Significant
Sales	ANOVA	0.201	0.745	Insignificant
NP	ANOVA	.916*	0.029	Significant
EV	ANOVA	-0.307	0.615	Insignificant

The above table shows Pearson Linear Correlation as per EPS and other all variables. In Pearson linear correlation as P values are greater than 0.05 in DPS, Sales and EV i.e. 0.124, 0.745 and 0.615 so, we cannot reject the null hypothesis means there is no significant relationship between EPS and DPS, Sales and EV.

1. Correlation between ROCE and all variables.

H_{02}: There is no significant linear correlationship between ROCE and DPS, Sales, NP and EV.
To test the above mentioned hypothesis we have used pearson linear correlation as per the requirement.

Table: 6 Correlation between ROCE and all variables				
Variable	**Test Applied**	**Correlation Value**	**p-value**	**Result**
EPS	ANOVA	.948*	0.014	Significant
DPS	ANOVA	0.840	0.075	Insignificant
ROE	ANOVA	1.000**	0.000	Significant
ROA	ANOVA	.999**	0.000	Significant
Sales	ANOVA	.999**	0.959	Insignificant
NP	ANOVA	.999**	0.149	Insignificant
EV	ANOVA	.999**	0.300	Insignificant

The above table shows Pearson Linear Correlation as per ROCE and other all variables. In Pearson linear correlation as P values are greater than 0.05 in DPS, Sales, NP and EV i.e. 0.075, 0.959, 0.149 and 0.300 so, we cannot reject the null hypothesis. Means there is no significant relationship between ROCE and DPS, Sales, NP and EV.

1. Correlation between NP and all variables

H_{03}: There is no significant linear correlationship between NP and DPS, ROE, ROCE, ROA, Sales and EV.
To test the above mentioned hypothesis we have used pearson linear correlation as per the requirement.

Table: 7 Correlation between NP and all variables				
Variable	**Test Applied**	**Correlation Value**	**p-value**	**Result**
EPS	ANOVA	.916*	0.029	Significant
DPS	ANOVA	0.531	0.357	Insignificant
ROE	ANOVA	0.735	0.157	Insignificant
ROCE	ANOVA	0.745	0.149	Insignificant
ROA	ANOVA	0.768	0.129	Insignificant
Sales	ANOVA	0.460	0.436	Insignificant
EV	ANOVA	.086	0.890	Insignificant

The above table shows pearson linear correlation as per NP and other all variables. In Pearson linear correlation as P values are greater than 0.05 in DPS, ROE, ROCE, ROA, Sales and EV i.e. 0.357, 0.157, 0.149, 0.129, 0.436 and 0.890 so, we cannot reject the null hypothesis. Means there is no significant relationship between NP and DPS, ROE, ROCE, ROA, Sales and EV.

Findings

Findings of the study reveal that for all the five years actual CSR spent is higher than CSR Prescribed. In year 2016 company has spent maximum amount for their CSR activities, which is almost double than its prescribed CSR. Total CSR spending for 2013 to 2017 is Rs. 250.11 crore
while average of five years spending is Rs. 50.02 crore i.e. 3.97% of average net profit of five years.
Average CSR spending by Ambuja Cements Ltd is Rs. 50.02 crore out of which 30.85 % contribution is for development of education. Apart from it ACL also spend good amount in activities like water resource management, rural infrastructure development and skill based activities. For all five years under study company's contribution for CSR activities is more than prescribed CSR, which indicates strict adherence of guidelines of provision of section 135 of Companies Act 2013.Major CSR activities are undertaken by Ambuja Cement Foundation. Findings of regression observe EPS and CSRS have positive impact on ROCE. But there is negative relationship between ROCE and NP.

Conclusion

CSR clearly impacts our corporations, society, and educational organizations. Despite its complexities, the numerous sustainability initiatives point toward continued, positive impact. From the above analysis it can be concluded that CSR spending helps to enhance financial performance of the company. Ambuja Cement Limited is an organisation showing consistency in performance. Irrespective of change in net profit and EPS company has continue to spent more than 2% of average PAT for last three year for CSR activities. The company's contribution for CSR and sustainable development is really noteworthy.

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The Comprehensive And Progressive Agreement For Trans-Pacific Trade Partnership: An Appraisal

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Abstract

The CPTPP trade agreement includes a lot of aspects generally excluded from International Trade Agreements, like Labour regulations, State Owned Enterprises, Corruption reduction measures, transparency requirements among other things, besides an inclusion of trade-related arrangements and projection of removal of about 97% of tariffs between the TPP nations. The world will inevitably move towards greater integration and the bouts of protectionism emerging from certain parts of the world are just their last gasps of air. The future of Free Trade Agreements is here and with the impending failure of WTO, mega FTA's are going to pave the way towards Global Value Chains and Free Market economy, and CPTPP leads the way herein, with its futuristic outlook and sincerity shown towards TPP-11 by the member nations.

Keywords: *Free Trade Agreements, Trans-Pacific Partnerships, Free Market Economy*

Introduction to the CPTPP

The Trans-Pacific Partnership, or the TPP as it is commonly known has been creating headlines for more than a couple of years now. The formal negotiations regarding the Trans-Pacific Partnership (TPP) began in March, 2010 with eight countries, including: Singapore, Brunei Darussalam (Brunei, hereafter), New Zealand, Australia, Peru, the United States, Chile and Vietnam. The TPP negotiations involving twelve countries reached an agreement in October 2015, as four countries including Malaysia, Canada, Mexico and Japan joined the negotiations. Touted to be the world's biggest Trade Deal since NAFTA (North American Free Trade Agreement), it saw quite a few ups and downs since February 2016, but with the United States of America withdrawing from the TPP on the third day in office of the incumbent President Donald J. Trump, the countries that remained in the foray decided, even more stead-fast in their outlook to go ahead with the deal. This new trade deal, the CPTPP or the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, CPTPP, with the 11 countries. This deal was especially led by Japan who is expected to be the biggest benefactor of this deal. The other countries in the CPTPP, besides Japan are: Canada, New Zealand, Australia, Vietnam, Singapore, Brunei, Peru, Mexico, Malaysia and Chile. The formal negotiations on the Regional Comprehensive Economic Partnership (RCEP) in East Asia involving sixteen East Asian member countries, including China, India, and Japan, and the Trans-Atlantic Trade and Investment Partnership (TTIP) agreement involving the United States and twenty-eight European Union (EU) members began in May and August 2013, respectively. RCEP is currently under negotiation but TTIP negotiation was suspended in 2016. With these, the TPP-11 or CPTPP stood against the tide. Furthermore, the deadlock and breakdown of Doha Round negotiations gave quite a huge impetus to region-wide arrangements such as the CPTPP and RCEP as instruments of regional reform and liberalisation.

This new trade agreement, CPTPP is also commonly known as TPP-11. The eleven countries together make this the third largest trade free trade agreement in terms of Gross Domestic Product (of approximately 13%) after the NAFTA and The European Single Market. The agreement came into effect on December 30th, 2018, as Australia was the sixth nation to ratify the deal and deposit the ratification. One of the instrumental ideas behind TPP and hence also TPP-11 is to be able to open up protectionist markets and allow for freer trade amongst nations of the group. Quite a few industries in various TPP markets used to be in protected in various countries. Examples include Automobiles and Beef in Japan, State Owned Enterprises (SEO's) like CODELCO (the largest Copper enterprise) in Chile and VietTel in Vietnam. Another reason for nations to want to join TPP and TPP-11 was the need to diversify the economy and trade of countries, especially Canada. It took years of negotiations and it is an especially momentous occasion for the supporters of free trade. The member countries of the TPP-11 have a combined total Gross Domestic Product (GDP) of $13.7 trillion. The agreement will eliminate 98 per cent of tariffs in the new trade zone, a huge victory for the proponents of free trade.

It is important to understand the effects and projected consequences of the CPTPP on the International Economy and Businesses in the respective countries. And this becomes all the more so, because the TPP-11 agreement includes a lot of aspects generally excluded from International Trade Agreements. These include topics like Labour regulations, State Owned Enterprises (SOE's) regulations, Corruption reduction measures, transparency requirements among other things. The reason the TPP have been successful in adding these ideas is because various experiments with Free Trade Agreements of this scale have shown these to be pertinent blocks to the concept of free trade. More often than not, it is the developing countries who have the most vocal arguments against the inclusion of aforementioned ideals into trade deals. [1]

The effects of the CPTPP are going to be quite influential and important. This paper explores the different aspects of the impact the CPTPP is projected to have on the economies of the world and to the arena of International Business and the other aspects it includes within itself, and attempts to establish the innovativeness and initiative of the TPP-11, and enumerate the reasons that make it a trade deal to be emulated for more agreements to come in the following decades of the first half of the twenty-first century.

Impact of CPTPP on non-TPP nations

CPTPP being a free trade agreement and more-so, dubbed to be a "mega FTP" or "mega RTA" is projected to quite greatly impact the economic relations and trade in the region as the TPP nations are going to be cutting down the trade barriers and tariffs within TPP, while maintaining the pre-CPTPP levels of tariffs with other nations, especially India; quite greatly impacting our exports to the CPTPP nations.

If we observe the trade patterns between CPTPP countries and the EU, to provide an indication of the potential impacts of the CPTPP. In general, members of the TPP export around 15 per cent of their total exports to other countries in the group. But for Australia, the group is much more important because it contributes 26 per cent of its exports. EU Member States tend to trade among each other, with more than 60 per cent of exports and imports traded internally. The TPP

1 Urata, S. (2018). The Trans-Pacific Partnership: Origin, Evolution, Special Features and Economic Implications. *Journal of Southeast Asian Economies (JSEAE)*, *35*(1), 22-38.

countries only account for less than 5 per cent of the EU's exports, while exports to Australia are only 0.7 per cent of total EU exports. On the other hand, the EU is quite an important market to Australia, with almost 5 per cent of its exports directed to that region. These figures indicate that the impact of the TPP on the EU might not be significant. However, a US presence in the TPP would definitely change the potential impact, as the US accounts for nearly 8 per cent of the EU's total trade. [2]

CPTPP: A Multifaceted Trade Agreement

Petri, Plummer and Zhai [3] in their 2014 work had studied and measured various FTA's involving the US and those involving ASEAN, with each other. They inferred that agreements involving the US (US–South Korea FTA) included issues like intellectual property rights, government procurement, the environment and labour. While agreements with ASEAN (for example, the China–ASEAN FTA), on the other hand, emphasised dispute resolution and cooperation within the FTA. The method and format that is followed in FTA's are vastly dependent on the nature of the economies on the table about the agreements – whether the countries are emerging markets or advanced economies. [4]

The CPTPP aims to promote sustainable development and achieve higher levels of environmental protection in the region. It will promote enforcement of environmental laws and lay the foundation stones for a few member countries who have fallen behind in this parameter to work together to series a range of trade-related environmental challenges, including issues like illegal wildlife trade, poaching, logging regulations and even overfishing.

One important aspect which makes CPTPP a trade deal of the future is the way it ensures to ensure it has a level playing field for all the economies, no matter where they stand on the graph. It does so with the inclusion of the regulatory provisions for SOE's (State Owned Enterprises), specifically those that are engaged in commercial activities. The CPTPP requires that those SOEs engaged in business with commercial considerations be disallowed to receive non-commercial assistance from their respective governments when the SOE is operating in partner countries. To put it simply to remove any possibility of subsidies to an SOE for its international business expansion.

Another major aspect of CPTPP is the inclusion of mandating the partner countries to formulate and enforce anti-bribery laws. Anti-corruption measures, transparency regulations and institutional factors are a pivotal aspect of the agreement which are backed by solid research that anti-corruption laws make a significant positive impact on free trade and openness of economies. Research by De Groot [5] has shown significant contribution of transparency and openness on trade. The agreement parties also agree to adopt or maintain laws criminalising offering to, or solicitation of, undue advantages by a public official, as well as other acts of corruption affecting international trade or investment. They also agree to endeavour to adopt or maintain codes or standards of conduct for their public officials, as well as measures to identify and manage conflicts of interest, to increase training of public officials, to take steps to discourage gifts, to facilitate reporting of acts of corruption, and to provide for disciplinary or other measures for public

2 Damuri, Y. R. How might the Trans-Pacific Partnership Affect the Game?. Potential Benefits of an Australia-EU Free Trade Agreement, 75.

3 Petri, P., Plummer, M., & Zhai, F. (2014). The effects of a China-Us free trade and investment agreement.

4 Ramasamy, B., & Yeung, M. C. (2016). China and the Trans-Pacific Partnership Agreement: Misfit or Missed Opportunity?. *Agenda: A Journal of Policy Analysis and Reform*, *23*(1), 73-86.

5 De Groot, H. L., Linders, G. J., Rietveld, P., & Subramanian, U. (2004). The institutional determinants of bilateral trade patterns. *Kyklos*, *57*(1), 103-123.

officials engaging in acts of corruption. [6]
Labour Laws and promotion of International Labour Union regulations are an important chapter in the CPTPP. The chapter on Labour regulations, mandates the adherence to labour rights as per the regulations of ILO. This includes freedom of association, the right to collective bargaining, the elimination of forced labour, the abolition of child labour, the elimination of employment discrimination, as well as laws that govern acceptable conditions of work. [7] To put in an international free trade agreement, what is supposedly a "domestic issue" is a huge step forward. This chapter is going to have significant impact on the lives of workers and of the commercial establishments in countries like Malaysia and Vietnam which are the two countries with the most lax labour regulations. The CPTPP will benefit workers in respective countries by promoting compliance with internationally-recognised labour rights and by promoting enforcement of labour laws. The CPTPP will not affect any nation's ability to set appropriate specific language requirements, training benchmarks, licensing requirements or the Temporary Skilled Migration Income Threshold. Establishing requirements based on internationally recognised and accepted labour rights (freedom to form association, removal of compulsory labour, curtailing of child labour, collective bargaining and elimination of discrimination in respect of employment and occupation), the Parties are required to have laws governing acceptable conditions of work relating to minimum wages, hours of work and occupational health and safety. TPP Parties will, where appropriate, liaise and collaborate with international organisations such as the ILO or APEC. [8] Possible areas identified for cooperation in this arena include child labour abolition, sustainable growth and skill development, job creation, promotion of equality and the elimination of discrimination against women, and protection of vulnerable workers. There is a provision to form a commission to look into any disputes and matters relating to labour regulations in the member nations, having representation from all eleven countries as well.
The inclusion in the TPP-11 of the above mentioned ideas is what makes this agreement truly long-term and forward looking.

The Technical Barriers to Trade and CPTPP

It is commendable to see the CPTPP include a chapter on Technical Barriers to Trade. This inclusion shows a long-term vision of the nations to be committed to the trade agreement. Very often the varying standards in technical aspects are massive barriers to facilitate smaller economies or developing nations to sell and compete in larger markets. With a slow implementation rate to the levelling of technical barriers is going to enable companies in the CPTPP to bid even for government bids and contracts in the same capacity as local companies can. These are included in the chapter that contains the issues dealing with Government procurements. The fact that there are countries like Singapore, Japan and New Zealand on one hand and Malaysia and Vietnam on the other has necessitated the need for support to all members to reach the standards of the former countries.
The CPTPP ensures national treatment to foreign service providers and investors. In other words, in CPTPP member countries,

6 Summary of the TPP agreement. Department of Foreign Affairs and Trade. Government of Australia. https://dfat.gov.au/trade/agreements/not-yet-in-force/tpp/Pages/summary-of-the-tpp-agreement.aspx

7 Ramasamy, B., & Yeung, M. C. (2016). China and the Trans-Pacific Partnership Agreement: Misfit or Missed Opportunity?. *Agenda: A Journal of Policy Analysis and Reform*, *23*(1), 73-86.

8 Major Outcomes of the TPP Agreement. Department of Foreign Affairs and Trade. Australian Government. https://dfat.gov.au/trade/agreements/not-yet-in-force/tpp/Pages/outcomes-labour-chapter.aspx

foreign firms are not discriminated against vis-à-vis local firms. However, sensitive areas, such as the defence sector, are excluded from this treatment based on the negative list approach that allows for a more liberalizing outcome (by explicitly designating excluded sectors) than a positive list approach (where only open sectors are explicitly listed). It is noteworthy that the CPTPP prohibits the implementation of a number of restrictions by the government on the behaviour of foreign firms. These include the prohibition of performance requirement, such as technology transfer requirement and restrictions on the transfer of funds.

CPTPP countries have agreed not to impose any kinds of 'localisation' requirements on computing and informational technology facilities – providing certainty to businesses from all across the CPTPP, as they look to optimise investment decisions. investors will not be required to transfer technology, production processes, or other proprietary information in order to carry on business in a TPP country.

Investor-State Dispute Settlement in the CPTPP

The Investor-State Dispute Settlement is a system whereby an investing company can seek compensation from a host country if it feels its intellectual property rights have been violated in that country. The ISDS facilitates multinational and transnational companies to seek justice through arbitration tribunals such as the World Bank's International Centre for the Settlement of Investment Disputes (ICSID), which are considered to be neutral. When an investor sues the host government for breach of the rules in an agreement (an FTA or bilateral agreement), seeking impartial arbitration is sometimes preferred to a judicial system within the host country. [9] The ISDS has been included in several FTAs recently because it offers assurance to MNCs that the chance of expropriation by host governments is greatly reduced [10]. However, the ISDS is frowned upon by many, who see it as allowing MNC's to means of trespassing government regulations and policies [11] [12].

The CPTPP's chapter and provisions for ISDS provisions provide an opportunity for investors, to protect their overseas investments against expropriation and to ensure that they are afforded minimum standards of treatment, and treated in a non-discriminatory manner in all CPTPP countries. Contrary to common fears regarding the ISDS, the TPP ISDS provisions do not prevent any government from changing its policies making changes regarding in public interest. The ISDS provisions incorporate explicit safeguards to protect the right of governments to take decisions in the public interest, including in the areas of health and the environment, and reduce the chances that foreign investors bring frivolous claims, thus ensuring greater strength to the agreement.

One of the important aspects of the TPP is regarding its emphasis on the establishment of a business friendly environment, under which global supply chains enterprises of various sizes is bound to be established. To achieve this objective, the CPTPP on trade facilitation, cooperation, capacity building, and horizontal issues such as regulatory coherence, transparency, business facilitation and competitiveness, and small- and medium-

9 Ramasamy, B., & Yeung, M. C. (2016). China and the Trans-Pacific Partnership Agreement: Misfit or Missed Opportunity?. Agenda: A Journal of Policy Analysis and Reform, 23(1), 73-86.

10 Jandhyala, S. (2016). Why Do Countries Commit to ISDS for Disputes with Foreign Investors?. AIB Insights, 16(1), 7.

11 Farrell, H. (2015). People are freaking out about the Trans Pacific Partnership's investor dispute settlement system. Why should you care?'. The Washington Post.

12 Ramasamy, B., & Yeung, M. C. (2016). China and the Trans-Pacific Partnership Agreement: Misfit or Missed Opportunity?. Agenda: A Journal of Policy Analysis and Reform, 23(1), 73-86.

sized enterprises will play very important roles.

Foreign direct investment has played a very important role in the development of East Asian economies by enabling host countries to get involved in Global Value Chains (GVCs), and enabling them to be more included in the global economic structures. This has been made possible by the establishment of foreign affiliates of multinational corporations (MNCs) — the primary suppliers of FDI — in the respective countries. East Asian countries have been able to engage in international trade and technology acquisition, which in turn has contributed to their rapid economic growth. Realizing these beneficial effects, governments around the world are now competing to attract as much foreign investment as they can, into their respective countries. Enacting a high-quality investment agreement such as the CPTPP is expected to improve the attractiveness of signatory countries as FDI hosts.

Economic Impact Projections

The CPTPP is projected to raise real income of its member nations by 1.1 per cent from the baseline case in 2030, while its impact on non-CPTPP members is zero. All CPTPP members are expected to increase their real income, while some non-TPP members are expected to suffer a decline in their real income. These results are consistent with an expectation that FTA members are likely to gain from the trade creation effect, while non-FTA members are likely to suffer from the trade diversion effect. Among the CPTPP members, Vietnam is expected to gain the most — in terms of the rate of increase in real income with an increase of 8.1 per cent. Vietnam is followed by Malaysia (7.6 per cent) and then Brunei (5.9 per cent). The countries with smaller gains include the United States (0.5 per cent), Australia (0.6 per cent), and Chile (0.9 per cent). [13] It should be noted that the cross-country pattern of the gain in terms of absolute value in real income is quite different from the pattern observed in terms of the rate of change in real income. In terms of absolute value in real income, the United States is expected to gain the most (US$131 billion) and Japan the second (US$125 billion), while the gains for Vietnam and Malaysia are much smaller at US$41 billion and US$52 billion, respectively. These observations suggest that while the gains for large countries may appear small in terms of the rate of growth, they are quite substantial in terms of absolute magnitude. [14]

One revolutionizing idea of the TPP is the focus on Global Value Chain (GVC) and how the agreement focuses on and adds to the dynamics of interconnectedness and free market ideals of GVC's. As a regional free trade agreement, the CPTPP will create more and longer term integration benefits for all businesses, exporters and consumers across the member nations - beyond those that can be achieved in any bilateral free trade agreement that respective countries may have with one another. Under the agreement, businesses and exporters will be able to count inputs sourced from any fellow TPP-11 country when calculating if a good can be traded under the CPTPP preferential trading arrangement. This means lower tariff rates on inputs as well as the final product, making it attractive to an investor and consumer. In totality, the combined effect of new market access opportunities and common rules will make it easier for one and all to participate in, and benefit from GVC's. [15]

13 Urata, S. (2018). The Trans-Pacific Partnership: Origin, Evolution, Special Features and Economic Implications. *Journal of Southeast Asian Economies (JSEAE)*, *35*(1), 22-38.

14 Petri, P., & Plummer, M. (2016). The economic effects of the Trans-Pacific Partnership: New estimates.

15 Background papers: Global Value Chains and the TPP. Department of Foreign Affairs and Trade. Government of Australia. https://dfat.gov.au/trade/agreements/not-yet-in-force/tpp/Pages/background-papers-

A very well rounded example of this can be put forward by the hypothetical situation put on by the Australian Government's Department of Foreign Affairs and Trade's views on the GVC and its potential benefits to one and all. It is as follows: Australian agricultural producers and exporters will benefit from increased participation in GVCs because the TPP will drive demand for ingredients from the most efficient agricultural suppliers. Tariffs on ice-cream imported into Japan, for example, will be more than halved to a tariff of less than 10 per cent under the TPP, increasing the demand for ice-cream originating from TPP countries. New Zealand has been the largest exporter of ice-cream to Japan. The TPP will allow increased Australian sugar exports to be mixed with New Zealand dairy products and Malaysian cocoa, to produce ice-cream in New Zealand that can be exported to Japan under new tariff preferences. New Zealand doesn't impose duties on Australian sugar or Malaysian cocoa, but the elimination of tariffs faced by New Zealand ice cream manufacturers exporting to Japan results in increased demand for Australian sugar exports. [16]

global-value-chains-and-the-tpp.aspx

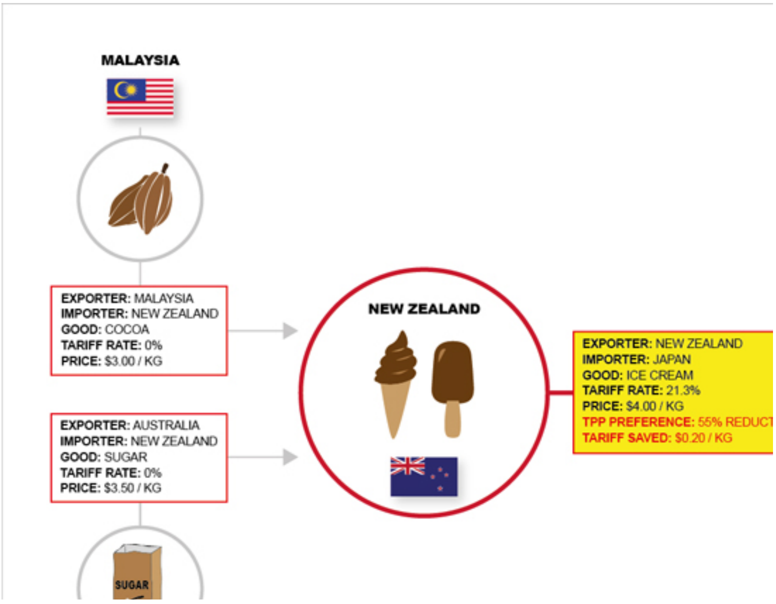

Figure 1: CPTPP GVC Example

In October 2015, while USA was still a part of the TPP, the Ministers' Statement discussed the important aspects of TPP and said, "TPP brings higher standards to nearly 40 percent of the global economy. In addition to liberalizing trade and investment between us, the agreement addresses the challenges our stakeholders face in the 21st century, while taking into account the diversity of our levels of development. We expect this historic agreement to promote economic growth, support higher-paying jobs; enhance innovation, productivity and competitiveness; raise living standards; reduce poverty in our countries; and to promote transparency, good governance, and strong labor and environmental protections." Albeit, now the GDP is not 40%, but around 13%, the benefits of CPTPP aren't misplaced. [17]

16 Background papers: Global Value Chains and the TPP. Department of Foreign Affairs and Trade. Government of Australia. https://dfat.gov.au/trade/agreements/not-yet-in-force/tpp/Pages/background-papers-global-value-chains-and-the-tpp.aspx

17 Ministers' Statement. Department of Foreign Affairs and Trade. Government of Australia. https://dfat.gov.au/trade/agree-

After looking at the aforementioned benefits that we can foresee with the CPTPP, it is important that we look at the agreement in the larger, regional and global context. On the regional note, ASEAN has always led the way in terms of free trade agreements in the Pacific region. The idea of 'ASEAN Centrality' and envisioning free trade agreements with all major players in the region, coming all the way to India. The other major regional trade deal in the area is the USMCA (formerly known as NAFTA, with very few changes). The negotiations for RCEP (Regional Comprehensive Economic Partnership) are also projected to give a similar to TPP-11 deal; but is still not as dynamic and on-ground as the CPTPP is.

Removal of obstacles to trade, investments and services, whether through reducing import duties, or through the standardization and harmonising of technical requirements, eradicating quotas, creating a level playing field for both domestic and foreign firms, and other initiatives, is known to increase the flow of goods, services and capital between countries, and CPTPP is bound to be a guiding light in this regard for the future of mega-FTA's.On a global context, CPTPP is still the third largest FTA by GDP, just after USMCA and European Free Market; no mean feat nonetheless. The CPTPP is touted to be the future and is undoudtedly becoming a force to be reckoned with.

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Skills Development And English Language Learning At ICYM Ahmedabad.

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Abstract

Thousands of rural students of Gujarat are being trained and made efficient to cope up with the challenges of the metropolis by Indian Catholic Youth Movement Ahmedabad from more than a decade. Bearing the light to those are in the dark is the noble responsibility of education and the educated. Creating a very different environment and facilities to young minds and moulding them into different models based on their very own efficiencies and potencies are the greatest strengths of ICYM in this transitory and ever changing world. Many children share their experiences of this training and how it impacts in their life in school and personal sphere. Learning English language is not the sole criterion here but making the children of different tribes and culture to get together and develop different skills like singing, public speaking, art of writing, dancing, drawing, narrating and team spirit. The ulterior reason is to make them confident in their life and higher education in order to build a good human society. The present time is cruel enough to dethrone anyone who does not possess competitive skills demanded by the contemporary trends and fashions, to this test of time many rural children consider themselves unqualified and incapable. Building nation through young force and enabling them to withstand the currents of the changing times is indeed a greater task which requires seasoned teachers and ICYM Ahmedabad is capable of providing such trainers to educate the rural children of Gujarat.

This paper deals with the various skills development of rural students, the process of training and the challenges faced by trainers in making these children confident in the urban atmosphere. It is really difficult to convince the rural folk but here, the tribal people of south Gujarat and other rural parents voluntarily send their children for this training because they have become aware of the importance of education. This paper exhibits how the parents also become the part of this skill development programme in order to encourage their children.

Key words: Competitive Atmosphere, Morality Inculcation, Team Spirit and Cultural Harmony.

Introduction

Rural children possess a vital potency and different talents within them. Understanding and helping them grow to the fullness is a great responsibility which should be shouldered by teachers. ICTM Ahmedabad has been a trendsetter in the region of Gujarat; it has initiated this praiseworthy endeavour a decade ago. The members, who work for this common goal, gather the children from across the rural zones of Gujarat and inspire them to learn and develop various skills along with English language. The training usually starts in the summer vacation of every academic year. Children come in a bug number and stay at a decided place for forty five days and posit themselves as disciplined trainees. They are indeed forced to put a hard labour in order to gain confidence and language proficiency. It's really amazing to see children speaking, singing and conversing in public by using newly acquired and developed skills within a very short time. When they share their experience at the end of the course the parents, teachers and trainers feel and say, "Really it was worth". The hard work of forty five days yields fruits in the lives of children who feel awe at their own developed skills and abilities. The discipline, time management and extra-curricular activities, etc are given much importance during this course. Clever students learn and teach their peers by themselves whenever it is required.

The course and its management

Everything will be planned in advance, the grammar course, spoken English practices, action songs, debates, essay writing, short story writing, drama performances, elocutions, sports, picnic, etc. the course of forty five days looks fully adequately organized in order to reap the maximum benefits. The children come from various rural and urban areas of Gujarat; the tribes of north and south Gujarat also are covered under this special kind of education. The community spirit is encouraged and everyone is respected and their culture is also given due space to spread among the others. **Team spirit** is taught through team activities, various cultural programmes are organized and every student is made to feel that he/she is a member of this family. In spite of gathering from various parts of Gujarat students don't cling to their own ideologies rather they accept the new trends and changes that are necessary for their own growth and enrichment.

In order to understand how they stay focused in the course it is necessary to observe their daily schedule which can be seen as below.

Time	particular
6.00 am	Rising
6.45	Meditation
7.30	Moral story
7.45	Breakfast
8.15	First session
10.30	Break
10.45	Action songs
11.00	Second session
1.00 pm	Lunch
1.45	Cultural programme practice
2.45	Third session
4.30	Break
5.00	Sports
6.00	Fourth session
7.30	Supper
8.30	Cultural programme performance
10.00	Bed time

The students will be divided into two groups like fast learners and slow learners. based on these divisions the extra classes and practices are done according to the abilities of the students. Basically the primary and high school children are kept at two different places and are taught according to their standard and ability providing different course to the both the groups. The busy schedule keeps everyone engaged. Every student is given a chance to speak, play and perform in fact they are required to take part in all the activities without fail. The rural students feel shy sometimes and don't show interest, courage in learning and performing this is a great problem faced by the teachers. Making them believe in themselves is a hard task and as the course progresses they catch on to the pace and become confident. The teachers here do constant observation in order to help the students learn in their own ability and capacity. Approximately 120 children will be part of this training programme. Some students find it difficult to adjust to the new situation, in those cases they ate taken more care and encouraged to stay focused.

Weekend programmes

Saturday noon and evening time will be allocated for various practices. Sunday is a day where parents meet their children; watch them partake in various activities like action song, dance, speaking boldly on stage, acting in drama, etc. parents willingly and spend some time with them. Sunday noon is a very serious time for students as they have to sit for written exam based on the whole week's teaching and learning. Evening time again they have one session of grammar and post supper they watch an English movie which is selected for their learning.

The competitive environment

The environment provided by ICYM Ahmedabad indeed helps children in a greater measure to learn and practice different skills. All the students are expected and required to converse in English only no matter whatever mistakes they may make. In the beginning days they find it very difficult and as the days move they become more willing and competitive among themselves. They are privileged to listen to a moral story every morning. And before the first session would start they finish the writing story in their own words and translate it into Guajarati too. Clever students help their weak friends to learn and understand and they feel happy to be teachers for their own friends.

The fast learners are taught advanced grammar and new chapters whereas the slow learners are taught repetitively in order to help them to learn and understand in a better way. Their difficulties in learning are observed and analysed and they are given sufficient time for practices so they learn in their own capacity. The teachers are patient enough to teach them repetitively.

Classroom education

Once the grammar class is over they are divided into two groups; the fast learners and slow learners. This division remains till the evening as they practice according to the learning capacity. The teachers in their classes make them practice more sentences and grammar structure which are already taught to them. The **competitive atmosphere** is created within the class and those who attempt voluntarily to speak or write something creatively are appreciated amidst the class. That is how everyone feels the zeal to involve in various activities. The constant repetition of the same grammar through different approaches and methods may not bore the students rather makes them vigilant and curious. The day is fully utilized giving no time for less important activities.

In the beginning days the students who are from tribal areas feel reluctant to get up and speak but as the days pass thy cast a spell on everybody including teachers by manifesting their unique and invaluable capacities at learning and speaking. **The cultural harmony** is given importance as the children from all the sides of Gujarat gather here. Their difference is valued and respected and celebrated at ICYM Ahmedabad. The students learn new words and vocabulary everyday as they are displayed on the board by the appointed teacher. They learn and start using those newly learnt words in their conversation. Abundant time is given for sharing and listening to opinions. Mobiles are strictly prohibited and all the children get a friendly and mobile free environment where they can learn, play and interact with everyone including the teachers. Different groups which are divided in the noon for cultural activities gather together in the evening and each group comes forward and presents a skit, dance, action song, speeches, conversations, etc. Individuals are asked randomly to summarize the activities of the day that is why everyone remains attentive throughout the day.

If the students are facing problems in learning, they are constantly observed and counselled. A homely atmosphere is provided and valued in order to encourage the small children. The fast learners get to explore new areas of knowledge and teachers provide them advanced materials and grammar. The liveliness and joy seen in the students are major key points that keep the course going. Ignorance is expelled through enlightenment and classes provided by various teachers and professionals. Sometimes, renowned speakers are invited to address the children on various current issues. Many great speakers voluntarily extend their help in inspiring the children. **Morality** is one more key aspect which is inculcated in children. Making them good students and very good citizens of the nation is a untold motto of ICYM Ahmedabad. Helping nature in students is appreciated and encouraged. The bigger children care for the younger ones and set exemplary life.

Conclusion

Children learn and acquire many new skills through this training programme. As they share that they have become more responsible even when they get back to their home and schools. A great change within themselves they experience and move much confidently in life. The patents sense the maturity in their children after this course and they are also equally responsible as they constantly observe and encourage their children. Gifting human society with newly skilled young children is a great service by ICYM Ahmedabad. Children's capacity and performance proved improved after this training and they grow in all the areas of life without confining themselves to single area.

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A Conceptual Study on Need of Customer Relation Management (CRM) in Running a Business Organization.

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Abstract

In today's competitive world, the customer Relation Management is important activity to gain the faith of the customers. This would help the organization to increase their potential as well as the targeted customers. This paper includes the characteristics and advantages of following the CRM tools to increase the trust of the customers. Thus, the objective of this paper is to reveal various activities which could maintain the customer-Business relation and raise the customer base.

Key Words: *CRM, Customers, Advantages of CRM Tools.*

Introduction

In recent era of cut throat competition, it has become necessary for various business organizations such as –Banks, Insurance Companies and other service providers to know the need of CRM for developing the relation with customers and win their trust. This would give them an opportunity to attract the customers and generate a huge group of potential as well as the targeted customers for the lifetime. This organization should have the continuous update of the technological changes and requirements of the customers in the sense of marketing. Thus, CRM helps them as a tool and technique to maintain relation with the customers and increase their sales.

To maintain a good relation with the customers; is a vital activity, because if they are satisfied there is no need of other advertising tools. For this, their word of mouth is more than enough. It is believed that, finding new customers is difficult task. So, the organization is always customer- service oriented. On the other hand, competitors are considered as the biggest rivals in the success of business. So to maintain their goodwill in market is also an important task. Customer satisfaction should be their priority and their need and expectations must be fulfilled after sale of products too. This encourages them to re-purchase the product. This paper focuses on CRM and its need for satisfying customers.

Objectives Of The Study

1. To know the in-depth meaning of Customer Relation Management.
2. To study the need of CRM for satisfying the customers.

Research Methodology

The study is undertaken purely undertaken by the secondary data. For this, various research papers, articles, websites and presentations are referred.

Characteristics Of Crm

Generally, CRM is a strategy undertaken by an organization to manage its customers and for achieving excellence in business.

1. Needs of Customers:

The taste and preferences of customers changes rapidly. So it becomes important for organization to know the needs of customers and act accordingly. This helps them to maintain long-term deal.

2. Customers Response:

The customer is always eager and confused about various products in the market. Sometimes, due to lack of knowledge and misunderstandings they cannot purchase the proper product. Their response is not up to the expectations. So to reduce such problems, the organizations should take help of CRM tools and aware their customers and satisfy them.

3. Satisfaction of Customers:

This is one of the important features of CRM. When the needs and responses altogether are delivered up to the expectation, the customer is considered to be satisfied. For this, the organization must be differentiator I making strategies. If the customer is satisfied, the Business- Customer Bond becomes strong.

4. Loyalty among Customers:

When the customer satisfies his needs, he becomes the regular customer of his suppliers. This tends towards re-buying the product. To continue this, the customer satisfaction must be focused constantly. This leads to successful business.

5. Retaining the Customers:

In the competitive market, retaining the customers is a difficult task. For this, the organization should satisfy the needs of customers on regular basis, so that, they could stick to them for a longer time. This results in more net growth of business.

6. Complaints of Customers:

This is the most common problems faced by the suppliers. This shows that the customer is not satisfied. So with the help of CRM tools, the proper analysis must be done of the complaints to satisfy the customer ultimately within less duration.

7. Service provided to Customers:

The duty of organization is to provide all kind of information and services to their customers regarding their products and brand. He must fulfill the conditions provided to satisfy the customer along with giving information. After sale services should also be performed promptly.

Advantages Of Crm

Usually CRM helps to find new customers, maintain the present ones and bring the former customers back. The CRM system is beneficial to both small as well as the large business if implemented appropriately. Other advantages are as follows:

1. CRM helps in maintaining the personal touch to the existing relation between business and customers. This makes it possible to maintain the personal relation with customer rather than a group. This leads to study the customer needs in depth. They can follow-up with the customers on the items they buy. This helps in lessening the customer's complaints.
2. CRM is an effective tool to find the potential customers. They keep the record of the existing customers and make strategy for the further growth. This

growth is possible only when the existing ones are maintained properly along with recruiting new prospects.

3. The CRM helps in getting the information faster and efficiently from the customers. They would than purchase the product directly rather making an inquiry.
4. CRM can be useful online through websites and other communication channels. This could make the work of sales representatives easier. They can give quick response to inquiries and feedback from the customers.

Conclusion

With the study undertaken, it can be concluded that, the continuous updation of the CRM activity must be practiced to retain the business customer relation and earn goodwill as well as profit for a long period of time. This would minimize their rivals and increase the existing customer group. Along with this, the service quality can also be efficient and lead the organization to the expected success.

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A Study of Future Benefits of Islamic Banking In Gujarat State

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Abstract

Islamic banking is a banking system that was developed based on sharia - law of Islam. Islamic banking is well practiced system in Islamic counties but in India it is still a new concept and is in infant stage. The present research tries to study future benefits of Islamic banking in Gujarat state. For this study primary data is collected from 600 respondents which were selected through Non probability sampling method using Convenient Sampling. The research is definitely meaningful for the democratic nations like India as it is more of social economy. Islamic banking lays its base on welfare which properly matches with our economic orientation. Researcher has applied independent t-test to test the hypothesis of the study.

Key words: Islamic banking, Sharia law, Benefits.

Introduction

The idea of introducing the Islamic banking is to bring equilibrium in the economic growth and to distribute income equitably. Islamic finance refers an ethical and equilibrium mode of financing that arise its principles from sharia (it is Islamic act) after the period of 45 years. Today number of financial institution has developed and arise for the provided advanced capital both sectors private as well as public in manner of compatible with sharia Islamic law. Recently the tradable sharia financial instrument have come to security market. In this manner the development of bond of Islamic has become primary area of growth, providing finance for short and medium placement of funds by investors. The development of this market has been fuelled not only the wishes of corporate and government entities to arise sharia complaint funds (it is alternative source of funds) but also by investors demands for sharia compliant different products so much that in 2004, a European federal institution but it has no Islamic constitution links. The majority eastern investors attracts such investors has alternative securities of sharia compatible security market. The Islamic finance started its journey from small investment but now it become big investment.

Literature

Muhamad Abduh, **Mohd Azmi Omar**, **(2012)**, The outcomes show a noteworthy relationship in short-run and long-run periods between Islamic money related economic growth and financial development. The relationship, be that as it may, is nor Schumpeter's supply-leading nor Robinson's demand-following. It has all the earmarks of being bi-directional relationship. **Yasushi Suzuki**, **S.M.**

Sohrab Uddin, (2014) Rehashed exchanges under murabaha are seen in the Islamic financial area of Bangladesh. The advantage based financing gives the Bangladeshi Islamic banks generally higher Islamic bank lease open door for ensuring their "establishment esteem" as Shari'ah-consistent loan specialists, while reacting to the intermittent unpredictability in exchange costs, **Tamsir Cham, (2018)** The outcomes bolster the view that high oil costs, stable household costs, higher taught masses and more noteworthy nearness of capital assets effectsly affect development in Islamic banking. The discoveries, notwithstanding, uncovered that precariousness antagonistically influences Islamic financial development. The creator found no reasonable end on the effect of financial development, more prominent nearness of Muslim populace and nearness of sharia in the legitimate arrangement of the nation on development in Islamic banking. The real imperatives obstructing Islamic financial development incorporate guidelines, charge rates and gifted work **Abdul Rashid, Saba Yousaf, Muhammad Khaleequzzaman, (2017)** The regression results demonstrate that pay decent variety, productivity proportion, advance to resource proportion, resource measure and the market focus proportion of banks effectively affect the solidness of banks. Looking at Islamic and traditional banks, eminent differential impacts of the experimental determinants of money related security for Islamic and customary banks have been watched. The outcomes propose that Islamic banks have performed better when contrasted with ordinary banks and contributed all the more adequately in the strength of money related area. Generally speaking, the outcomes delineate that the commitment of Islamic banks toward the monetary dependability has been sensible and planned**.**

Research Methodology

The present study is undertaken to study and analyzed the **Future Benefits of Islamic Banking in Gujarat State**. For this purpose data is collected from 600 respondents which were selected through Non probability sampling method using the Convenient Sampling. The study has been carried out on the basis of primary data and secondary data both. The primary data is collected with the help of a structured questionnaire having statements on the basis of five point likert scale . The questionnaire was filled in by the concerned respondents through personal meeting or interview. The Data received through the questionnaire has been duly presented in the form of tables. The data is duly analyzed and interpreted. Researcher has applied independent t-test to test the hypothesis.

Formulation Of Hypothesis

1. **H_{01}** There is no significance difference in perceived benefits of Islamic banking in Gujarat state as per gender.
2. **H_{02}** There is no significance difference in perceived benefits of Islamic banking in Gujarat state as per marital status
3. **H_{03}** There is no significance difference in perceived benefits of Islamic banking in Gujarat state as per residence area

Data Analysis And Interpretation

Table-1:- Demographic Information

Category	Variable	Frequency	(%)
Age group	Up to 25	211	35.2
	26 to 40	195	32.5
	41 to 60	169	28.2
	61 above	25	4.2
	Total	600	100.0
Gender	Male	413	68.8
	Female	187	31.2
	Total	600	100.0
Marital status	Married	378	63.0
	Unmarried	222	37.0
	Total	600	100.0
Residence area	Urban	290	48.3
	Rural	310	51.7
	Total	600	100.0
Education qualification	Below 10	46	7.7
	Up to 10	50	8.3
	Up to 12	134	22.3
	Graduate	183	30.5
	P.G.	138	23.0
	Professional	49	8.2
	Total	600	100.0
Income	Not Applicable	153	25.5
	Up to 250000	163	27.2
	250000 to 500000	146	24.3
	Above 500000	138	23.0
	Total	600	100.0

The above table no.1 portrays the Gender distribution of the respondents. Regarding Gender 68.8% are males and rest are female. About 63% respondents were married and rest is unmarried. Regarding age category 35.2% respondents are up to 25 years and followed by 32.5%, 28.20% and 4.20 has age between 26 to 40, 41 to 60 and above 61 respectively. About 30.5% respondents Graduate, followed by 23% respondents have Post Graduate and remaining respondents have different qualification. Regarding annual income 27.20% respondents gave income up to 2,50,0000, followed by 24.30 respondents have income between 2, 50,000 to 5, 00,000 and remaining respondents have more than income group 5,00,000.

Table-2:-Benefit Of Ib Is Investment From Gulf Country Will Increase.

Scale	Frequency	Percent %
Not at all agree	16	2.7
Not Agree	20	3.3
Neutral	82	13.7
Agree	224	37.3
Strongly Agree	258	43.0
Total	**600**	**100.0**

From the above table no. 2 we can said that 43% respondents are strongly agree and 37.3% respondents are agree that the benefit of islamic is investment will increase from the gulf country. Where only 6% respondents are not agree with the statement. It means majority of the respondents believe that the Islamic banking increase the investment from the gulf country.

Table-3:- Benefit Of Ib Is Get Wider Financial Choice

Scale	Frequency	Percent %
Not at all agree	5	.8
Not Agree	34	5.7
Neutral	84	14.0
Agree	258	43.0
Strongly Agree	219	36.5
Total	**600**	**100.0**

The table no. 3 indicates that benefit of Islamic banking is get wider financial choice. From total 600 respondents, maximum 258 (43%) respondents agree and minimum 5 (0.8%) and 34 (5.7) respondents are respectively not at all agreed and not Agree that wider financial choice.

Table-4:- Benefit Of Ib Is Help To Eliminate The Poverty.

Scale	Frequency	Percent %
Not at all agree	14	2.3
Not Agree	22	3.7
Neutral	76	12.7
Agree	218	36.3
Strongly Agree	270	45.0
Total	**600**	**100.0**

Table -4 disclose the benefit of Islamic banking is helping in elimination of the poverty in Gujarat state. From total 600 respondents, maximum 270 (45%) respondents strongly agree and minimum 14 (2.3%) and 22 (3.7) respondents are respectively not at all agreed and not Agree that help to eliminate the poverty.

Table-5:- Benefit Of Islamic Banking Help To Reducing The Rate Of Unemployment.

Scale	Frequency	Percent %
Not at all agree	10	1.7
Not Agree	35	5.8
Neutral	104	17.3
Agree	262	43.7
Strongly Agree	189	31.5
Total	**600**	**100.0**

Table -5 reveals the data of benefit of IB is help to reducing the rate of unemployment of Gujarat. Out of 600 respondents, maximum 262 (43.70%) strongly agree Minimum 10 (1.70%) and 35(5.8%) respondents are respectively not at all agreed and not Agree that islamic banking is helping in to reducing the rate of unemployment. We can say that majority of respondent are strongly agree help to increase employment rate of Gujarat.

Table-6:- Benefit Of Islamic Banking Provide Varied Free Service And Contracts.

Scale	Frequency	Percent %
Not at all agree	14	2.3
Not Agree	27	4.5
Neutral	145	24.2
Agree	247	41.2
Strongly Agree	167	27.8
Total	600	100.0

Table -6 indicate that benefit of islamic banking is provide various free service and contracts. Among the 600 respondents, maximum 262 (43.70%) strongly agree Minimum 14 (2.30%) not at all agreed with the statement. We can say that majority provide various free service and contracts.

Table-7:- Benefit Of Islamic Banking Do Not Exploit Customers.

Scale	Frequency	Percent %
Not at all agree	20	3.3
Not Agree	40	6.7
Neutral	107	17.8
Agree	229	38.2
Strongly Agree	204	34.0
Total	**600**	**100.0**

Table -7 shows that benefit is do not exploit customers. Among the 600 respondents, maximum 229 (38.20%) and 204 (34%) respondents agree as well as strongly agree respectively. Minimum 20 (3.3%) and 40 (6.7) respondents are respectively not at all agreed and not Agree that help to do not exploit customers.

Table-8:- Benefit Of Islamic Banking Encourage Equality In The Society.

Scale	Frequency	Percent %
Not at all agree	10	1.7
Not Agree	20	3.3
Neutral	78	13.0
Agree	259	43.2
Strongly Agree	233	38.8
Total	**600**	**100.0**

The above tables indicate that the islamic banking is encourage the equality in the society. Out of 600 respondents, maximum 262 (43.20%) strongly agree Minimum 10 (1.70%) and 20(3.3%) respondents are respectively not at all agreed and not Agree that islamic banking is encourage the equality in the society.

Table-9:- Benefit Of Islamic Banking Encourage Micro Saving.

Scale	Frequency	Percent %
Not at all agree	10	1.7
Not Agree	21	3.5
Neutral	98	16.3
Agree	278	46.3
Strongly Agree	193	32.2

Total	**600**	**100.0**

From the above table we can said that 78% respondent are agree that benefit of islamic banking will encourage micro savings and 31 (5.20) respondents are not all agreed with the statement.

Table-10:- Benefit Of Islamic Banking Non Interest Bank Attracts Bankers.

	Frequency	Percent %
Not at all agree	15	2.5
Not Agree	26	4.3
Neutral	92	15.3
Agree	229	38.2
Strongly Agree	238	39.7
Total	**600**	**100.0**

From the above table no. 10 we can said that 39.70% respondents are strongly agree and 38.20% respondents are agree that the Benefit of Islamic Banking Non interest bank attracts bankers Where only 6.80% respondents are not agree with the statement. It means majority of the respondents believe that the Islamic banking Non interest bank attracts bankers.

Table-11:- Benefit of Islamic Banking Non Interest Bank Attracts the Businessman.

Scale	Frequency	Percent %
Not at all agree	18	3.0
Not Agree	31	5.2
Neutral	97	16.2
Agree	233	38.8
Strongly Agree	221	36.8
Total	**600**	**100.0**

The table no. 11 indicates that benefit of Islamic banking Non Interest Bank Attracts the Businessman. From total 600 respondents, maximum 233 (38.80%) respondents agree and minimum 31(5.2%) and 18 (3%) respondents are respectively not at all agreed and not Agree that wider financial choice.

Table-12:- Independent Samples Test

Perceived benefits of Islamic banking as per gender									
	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence interval of the difference	
								Lower	Upper
Equal variance assumed	1.262	.262	1.195	598	.232	.06433	.05382	-.04138	.17004
Equal Variance not assumed			1.226	382.703	.221	.06433	.05245	-.03880	.16747

Shows the result of Independent Samples test used to access the difference perceived benefits of Islamic banking in Gujarat state.The 't' value is 1.195 and sig. value is .232 which is more than 0.05 (95 percent confidence interval). Which is indicates that there exist no differences in the perception of gender population on perceived benefits of Islamic banking in Gujarat state. Hence, the hypothesis that **there is no significance difference in** perceived benefits of Islamic banking in Gujarat state. (alternative hypothesis is rejected)

Table-13:- Independent Samples Test

Perceived benefits of Islamic banking as per marital status									
	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence interval of the difference	
								Lower	Upper
Equal variance assumed	2.566	.110	1.605	598	.109	.08277	.05159	-.01854	.18408
Equal Variance not assumed			1.604	462.372	.109	.08277	.05162	-.01866	.18420

Shows the result of Independent Samples test used to access the difference perceived benefits of Islamic banking in Gujarat state.The 't' value is 1.605 and sig. value is 0.109 which is more than 0.05 (95 percent confidence interval). Which is indicates that there exist no differences in the perception of gender population on perceived benefits of Islamic banking in Gujarat state.

Hence, the hypothesis that **there is no significance difference in** perceived benefits of Islamic banking in Gujarat state as per marital status. (alternative hypothesis is rejected)

Table-14:- Independent Samples Test

Perceived benefits of Islamic banking as per residence area.									
	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence interval of the difference	
								Lower	Upper
Equal variance assumed	21.690	.000	-1.947	598	.052	-.09693	.04979	-.19471	.00086
Equal Variance not assumed			-1.928	530.706	.054	-.09693	.05028	-.19569	.00184

Shows the result of Independent Samples test used to access the difference perceived benefits of Islamic banking in Gujarat state. The 't' value is -1.947 and sig. value is 0.52 which is more than 0.05 (95 percent confidence interval). Which is indicates that there exist no differences in the perception of gender population on perceived benefits of Islamic banking in Gujarat state.

Hence, the hypothesis that **there is no significance difference in** perceived benefits of Islamic banking in Gujarat state as per residence area. (Alternative hypothesis is rejected)

Findings And Conclusion

- 80% respondents believe that the Islamic banking increase the investment from the gulf country where only 6% respondents are not agree that islamic banking increase investment
- 79.5% for agree that benefit of Islamic banking is get wider financial choice and 6% respondents are not agree that.
- 81% respondents agree that Islamic banking system will help into elimination of the poverty while 6% respondents are not agree IB will help to elimination of poverty.
- 75% respondents are agree islamic banking will help to reducing the rate of unemployment where only 7% respondent are not agree islamic banking
- 69% respondents are believe that Islamic banking will provide various free service and contacts while only 6.8% are not agree.
- 72% respondent are agree Islamic banking do not exploit the customers where only 10% respondent are not agree.
- 82% respondent are Islamic banking is encourage the equality in the society while only 5% respondents are not agree.
- 78% respondent are agree that benefit of Islamic banking will encourage micro savings and 31 (5.20) respondents are not all agreed with the statement.
- 80% respondents think that non interest banks the bankers and only 6% respondents not agree that.
- 79% respondents think that non interest banks the business man and only 8% respondents not agree that.

So it is conclude that around 70 to 80 percent respondents were agree that Islamic banking increase the investment from the gulf country, provide wider finical choice, helping into elimination of poverty, reducing rate of unemployment, and also provide free services. Islamic banking system does not exploit the customers and encourage the equality in the society. So in short the introduction of Islamic banking will provide certain benefit to the Indian citizen.

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A Study on R&D Spending and Its Impact on Profitability of Selected Automobiles Companies.

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Abstract

Spending on R&D is very important in today's age because its plays a very important role in the growth and development of firm, result in to sales and profit. This paper examines the R&D spending and its impact on profitability of selected Automobiles companies. The data used in this study was gathered from fourteenAutomobile Companies for the period of 2005-06 to 2015-16. The result shows that R&D spending influences significantly profitabilityof automobiles companies.

Keywords: *Research and Development Expenditure, Profitability and R&D Spending.*

Introduction

The world technologies are fast transforming as we sleep by night. What is it that these emerging industrial nations are doing to up their market standards and quality of life? The secret is sound and effective research which leads to development.

This study was performed to investigate spending on R&D & measure impact of profitability factors for research and development. Research & Development is the procedure by which an organization attempts to get new learning that it may use to make new innovation, products, services, or frameworks that it will either utilize or offer. The objective frequently is to add to the organization's main concern. (https://www.shopify.com/encyclopedia/research-and-development-r-d). Research and Development is unavoidable for organization for its development and improvement. Research and development intends to broaden new creation or roll out improvements in existing innovation. Research and development is major aggressive in every one of the enterprises and organizations. R&D involve imaginative work attempted on a deliberate premise keeping in mind the end goal to build the load of information (including learning of man, culture and society) and the utilization of this learning to devise new applications. In short R&D is an essential means for accomplishing future development and keeping up an important item in the market.

Review of Literature

Branch (1974) found that between R&D expenditure and profitability exists bilateral relationship, where there is a tendency for R&D to influence future profitability, but only slightly influenced by past profitability. **Perry and Grinaker (1994)** studied profitability expectations and discretionary research and development costs in America. In this study, they investigated the ratio between R & D expenditure and profitability of 90 major USA companies. Results showed that the effect on profitability of research and development is effective. Also, research and development has been associated with an increase in prosperity, but in times of recession, R & D expenditure had been reduced. **Sung C. Bae (2008)** found that the part of R&D venture, in the multi nationality -execution linkage and a company's multi nationality is observed to be essentiallydecidedly identified with its fairly estimated worth when the firm has R&Dspeculation, and the impact of R&D speculation increments with the degree of multinationality of its tasks. They utilize R&D speculation for a vast example of U.S.fabricating firms. Their significant finding was satisfactory level of R&D speculationto profit adequately from their multi nationality. **Franzan and Radhakrishnan (2009)** evaluated the relationship between R&D costs and the profitability or loss. They applied the residual earnings model to illustrate that the multiplier for R&D costs would probably be negative (positive) for profit (loss) generating firms. This is due to the fact that the dynamics of linear information in the residual earnings model is mostly appropriate for profit generating firms rather than loss generating ones. The income statement for income generating firms includes information on future benefits of R&D; while no such information is presented in the income statement of loss generating firms. Empirical evidence approves predictions made by researchers for loss generating firms.

Das (2012) in Indian Automobile industry R&D assumes an essential part on bothcost edge and industry execution. The effect of R&D on cost margin in the event ofextensive scale firms is higher than little scale firms. In both these cases last period'sR&D emphatically influences cost margin as increment in R&D in the last time frameneeds more R&D venture as it is a dynamic procedure. As expansive scale firms spentmore on R&D in the last time frame, so their spending will be more in the presenttime frame as they are worried for their long run pick up contrasted with little scalefirms. Despite the fact that cost margin increments because of increment in R&D inboth expansive and little scale firms however the effect on net revenue is positive insubstantial scale firms while little scale firms endure gigantic misfortune. So R&Disn't gainful for little scale firms as they have little gross settled resource. They endureimmense misfortune because of high cost of creation. Along these lines, it is inferredthat R&D is useful for extensive scale firms. From the exact outcome it is additionallywatched that R&D is advantageous for the employees. Employees of vast scale firmsget more advantage than the little scale firms. If there should arise an occurrence ofextensive scale firms it is reasoned that however increment in R&D expands cost ofgeneration which prompts greater risk yet it is useful both for the workers andbusiness as they procure more benefit.

Research Methodology

Objective of the study

The objectives of the study are as follow

To study spending on R&D by selected Automobile companies.

To find correlation between R&D spending with selected profitability variable of automobile companies.

Data collection

The study is based on secondary sources data relating to R&D and profitability collected from annual report of the companies. Annual reports are downloaded from the sample company's website.

Table 1: Mean of capital expenditure, Revenue expenditure and total expenditure of Automobiles Companies.

(Rs In Crore)

SN	Name	Avg. Capital R&D	Avg. Current R&D	Avg. Total R&D	Rank
1	Ashok Leyland Ltd.	85.70	184.24	269.94	4
2	Eicher Motors Ltd.	12.77	20.40	33.17	8
3	Force Motors Ltd.	12.45	36.93	49.38	7
4	Hero Motocorp Ltd.	148.84	71.63	220.46	5
5	Hyundai Motor India Ltd.	4.70	15.27	19.49	9
6	L M L Ltd.	0.00	3.72	3.72	11
7	Mahindra & Mahindra Ltd.	497.91	531.63	979.75	2
8	Maruti Suzuki India Ltd.	184.69	189.11	373.80	3
9	S M L Isuzu Ltd.	4.27	8.18	12.02	10
10	Scooters India Ltd.	0.00	0.22	0.22	13
11	T V S Motor Co. Ltd.	29.51	92.30	121.81	6
12	Tata Motors Ltd.	907.86	661.84	1569.71	1
13	Hindustan Motors Ltd.	0.36	2.67	3.02	12
14	Atul Auto Ltd.	0.00	0.08	0.08	14

Interpretation:
The above table no. 1 shows the average capital, current and total R&D expenditure of automobile Companies during the period of 2006-07 to 2015-16. We can observe Tata Motors Ltd spent highest amount and stood first. Followed by Mahindra & Mahindra Ltd. and Maruti Suzuki India Ltd. whereas Atul Auto Ltd. found least amount spends on R&D during the study period.

Pearson correlation between PAT to Total R&D expenditure, Capital R&D expenditure and Current R&D expenditure of the Automobile companies.

H_0: There is no significant correlation between PAT to total R&D expenditure, Capital R&D expenditure and Current R&D expenditure of the Automobile companies.

To test the above mentioned hypothesis, researcher has applied Pearson correlation. Following is the result of Pearson correlation.

Table No: 2 Pearson Correlations between PAT & other variable of Automobile companies.

		PAT	R&D Total	R&D Capital	R&D Current
PAT	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	140			
R&D Total	Pearson Correlation	.330**	1		
	Sig. (2-tailed)	.000			
	N	133	133		
R&D Capital	Pearson Correlation	.201*	.835**	1	
	Sig. (2-tailed)	.039	.000		
	N	106	106	106	
R&D Current	Pearson Correlation	.301**	.814**	.343**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	133	133	106	133

Inference: The above table shows Pearson correlation. We can observe that Pearson correlation value between PAT to total R&D expenditure which is 0.330 and it is significant at 0.01 levels. Correlation between PAT to capital R&D expenditure is 0.201. Pearson correlation value between PAT to current R&D expenditure which is 0.301. In short we can say that all variable relationship is weak but significant. We cannot accept null hypothesis means there is impact of R&D on profitability.

Pearson Correlations between NPR to Total R&D expenditure, Capital R&D expenditure and Current R&D expenditure of the Automobile Companies.

H_0: There is no significant correlation between NPR to total R&D expenditure, Capital R&D expenditure and Current R&D expenditure of the Automobile companies.

To test the above mentioned hypothesis, researcher has applied Pearson correlation. Following is the result of Pearson correlation.

Table No: 3 Pearson Correlations between NPR & other variable of Automobile companies.

		NPR	R&D Total	R&D Capital	R&D Current
NPR	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	140			
R&D Total	Pearson Correlation	.100	1		
	Sig. (2-tailed)	.252			
	N	133	133		
R&D Capital	Pearson Correlation	-.031	.835**	1	
	Sig. (2-tailed)	.754	.000		
	N	106	106	106	
R&D Current	Pearson Correlation	.088	.814**	.343**	1
	Sig. (2-tailed)	.313	.000	.000	
	N	133	133	106	133

Inference: The above table demonstrates that Pearson correlation between NPR to total R&D Expenditure shows value is 0.100, Pearson correlation between NPR to Capital R&D Expenditure shows the value is - 0.031,and Pearson correlation between NPR to Current R&D expenditure shows that value is 0.088. It means there is no correlation between NPR to total R&D expenditure, Capital R&D expenditure and current R&D expenditure of selected automobile companies. So we accept the null hypothesis.

Regression Analysis

H_0: Regression line of NPR= $\alpha + \beta_1$ Log R&D Total + e does not fitted significantly for Automobile Companies.

To test the abovementioned hypothesis, regression analysis applied.

Variables Entered/Removed[a,b]

Model	Variables Entered	Variables Removed	Method
1	Log RD_total[c]		Enter
a. industry = Automobile			
b. Dependent Variable: NPR			
c. All requested variables entered.			

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.283[b]	.080	.073	25.01833

The above information describes that the co-efficient of determination R^2 is 0.080; it illustrates that model cover consistency. The co-efficient of co-relation R is 0.283 it shows that outcomes and predicted value are weak co-related. The adjusted R^2 can be Negative and will always be less than or equal to R^2, here adjusted R^2 is .073 that less than R^2. The standard error of the estimate shows the value of 25.01833 which is comparatively high, confirms that definite model is good and enough to define the given relation in the model**.**

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7151.001	1	7151.001	11.425	.001[c]
	Residual	81995.138	131	625.917		
	Total	89146.139	132			

The above table gives an idea about the analysis of variance (ANOVA). The significant level is less than 0.05 which is 0.001 which means that the variance of variable is separation into components between the groups is deviated. (Hypothesis is rejected).

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
B		Std. Error	Beta			
1	(Constant)	-10.179	3.546		-2.870	.005
	Log R&D total	2.751	.814	.283	3.380	.001

Inferences:The above detail present significant values in the right most columns suggest the rejected of the entire's variables in the model of Automobile companies. Here, high t and statistics and low standard error confirm the accuracy and fitness of these variables in the model. So, following is the regression line
NPR=-10.179 +2.751 Log R&D total

Findings & Conclusion

The study reveals that automobile companies has maximum spending on capital R&D expenditure was 173.43 cr., average spending on current expenditure was 136.71 cr. and average spending on total R & D expenditure was 274.93 cr. where it is also found that Tata Motors Ltd. has spent highest capital and current R&D expenditure. Whereas Hindustan Motors Ltd, Scooters India Ltd. and Atul Auto Ltd. spent lowest on R&D expenditure during the study period. . The study shows that there is linear correlation shows positive but weak correlation between PAT to total R&D expenditure, capital and current R&D expenditure of Automobile companies. Whereas there is no correlation between NPR to total R&D expenditure, Capital R&D expenditure and current R&D expenditure in automobile companies.

Limitations Of The Studies

The present study is limited to 14 companies which represent small samples. Data analysed for 2005-06 to 2015-16. i.e. 10 years only more years can be added.

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