ISSN 0974 - 200X

ANUSANDHANIKA

Volume XI Number I & II 2019

Research Journal of Commerce & Business Management

Published by

VICHAYA EDUCATIONAL TRUST
Ranchi, Jharkhand, India
www.anusandhanika.co.in

ISSN 0974-200X

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Refereed Research Journal of Commerce & Business Management

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Vichaya Educational Trust

Ranchi, Jharkhand (India)

Office:
C-1, Shanti Enclave, Kusum Bihar, Road No. - 4, Morabadi, Ranchi - 8
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Published in January and July

Printed, published, owned and edited by Madhukar Shyam on behalf of Vichaya Educational Trust, C-1, Shanti Enclave, Kusum Bihar, Road No. - 4, Morabadi, Ranchi - 8 Jharkhand, INDIA

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ISSN 0974-200X

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Digitization and its Impact on Indian Economy

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Abstract

Digitization is a process of converting the diverse forms of information, such as text, sound, image or voice into digitalized format. The digitization has a proven impact on economy and society by reducing unemployment, improving quality of life, and boosting access to knowledge and other public services. The process of digitization is marked by cost effectiveness to cut the cost that incurred in various knowledge practices related to the production, organization and communication of information that makes long-term economic growth. The process of digitization facilitates to preserve, access, and share an original document to the people worldwide that may only be available earlier to those who visit its physical location A number of measures are taking in the field all over the world and in India, to conserve and preserve the knowledge of the past and present for the upcoming generations. Indian economy is growing at a fast pace that requires the people to be financial literate to take judicious decisions. After this digitalization, the financial transactions have to be done through internet. So, Digital financial literacy is gaining importance. This paper highlights the concept of digitization along with the social economic and ecological benefits of digitization of knowledge and information.

Keywords : financial transactions, financial literate, upcoming generations

Introduction

India is the fastest growing economy in the world. The Indian economy is the seventh largest economy in the world measured by GDP and third largest by purchasing power parity (PPP) after US and China. The Indian economy has seen a lot of changes from being self-reliant to opening its door for global trading by allowing LPG(Liberalization, Privatization and Globalization) in 1991 under the then Finance Minister Manmohan Singh. And since then there is no seeing back. According to the latest Economic Survey 2015-16, the Indian economy will continue to grow more than 7 per cent in 2016-17. According to Fitch Ratings Agency, India's Gross Domestic Product (GDP) will likely grow by 7.7 per cent in FY 2016-17 and slowly accelerate to 8 per cent by FY 2018-19, driven by the gradual implementation of structural reforms, higher disposable income and improvement in economic activity. The recent steps of the Indian government have shown positive results in the growth of the GDP. According to a Goldman Sachs report released in September 2015, India could grow at a potential 8 per cent on average during from fiscal 2016 to 2020 powered by greater access to banking, technology adoption, urbanisation and other structural reforms. The 1990s also saw the entrance of technology in India and people were introduced with the use of personal computers and gradually the automation took every sector by storm and now we can see the virtual world that exists and anything can happen in it from uniting the world to initiate a war if not handled properly. But in a developing country like India the process of digital soundness has been slow and got a huge push to go digital when the demonetization shook everyone. Although there have been various initiatives taken by our Honourable Prime Minister Mr NarendarModi such as Make In India, Swatch Bharat Abhiyan, Digital India etc. But it was during this money crunch when people started recognising the benefits of being digitally sound and how useful it is. Our government has emphasised ongoing cashless as it will make transactions smoother and transparent and eliminates the existence of parallel economy which poses threat to the peace in our country and also helped in their financial inclusion plan and has seen that demonetization has made the accounts opened under Pradhan Mantri Jan

Dhan Yojana operational. As rightly said by Rajat Gandhi on financial inclusion “No matter how many banks may open and how many boots you have on the ground, if the person does not know about the financial options that are open to him, policies, schemes and financial instruments will mean little. It is important for a person to know what to look for and only then think of the benefits that he can obtain from it. ” Thus this makes the financial literacy all the more important. Financial inclusion is a quantitative term and financial literacy is more about the quality. Financial literacy focuses on the understanding one should have to how to use and manage the money efficiently and reduce the risk and save their money from environmental changes such as changes in the economy, inflation etc. With the demonetization people have also realised how important it has become for them to know about their money and what affects it the most and how they can protect. During this phase digital awareness has also gained importance and people are also willing to learn the new modes available for them to manage their money in the cashless way. During this time the online payment options have helped people to survive the cash crunch they faced and have also become the driving force for digital literacy and financial literacy.

Need for Digitization

The basic idea of digitization is to make full use of ICT facilities for accessing worldwide resources and beneficial for society at the same time. As going digital is the need of the hour, to remain environment healthy and safe. Various organizations are involved in digitizing their material because they remain influenced of the enduring value of such resources for learning. Digitization also raises the reputation of the institutions as global users can know the institutional collection and utilize these resources from distant locations. The main reasons to digitize are to enhance access and improve preservation. By digitizing their collection, institutions can make information accessible that was previously only available to a select group of users. Digitization can also help preserve materials making high-quality digital images available electronically and may reduce wear and tear on brittle and fragile documents. Developing a digital substitute of rare, brittle or fragile original documents can provide access to users while preventing the original from damage by handling or display. This is the motivation behind the digitization of many artifacts.

Materials and Methods

For the purpose of in depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used is analytical and descriptive. Both primary as well as secondary source of Information have been taken.

Results and Discussions

The economy related to the process of digitization is mainly realized through the ways that involves in creation, preservation, dissemination and use of digital information. Digitization of information seems to be quite valuable and economical for the present society. However, the process of digitization at its preliminary stages is not considered economical, but its inexpensive impact can be realized in later stages, in terms of increasing returns, zero marginal cost and long-term usage of digitized content by the larger community. Digitization, despite being expensive at the initiative level such as designing a website, scanning of documents, well-edited text and navigational aids, fast hardware, software packages and good connections/ bandwidths, continual migration to new technology, etc., it saves much of the production costs and reasonable in comparison to the conventional form of distributing system of information. The cost that saves in the digitizing technology is other way round and it reduces the marginal cost of production of documents. The cost lie in the staff digitizing the work, the computer system and the effective flow of information over the internet is mainly fixed cost or first copy cost. The marginal cost of issuing many copies of one document is quite less. Digitization provides long-term benefits for the society, although it may take many years to realize these benefits fully. Thus, the economy of digitization involves short-term investments and in return get long run benefits. In today's society, electronic sources are the example of the new and changing models of delivery of information. The access to the digitalized information through electronic sources, such as e- journals, consortium, online databases and other like resources save much cost than that spent in subscribing print sources. The cost of purchasing the information online, in spite of buying it in print form is saving much of the expenditure. As the cost related to buying the print sources include storing, shelving, as well as the costs related to the physical storage of the content, which are the direct cost to the organizations. The shift to purchasing electronic content has reduced the cost of maintaining the physical materials, although has somewhat increase in cost of preserving the content. The cost of networking technology has been decreased over the years as well, and makes access and dissemination of digital information more cost-effective and economical to the creators, distributors and information seekers. In addition to this, widespread inexpensive access to digital information has benefitted the large mass of users. There are some institutions that may realize savings from other forms of publication or distribution i.e. by developing digitized collection as online access becomes the preferred delivery method for knowledge contents. Developing a critical mass of digital content as electronic reserve, or short-loan collections may enable savings in the institutions (libraries, etc.) by reducing the library hours, or staff time, needed to manage such labor-intensive task. Besides, such practices can also replace the postal cost of print information contents with web based documents and this sort of savings is considered as indirect benefits of digitization. Therefore, it is not only brought financial benefits, but also, some value added benefits such as user satisfaction and advancement in learning and research. With no definitive evidence base to give concrete numbers about the economic value of digitization to an institution, Many factors will come into play when evaluating the ‗value' of digital resources, but these factors may help in assessing when digitizing collections can be cost effective or not. Valuable digital resources, which will bring prestige to the institutions that are creating and maintaining them, and support scholarship without any loss of the benefits of working with the originals.

In the same context of reducing the cost, open access publishing is one of the impacts of digitizing technology. The open access model is based on the long term preservation and dissemination of documents at least cost that is quite high in the conventional and closed medium of production. Open access is the free availability of scholarly material over the web, one can freely read, download, reuse, and redistribute the documents in the open access environment for non-commercial purposes only. Open access resources include Institutional repositories, online databases and many e-journals, etc., and these are quite advantageous in terms of production and access of scholarly material over payment-based systems. As restricting access to information is costlier and required much labour and cost in implementing security systems, billing procedures, maintaining databases of authorized users and responding to queries that add complexity to the simple process of mounting information on a computer and providing access via the WWW. However, it is true that open access information on the web is not free to produce, but it is considerably cheaper than conventional publishing and nearly all cost is fixed cost. Digitization will be sustained far away, if it brings long-term revenue for the creators and producers of digital knowledge contents. Hence, the potential of digitization is laid in replacing and improving the existing services and get the maximum by serving the largest with the same number of available resources, i.e. staff and budget.

Digitalization and Demonetization

Digitalization transition through Digital India Programme aims to provide the much needed thrust to the nine pillars of growth areas, namely Broadband Highways, Universal Access to

Mobile Connectivity, Public Internet Access Programme, e-Governance: Reforming Government through Technology, eKranti - Electronic Delivery of Services, Information for All, Electronics Manufacturing, IT for Jobs and Early Harvest Programmes. Every pillar has its own importance, complexities in implementation and is a propellant for the overall growth of the country.

Digitalization is a boon and needs to be utilised properly with the recent case of demonetization we can assess that it has helped people during the demonetization from Nov. 8 2016 to Dec. 31 2016 when the country faced cash crunch, when Rs. 500 and Rs. 1000 notes were scraped and new currency was circulated in replacement of old notes. This step not only shook the tax evaders but also pushed India to become more digitally sound country and has also highlighted the benefits and need to go cashless (or have a less cash based economy).Demonetization has also increased the transactions from mobile wallet and digital payment channels. Paytm said it hit a record of 5-million transactions a day, processing Rs.24,000crore worth of payments, less than a week into the Indian government's decision to demonetise Rs.500 and Rs.1,000 notes making it the largest digital payments company in the country It may be seen as a temporary phase but the ease of access and availability has made more of a good alternative than the paper or plastic money. With the adaptation of technology in the banking sector more and more transparency came in the flow of money in the economy.

PradhanMantri Jan DhanYojana gave push to financial inclusion that everyone whether from urban area or from rural area should have a account so that everyone is connected in the economy and demonetization led to the operationalization of Jan Dhan accounts which were opened under the scheme.It also had multiple benefits like people who did not had the identity proofs registered themselves for Aadhar card and other identity proofs and will also help in direct transfer of benefits to the concerned person. Digitalization in this situation helped to have a virtual access to the money and with the concept of e-kranti in the banking sector it will become easier for the people to avail the financial services provided by them. Having a bank account is not the only matter of concern but also having the knowledge that how their money gets affected by economic situation of the country and various other factors for having a control over their finances is also important. When people are financially literate, they are more likely to explore the products and services offered by banks and use them for their benefits. This accelerates the pace of financial inclusion, where everyone can access the basic banking facilities rather than relying on the orthodox systems of money market such as borrowing money from money lenders on illogical interest rates. Financial inclusion and financial literacy are two essential ingredients of an efficient economy. Thus financial literacy is what also needs the attention of the masses and with all the latest advances happening around, it is becoming a matter of prime concern. Financial education is "the process by which financial consumers/investors improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being." The financial literacy level majorly depends upon the education and income of the individuals; the social factors such like family size, family background, age, regions nature of employment have a little impact on this. With the digitalization there is an ease of access to the money as the banking system has evolved with the time and provides the customer with different facilities like online payment of their monthly expenses such as electricity bills, payment of premiums etc. With all this growth and development people need to aware about the problems associated with digitalization of finances.

Digital conversion of print sources has improved rapidly in the past few years. Digitization is the social transformation started by the massive adoption of digital technologies to generate, process, share and manage digital information. Digitization is an inclusive technique of preservation and access by which all the institution‘s assets are transformed into digital and creating high-quality copies in digital format. It provides advanced opportunities for preservation and access to knowledge contents, also it changes the ways in which collections are used and accessed. Emerging digitization initiatives and ways in which institutions are becoming digital are causing various effects on economy, society and academics as well. These radical and rapid changes make the information presentation and distribution more rapid, open, and global access to the information than has been available in the past. In addition, converting material from analog to digital format reduces some of the costs included in digitization operations for providing access to print sources. However, the digital copies should not be a replacement for the original items of knowledge. Digital files are not permanent and should need a regular maintenance and transformation to newer formats. For utilizing the full benefits from digitization, organizations should select the material carefully for digitization and digitize only those items that will provide the maximum benefit to both administrator and user. Because, successful digital projects are the outcome of careful evaluation of collections, and also, careful assessment of the institution‘s goals and priorities and development of thoughtful strategies will assure that meaningful, high-quality digital versions are created, and that both original and digital assets are managed well over time.

Conclusion

The digitalization brings innovation, ease of working, new job opportunities and growth in the economy. It helps to bring transparency in the system and more transparent are the flow of funds in the economy less is the problem of tax evasion, parallel economy etc. But with all these benefits available it also makes it necessary for the people to have basic financial knowledge and a push towards the importance of the financial literacy. With the help of which they can protect their money in situations like inflation, depression, and know about different financial products and services to save it for their better future. Digitalisation can also play an important role in achievement this goal as it can have a greater reach to the people. The new technology needs to harness well and for this it is not only the availability but also the knowledge to use it and get benefits from it.

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Anusandhanika / Vol. XI / No. I & II/ 2019 / pp 6-17 ISSN 0974 - 200X

Role of Skill Development in Realizing the Windfall Benefits of Demographic Dividend in Jharkhand

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Abstract

The present century is being called the century of Asia and India and China have the honor of being called the flag bearers of the Asian resurgenceon account of their humongous territories, vast populations and potential for high economic growth. At the same time we are witnessing paradigm shifts in the fields of technology. The world is gravitating toward a completely digitized knowledge-based economy. Artificial Intelligence, Robotics, Big Data Analytics and BlockchainTechnology are the new buzzwords of the emerging erathat would confront us. India, as the youngest country on the planet with nearly 60% of its population below the age of 30, is standing at the crossroads of enormous potential and huge opportunity. The country needs to spearhead and sustain massive education, training and skill development policies, programs and initiatives in order to realize the objectives of high and inclusive growth and to be able to discard the long and festering stigma of being a country known for its stark poverty, poor infrastructure and shocking human development indices. Against this backdrop this paper intends to analyze the current data on demographics and other useful parameters; bring out relevant facts related to policy and programs on skill development in Jharkhand; and provide an objective assessment and evaluation of their potential efficacy going forward. This study will also look at the interconnectedness of skill development and demographic dividend and endeavor to establish how skilled manpower is at the epicenter of the promise and prospect of reaping the windfall benefits of demographic dividend. Such analysis and evaluation can provide timely and useful pointers to readjust and recalibrate various skill development programs and help in customizing them to specific needs of the industry and the economy at large.

Keywords : demographics, productivity, digital economy, entrepreneurship, economic growth

Introduction

In its latest Regional Economic Outlook the IMF has pointed out that Asia-Pacific region remains the main engine of the global economy. Regional growth is expected to remain strong at 5.6% in 2018 and 2019, in India after temporary disruptions caused by demonetization and rollout of national-wide single tax regime of GST, growth is expected to catch up and recover to over 7.5% in 2018/2019 thus making India once again the world's fastest-growing large economy.

In long-term perspective, growth prospects for Asia will be heavily affected by demographics, productivity growth and digital economy. Population ageing is an important challenge as the adverse effects on growth and fiscal health could be substantial. Even in India where demographics are relatively more favorable growth has to accelerate to avoid "growing old before becoming rich". While increasing push towards digital economy could yield huge benefits it could also bring major disruptions. Another major challenge is to arrest and reverse slowing productivity growth in manufacturing and services.

Tailored measures are needed to boost productivity and investment; narrow gender gaps in labor force participation; deal with demographic transition; and support those affected by shifts in technology and trade. Maintaining the strong reform effort notably by enhancing the efficiency of labor and product markets and pursuing steps to modernize the agricultural sector will also be essential to support high and inclusive growth.

Creating skilled manpower is a highly ambitious scheme of Government of India which is being implemented by the nodal agency 'National Skill Development Corporation' (NSDC) under the PradhanMantriKaushalVikasYojna (PMKVY). Government of India's initiatives for skill development under 'Skilling India' and 'Digital India' have been recognized as a robust blueprint for ushering in high quality skill development and entrepreneurship programs. Added to this equation the challenging 'Make in India' scheme is geared toward inviting the leading international companies to invest in manufacturing their products in India which is not only the highest growing economy in the world but also is home to the youngest population in the world bursting with enthusiasm and energy to prove their skills and worth.

Similarly, the State of Jharkhand has embarked on a very challenging skill development and training scheme with a clearly defined vision to be the engine of sustainable economic growth in the state by providing highly skilled and productive manpower to the industries and sustainable livelihood and entrepreneurial opportunities to the youth

The Jharkhand Skill Development Policy 2018 policy document has set a mission for itself to create a high performing skill development and barefoot entrepreneurship ecosystem aligned with national and international standards. The State is committed to skilling of 20 lakh youths from across the varied geographies of Jharkhand by 2022 through establishing robust institutional mechanisms and developing state of the art training infrastructure.

Jharkhand's skill development policy is targeted at accomplishing the following five main objectives:

- **Quality outcomes:** In terms of both quality and quantity of placements and better placement rates with a monthly salary ofRs.10,000 and above
- **Training infrastructure creation with scale and speed:** With an ambitious target to skill 20 lakh youth by 2021, it is imperative that high quality training infrastructure is created with scale and speed
- **Ensuring high performing training ecosystem:** through mobilization and counseling, train the trainer academies, industry engagement, placement and research centers in skill development etc.
- **Building and sustaining competencies for future labor market needs:** By imparting necessary knowledge, skills and competency in emerging technologies and business models
- **Incubate Nano enterprises :** encompassing skill development, entrepreneurship training, supply chain linkages, credit linkages, market linkages, mentorship etc.

Material and Method

For the purpose of this in-depth study of the issue at hand various sources were scanned and analyzed to derive the contents such as books and manuscripts, relevant interviews and articles published in journals and periodicalsand on different websites. The methodology used is analytical and descriptive. Both primary and secondary sources of information have been used for the needful.

Role of Skill Development in realizing the windfall benefits of Demographic Dividend in Jharkhand

If we look at the 2011 census data, India is a remarkably young country, probably the youngest in the world right now with a median age of only 27 years. 30% of India's 1.2 billion people are under 15 years of age, 50% below 24 years and close to 60% below 30. The share of working age population i.e. between 15 and 64 years is above 750 million, just shy of 64% and that of the senior citizens of 65 years and above accounts for only 5-6% of the total population.

Now let's look at the literacy data. As per 2011 census literacy figures for the country are as follows:

India: 74%; Male: 82% Female: 65%. Change from 2001 figures is 9%.

For Jharkhand the figures are: Jharkhand: 66%; Male: 77%; Female: 52%. Change from 2001 is 12%. Jharkhand is at bottom of the heap - only Bihar is worse with 61% (M/F: 71%/46%)

From the above data one can easily see that 2/3rd of Jharkhand is literate. But when you look around, the figure does not feel justified. The problem is in the way we define literacy. Historically, if a person knows Three R's she or he was considered to be literate. Literacy has never been linked to any tangible or quantifiable measurement indices. But this has to change since that fallacious and misleading. If we want to count our citizens as fit enough to participate in the knowledge-centric economy and take India forward with confident steps, general literacy has to be supplemented by:

Civic literacy: where we learn about our rights and duties, basic and commonplace laws of the land etc.

Financial literacy: basics of banking operations and finance i.e. how the economy works in general

Technological literacy: everything will be online in 20 years; comfort with basic IT skills will be essential

Cultural literacy: with increasing globalization greater awareness of and respect for people with different social and cultural backgrounds both from within India as well as from other countries will become essential

Our approach toward literacy and education needs to undergo a complete transformation – discarding the status quoist mindset and embracing the requirements of changing times. Educated and skilled citizens are the biggest assets for any country – more so for India – because it is the youngest country in the world – and is in the most exciting phase in its demographic profile. It is poised to reap the windfall benefits of what is known as the Demographic Dividend if we gear up well for it.

Demographic Dividend: Let's try to understand the concept of the Demographic Dividend that we keep reading in newspapers and periodicals and which often gets discussed and debated in electronic media and elsewhere. Demographer – David Bloom – coined the term – Demographic Dividend – to explain how shift in population age groups provide unique benefits.

Demographic dividend refers to a period usually 20 to 30 years – when a greater proportion of people are young and in the working age (15–64 years) group. This cuts spending on dependents (those in 0-14 years and 65-100 years age group) spurring economic growth. India's massive youth population has been positioned as a great "demographic dividend" – a view that links the potential workforce to great economic benefits – but unemployment and underemployment statistics reveal an ominous reality – if they're not given opportunities for a good future they could become an economic burden rather than an asset.

There are four mechanisms of growth in the Demographic Dividend period:

1. **Increased Labor Supply :** Due to a large chunk falling within the working age bracket there will a tremendous increase in the availability of young and able workers but the magnitude of benefit would depend on the ability of the economy to absorb and productively employ the extra workers.

2. **Increase in Savings :** As the number of dependents start decreasing individuals can save more. This leads to increase in the stock of capital which in turn gets invested back into the economy.

3. **Human Capital :** Decrease in fertility rate leads to healthier women and fewer economic pressures at home. This allows parents to invest more resourcesper child leading to better health and educational outcomes, who in turn create more wealth for themselves and the economy

4. **Increasing Demand :** The 4th mechanism for growth is the increasing domestic demand brought about by the increasing GDP per capita and the decreasing dependency ratio. This opens up opportunities for newer products and services and creates new jobs and prosperity

for many

India's demographic transition is well under way and the age structure is likely to evolve over the next 2-3 decades. Demographic dividend could add 2 percentage points to per capita GDP per year according to IMF if we equip ourselves to exploit its benefits.

We have a huge challenge before us today – managing expectations and aspirations of the youth. Finding jobs and equipping them with the right skills for the job market. Recently launched by the PM, The National Skill Development Mission of providing vocational training to 500m youth by 2022 is a welcome sign and a courageous step in the right direction.

Government Policies and Data on Skill Development

Skill may be defined as the set of relevant competencies required to carry out identified tasks in the most efficient and timely manner while adhering to an agreed set of qualities and standards. Skill development is a means to harness the human resource potential of a region by equipping the prospective or the existing members of the workforce with marketable skills through vocational or technical training to meet industry requirements. Jobs are progressively becoming more skill-intensive due to the increasing complexity of economic activity, which has led to skill shortages on the one hand and unemployment on the other. Skill development, in its contemporary sense, emphasizes on demand-driven systems for skill acquisition. The traditional model of skill acquisition through formal education is supply-driven and is therefore not very responsive to labor market requirements. In other words, such a skill acquisition process may not substantially improve productivity or impart skills relevant to the industry.

Internationally, skills are broadly divided into two categories – hard skills and soft skills. Hard skills are specific, measurable technical abilities that can be methodically taught, e.g. operating machinery, using software. They may be industry-specific or generic. Hard skills are quantifiable, easily observable and essential for performing the job. Soft skills are characteristics or personal habits that cannot be quantified, e.g. communication, teamwork. They are applicable in all settings – across industries and work places.

The present dynamic environment (political, economic, social and technological), the electronic and communication explosion, global operations have forced the economies as a whole and industries in particular, to adopt techniques to survive the competition. Undisputedly, the 'human resource', a vital link, in the chain is required to undergo transformational changes in terms of acquisition and upgrading their skill set. The governments and employers have a challenging task to perform in identifying the required skill, identify the 'skill gap' and remedy the situation.

Skills and knowledge are the driving forces of economic growth and social development for any country. The National Skill Development Policy is aimed at empowering all individuals through improved skills, knowledge and internationally recognized qualifications to enable them to access decent employment, to promote inclusive national growth and to ensure India's competitiveness in the global market.

Skill development in India has historically been highly fragmented. As opposed to developed countries, where percentage of skilled workforce is between 60% and 90% of the total workforce, India records a low 5% of workforce (20-24 years) with formal vocational skills. Today, more than 20 Ministries/Departments run 70 plus schemes for skill development in the country. However, there are gaps in the capacity and quality of training infrastructure as well as outputs, insufficient focus on workforce aspirations, lack of certification and common standards and a pointed lack of focus on the unorganized sector.

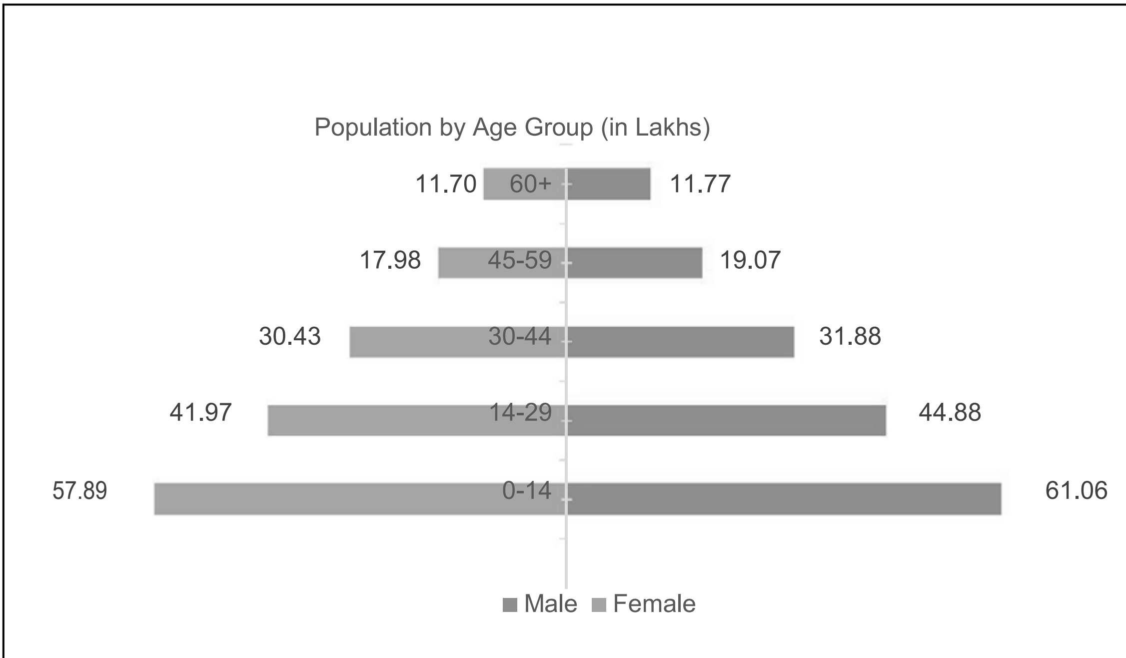
Recognizing the need and urgency of quickly coordinating the efforts of all concerned stakeholders in the field of Skill Development and Entrepreneurship, Government of India notified the formation of the Department of

Skill Development and Entrepreneurship on 31st July, 2014 which subsequently led to the creation of the Ministry of Skill Development and Entrepreneurship on 10th Nov, 2014.

The Jharkhand Skill Development Mission Society (JSDMS) was set up in 2013 as the nodal entity for all Skill Development programs and initiatives in the state. According to Jharkhand Skill Development Policy, 2018, Government of Jharkhand is committed to rapid economic growth of the state through skilling the youth which could prove to be critical enabler in the growth of manufacturing, services and agriculture sectors of the economy. This policy is designed to give impetus to growth with scale, speed and standard and will be in force for the next 5 years.

Reaping Demographic Dividend: Jharkhand is among the fastest growing economies in the country characterized by a young demography. Around 57% of the State population belongs to the working age group (15-59 years) and nearly 70% is below 35 years. Hence skill development and entrepreneurship opportunities are extremely critical to realize the potential of demographic dividend of the state

Figure 1: Population by Age Group (In Lakhs)



Source: Census 2011

Census figures of 2011 for Jharkhand reveals that the state is experiencing demographic dividend and there is a large chunk of population in the age group of 5-14 years which will become part of the labor force during the period 2011-2021. If we add up the projected data for the above population from the lower matrix below, it is evident that nearly 82.40 L people are likely to join the workforce in the next ten years.

Figure 2 : Workforce Pyramid

Age	Female	Male
30-34	11.41 L	11.65 L
25-29	13.10 L	13.42 L
20-24	13.96 L	14.31 L
15-19	14.90 L	17.14 L
10-14	19.91 L	21.12 L
05-09	20.20 L	21.17 L

The policy highlights the fact that a large section of the state population still does not acquire education or is only semi-literate which include the illiterate population, dropouts from primary to higher secondary education as well thosewhodespite of education don't find gainful employment as they lack the needed skills or are deficient,thus making them unemployable.

The policy has identified such chunks of population and identified them as:

- Stock – (a) Illiterate (14-17); (b) Semi-illiterate and dropouts (18-23); (c) Unemployable (24-34)
- Skill-upgrade target – (a) Semi-skilled workers (2017-21); (b) Minimally skilled workers (2017-21)
- Flow – (Age 9-13) children who would enter (Age 14-17) but will be outside the technical and vocational education training

Based on detailed analysis of existing stock and flow of population likely to join the workforce in the next five years, the policy document has identified 122.70 Lakh of population which can be targeted for skill training during the period of 2017-21. The total target group has been divided as follows:

- 13.11 L – Students enrolled in educational institutions
- 61.56 L – Stock population
- 28.00 L – Flow population
- 20.10 L – Workforce identified for skill upgrade

Current target:Jharkhand currently targets skilling 20 lakh youth in the next five years. The figures below give the five year break-up of the target. .

Figure 3: Skill Development targets

Y1	Y2	Y3	Y4	Y5	Y1-Y5
FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2017-21
2,10,000	2,75,000	3,70,000	4,95,000	6,50,000	20,00,000

State Government's interventions for Skill-Development

The Jharkhand Skill Development Mission Society (JSDMS) was set up in 2013 as the nodal entity for all Skill Development programs and initiatives in the state. The JSDMS has launched its ambitious skill-development mission by identifying certain specific plans and interventions. Some of those interventions can be enumerated as follows:

a) **Saksham Jharkhand Kaushal Vikas Yojana :** The scheme focuses on offering NSQF aligned courses and which are responsive to the industry needs.

b) **Deen Daya lUpadhyay Kaushal Kendra (Mega Skill Center) :** This scheme focuses on setting up large-sized benchmark skill development centersoffering courses of 6 months to a year duration, matching the industry expectationswith an apprenticeship/on the job training component.

c) **Employability Excellence with College Education & Learning (Excel) :** This scheme endeavors to integrate Skill Development in academic colleges across the State Universities of Jharkhand.

d) **Centre of Excellence :** The Centre of Excellence (COE) provides state of art technical training pertaining to emerging Industry 4.0 technologies like Internet of Things (IOT), Big Data, Robotics, etc. COEs are being set up as advanced knowledge centers in Engineering Colleges and ITIs.

e) **Partnership with ITE, Singapore :** Government of Jharkhand and Institute of Technical Education (ITE) Singapore signed an MOU in February 2017 to set up Center of Excellence including a 'Train the Trainer' academy.

Another notable initiative is the Department of Welfare, Government of Jharkhand and Pan-IIT Alumni Reach for India Foundation partnership to launch Pan-IIT Alumni Reach for Jharkhand Foundation (PReJha Foundation), a non-profit joint enterprise to implement and scale sustainable welfare initiatives based on Gurukul model of learning for skill development across all the districts of the

Jharkhand State Livelihoods Promotion Society (JSLPS) implements the prestigious een Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) – which as a part of the National Rural Livelihood Mission (NRLM) is tasked with adding diversity to the income of rural poor and cater to career aspirations of rural youth.

National Urban Livelihood Mission (NULM) has Employment through Skill Training and Placement (EST&P) component meant for skill development of urban poor. NULM is being executed by Urban Development and Housing Department, Government of Jharkhand.

Department of Labor, Employment and Training, Government of Jharkhand has set a target of setting up of at least one ITI (General) in all districts and sub divisions and at least one ITI (Women) in every district with a capacity to train up to 10,000 youths.

Training Wing of Directorate of Employment & Training mparts vocational training in engineering and non-engineering trades to the youth through a network of 22 government and 148 private it is and their total installed capacity is around 29,500.

For implementation of Apprenticeship Act, 1961 the state has created four separate zones at Ranchi, Jamshedpur, DumkaandAdityapur. A total of 207 establishments (Industries) in Jharkhand are offering apprenticeship program in various sectors.

Department of Tourism, Government of Jharkhand implements the 'Hunnar Se Rozgar' scheme of Ministry of Tourism, Government of India with the objective of reducing the skill gaps in the hospitality and tourism sector.

'SeekhoaurKamao' (Learn & Earn)" is a scheme implemented since 2013-14 for skill development of minorities by Ministry of Minority Affairs, Government of India which aims at upgrading the skills of minority youth in various modern/traditional skills. Another scheme of Ministry of Minority Affairs, Government of India is 'NaiManzil' that aims to engage constructively with poor Minority youth and help them obtain sustainable and gainful employment opportunities.

Vocationalization of Secondary and Higher Secondary Education scheme that introduces vocational education from Class IX onwards has been subsumed under the RashtriyaMadhyamikShikshaAbhiyan scheme with effect from 1st April, 2013.

Key Challenges : Key challenges facing the skill development ecosystem in the state are:

a) **Improving outcomes :** There is an urgent need to add sufficient value to skill development initiatives for the employers – in order to improve outcomes both in terms of quality and quantity of placements.

b) **Expanding skill infrastructure with scale and speed:** Given the steep targets effort should be directed at setting up large benchmark institutions providinghigh-quality skill training and development.

c) **Strengthening the skill development ecosystem :** in terms of quality of trainers, on the job training and apprenticeships, effective counseling, migration support etc.

d) **Improving aspiration for skill development:** It is critical that skill development has vertical and logically horizontal pathways to ensure that skill development is not terminal in nature.

e) **Incubating barefoot entrepreneurs:** encompassing domain skill, entrepreneurship training, marketlinkage, supply chain linkage, credit linkage, mentorship, etc.

Results and Discussion

For the Indianeconomy to grow at the rate of 8% to 9%, it is essential that the secondary and tertiary sectors grow at 10% to 11%. In such a scenario, it is obvious that a large portion of the workforce would migrate from the primary sector (agriculture) to the secondary and tertiary sectors. However, the skill sets that are required in the manufacturing and service sectors are quite different from those in the agriculture sector. This implies that there will be a large skill gap when such a migration occurs, as evidenced by a shrinking employment in the agriculture sector. This scenario necessitates skill development in the workforce. Out of the current workforce of about 450 million, only about 8%-9% are engaged in the organized/ formal sector. In India, only about 5% of the workforce has marketable skills, as compared to 50% to 60% in other countries.

The current estimated population of India is in the vicinity of 1.3 billion. The population is growing at the rate of roughly 1.2% - 1.3%. Our current fertility rate is about 2.3% and the replacement rate is 2.1%. The fertility rate in southern states has come down below the replacement rate and is in the range of 1.6% - 1.7% while the fertility rates are still pretty steep in states like UP and Bihar. The fertility rate is directly proportion to the level of education and income that is clearly evident when we look at southern states and compare them to those in the north. This also has a direct linkage with the requirement of resources and effort to meet the challenge of reaping the benefits of the demographic dividend.

Further, we have to understand that about 25 million people will be hitting the age of 21 years every year. We can discount the number by 1 million who die before the age of 4 due to various reasons including malnutrition and poor healthcare. Out of the 24 million people we can subtract 30% people who don't want jobs and depend on agriculture for their livelihood. So, that leaves us with approximately 15-16 million people looking for jobs and the current capacity to create and absorb them in good jobs (paying Rs.10000/- or more) is not more than 6-7 million. So, nearly 10 million people are looking for work but they are not getting good jobs to sustain themselves and their family and that's a major concern.

The magnitude of the challenge is further evident from the fact that about 15-16 million persons are expected to join the workforce every year and the current skill development capacity is in the vicinity of about 5 million. Hence, it is required to enhance the skilling and technical education capacity manifold in order to feed hungry mouths and reap the benefits of the demographic dividend.

Some silver linings: Some good developments in the field of skill development are noteworthy. The ministry of skill development and entrepreneurship's training institute National Skill Development Corporation (NSDC) has been endorsed by the Indian National Commission for Cooperation with UNESCO, as a member of the UNEVOC network. The UNESCO-UNEVOC International Center is one of seven UNESCO institutes working in the field of education located at the UN Campus in Bonn, Germany. For the last few years, the organization has been scouting for organizations that it can work with and now it has zeroed in on NSDC.

The UNESCO-UNEVOC works towards developing and strengthening technical and vocational training and undertakes its activities through a global network of institutions imparting skill education with a mandate of providing sustainable education. This endorsement will increase the engagement with Indian authorities and international experts to bring best ideas and technology related to skilling in India.

NSDC has been training youngsters in almost all districts to make them employable. There are 27 sectors in which NSDC skills youngsters of which those related to manufacturing, services and technology are popular at the grassroots.

University-Industry linkage and Internships: Unlike in the US, Canada and most of European countries, educational institutions in India do not have good linkage with the industry. Even now, we have not developed the culture and the ecosystem where industry and universities work together on business and research projects. A common practice in the US is that big business houses bring their projects to the universities and professors who put their students to work on them. Funds paid by the companies go to professors as their consultancy fees and stipends to the students. It works as win-win for both sides. While on the one hand it provides universities and its researchers opportunities to work on fully-funded projects on cutting edge technology and product innovations, on the other hand businesses get the best and the brightest of students and faculty members to become their virtual employees at a bargain price.

Industry experts say that developing skills through internshipsduring college can help students to smoothly sail through the transition from being a student to a working professional. A fresh graduate becomes more employable if he has already acquired some skills and experience through internships during college. Internships offer first-hand experience to the work culture and a window into the real world.

It is generally true that Tier I cities offer maximum internship opportunities but it does not mean students from Tier II or Tier III cities have to be left out since now virtual internships are on a rise. All one needs is an internet connection and a laptop and you can stay connected with your mentor.

Further, it is encouraging sign to see that companies like Philips, IBM, Wipro& Infosys are now investing in students to create skills-ready workforce. Philips, IBM, Wipro, EXL Service, SAP Labs and Infosys are among those driving such initiatives, for reasons as wide-ranging as promoting interest in STEM (science, technology, engineering and mathematics), creating awareness about new technologies including artificial intelligence, and ensuring a skills-ready workforce that is geared to hit the ground running.

Several such companies are helping people cope better in a fast-changing scenario by developing market-relevant skills. The Philips Innovation Campus runs a programme called Pathshala, under which it brings in students in Class 9-10 to understand the kinds of jobs available in the healthcare sector. EXL is reaching out to students from the 7th to 10th class both in government and other needy schools to supplement classroom teaching, specifically in STEM subjects. IBMis launching school programs that will introduce students to new thinking and technologies in cognitive and artificial intelligence.

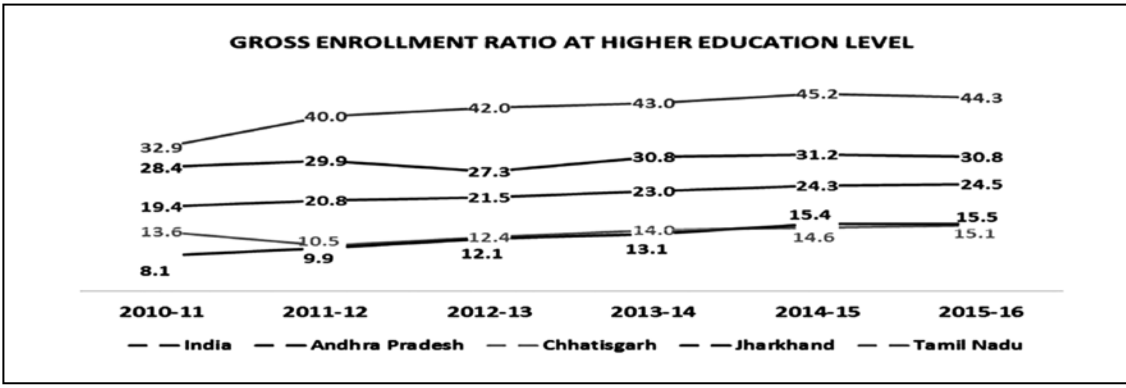
According to these companies the benefitis the increased employability of candidates; and in case of school programs: lower dropout rates, improved overall academic performance, particularly in mathematics and sciences, and enhanced self-confidence.

Opportunities in Jharkhand : Alongwith ongoing skill development and training programs it is imperative that State Government focuses its attention on developing an extensive internship and apprenticeship program in collaboration with public and private sector industrial and commercial establishments. Tata companies have been successfully running apprenticeship and other skill-development training programs for their trainee employeesfor years – that can be used as a working model by the State Government.

It is widely known that Jharkhand has an excellent network of schools and Ranchi, Jamdhedpur, Bokaro and Dhanbad are amongst the best school districts in the country whose students have been consistent top-rank performers at the CBSE exams at 10th and 12th levels. At the same time the State is home to some of the largest industrial undertakings in the country both in the public and private sectors such as HEC, Bokaro Steel, Tisco and Telco along with several others like NTPC, Jindal and so on. Using TATAT model as the starting point it is very much possible to develop a mutually beneficial skill development and training programs – internships, summer training workshops etc. - in partnership with the industrial undertakings in the State as per their current and future needs. In the same way the State universities can be encouraged to launch employment oriented degree and diploma courses and also creat good internship opportunities by working with the industrial houses within and outside the State.

Current higher education and Skill Development scenario: Jharkhand has shown a steady growth rate in GER at higher education level during period 2010-11 to 2015-16; it has ensured phenomenal growth rate at 86% against national growth rate of 26 %. The increased GER can also be attributed to improved infrastructure availability for higher education in the past decade. The number of colleges has increased from 187 to 328 during this period. Total college enrolment in the state is approximately 6 lakh.

Figure 4: Higher Education GER trend



Source: AISHE Table, 2015-16, MHRD

It is pertinent to note here that even in developed countries like US, Canada, UK and Australia there is a shortage of highly technical and skilled workers. In spite of having good infrastructure and training facilities and industry linkages through summer training and internship programs these countries have been falling short in terms of skilled manpower in science and technology fields. There is a huge skill gap on the supply side to meet the demand and requirements of the industry more so in the technology and high-end science fields. These countries try to fulfill their requirements by attracting talented students and professionals from across the world through scholarships and immigration. That has largely been responsible for the drain of brilliant students from prestigious institutions of India like IITs and IIMs to countries like US and Canada who offer them excellent professional opportunities and a much better quality of life. Now IITs and IIMs offer several overseas internship opportunitiesto its students and international companies routinely hire students from these institutions for their domestic and global openings.

But India cannot afford to follow their examples. India is the second largest country in the world in terms of population. India needs to work on generating employment opportunities for its own teeming millions by taking recourse to a variety of measures at all levels in order to develop a sound and robust base of technical manpower to meet the requirements of the industry and bridge the chasm of skill gaps between the demand and supply sides of industry requirements. There are no soft options and there are no shortcuts since failure is synonymous with plunging the country into imminent social unrest and chaos.

Conclusion

Today India’s youth – is a growing mass of largely undernourished, undereducated, unemployable young people who aspire for a better life but don’t have the means to get there. We have a new problem – that of illiteracy and a generation of functionally uneducated Indians being churned out of a 4th rate education system.But the young people say – theirs is a generation that is no longer prepared to accept their circumstances – and that is a major challenge. Globalization and urbanization are the primary drivers of the value system today. Success is defined in economic terms – salary package, car, mobile phones, vacations – our youth's credo is 3M – Malls, Mobile and McDonalds. Unemployment, corruption, price rise and lack of basic infrastructure and public services – add to their desperation and anger – it's an ominous sign and can lead to an increase in crime and violence, and other social upheavals.

The demographic dividend of the world's youngest country is in danger of becoming a demographic liability because its public education system is failing. By 2020 the median age in India will be 28, in China 37, in the US 38 and in Western Europe 45. But this demographic dividend could turn into a deficit if these young people – more than 500 million are under the age of 25 – remain under-educated, unskilled, unemployed or unemployable. India's success story and high economic growth masks a potentially crippling shortage of skilled employees in almost every sector.

Prima facie, India's achievements of school enrollment appears to be quite impressive. The scale at which India educates its children is massive and unprecedented. Nearly 265 million students are enrolled in our schools (Class 1 – 12) and enrollment has reached 94%. There are over 800 universities and more than 50,000 colleges in the country where 35 million students are enrolled with a Gross Enrollment Ratio of 24% - that is to say that 24% of students between 18-24 years get enrolled for higher education in these institutions of higher education and about 8 million students graduate from them every year. No other country does it at this humongous scale. But the quality of education remains a major concern and there has been a decline in the ability of students in basic math and numbers and writing skills.

According to 2011 census the Indian literacy rate has reached 74%. But still India is at the last place even in its club of emerging economies, the BRICS. The literacy rate in Brazil is 90%; Russia 99.4%; China 93% South Africa 88%.

An ambitious centrally sponsored scheme of the Ministry of Human Resources Development was launched in 2013 to revamp the quality of higher education system through strategic funding based on quantifiable parameters under the aegis of RashtriyUchchtarShikshaAbiyan (RUSA). The objectives of RUSA are transformative reform to bring uniformity in the quality of education and eliminate regional imbalances and make higher education more inclusive with a view to providing opportunities to women, minorities and other disadvantaged groups such as SCs and STs. Vocationalization of higher education system and increasing focus on research and innovation are other important objectives so that our graduates pass out with better skill sets and become socio-economically more productive.

From 2019-20Governmentof India is planning to roll out a 'uniform' and 'Common Minimum Program for Value Education' for implementation across the entire schooling system with focus on 'Core Constitutional Values' identified as justice, equality, fraternity and liberty; 'Life skills'&'Experiential Learning'.

To conclude, it is encouraging to see that Government of India and the State Govt. is committed to skilling the youth through their various skill development policies and programs under their respective Skill Development Missions. But a cohesive and integrated approach is required to ensure that footprints of such an ambitious target not only get expanded across the country but there is also a robust monitoring mechanism in place to continuously keep the focus on the mission objectives and the intended outcomes. With a core value system built on discipline and dedication wedded to the integrity of the skill development policy objectives it can be hoped that with transformational changes in our school and higher education system and a firm commitment to skill development India will get sufficiently equipped and skill-ready to exploit the windfall benefits of the demographic dividend. However, the essence of the entire proposition and potential benefits is linked to ever-fleeting entity of 'TIME'. India MUST become 'rich' before becoming 'old' sincethis unprecedentedwindow of opportunity is likely to be available only for the next 20-30 years.

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Public Distribution System (PDS) in India: An Analysis

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Abstract

The Public Distribution System is an important mechanism to meet the basic needs of the people who cannot afford to depend upon the market forces alone to obtain essential commodities. Moreover the system places a heavy burden in the form of subsidies on the public exchequer of both Central and State Government as heavy expenditure is made on this. Hence it is essential that the system needs to work efficiently. However, there have been several grievances about the system. Some of these complaints are associated to the policy issues like population coverage, commodity coverage, extent of subsidy, etc. and many others are associated to implementation issues like non- accessibility of commodities, underweight, fake cards, inferior quality, etc. A number of research studies have been conducted on the Public Distribution System in India. As the system is dynamic in character, there is an ample scope for lots of more studies. The system help to maintain the real value of purchasing power in the poor, its impact can be effective as any conventional poverty alleviation measure. The PDS is a rationing mechanism that entitles households to specified quantities of selected commodities at subsidized prices. The PDS was universal and all household, rural and urban, with a registered residential address were entitled to ration. Eligible households were given a ration card that entitled them to buy fixed rations of selected commodities. The commodities are made available through a network of fair price shops.

Keywords : subsidized food, Food Security, inferior quality

Introduction

Public Distribution System (PDS) is an Indian Food Security System for poor people. It is established by the Government of India under Ministry of Consumer Affairs, Food, and Public Distribution and are managed jointly by State Governments in India, it distributes subsidized food and non-food items to India's poor. This scheme was launched in India on June 1947. Major commodities distributed include staple food grains, such as wheat, rice, sugar, and kerosene, through a network of fair price shops (also known as ration shops) established in several states across the country. Food Corporation of India, a Government-owned corporation, procures and maintains the PDS.

In coverage and public expenditure, it is considered to be the most important food security network. However, the food grains supplied by the ration shops are not enough to meet the consumption needs of the poor or are of inferior quality. The average level of consumption of PDS seeds in India is only 1 kg per person / month. The PDS has been criticised for its urban bias and its failure to serve the poorer sections of the population effectively. The targeted PDS is costly and gives rise to much corruption in the process of extricating the poor from those who are less needy. Today, India has the largest stock of grain in the world besides China, the government spends Rs. 750 billion ($13.6 billion) per year, almost 1 percent of GDP, yet 21% remain undernourished. Distribution of food grains to poor people throughout the country is managed by state governments. As of date there are about 500,000 Fair Price Shops (FPS) across India.

The Central and State Governments shared the responsibility of regulating the PDS. While the central government is responsible for procurement, storage, transportation, and bulk allocation of food grains, States Governments hold the responsibility for distributing the same to the consumers through the established network of Fair Price Shops (FPSs). State governments are also responsible for operational responsibilities including allocation and identification of families below poverty line, issue of ration cards, supervision and monitoring the functioning of FPSs. Under PDS scheme, each family below the poverty line is eligible for 35 kg of rice or wheat every month, while a household above the poverty line is entitled to 15 kg of food grain on a monthly basis.

A below poverty line (BPL) card holder should be given 35 kg of food grain and the card holder above the poverty line should be given 15 kg of food grain as per the norms of PDS. However, there are concerns about the efficiency of the distribution process.

Materials and Methods

For the purpose of in depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used is analytical and descriptive. Both primary as well as secondary source of Information have been taken.

Results and Discussions

Food security is a concept that has evolved over time. World Development Report (1986) defined food security as “access by all the people at all times to enough food for an active, healthy life.” Food and Agriculture Organization (FAO, 1983) defined food security as “ensuring that all people at all times have both physical and economic access to basic food they need.” A wider definition of food security in “The State of Food Insecurity in The World 2009" is as “Food security is a situation that exists when all people at all times have physical, social and economic access to sufficient, safe and nutritious food that meet their dietary and food preferences for an active and healthy life.” Food security and hunger are not same. Food security is a much wider problem and hunger is one of the main aspects of food security. Food security includes two aspects. One is the issue of having enough purchasing power or income to buy food and other is the access to food. The importance of food security has recently gained both domestic and global focus because the concept and its implementation encompass strategies going beyond food crop production. Food security will only be achieved when the poor and vulnerable, particularly women, children and those living in the marginal areas have secure access to the food they want.

After more than the sixty years of independence, India steps in the new millennium with the twin problem of food insecurity and population explosion. While the former relates to the entire issue of agricultural production and distribution, the latter is associated with sociological factors. In India, Nehruvian dream of establishing socialistic pattern of society was given a decent burial and the focus of attention during sixties and seventies was mainly on increasing the food production and productivity coupled with the notion that the distributional aspect could be tackled subsequently. Fortunately, the segregated analysis and debate pleading for growth only and neglecting the distributional aspect were relegated to the background both in practical and conceptual term during the eighties and it came to be realized that the gains of growth must be equitably distributed. It was recognized that mere presence of food in the economy or in the market and even the ability to buy may not guarantee food security, unless there is an efficient distribution system.

The aim of the Food Security Policy by Government of India is to ensure availability of food grains to the public at an affordable price and the objectives are thus (i) ensuring adequacy or sufficiency in supply of food grains, and (ii) distributing food grains at affordable prices. The Public Distribution System in the country endeavours to meet these twin objectives.

In a developing country like India, the requirement for a Central National Supply

Management System, particularly in the case of essential commodities, is inevitable because the open market system fails to protect the wellbeing of low income segment of population. In such countries the production of essential commodities is a necessary but not a sufficient condition to meet the food security needs of the poorest section of the population. Here the intervention of the State in the functioning of the open market system becomes unavoidable and the distribution system becomes a crucial element in the supply management system. The Public Distribution System (PDS) is a direct state intervention in national distribution system of goods.

Overtime it was realized that the truly vulnerable areas and people were not receiving the expected benefits of PDS due to their inconvenient geographic location, poor PDS infrastructure and little purchasing power. The decision to reorient the PDS was, therefore, taken for ensuring effective access to the remotest and the most disadvantaged areas of the country where the concentration of poor was more.

The Revamped Public Distribution System (RPDS) was launched in June, 1992 with a view to strengthen and streamline the PDS as well as to improve its reach in the far-flung, hilly, remote and inaccessible areas where a substantial section of the poor live, which covered 1775 blocks wherein area specific programmes such as the Drought Prone Area Programme (DPAP), Integrated Tribal Development Project (ITDP), Desert Development Programme (DDP) and certain Designated Hill Areas (DHA) identified in consultation with State Governments for special focus, with respect to improvement of the PDS infrastructure.

Targeted Public Distribution System

The functioning of PDS was severely criticized for its failure to serve Below Poverty Line (BPL) population, its urban bias, large food subsidy and negligible coverage in poor states with large population of rural poor. In 1997, the targeted Public Distribution System (TPDS) was launched to streamline the PDS. Under the TPDS, States are required to formulate and implement foolproof arrangements for identification of the poor for delivery of food grains and for its distribution in a transparent and accountable manner at the FPS level.

Under the new system a two tier subsidized pricing system was introduced to benefit the poor. Under this system the potential beneficiaries would be divided into Below Poverty Line (BPL) population and that Above Poverty Line (APL). While BPL population were offered food grains at half the economic cost, the APL, who were not to have a fixed entitlement to food grains, were supplied grains at their economic cost. Thus, TPDS intends to target the subsidized provision of food grains to “poor in all areas” unlike RPDS, which laid stress on “all in poor areas.” Thus the TPDS adopted by government of India maintains the universal character of the PDS but adds a special focus on the poor people.

Antyodaya Anna Yojana

Antyodaya Anna Yojana (AAY), started in December 2000 by the Government of India, is a move towards making TPDS focused at lowering hunger among the poorest section of the BPL population. A National Sample Survey Exercise points towards the fact that about 5 per cent of the total population in the country sleeps without two square meals a day. This section of the population can be called as “hungry”. In December, 2000 the Government launched Antyodaya Anna Yojana for one crore poorest of the poor families to make TPDS more focused and targeted towards this category of population.

AAY envisaged identification of one crore poorest of the poor families from among the number of BPL families covered under TPDS within the States. Foodgrains would be offered them at a highly subsidized rate of 2 per kg for wheat and 3 per kg for rice. The distribution cost, including margin to dealers and retailers as well as the transportation cost would be borne by the States/UTs. In this way the entire food subsidy is being transferred to the beneficiaries under the scheme. Initially the scale of issue under the scheme was 25 kg of food grains per family per month that has been increased to 35 kg per family per month with effect from 1st April 2002. The responsibility of the identification of the Antyodaya families and issue of distinguishing ration cards to these families lies with the concerned State Governments. The AAY Scheme has been expanded for three times in different years. At first it was expanded by adding another 50 lakh BPL households headed by widows or terminally ill persons or disabled persons or persons aged 60 years or more with no assured means of subsistence. Then it was further expanded by adding another 50 lakh BPL households which were at the risk of hunger. AAY was further expanded to cover another 50 lakh BPL households thus increasing its coverage to 2.5 crore households (i.e. 38 per cent of BPL). Guidelines regarding identification of the poorest of the poor families as Antyodaya families and additional Antyodaya families under the expanded AAY were issued to the States/UTs.

Government Initiatives to Strengthen the PDS

The government has taken different initiatives at times for the efficient and transparent functioning of PDS and to make PDS more targeted and focused to the needy section of the society. These initiatives are following-

Essential Commodities Act, 1955

The Essential Commodities Act has been enacted by the central government in 1955 to provide a legal framework to govern the production, procurement, price control and distribution of food grains and other essential commodities. Section 2(a) of the Act lists the commodities considered as essential commodities. Section 3 of the Act confers powers on the Central Government to control production, supply, and distribution etc. of essential commodities. An order called Public Distribution System (Control) Order 2001 (Order) has been issued by Central Government and that has been amended in 2004. Different sections of the essential commodities act contain the provisions regarding the penalties for contravening the Control Order and about offences etc.

Citizen's Charter

The Citizens" Charter was issued in November, 1997 for adoption by the State Governments. The Citizens" Charter is an important landmark in the continuing efforts of the Government for ensuring the functioning of PDS in a more transparent and accountable manner. The intention behind this Charter is that it should be a model for the State Governments. This Charter contains essential information like entitlement of BPL families, procedure for issuance of ration cards, quality of food grains, and information about Fair Price Shops, inspection and checking, right to information, vigilance and public participation. This Charter has been revised in the year 2007 and Revised Model Citizen's Charter has been circulated to all States/UTs for its adoption and implementation.

The Public Distribution System (Control) Order, 2001

In exercise of powers conferred by Section 3 of the Essential Commodities Act, 1955 the Central government has been issued The Public Distribution System (Control) Order, 2001 for maintaining supplies and securing availability and distribution of essential commodities under the Public Distribution System. The said Order has been amended in 2004. The Order mainly contains provisions with regard to the following issues:-

- Identification of families below the poverty line;
- Ration cards;
- Scale and issue price;
- Distribution of food grains;
- Licensing;
- Monitoring.

The order necessitates that all State Governments/UTs should ensure that the families identified as BPL and Antyodaya are really the poorest of the poor. Moreover it also requires the State Governments/UTs should get the lists of BPL and Antyodaya families revised every year for inclusion of eligible families and exclusion of ineligible families. Further the State Governments/UTs should conduct periodical inspection of ration cards to get rid of ineligible and bogus ration cards. The State Governments/UTs should ensure issue of Utilization Certificates confirming the lifting of food grains and distribution to the intended beneficiaries under the TPDS.

Involvement of Panchayati Raj Institutions

The Minister of Consumer Affairs, Food and Public Distribution addressed a letter on January 13, 2000 to all Chief Ministers and Administrators of UTs, calling for active participation by Panchayati Raj Institutions in PDS with the objective of revamping and strengthening the PDS and to ensure that the intended benefit reach the poor. Department of Food and Public Distribution issued detailed guidelines for greater involvement of Panchayati Raj Institutions (PRIs) in the functioning of TPDS and to bring in a more transparent and accountable system of distribution as a measure of social audit. It is stated that the Gram Panchayat/ Gram Sabha should be encouraged to establish FPS committees. These institutions can play a vital role to ensure smooth functioning of PDS.

Conclusion

PDS along with its extensions from the National Food Security Act presents itself as an effective institution to make India hunger free in foreseeable future. The mission of TPDS is well defined but the effectiveness of its implementation varies across different states. TPDS models implemented in states are comparatively more effective than those implemented in other states. Even though there are many problems associated with delivery of affordable food grains to targeted section of the population, these problems are can be reduced if not solved completely by collective efforts from government, civil society and NGOs. Complete computerization of PDS along with investment on RFID and barcode scanners is required to make sure that corruption and diversion of food grains is reduced, targeted population gets the food grains and thus the goal of PDS is met.

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Anusandhanika / Vol. XI / No. I & II / 2019 / pp 23-27 ISSN 0974 - 200X

Human Resource Management Practices in NTPC

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Abstract

Any organisation, without a proper setup for HRM is bound to suffer from serious problems while managing its regular activities. For this reason today, companies must put a lot of effort and energy into set- ting up a strong and effective HRM. The problem with HRM is that one cannot use clear cut formula that can be applied in particular situations due to highly subjective, emotional and cultural deviation amongst the employees. Secondly skilled and committed workers will become more and scarcer commodity due to rapid global expansion of business, high aspiration levels and mobility of labour across borders and rapidly changing technologies. Many top managers do not understand that company needs effective human resource management; therefore, they think everyone can be an HR manager. Many companies end up having secretary or personal assistant of some managers promoted to be the HR manager. Keeping in view the importance and problem of human resource management, it was felt necessary to make a macro study of the role of Human Resource Management practices in power sector and NTPC themselves. The paper is provides factual information about the management of human resource practices in power sector.

Keywords : committed workers, cultural deviation, scarcer commodity

Introduction

Human Resource Management has come to be recognized as an inherent part of management, which is concerned with the human resources of an organization. In simple words, it can say that it is the management of humans or people. HRM is a managerial function that tries to match an organization's needs with skills and abilities of its employees. HRM is responsible for how people are managed in the organizations. The Foremost and prime HR function in any organization is recruiting the right person and then getting required quality and quantity of work in line with organizational goals which uses various tools and techniques for motivation, appraisal, training, cross cultural management, emerging issues in personnel laws like, sexual harassment etc. Bringing change in organizational processes and procedures, implementing it and then managing it is one of the biggest concerns of HR managers.

Any organisation, without a proper setup for HRM is bound to suffer from serious problems while managing its regular activities. For this reason today, companies must put a lot of effort and energy into set- ting up a strong and effective HRM. The problem with HRM is that one cannot use clear cut formula that can be applied in particular situations due to highly subjective, emotional and cultural deviation amongst the employees. Secondly skilled and committed workers will become more and scarcer commodity due to rapid global expansion of business, high aspiration levels and mobility of labour across borders and rapidly changing technologies. Many top managers do not understand that company needs effective human resource management; therefore, they think everyone can be an HR manager. Many companies end up having secretary or personal assistant of some managers promoted to be the HR manager.

Human Resource is the most important asset for any organization and it is the source of achieving competitive advantage. Managing Human Resources is very challenging as compared to managing technology or capital and for its effective management, organization requires effective HRM system. HRM system should be backed up by sound HRM practices. HRM practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals.

Human Resource Management (HRM) is a relatively new approach to managing people in any organization. People are considered the key resource in this approach. It is concerned with the people dimension in management of an organization. Since an organization is a body of people, their acquisition, development of skills, motivation for higher levels of attainments, as well as ensuring maintenance of their level of commitment are all significant activities. These activities fall in the domain of HRM. Human Resource Management is a process, which consists of four main activities, namely, acquisition, development, motivation, as well as maintenance of Human Resources. Human Resource Management is responsible for maintaining good human relations in the organization. It is also concerned with development of individuals and achieving integration of goals of the organization and those of the individuals.

Materials and Methods

For the purpose of depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used in analytical and descriptive. Both primary as well as secondary sources of information have been taken.

Results and Discussions

Human Resources Management Practices play a very crucial role in achieving the organization's goals and maintain the competitive advantage. HRM practices refer to organizational activities directed at managing the pool of human resource and ensuring that the resources are employed towards the fulfillment of organizational goals. Human resource management practices is the management of people within the internal environment of organizations, comprises the activities, policies, and practices involved in planning, obtaining, developing, utilizing, evaluating, maintaining, and retaining the appropriate numbers and skill mix of employees to achieve the organization's objectives. Presently organizations are competing through implementing the unique HRM practices and due to the globalization organizations adopt the most up-to-date HRM practices in order to accomplish the organizational goals. Best HRM practices are advantageous for both employee and employer; it plays an important role in constructive growth of the organization. Job satisfaction is an attitude which is an outcome of harmonizing and summation of numerous precise likes and dislikes experiences with the job. Job satisfaction for an employee is the level of satisfaction according to job. Job satisfaction is a crucial indicator of how employees feel about their job and describes how much they are contented with his or her job. The satisfaction level of employees also associated with increase output of the organization. Job satisfaction of an employee is essential to the success of an organization. In an organization a high rate of employee contentedness is directly related to a lower turnover rate. Thus, keeping employees' satisfaction in their jobs with their careers should be a foremost priority for every organization. HRM practices try to develop and allocate human capital in the best possible ways in order to achieve long-term goals; they provide them with many benefits and good environments that would boost employee's motivation, job satisfaction, and increase their performance. In order to sustain in the market human resource management (HRM) practices and job satisfaction of employees have many significant benefits for organization.

The generation of power in the country after independence, till late seventies, had been predominantly through the State Electricity Boards which were created under the Electricity (Supply) Act, 1948. However, to meet the growing demands for power and to enable the optimum utilisation of energy resources, the Government of India decided to take up a programme of establishing large thermal power stations in the Central sector in the country with a view to supplement the efforts of the State sector in accelerating thermal power development. In view of the massive capital outlays, sophisticated technology and high degree of technical and managerial expertise involved in the construction, operation and maintenance of these large size thermal generating station, the Government of India decided to set up National Thermal Power Corporation Limited (NTPC), a separate organisation in the Central sector. NTPC is a hundred per cent government owned Public Limited Company, incorporated under the Companies Act 1956. The registered office of the company is situated at Delhi.

The NTPC was incorporated in November, 1975, as a Central generating company, with the objective of planning, promoting and organising the integrated development of thermal power generation and execution in thermal power projects. National Hydro Electric Power Corporation was incorporated with the main objective of planning, promoting and organising the integrated development of hydroelectric power in India. In order to meet the demand of the thermal power capacity, a site selection committee was appointed by the Government of India in 1988 to identify suitable new sites for the setting up of large thermal power stations in different regions of the country. The Committee visited 31 sites identified for locating large thermal power plants each of capacity 1,500 MW and above. Out of these sites only 18 sites were found suitable for locating the thermal power plants for a total capacity of approximately 40,000 MW. Even with this addition, the shortfall was of 41,000 MW which demanded more sites to be identified.

NTPC is India's largest energy conglomerate with roots planted way back in 1975 to accelerate power development in India. Since then it has established itself as the dominant power major with presence in the entire value chain of the power generation business. From fossil fuels it has forayed into generating electricity via hydro, nuclear and renewable energy sources. This foray will play a major role in lowering its carbon footprint by reducing green house gas emissions. To strengthen its core business, the corporation has diversified into the fields of consultancy, power trading, training of power professionals, rural electrification, ash utilisation and coal mining as well.

NTPC became a Maharatna company in May 2010, one of the only four companies to be awarded this status. NTPC was ranked 400th in the '2016, Forbes Global 2000' ranking of the World's biggest companies.

The total installed capacity of the company is 47,178 MW (including JVs) with 18 coal based, 7 gas based stations and 1 Hydro based station. 9 Joint Venture stations are coal based and 9 renewable energy projects. The capacity will have a diversified fuel mix and by 2032, non fossil fuel based generation capacity shall make up nearly 28% of NTPC's portfolio.

NTPC has been operating its plants at high efficiency levels. Although the company has 17.73% of the total national capacity, it contributes 24% of total power generation due to its focus on high efficiency.

In October 2004, NTPC launched its Initial Public Offering (IPO) consisting of 5.25% as fresh issue and 5.25% as offer for sale by the Government of India. NTPC thus became a listed company in November 2004 with the Government holding 89.5% of the equity share capital. In February 2010, the Shareholding of Government of India was reduced from 89.5% to 84.5% through a further public offer. Government of India has further divested 9.5% shares through OFS route in February 2013. With this, GOI's holding in NTPC has reduced from 84.5% to 75%. The rest is held by Institutional Investors, banks and Public.

NTPC is not only the foremost power generator; it is also among the great places to work. The company is guided by the "People before Plant Load Factor" mantra which is the template for all its human resource related policies. NTPC has been ranked as "6th Best Company to work for in India" among the Public Sector Undertakings and Large Enterprises for the year 2014.

By the year 2032, 28% of NTPC's installed generating capacity will be based on carbon free energy sources. Further, the coal based capacity will increasingly be based on high-efficient-low-emission technologies such as Super-critical and Ultra-Super-critical. Along with this growth, NTPC will utilize a strategic mix of options to ensure fuel security for its fleet of power stations.

Opening its doors to opportunities that were coming its way and due to transformations in the business environment, NTPC made changes in its strategy and diversified the business adjacencies along the energy value chain. In its pursuit of diversification NTPC has developed strategic alliances and joint ventures with leading national and international companies.

Human Resources Practices at NTPC

At NTPC, it begins and ends with people. The company is deeply passionate about ensuring the holistic development of all its employees as distinct individuals and good citizens. NTPC currently employ approximately 23,133 Employees including employees in JVs and subsidiary companies.

Competence building, Commitment building, Culture building and Systems building are the four pillars on which our HR systems are based. Man MW ratio improved to 0.54 in FY 2015-16 from 0.59 in 2014-15.

HR Vision of NTPC

"To enable our people to be a family of committed world class professionals, making NTPC a learning organisation."

Recruitment

NTPC believe in the philosophy of 'Grow your own timber'. 'Executive Trainee' programme was introduced in 1977 with the objective of raising a cadre of home grown professionals. First Division Post Graduates and Graduate Engineers are hired through nation-wide open competitive examinations and campus recruitments. Hiring is followed by 52 weeks of fully paid induction training consisting of theoretical input, on job training, personality development & management modules.

Career Advancement & Opportunities

Well established talent management system in place, to ensure that we fulfill on promise of meaningful growth and relevant challenges for employees. Talent management system comprises PERFORMANCE MANAGEMENT, CAREER PATHS and LEADERSHIP DEVELOPMENT.

Rewards & Recognitions

NTPC recognise the role played by rewards & recognitions in motivating our colleagues. To this end, created a culture of rewards and appreciation through celebration of various achievements and recognizing the contributions behind such success.

Innovate, Create, Compete

NTPC introduced numerous initiatives which seek to enhance the creativity, innovation, functional aptitude and teamwork of our employees. These initiatives include the National Open Competition for Executive Talent (NOCET), Professional Circles, Quality Circles, Business Minds and Medha Pratiyogita (a quiz for our employees). A management journal called "Horizon" is published quarterly to enable the employees to share their ideas and experiences across the Company.

Quality of Work-Life

NTPC is committed to provide the best available work life for its employees. In addition to ensuring safe and aesthetically pleasing work places, NTPC actively encourages a culture of mutual respect and trust amongst peers, superiors and subordinates.

Far removed from the buzz of cities, our townships are the epitome of serenity, natural beauty and close community living. A range of welfare and recreation facilities including schools, hospitals and social clubs are provided at the townships to enhance the quality of life & the well being of employees and their families. An entire gamut of benefits, from child care leave to post retirement medical benefits are extended to employees to meet any exigency that may arise in a person's life.

Knowledge Management in NTPC

To meet our ultimate objective of becoming a learning organization, an integrated Knowledge Management System has been developed, which facilitates tacit knowledge in the form of learning and experiences of employees to be captured and recognizing for future reference.

Training & Development

NTPC subscribes to the belief that efficiency, effectiveness and success of the organization, depends largely on the skills, abilities and commitment of the employees who constitute the most important asset of the company. NTPC developed its own comprehensive training infrastructure.

Education Up-gradation Schemes

'When you upgrade your employee's skills, you upgrade your company', NTPC actively motivates its academically inclined employees to pursue higher studies which are in consonance with the needs of the recognizing. NTPC has tie-ups with leading institutions like MDI, Gurgaon; IIT Delhi; BITS Pilani, etc on this end. NTPC sponsors batches of employees who are inducted into their courses based on their performance rating in the company and their performance in the entrance exam conducted by the respective institutes. Unlike other study leave and sabbaticals, employees undergoing these courses do not forego their salary or growth during the course.

Seeking Feedback

NTPC actively seeks and employee feedback to ensure that our HR interventions and practices remain relevant and meaningful. NTPC regularly conduct Employee Satisfaction and Organisational Climate Surveys.

Awards

Over the years, NTPC has received numerous awards and recognitions that reinforce our HR philosophy and practices. They are reminders that we are on the right path and are milestones on HR journey.

Conclusion

HRM practices are a set of internally consistent policies and practices designed to attracts, develops, motivates and retain employees to ensure effective survival of organisation and its members. Moreover from the previous discussion and explanation it can be concluded that human resource management practices have a close tie with organisation effectiveness and performance. Through effective handling of HRM practices such as recruitment and selection, training and development, executive development programme, compensation administration, career development, employees job satisfaction and motivational programme and strategic retirement and separation policy of an organisation can mobilise and influence the vital resources and the surrounding environment towards a positive direction. National Thermal Power Corporation of India (NTPC) considered the workforce of the organisation as a prime asset and concentrated more on effective human resource management. NTPC has consistently been rated as one of the best companies to work for and best employer in India.

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Anusandhanika / Vol. XI / No. I & II/ 2019 / pp 28-32 ISSN 0974 - 200X

Human Resource Management Practices in Indian Railways

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Abstract

Human Resource Management (HRM) is a relatively new approach to managing people in any organization. People are considered the key resource in this approach. It is concerned with the people dimension in management of an organization. Since an organization is a body of people, their acquisition, development of skills, motivation for higher levels of attainments, as well as ensuring maintenance of their level of commitment are all significant activities. These activities fall in the domain of HRM. Human Resource Management is a process, which consists of four main activities, namely, acquisition, development, motivation, as well as maintenance of Human Resources. Any organisation, without a proper setup for HRM is bound to suffer from serious problems while managing its regular activities. For this reason today, companies must put a lot of effort and energy into set- ting up a strong and effective HRM. Management of human resources includes guiding human resources towards organisation objectives with a high degree of commitment, morale and satisfaction of concerned personnel. Indian Railways are the biggest service industry employing 1.334 million employees spread over the length and breadth of the country. It is imperative that the customers are given the maximum comfort by ensuring safety, security and punctual running of the trains both freight and passengers. A dynamic, effective workforce and their management are essential for the success of Indian Railways. Human Resource Practice has come to occupy a place of prime importance in the Indian railways. The real assets of Indian Railways are the Human Resource; hence the present paper proposes to examine the Human Resource Management in Indian Railways.

Keywords : motivation, biggest service, high degree of commitment

Introduction

Indian Railways is the lifeline of the nation. It manages the fourth-largest railway network in the world by size, with 121,407 kilometres (75,439 mi) of total track over a 67,368-kilometre (41,861 mi) route. Forty nine percent of the routes are electrified with 25 KV AC electric tractions while thirty three percent of them are double or multi-tracked.

IR runs more than 13,000 passenger trains daily, on both long-distance and suburban routes, from 7,349 stations across India. The trains have a five-digit numbering system. Mail or express trains, the most common types, run at an average speed of 50.6 kilometres per hour (31.4 mph). In the freight segment, IR runs more than 9,200 trains daily. The average speed of freight trains is around 24 kilometres per hour (15 mph). As of March 2017, IR's rolling stock consisted of 277,987 freight wagons, 70,937 passenger coaches and 11,452 locomotives. IR owns locomotive and coach production facilities at several locations in India. The world's eighth-largest employer, it had 1.308 million employees as of March 2017.

Human Resource Management is a managerial function that tries to match an organization's needs with skills and abilities of its employees. HRM is responsible for how people are managed in the organizations. The Foremost and prime HR function in any organization is recruiting the right person and then getting required quality and quantity of work in line with organizational goals which uses various tools and techniques for motivation, appraisal, training, cross cultural management, emerging issues in personnel laws like, sexual harassment etc. Bringing change in organizational processes and procedures, implementing it and then managing it is one of the biggest concerns of HR managers.

Any organisation, without a proper setup for HRM is bound to suffer from serious problems while managing its regular activities. For this reason today, companies must put a lot of effort and energy into set- ting up a strong and effective HRM. The problem with HRM is that one cannot use clear cut formula that can be applied in particular situations due to highly subjective, emotional and cultural deviation amongst the employees. Secondly skilled and committed workers will become more and scarcer commodity due to rapid global expansion of business, high aspiration levels and mobility of labour across borders and rapidly changing technologies. Many top managers do not understand that company needs effective human resource management; therefore, they think everyone can be an HR manager. Many companies end up having secretary or personal assistant of some managers promoted to be the HR manager.

Human Resource is the most important asset for any organization and it is the source of achieving competitive advantage. Managing Human Resources is very challenging as compared to managing technology or capital and for its effective management, organization requires effective HRM system. Human Resource system should be backed up by sound Human Resource practices. Human Resource practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals.

Human Resource Management (HRM) is a relatively new approach to managing people in any organization. People are considered the key resource in this approach. It is concerned with the people dimension in management of an organization. Since an organization is a body of people, their acquisition, development of skills, motivation for higher levels of attainments, as well as ensuring maintenance of their level of commitment are all significant activities. These activities fall in the domain of HRM. Human Resource Management is a process, which consists of four main activities, namely, acquisition, development, motivation, as well as maintenance of Human Resources. Human Resource Management is responsible for maintaining good human relations in the organization. It is also concerned with development of individuals and achieving integration of goals of the organization and those of the individuals.

Materials and Methods

For the purpose of depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used in analytical and descriptive. Both primary as well as secondary sources of information have been taken.

Results and Discussions

Human Resource is the set of individuals who make up the workforce of an organization, business sector or an economy and is the most important factor of production. Every business organization depends for its effective functioning on its pool of able and willing human resources. With 1.6 million regular employees the IR as the nation’s single largest employer in the organized sector in the country, maintain a highly organized Human Resource Management system. The recruitment, training, development, promotions, incentives, privileges, strict discipline, redressal of grievances, etc. are based on sound personnel management principles and techniques. However, stiff competition offered from road network and transportation requirement is arising out of accelerated growth of the Indian economy have forced IR to gear up for the challenges by the present scenario. For these reasons, IR is reenergizing its efforts towards the adoption of latest technology and various other measures that are resulting in the downsizing of manpower in the Railways.

The 21st century has witnessed India undergo sweeping economic changes. Riding on a host of factors, India today stands at the cusp of becoming one of the top four economies in the world. A growth rate of over 8%, prior to the slowdown, was despite the inadequacies of infrastructure. Yet, one organization, which has shouldered the infrastructural burden of the transportation sector in India's growth story, is Indian Railways. The transformational turnaround would not have been possible but for IR's employees who are its true assets. IR is the world's ninth largest commercial or utility employer, by number of employees, with over 1.6 million. Following points highlight the HR functions carried on by the Indian Railways:

IR is a self-sufficient and self-reliant organization: IR is often referred to as a 'country within a country' as they have their own schools, hospitals, housing and cooperative banks at the disposal of their employees. They also have their own federal 'railway budget' and maintain their own security force known as the Railway Protection Force (RPF).

IR provides an attractive employment proposition: IR's employees and their dependents avail of free passes and concessional tickets to travel on all routes and it also gives its employees the opportunity to maintain a 'work-life' balance and a definite 'career progression' and provides a sense of job security.

Recruitment and selection is highly formalized: Indian Railways is administered by Railway Board, which has a Chairman, 5 members and a Financial Commissioner. IR classifies its employees in 4 groups- Group "A" and Group "B" (Higher posts) or non-gazetted staff, Group "C" (Clerical, supervisory staff) and Group "D" (Technical, other maintenance staff). Group "A" and "B officers are selected through Union Public Service Commission, they are civil servants. In case of jobs in Group A and B, candidates belonging to SC's and ST's will be given preference if equally qualified and meritorious. Selection of Group C employees is also on National basis, through the RRB (Railway Recruitment Board), which is run by existing railway officials. Group D employees are recruited through RSBs (Railway Selection Boards) with assistance of the local employment exchanges. All zonal railways fill 15% and 75% of their vacancies in Group C and Group D categories from the candidates belonging to SCs and STs respectively.

Training and development is available at all levels: This is of paramount importance to IR as it concerns transportation and hence safety. All new recruits undergo training when they join. Gazetted officers train at seven 'centralized training institutes' (CTIs). The training needs of non-gazetted staff are being taken care of by 200 training centers located across IR. These training institutes and centers specialize in various functional training based on the different functions or departments. Railway personnel also receive periodic training in the form of refresher courses or when new methods or technology are introduced. Gazetted officers additionally, undergo management training courses at premier institutes, both in India and abroad.

There is a complex structure of Pay and conditions: The structure of emoluments and conditions of service of railway employees are reviewed periodically by Government 'Pay Commissions'.

Indian Railways are also contributing to the Modern Market Economy: It connects industrial production centres with markets and with sources of raw materials and facilitates industrial development and link agricultural production centres with distant markets. In this process, IR has become a symbol of National integration and a strategic instrument for enhancing our defence preparedness. The IR contributes to India's economic development for about 1% of the GNP and the backbone of the freight needs of the core sector. It accounts for 6% of the total employment in the organized sector directly and an additional 2.5% indirectly through its dependent organizations. It has vested significantly in health, education, housing and sanitation. The IR is also planning to realize the potential of information technology in all areas of railways management and operations to cut costs and improve efficiency and safety.

The opportunities that can be availed of by the

HR of Indian Railways industry are as follows:

Importance of Human factor in IR Industry: Men are required for all activities and they should be available at the right place at the right time. Crew availability and booking is the best example of this cycle. Further the advanced technology adopted by the industry cannot yield the required results without the necessary efforts of the manpower employed in this very industry. The HR becomes even more important in the service industry whose value is delivered through information, personal interaction or group work.

The vision aspect of Resources: The resources- hardware, software, networking and HR, required to make the vision a reality have to be identified and made available. As IT becomes more pervasive in the educational curriculum, increasing greater number of railway men are able to serve as resource persons for IT projects

Budgeting and expenditure: All departments require money for their work, but its expenditure must be monitored and controlled. Large amount of information must flow between the Executive and the Finance Department (managed by HR) for this purpose.

Growing role of HR in Information Technology for the Management of Railway industry: HR in the form IT Architects and Contract managers, In-House Software Developers, Content Developers, System Administrators, Database Managers and Network Managers in Indian Railways are required to effectively handle the latest IT's introduced in the IR.

Human Resource Management strategies on IR have been re-oriented towards enhancing the competitiveness in the context of internal and external changes taking place. In addition to in-house training, railway men are being provided specialized training in other institutions in India and abroad. Railway employees are also encouraged to enhance their knowledge and skills by acquiring higher educational qualifications in the specified areas relevant to their work by granting incentives to them. Efforts are being made to improve the basic infrastructure for training to provide structured training programme in improved learning environment. Manpower planning system has been redesigned to regulate manpower intake with reference to emerging business need.

The Centralized Training Institutes, apart from probationary training, cater to various specialised training needs of IR officers. National Academy of Indian Railway provides inputs in General Management, Strategic Management and function-related areas for serving Railway Officers. Other CTIs conduct specialised technical training courses in respective functional areas. Training programmes on Information Technology are also being conducted by the CTIs to provide solutions for information management and decision support requirements. Need based special courses conducted by CTIs and facilities offered by them to trainees from abroad and non-railway organizations in India have been well appreciated. The training programmes emphasize on professional approach to learning with a purpose. In addition to in-house faculty, faculties with diverse experience in business, industry and government are utilized to relate academic concepts to practical problems to meet the changing needs arising out of technological development and social-economic transformation.

Training requirements of non-Gazetted staff are taken care of by over 295 Training Centers located over IR. In order to make learning more effective, training has been made mandatory at different stages for staff belonging to the safety and technical categories. Certain categories of staff overdue for refresher training are taken off from duty, till completion of the training. Efforts are constantly made to improve living conditions in the hostels, provide better mess facilities, strengthen facility for recreational and cultural activities and make good the deficiencies in respect of training aids including up gradation of the Model Rooms with working models, see through models, etc.

As a policy, Board has been encouraging the setting up of multi disciplinary training centers where cross-functional competencies could be imparted to railway employees from different functional areas. During 2014-15, a total of 8,921 Gazetted Officers and 3, 24,005 Non-Gazetted Staff underwent different types of training programmes.

Conclusion

Indian Railways has emerged today as the main vehicle for the socio- economic development of the country. Railway is a sunrise industry, not only in India but in many parts of the world. The vision for information technology in the Indian Railways for the next 25 years is to reach a stage where all the information needs of the organization can be met by a comprehensive information highway, available to all internal and external stakeholders. The vision is to improve personal productivity at all levels by the effective use of this technology. An attempt has been made to develop a road-map for the future growth of IT in Indian Railways. Conditions today are ripe for them to obtain the benefits of IT, since general awareness of the technology is high, and its benefits have been proven. A commitment to utilize the Human Resource and IT appropriately in the organization already exists. Funding has been increasing this year, and should not be a major constraint in the future. Therefore the organizational thrust should be to ensure that the resources human as well as technology are allocated wisely, in a planned manner, the vision concretized, and followed through.

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Anusandhanika / Vol. XI / No. I & II / 2019 / pp 33-37 ISSN 0974 - 200X

Agricultural Marketing in India

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Abstract

Agriculture plays a crucial role in the life of an economy. It is the backbone of economic system. India is basically an agrarian society where sole dependence has been on agriculture since time immemorial. In the olden days, the agricultural produce was fundamentally bartered by nature where farmers exchanged goods for goods and also against services. Gradually the scenario changed with the changing times and agriculture produce began being sold with an element of commercial value. Trading of agriculture produce began for exchange of money. And from trading to marketing of agricultural produce began although mostly it is a way of traditional selling. The marketing as a term is broader than traditional trading. Today, in current scenario agriculture markets are the hub of rural economy. Agricultural marketing today means more than linking the producer with consumer, it includes creation of favorable economic environment for farmers to enthuse them to grow more and get proceeds from transactions. Many alternative forms, such as cooperative marketing, group marketing, contract marketing, futures trading, direct marketing and e-commerce are in vogue. Agricultural produce markets are nerve centers from where marketing impulses are transmitted to put all the marketing activity on track and safeguard the interest of both farmers and consumers.

Keywords : traditional trading, farmer's exchanged, cooperative marketing

Introduction

Agriculture plays an important role in the economic development of developing countries like India. It occupies a pivotal position in India's economic development since its independence and it is regarded as a major economic powerhouse that has a bearing on its whole economy. It is well-established fact that the success of economic planning in India, largely depends on the growth of its agriculture sector, which, in turn, indicates whether agricultural production has reached comfortable height especially after the Green Revolution; whether agriculture sector has reached a stage of self-sufficiency and sustainable development; or whether it is still dominated and depends upon nature, by instability that still haunts and seriously threatens the Indian farmer's ability to step up the agricultural output and its viability with nearly two-third of its population depends on agriculture, India has witnessed many an upheavals over the century due to factors, both man made as well as natural, to determine the destiny of its economy.

India is the seventh largest country in geographical area, the second largest in population- size and the twelfth largest country in economic wise. The economy of India is as diverse as it is large, with a number of major sectors including manufacturing industries, agriculture, textiles and handicrafts, and services. Agriculture is a major component of Indian economy, the bedrock of its economic foundation. More than 70 per cent of the population has their livelihood from agriculture and agriculture-oriented works either directly or indirectly for their living. India is basically an agrarian society where sole dependence has been on agriculture since time immemorial. In the olden days, the agricultural produce was fundamentally bartered by nature where farmers exchanged goods for goods and also against services. Gradually the scenario changed with the changing times and agriculture produce began being sold with an element of commercial value. Trading of agriculture produce began for exchange of money. And from trading to marketing of agricultural produce began although mostly it is a way of traditional selling. The marketing as a term is broader than traditional trading. And agricultural marketing as a concept is still evolving in Indian society. In India, there are networks of cooperatives at the local, regional, state and national levels that assist in agricultural marketing. The commodities that are mostly handled are food grains, jute, cotton, sugar, milk and areca nuts. Currently large enterprises, such as cooperative Indian sugar factories, spinning mills, and solvent-extraction plants mostly handle their own marketing operations independently. Medium- and small-sized enterprises, such as rice mills, oil mills, cotton ginning and pressing units, and jute baling units, mostly are affiliated with cooperative marketing societies.

Materials and Methods

For the purpose of depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used in analytical and descriptive. Both primary as well as secondary sources of information have been taken.

Results and Discussions

Marketing is as critical to better performance in agriculture as farming itself. Therefore, market reform ought to be an integral part of any policy for agricultural development. The term agricultural marketing is composed of two words-agriculture and marketing. Agriculture, in the broadest sense, means activities aimed at the use of natural resources for human welfare, i.e., it includes all the primary activities of production.

Marketing connotes a series of activities involved in moving the goods from the point of production to the point of consumption. Agricultural marketing involves essentially the buying and selling of agricultural produces. This definition of agricultural marketing may be accepted in olden days, when the village economy was more or less self-sufficient, when the marketing of agricultural produce presented no difficulty, as the farmer sold his produce directly to the consumer on a cash or barter basis. But, in modem times, marketing of agricultural produce has to undergo a series of transfers or exchanges from one hand to another before finally reaches the consumer. Agricultural marketing system is defined in broadest terms, as physical and institutional set up to perform all activities involved in the flow of products and services from the point of initial agricultural production until they are in the hands of ultimate consumers. This includes assembling, handling, storage, transport, processing, wholesaling, retailing and export of agricultural commodities as well as accompanying supporting services such as market information, establishment of grades and standards, commodity trade, financing and price risk management and the institutions involved in performing the above functions. Marketing is the performance of all business activities involved in the flow of goods and services from the point of initial agricultural production until they are in the hands of the ultimate consumer. The National Commission on Agriculture defined agricultural marketing as a process which starts with a decision to produce a saleable farm commodity and it involves all aspects of market structure of system, both functional and institutional, based on technical and economic considerations and includes pre and post- harvest operations, assembling, grading, storage, transportation and distribution. Agricultural markets are special types of markets that have special characteristics that differ from other markets. These are mainly due to factors affecting supply of agricultural products, and the situation of producers in this business. First of all the agricultural market is very competitive because the producers are all very small and large in number. Therefore, they don't have a great influence on the price of their products. Agricultural producers are what are known as price takers, producers that have little or no influence on the price of their output.

Agricultural marketing can be defined as the commercial function involved in transferring agricultural products consisting of farm, horticultural and other allied products from producer to consumer. Agricultural marketing also reflect another dimension from supply of produce from rural to rural and rural to urban and from rural to industrial consumers. In the olden days selling of agricultural produce was easy as it was direct between the producer to the consumer either for money or for barter. In brief, it was selling not marketing. In the modern world it became challenging with the latest technologies and involvement of middlemen, commission agents who keep their margins and move the produce further. As it is well known more the number of mediatory more will be the costs as each transaction incurs expenses and invites profits. Ultimately when it comes to the producer the cost of the produce goes up steep. In the entire process of marketing the producer gets the lowest price and the ultimate consumer pays the highest as the involvement of more middlemen in the entire distribution process. Thus agricultural marketing is a system which has time and space dimension, there forms a part of geographical study. There are several complexities involved in agricultural marketing as agricultural produce involves element of risk like perish ability and it again depends on the type of produce. If the agriculture produce happens to be a seasonal one it involves another kind of risk. Likewise, there is several risk elements involved in agricultural marketing. The pricing of the produce depends on factors like seasonality and perish ability and it depends on the demand and supply also. And all these are interwoven and ultimately make a deep impact on agricultural marketing.

In the case of agricultural marketing in India it is not exactly the marketing in the literal sense and we can call it as 'distributive handling' of agricultural produce as there are number of intermediaries who are involved in marketing the agricultural produce. However with the liberalization, privatization and globalization the economic scenario in India has changed drastically and tremendously. As a result we have noticed the changes in the 'distributive handling' and again it reinvented and evolved as agricultural marketing. It is basically because of the rise of retail giants who are the major buyers in bulk quantity and who constantly look for differentiated, graded, standardized, processed and packaged products rather than differentiated ones. They also look for qualitative and quantitative supply of agricultural stocks continuously to beat the competition in the retail sector.

Agricultural marketing system, though defined in varied ways, but for the purpose of this report, is defined in broadest terms, as physical and institutional set up to perform all activities involved in the flow of products and services from the point of initial agricultural production until they are in the hands of ultimate consumers. This includes assembling, handling, storage, transport, processing, wholesaling, retailing and export of agricultural commodities as well as accompanying supporting services such as market information, establishment of grades and standards, commodity trade, financing and price risk management and the institutions involved in performing the above functions. Current agricultural marketing system in the country is the outcome of several years of Government intervention. The system has undergone several changes during the last 50 years owing to the increased marketed surplus; increase in urbanization and income levels and consequent changes in the pattern of demand for marketing services; increase in linkages with distant and overseas markets; and changes in the form and degree of government intervention. There are three important dimensions of an agricultural marketing system. These are market structure, conduct and performance. Market structure determines the market conduct and performance. The structural characteristics govern the behaviour of marketing firms. The market structure has never remained static but kept on changing with the changing environment. Structure of agricultural produce markets varies from commodity to commodity and has been influenced by the intervention of the government. An important characteristic of agricultural produce markets in India has been that private trade has continued to dominate the market. With the large quantities required to be handled by the private trade, the size and structure of markets over time have considerably expanded. Around two million wholesalers and five million retailers handle the trade in food grains.

Agricultural Marketing Reforms

With the coordinated and integrated strides made by policy makers, agricultural scientists and more so by farmers, the food grain production has now gone up more than five times since beginning of first five year plan in 1951 and growth graph of horticultural crops has even exhibited better picture. Even after this considerable increase in production and productivity in agriculture sector, agrarian economy is still under stress and it is frequently heard that farmers are committing suicides here and there, which indicates that farmers are still not getting their due for their hard work.

Therefore, in order to achieve the goal of doubling farmers' income in time bound manner, agriculture sector, for inclusive growth, needs to have a well-functioning, competitive and transparent markets in addition to focus on increasing the production & productivity and simultaneously reducing the cost of cultivation. Reforms in agricultural marketing sector is considerate tool to not only offer remunerative prices to the farmers, reduce marketing cost & margin and put tab on food inflation but also augment in doubling the farm income and consequently releasing farmers' from economic stress.

During the year revitalised the reform agenda with the objective to actualise it at the ground level and favourably affect farmers' income. As a part of reform agenda, Department, with the objective to create barrier free market, enhance competition & transparency in transactions and widen choices to the farmers for sale of their produce, launched National Agriculture Market (e-NAM) on 14th April, 2016. Under this ambitious project, 585 wholesale regulated markets are proposed to be linked to e-NAM portal by 2018. Till now, Department has succeeded to link 250 markets to the portal against the set target of 200 markets. To backup this project through facilitative legal framework & policy and revamp other reform agenda in the sector, Department is in the process of formulation of new Model APMC Act.

Only those States/ UTs are eligible to link their markets to e-NAM portal, which have undertaken reforms in their APMC Acts in respect of (i) e-trading; (ii) single point levy of market fee across the State; and (iii) single unified trading license valid across the State.

Conclusion

Agriculture is different from industry and plays a significant role in the economic development of a nation. India's prosperity depends upon the agricultural prosperity. There are many kinds of agricultural products produced in India and the marketing of all these farm products generally tends to be a complex process. Agricultural marketing involves many operations and processes through which the food and raw materials move from the cultivated farm to the final consumers. Agriculture provides goods for consumption and exports and manufacturing sectors. The suitable marketing system should be designed so as to give proper reward or return to the efforts of the tiller of the soil. Market information is a means of increasing the efficiency of marketing system and promoting improved price formation

There is no doubt that in any marketing there is a motive towards profit involved and at the same time the marketing is to be based on certain values, principles and philosophies such as offering just and fair prices to the farmers who toil hard to till. Bringing necessary reforms coupled with proper price discovery mechanism through regulated market system will help streamline and strengthen agricultural marketing.

In order to avoid isolation of small-scale farmers from the benefits of agricultural produce they need to be integrated and informed with the market knowledge like fluctuations, demand and supply concepts which are the core of economy. Efforts have to be taken for formulating societies and co-operatives of farmers at national levels so as to protect their interest against the forces of markets. Marketing of agriculture can be made effective if it is looked from the collective and integrative efforts from various quarters by addressing to farmers, middlemen, researchers and administrators. It is high time we brought out significant strategies in agricultural marketing with innovative and creative approaches to bring fruits of labor to the farmers.

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SEBI Regulations and Mutual Funds

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Abstract

A Mutual Fund is a form of collective investment that pools money from many investors and invests the money in stocks, bonds, short-term money market instruments, and/or other securities. Now a day's these Mutual funds are very popular because they provide an excellent way for anyone to direct a portion of their income towards a particular investment. In order to help the small investors, mutual fund industry has come to occupy an important place. Mutual funds provide an easy way for small investors to make long-term, diversified, professionally managed investments at a reasonable cost. The purpose and objective of this article is to study meaning and nature of Mutual funds, procedure, importance of SEBI and its mechanism in India, and also examine the growth of mutual funds and analyze the operations of mutual funds and suggest some measures to make it a successful scheme in India.

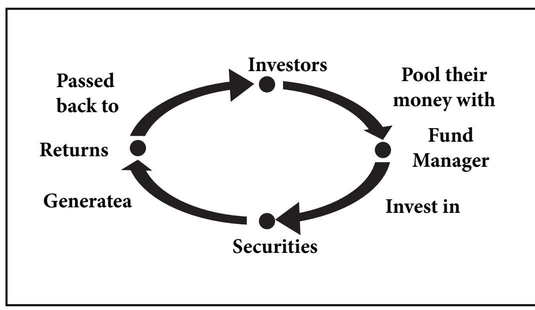
Keywords : Mutual Fund, Investment, Long Term, Short Term, Investor, Securities, SEBI

Introduction

A Mutual Fund is a form of collective investment that pools money from many investors and invests the money in stocks, bonds, short-term money market instruments, and/or other securities. In a Mutual Fund, the fund manager trades the fund's underlying securities, realizing capital gains or loss, and collects the dividend or interest income.

The investment proceeds are then passed along to the individual investors. The value of a share of the Mutual Fund, known as the net asset value (NAV), is calculated daily based on the total value of the fund divided by the number of shares purchased by investors.

Mutual funds enable hundreds, and in some cases even millions, of investors to pool their money together in order to make investments. Investors in Mutual Funds entrust their investment decisions to a professional money manager and his/her staff. Most Mutual Funds have clearly defined investment practices and objectives for their investments. With nearly 10,000 different funds now available, there is most likely a fund that will cater to just about any investment objective you might have.



In above figure it show the stages that how the process of investment start from investors and end with investors and how the fund manger generate money from securities and profit get from investment .

Mutual funds can be broken down into two basic categories: equity and bond funds. Equity funds invest primarily in common stocks, while bond funds invest mainly in various debt instruments. Within each of these sectors, investors have a myriad of choices to consider, including: international or domestic, active or indexed, and value or growth, just to name a few. We will cover these topics shortly. First, however, we're going to focus our attention on the "nuts and bolts" of how mutual funds operate.

Materials and Methods

For the purpose of in depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used in analytical and descriptive. Both primary as well as secondary source of information has been taken.

Results and Discussions

Mutual funds provide an easy way for small investors to make long-term, diversified, professionally managed investments at a reasonable cost. If an investor only has a small amount of money with which to invest, then he/she will most likely not be able to afford a professional money manager, a diversified basket of stocks, or have access to low trading fees. With a Mutual Fund, however, a large group of investors can pool their resources together and make these benefits available to the entire group. There are no "perks" for the largest investor and no penalties to the smallest--all Mutual Fund holders pay the same fees and receive the same benefits.

Mutual funds are also popular because they provide an excellent way for anyone to direct a portion of their income towards a particular investment objective. Whether you're looking for a broad-based fund or a narrow industry-focused niche fund, you're almost certain to find a fund that meets your needs.

If you look in history of Indian Mutual Fund the UTI mutual fund is the first Mutual Fund comes in 1963. Unit Trust of India (UTI) was established in 1963 by an Act of Parliament control by the reserve bank of India. There was governing by the Reserve Bank of India and functioned under the Regulatory and administrative control of the Reserve Bank of India. In 1978 UTI was de-linked from the RBI and the Industrial Development Bank of India (IDBI) took over the regulatory and administrative control in place of RBI. Body was reserve bank of India .but in 1993 constituted of securities and exchange board of India(SEBI) The SEBI (Mutual Fund) Regulations were substituted by a more comprehensive and revised Mutual Fund Regulations in 1996. The industry now functions under the SEBI (Mutual Fund) Regulations 1996.

For the purpose of research, the project has been divided into ten Chapters. In the first chapter the concept of mutual fund. The second chapter is relating to the History of mutual fund and the origin of mutual fund in America and how mutual fund spread in whole word. And how mutual fund concept came in to exist in India. In third chapter I discussed about today's mutual fund industry in India. In fourth chapter I discussed the advantages and disadvantages of mutual fund. Then in fifth chapter how mutual fund makes money from securities market. Then in sixth chapter I discussed about standard offer document of mutual fund. In seventh chapter I discussed about risk management in mutual fund and what is role of risk management in mutual fund and in last chapter conclusion and some cases of mutual fund.

SEBI (Mutual Fund) Regulations 1996

In exercise of the powers conferred by section 30 of the Securities and Exchange Board of India Act, 1992, the Board, with the previous approval of Central Government, makes regulations relating to regulation of mutual fund. Chapter I of regulations is the preliminary, R. 1 contains sort title, application and commencement and R 2 deals with definitions. Chapter II deals with registration of mutual fund. Chapter III of regulations discuss about the constitution and management of mutual fund and operation of trustees etc. chapter IV deals with constitution and management of asset management company and custodian \ in chapter v schemes of mutual fund.

Here the following some important definition and word that use in mutual fund.

Money Market Instruments: includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time;

Money Market Mutual Fund: means a

scheme of a mutual fund which has been set up with the objective of investing exclusively in money market instruments; “mutual fund” means a fund established in the form of a trust to raise monies through the sale of units to the public or a section of the public under one or more schemes for investing in securities, including money market instruments [or gold or gold related instruments];

Offer Document : means any document by which a mutual fund invites public for subscription of units of a scheme;

Open-Ended Scheme : means a scheme of a mutual fund which offers units for sale without specifying any duration for redemption;

Scheme : means a scheme of a mutual fund launched under Chapter V;

Schedule : means any of the schedules annexed to these regulations;

Securities Laws : means the Securities & Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Depositories Act, 1996 (22 of 1996) including their amendments and such other laws as may be enacted from time to time;

Sponsor: means any person who, acting alone or in combination with another body corporate, establishes a mutual fund;

Trustee: means the Board of Trustees or the Trustee Company who hold the property of the Mutual Fund in trust for the benefit of the unit holders.]

Unit: means the interest of the unit holders in a scheme, which consists of each unit representing one undivided share in the assets of a scheme;

Unit Holder: means a person holding unit in a scheme of a mutual fund.

Application for Registration: An application for registration of a mutual fund shall be made to the Board in Form A by the sponsor.

Eligibility Criteria

For the purpose of grant of a certificate of registration, the applicant has to fulfill the condition that the sponsor should have a sound track record and general reputation of fairness and integrity in all his business transactions. in the case of an existing mutual fund, such fund is in the form of a trust and the trust deed has been approved by the Board. The sponsor has contributed or contributes at least 40% to the net worth of the asset management company.

Trust Deed to be Registered under the Registration Act

A mutual fund shall be constituted in the form of a trust and the instrument of trust shall be in the form of a deed, duly registered under the provisions of the Indian Registration Act, 1908 (16 of 1908) executed by the sponsor in favor of the trustees named in such an instrument.

Appointment of An Asset Management Company

The sponsor or, if so authorized by the trust deed, the trustee shall, appoint an asset management company, which has been approved by the Board. The appointment of an asset management company can be terminated by majority of the trustees or by seventy five per cent of the unit-holders of the scheme. Any change in the appointment of the asset management company shall be subject to prior approval of the Board and the unit holders.

Appointment of Custodian

The mutual fund shall appoint a custodian to carry out the custodial services for the schemes of the fund and sent intimation of the same to the Board within fifteen days of the appointment of the custodian. 38* “Provided that in case of a gold or gold exchange traded fund scheme, the assets of the scheme being gold or gold related instruments may be kept in custody of a bank which is registered as a custodian with the Board. No custodian in which the sponsor or its associates hold 50% or more of the voting rights of the share capital of the custodian or where 50% or more of the directors of the custodian represent the interest of the sponsor or its associates shall act as custodian for a mutual fund constituted by the same sponsor or any of its associate or subsidiary company.

Procedure for Launching of Schemes

No scheme shall be launched by the asset management company unless such scheme is approved by the trustees and a copy of the offer document has been filed with the Board. Every mutual fund shall along with the offer document of each scheme pay filing fees as specified in the Second Schedule.

Winding Up

A close-ended scheme shall be wound up on the expiry of duration fixed in the scheme on the redemption of the units unless it is rolled-over for a further period under sub-regulation (4) of regulation 33. A scheme of a mutual fund may be wound up, after repaying the amount due to the unit holders, -

(a) On the happening of any event which, in the opinion of the trustees, requires the scheme to be wound up; or

(b) If seventy five per cent of the unit holders of a scheme pass a resolution that the scheme be wound up; or (c)If the Board so directs in the interest of the unit-holders.

(3) Where a scheme is to be wound up under sub-regulation (2), the trustees shall give notice disclosing the circumstances leading to the winding up of the scheme: -

(a) To the Board; and (b) In two daily newspapers having circulation all over India, a vernacular newspaper circulating at the place where the mutual fund is formed.

To Maintain Proper Books of Accounts and Records, etc.

(1) Every asset management company for each scheme shall keep and maintain proper books of accounts, records and documents, for each scheme so as to explain its transactions and to disclose at any point of time the financial position of each scheme and in particular give a true and fair view of the state of affairs of the fund and intimate to the Board the place where such books of accounts, records and documents are maintained.

(2) Every asset management company shall maintain and preserve for a period of [eight] years its books of accounts, records and documents.

(3) The asset management company shall follow the accounting policies and standards as specified in Ninth Schedule so as to provide appropriate details of the scheme wise disposition of the assets of the fund at the relevant accounting date and the performance during that period together with information regarding distribution or accumulation of income accruing to the unit holder in a fair and true manner.

Conclusion

Mutual fund have three tier –structure; a sponsor, an asset management company and a trustee company. The board of director of the AMC and the board of the trustee company are the two key levels of check and balance to safeguard the interest of the investors. Periodic report–weekly and monthly have to be provided by the AMC to the trustee company and by both to SEBI .such a structure is also intended to keep the fund operations within the confines of the law.

The SEBI has recently put up the report titled; reform of mutual fund industry prepared in association with A.F. Ferguson and company for public comments. In a press release SEBI pointed out that asean development bank on behalf of the finance government of India appointed a consultant to review the various aspects of the mutual fund industry in India. Inviting public comments /view report SEBI has noted that SEBI neither approves nor disapproves content accuracy of the report.

The report noted that the ownership of Indian mutual fund is dominated by corporation which it is estimated account for between 60 to 80 % of the total value of assets under management .this has led to practice like dividend stripping or offering a favorable NAV pricing for instance that knew towards these investor s. as a result the turnover of mutual fund units has reached epic proportion. sales and redemption of units as a % of average NAV stands at 4.28 times compared to 0.38 ND 0.51 times for mutual fund in UK and US respectively .because of this the portfolio turnover of the scheme is high than portfolio turnover as a % of average NAV was more than 10 times in 2001-02 the highest being 14.65 times.

The regulation governing mutual fund have been developed over time and are fairly comprehensive .this development has been through periodic amendments to the regulation themselves and also through a continuous series of notification and circulars issued by SEBI. There is thus no unified corpus of regulation that is easy to grasp.

In the light of recommendation of mutual fund it seemed to make some appropriate to reconstruct the regulation as they would apply to AMCs, PTCs and to mutual fund themselves .each set should be designed to be comprehensive and classified clearly under various heads. Whenever a change is effected in order to meet new circumstances or to tighten investors protection then the relevant chapter should be replaced so that at all times the handbook is up to date and whateve r guidance is required on all matters relating to compliance is available at once place. There should prepare a series of models and have reviewed key issues with SEBI. the some improvement in the regulation that committee felt that there were gaps or weaknesses or where the regulation to be brought up to best international standard .they have been drafted as if the detailed recommendation made had been accepted.

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Anusandhanika / Vol. XI / No. I & II / 2019 / pp 43-47 ISSN 0974 - 200X

Online Buying Behaviour in India

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Abstract

In today's era of globalization not only the nations in the world and thereby their communities have come closer to one another but also most of the sectors have undergone significant changes. Needless to mention that even the marketing sector has undergone significant changes and further is experiencing continuous changes. The growing number of internet user in India provides a bright prospect for online shopping. If e-marketers know the key factors affecting behaviour of customers and its relationship then they can formulate their marketing strategies to convert potential customers into loyal ones and retaining existing online customers. Internet has changed the way consumers purchase goods and services at the same time many companies have started using the Internet with the objective of cutting marketing costs, thereby reducing the price of their product and service in order to stay ahead in highly competitive markets. Companies also use the Internet to convey, communicate and disseminate information to sell the product, to take feedback and also to conduct satisfaction surveys with customers. Customers use the Internet not only to purchase the product online, but also to compare prices, product features and after sale service facilities they will receive if the purchase the product from a particular store. Many experts are optimistic about the prospect of online business.

Keywords : marketing cost, competitive market, compare price

Introduction

In simple words Online shopping is defined as purchasing items from Internet retailers as opposed to a shop or store or the act of purchasing products or services over the Internet. Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different

e-retailers the process is called business to-consumer (B2C) online shopping. As of 2016, customers can shop online using a range of different computers and devices, including desktop computers, laptops, tablet computers and smart phones. It is also popular as e-shop, e-store, online store and virtual store. Earlier food, cloth and shelter were called as primary need but today one more need is added in that is "internet". Due to revolution in telecommunication sector internet has changed the way consumers shop and buy goods and services. Both domestic companies as well as MNC's have started using the Internet with an objective of cutting marketing costs and thereby reducing the price of their products in order to stay ahead in heavy competition. Companies also use the Internet to convey communicates and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities the will receive. In addition to the tremendous potential of the E-business market, the Internet provides a unique opportunity for companies to more efficiently reach existing and potential customers. The popular online retailing companies in India are Myntra, Flipkart Snap deal, Amazon.com and e-Bay etc. The five dominant factors which influence consumer perceptions for online shopping are information, easy to use, satisfaction, security, proper utilization of available information to compare the different products.

Online marketing first began in 1990 with just text-based websites which offered product information. Now with the growth in the utilization of internet it is observed that Internet Marketing is not just selling of products alone but in addition to this it also involves information about products, advertising space, software programs, auctions, stock trading and matchmaking. With the significant growth of internet usage, internet marketing is found to expand its horizons. Few companies which have revolutionized the way with regard to the use of internet in the field of marketing are such as Google.com, Yahoo.com, Amazon.com, Alibaba.com and Youtube.com. Importance of Internet Marketing varies for different products and markets. For companies such as electronic equipment manufacturer Cisco (www.cisco.com), the concept of Internet marketing was found to be very significant as Cisco gains over 90% of its multi-billion dollar global revenue through online system. It also conducts many of its other business processes such as new product development and online customer service.1 Similarly, Easy Jet (www.easyjet.com), the low-cost European airline has 90% of its ticket sales through online and aims to fulfill the majority of its customer service requests via the internet. However, the picture is quite different for the manufacturers of high cost-involvement purchases such as cars or for brands of Fast-Moving Consumer Goods (FMCG). Here the impact of internet is less as the majority of the consumer sales even today occur through traditional retail channels. However, the influence cannot be described as insignificant any longer as the Internet is becoming increasingly important which influences on the purchase decision, as many new car purchasers now a day collect information through internet. Hence manufacturers need to invest in Internet marketing to persuade customers regarding narration of product features and benefits of their product and brand. The FMCG manufacturer finds that consumers are spending an increasing proportion of their time on the Internet and less time for using other media. Thus Internet has become an effective tool for reaching the target markets and thereby the consumers. The Internet can be used by manufacturer to increase the frequency and depth of interactions with the brands, particularly for brand's loyalists who are the advocates of their brands. For example, the soft drink brand Tango (www.tango.com) adopts the use of competitions and games on its website to encourage interaction with the consumers and create awareness about their brand. The media portrayal of the Internet often suggests that it is merely an alternative for traditional advertising or only of relevance for online purchase of books or CDs. In fact the internet mode can be rapidly applied to all aspects of marketing communications and can support the entire marketing process.2 Internet marketing has brought forward various strategies such as affiliate marketing which consists of pay per click, pay per view, pay per call and pay per click advertising. Affiliate marketing also includes banner advertisements. In addition to this e-mail marketing, viral marketing, interactive advertising, blog or article based marketing are also found to be popular. There are new marketing techniques being invented all the time. It is important to know how the trend would be. Companies are inventing new techniques to find better ways to generate revenue and also to establish their brand on the internet. There are usually 2 or 3 parties involved in internet marketing namely Consumers, Companies and internet marketing companies usually referred as 3rd Party Agencies. Internet marketing serves three business models viz. B2B model, B2C model and P2P model. The B2B model deals with complex business to business transactions and internet advertising helps bring revenue to both. B2C model involves direct interaction between the business house and the consumer. P2P model involves distributed computing which exploits individual exchange of goods and services. P2P model was mostly useful for distribution of video and data but due to copyright problems P2P model had troubles. In simple terms, in two party models the companies themselves directly get revenue from the end users. If it is a three party model then internet marketing service provider (3rd Party Agency) forms a bridge between consumer and company and hence acts as an intermediate revenue provider for companies. In order to attract end users and to form a bridge between consumers and company certain share from the part of revenue received by company is paid to such service providers.

Materials and Methods

For the purpose of in depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used is analytical and descriptive. Both primary as well as secondary source of Information have been taken.

Results and Discussions

Internet is playing a major role in removing business limitations of past. Today a sales representative of a company can directly reach to a client's doorstep and offer the most satisfying services in a click. Though internet marketing in India is low as compared to the western countries, it is growing at a fast pace. There is a huge online market in India as computer and internet is becoming an inevitable part of our life. The technology is developing day by day as it removes the misconceptions and limitations of the technology in the past. Advanced technologies and web applications with safe transaction assurance are giving enough reasons to the new age Indian buyers to shop online. The best thing about the e-business is that it never phase-out and it demands half of the amount which a retail business does. If the web promotion and up gradation of website are at place, it means you are there to survive in the business for many more years. In last two years many e-commerce websites have come up and competing one another with striking deals like free shipping, coupons, free gifts, easy return policy, and many others. The latest data reveals that Flipkart, Amazon, Snapdeal, Paytm, Myntra, eBay, Jabong, Shopclues, Homeshop 18, and Infibeam are the top ten e-commerce websites in India. Flipkart is one of the biggest Ecommerce giant that arrived as the top among e-commerce websites in India.

In the last couple of years we saw the Indian ecommerce industry making it to news for all the funds it raised. Indian e-commerce industry has been growing at a scorching rate during the last few years with hundreds of million dollars being invested by venture capital funds in the sector. E-commerce has been around in India for more than a decade but has become main stream only in the last few years. Ecommerce was low in starting years due to initial inhibitions, but it is growing now with extraordinary pace as the confidence of Indian buyers is increasing day by day. By analysing the current behaviour of Indian buyers, experts estimated that the trend of e-shopping will become basic phenomena among buyers in coming years. The business model of the Indian ecommerce is taking a full circle flip to go back to where it started, though this time the infrastructure has changed and along with that the size and understanding of the market as well. The players are moving towards a model that they did not originally start with; hence the belief is that they have definite answers to the intricacies of the model and not just a me-too jump. The present study is to analyse the changing trends in online shopping of Indian consumers in the apparel segment. In the beginning stages of online shopping consumers were reluctant to buy apparels online as it has many limitations. But today the market is able to overcome many of the limitations and build confidence among the consumers to buy online. The last two years have seen considerable increase in online trade in the apparel segment.

The Indian fashion online apparel industry encompasses a plethora of opportunities. But tapping these opportunities, and converting them to business value, requires a holistic understanding of the industry, starting from fiber-to- online fashion retail. Online Fashion retailers have to go beyond the boundaries of sales, marketing, merchandising, and category management, and have to explore upstream and allied industries with accuracy. Online apparel retailers in India have to continue realigning and restructuring their models to cater to the evolving needs of this dynamic market. The opportunity in the online fashion market is immense, but this opportunity exists only for those who can visualize the future and reinvent themselves in order to address the associated challenges. The retailers should spend on online marketing as the rural areas are not aware of the online shopping facilities. They should also indulge in cost cutting, reach their customers, target markets, build long term relationship, available at all hours, low cost and better quality apparel and increase sales. We are now living in a digital age and thus need to keep up with new trends in the online apparel shopping and where new norms are created over time; many challenges evolve that we need to keep up with the new updates in the market creating value along with delivering delight to the customers. It can be concluded that the online retailers operating in India have this major responsibility of keeping their customers updated with facilities as e-commerce is the fastest growing industry and has a lot of innovation to be made in time. The variables that keep online shopping of apparel are the facilities, time factor, offers, advertisements, price, services, impact on the economy, flexibility to adapt to new changes are all the aspects of the changing trends in online shopping of apparel amongst Indian consumers and has influence on the economy and these factors are said to have a strong impact on the changing trends.

In the recent years, the way Indian consumers are spending their money on various items has changed. The penetration of internet and social media has increased; as a result the purchasing behaviour of Indian consumers has changed dramatically. Urbanization is a constant phenomena in India and is influencing the life style and buying behaviour of the consumers. The study is based on the perceptions, buying behaviour and satisfaction of the consumers in Indian market. The Indian consumer market has higher disposable income the development of modern urban lifestyles. Increase in consumer awareness has affected buyer's behaviour in cities, towns and even rural areas. India is set to grow into the fifth largest consumer market in the world by 2025. Rising incomes in the hands of a young population, a growing economy, expansion in the availability of products and services and easy availability of credit all has given rise to new consumer segments and a rising acceptability of debt, whether it is mobile phones, credit cards, apparel or organized retail, people clearly seem to be spending more, particularly on discretionary items. The credit facility from business houses has been increasing at a rapid rate. This shows the terrific cut-throat competition in the ever changing market.

Changing Trends in Indian Consumer Behaviour

Purchasing urban products is taking place in India at a tremendous pace and is influencing the life style and buying behaviour of the consumers. The working urbanites are depending more on fast and ready-to-serve food, they take less pain in traditional method of cooking and cleaning. Bulk purchases from hyper stores seem to be the trend these days, rather than frequent visits to the neighbourhood market or store or vendor. A large number of consumers are visiting especially to the Malls rather than the plenty of shops available to the next door.

Trendy Life Style

The current urban middle and upper class Indian consumer buying behaviour to a large extent has western influence. There is an increase in positive attitude towards western trends. The Indian consumer has become much more open-minded and experimental in his/her perspective. Foreign brands have gained wide consumer acceptance in India, they include items such as; Beverages, Packed food, Ready to eat food , Pre-cooked food, Canned food, Personal care products , Audio/video products, Garment and apparel, Footwear , Sportswear, Toys and Gift items .

Spending Behaviour of Consumer

The way Indian consumers are spending their money on various items has changed in recent years. The share being spent on the basis (food and beverages) are falling. For urban India, averagely 30 days consumer expenditure was split up into food, and for non-food. Food expenditure includes cereals and cereal substitutes, milk, milk products, vegetables, edible oil and others. Non-food expenditure included fuel and light, and rest on clothing, footwear and on other non-food expenditure. In India, the higher income group spends more amount of their income on luxury goods and trendy products than fact moving consumer products. The middle income group spends more on consumer expendables than the rich.

The Indian consumers are noted for the high degree of value orientation. Even, luxury brands have to design a unique pricing strategy in order to get a foothold in the Indian market. Indian consumers are also associated with values of nurturing, care and affection. Product which communicate feelings and emotions gel with the Indian consumers. Consumers undertake complex buying behaviour when they are highly involved in a purchase and perceive significant differences among brands. Consumers are highly involved when the product is expensive, risky, purchased infrequently, and highly self expressive. Thus buyer will have to pass through a learning process, first developing beliefs about the product, then attitudes, and then making a thoughtful purchase choice. Marketers of high-involvement products must understand the information-gathering and evaluation behaviour of high-involvement consumers. They need to help buyers learn about product-class attributes and their relative importance, and about what the company's brand offers on the important attributes. After the purchase, consumers might experience post purchase dissonance when they notice certain disadvantages of the purchased carpet brand or hear favourable things about brands not purchased. Habitual buying behaviour also occurs among the certain group of the population under conditions of low consumer involvement and little significant brand difference.

Conclusion

Consumer behaviour is complex and very often not considered rational. A further challenge will be consumer personalities which differ across borders and also between and within regions. The vulnerable consumer, who does not always have access to the same number of choices as the average consumer, also needs to be taken into account. From the market perspective, people of India comprise different segments of consumers, based on class, status, and income. An important and recent development in India's consumerism is the emergence of the rural market and market for eco-friendly products for several consumer goods. Three fourths of India's population lives in rural areas, and contribute one-third of the national income so it should not be avoided. Lastly, creating value along with delivering delight to the customer is what is most important. We live in a digital age and thus need to keep up with new trends in the social media.

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Anusandhanika / Vol. XI / No. I & II/ 2019 / pp 48-52 ISSN 0974 - 200X

Organizational Behaviour in Tata Motors

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Abstract

India is one of the fastest growing economies in the world. Automobile industry had seen many ups and downs in India prior to liberalization. The liberalization of Indian economy enabled India to advance itself in many sectors. Automobile is one such sector wherein India has seen tremendous improvements. Tata Motors is the leading automobile company in India. Employees need to feel comfortable at workplace for them to stay positive and happy. Rules and regulations should be same for everyone. Employees ought to be encouraged to respect their reporting bosses and follow the code of ethics do not have complicated reporting systems. It is related to individuals, group of people working together in teams. The study becomes more challenging when situational factors interact. Organizational behaviour relates to the expected behaviour of an individual in the organization. No two individuals are likely to behave in the same manner in a particular work situation. It is the predictability of a manager about the expected behaviour of an individual.

Keywords : growing economies, work situation, situational factors

Introduction

Organizational Behaviour (OB) is the study of human behaviour in organizational settings, the interface between human behaviour and the organization, and the organization itself. It is related to individuals, group of people working together in teams. The study becomes more challenging when situational factors interact. Organizational behaviour relates to the expected behaviour of an individual in the organization. No two individuals are likely to behave in the same manner in a particular work situation. It is the predictability of a manager about the expected behaviour of an individual. There are no absolutes in human behaviour. It is the human factor that is contributory to the productivity hence the study of human behaviour is important. Great importance therefore must be attached to the study. Researchers, management practitioners, psychologists, and social scientists must understand the very credentials of an individual, his background, social framework, educational update, impact of social groups and other situational factors on behaviour. Managers under whom an individual is working should be able to explain, predict, evaluate and modify human behaviour that will largely depend upon knowledge, skill and experience of the manager in handling large group of people in diverse situations. Pre-emptive actions need to be taken for human behaviour forecasting. The value system, emotional intelligence, organizational culture, job design and the work environment are important causal agents in determining human behaviour. Cause and effect relationship plays an important role in how an individual is likely to behave in a particular situation and its impact on productivity. An appropriate organizational culture can modify individual behaviour. Recent trends exist in laying greater stress on organizational development and imbibing a favourable organizational culture in each individual. It also involves fostering a team spirit and motivation so that the organizational objectives are achieved. There is a need for commitment on the part of the management that should be continuous and incremental in nature.

The field of the organizational behaviour does not depend upon deductions based on gut feelings but attempts to gather information regarding an issue in a scientific manner under controlled conditions. It uses information and interprets the findings so that the behaviour of an individual and group can be canalized as desired. Large number of psychologists, social scientists and academicians has carried out research on various issues related to organization behaviour. Employee performance and job satisfaction are determinants of accomplishment of individual and organizational goals. Organizations have been set up to fulfill needs of the people. In today's competitive world, the organizations have to be growth-oriented. This is possible when productivity is ensured with respect to quantity of product to be produced with zero error quality. Employee absenteeism and turnover has a negative impact on productivity. Employee who absents frequently cannot contribute towards productivity and growth of the organization. In the same manner, employee turnover causes increased cost of production. Job satisfaction is a major factor to analyse performance of an individual towards his work. Satisfied workers are productive workers who contribute towards building an appropriate work culture in an organization. Organizations are composed of number of individuals working independently or collectively in teams, and number of such teams makes a department and number of such departments makes an organization. It is a formal structure and all departments have to function in a coordinated manner to achieve the organizational objective. It is therefore important for all employees to possess a positive attitude towards work. They need to function in congenial atmosphere and accomplish assigned goals. It is also important for managers to develop an appropriate work culture. Use of authority, delegation of certain powers to subordinates, division of labour, efficient communication, benchmarking, re-engineering, job re-design and empowerment are some of the important factors so that an organization can function as well-oiled machine. This is not only applicable to manufacturing organizations but also to service and social organizations.

Materials and Methods

For the purpose of depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used in analytical and descriptive. Both primary as well as secondary sources of information have been taken.

Results and Discussions

Organizational behaviour is a study and application of managerial skills and knowledge to people in the organization to investigate individual and group behaviour. Various concepts and models in the field of organizational behaviour attempt to identify, not only the human behaviour but also modify their attitude and promote skills so that they can act more effectively. This is done scientifically; therefore, organizational behaviour field is a scientific discipline. The knowledge and models are practically applied to workers, groups and organizational structure that provide tools for improved behaviour and dynamics of relationship. The field of organizational behaviour also provides various systems and models for international relationship that are applied to organizations. Leaders must look for indicators (effects) of individual behaviour and of groups in any organization. Indicators have a root cause beneath. As a leader, it is that symptom, which must be evaluated, and cause of human behaviour established so that if the behaviour is good, the manager can establish the norms of behaviour. If the behaviour is not conducive to achieve the organisastional objective then suitable alternative model can be applied to channelize individual behaviour towards an appropriate organizational value system and thus individual behaviour modified. An organization has three basic elements namely, people, structure, and technology. An organization must have suitable organizational structure, with appropriate number of tier and reporting system properly explained. Principle of unity of command, delegation of authority and responsibility, formulation of objectives and its allotment to various groups is very important so that workers achieve a required level of job satisfaction. They must be trained to handle sophisticated machines and equipment. It is the people, their value system, and faith in the leadership that make an organization. Leader must be able to describe, understand, predict and control individual behaviour in the organization.

Study of organizational behaviour is very interesting. It is the art on the part of manager to understand, describe, forecast and modify individual behaviour. Lot of studies have been undertaken in the field of organizational behaviour and vast literature is available, which need to be studied by practitioners in the field of managing human resources. Various models and research instruments are available to investigate human behaviour. Various fields like psychology, social psychology, anthropology, sociology, politics, economics, and medical sciences have contributed to the field of organization behaviour. Various models in the above fields have enriched the study of organization behaviour. It is the field of study that investigates the impact on individuals, groups and organizational structure have on individual behaviour so that the knowledge so achieved can be suitably modified and applied for organizational effectiveness. The study of organizational behaviour relates to the study of attitude, perception, learning, values at individual level. The study is undertaken pertaining to managing stress, conflicts, intergroup behaviour, decision making at group level. Management of change, development of organizational culture, designing and redesigning of jobs, and various organizational development strategies are required to be undertaken by leaders for organizational effectiveness. It is the responsibility of the managers to evolve appropriate strategies to study organizational components. The first component is people. The study of organizational behaviour involves identifying need spectrum of the people, managing interpersonal relationship, understanding of individual objectives and co-relating organizational strategies accordingly. The second component understands of organizational structure and its modification based on the need of the hour. Manager should decide upon the nature of structure and ensure unity of command, number of levels that may be required for effective command and control. Communication, delegation of authority, well defined policies, rules, regulation, systems, procedures and processes. Introduction of latest technology is an essential part of organizational development that should be taken care of by the manager responsible for running the organization. Jobs should be allotted to the individual based on the aptitude and the processes must be compatible with the technology being used. One of the most important components is environment. While internal environment relates to various personnel policies and corresponding managerial actions, the external environment relates to cultural, social, legal, and governmental rules and regulations that should be taken care of. A technological change has made it imperative on the part of managers that they should take care of employees and meet their social expectations so that organizational goals can be achieved.

Tata Motors knows for its best TQM and HR policies in the world. The employees are satisfied, who are working for Tata Motors. All the employees are motivated and work together to achieve company's goal. Because of high motivated employees Tata Motors division increases its production this year from the employees is very lucky, who is working and who will work for Tata Steel. The company should provide all those facilities, which it provides at other offices in India excluding division. Earning of more and more money is not enough for live the life, if an employee wouldn't able to give time to his/her family, then he/she must be disturbed at the working duration. If the employee gives his/her best effort to the company, then the next responsibility is of the company to provide a better quality of life in return.

From this study it is found that most of the employees agreed that they are satisfied with their overall Quality of Working Life. Majority of the employees report slightly lower levels of satisfaction with Home-Work Interface compared to the benchmark data. This area may warrant further consideration and respondents reported greater satisfaction with Working Conditions in comparison to the benchmark data. It is observed that majority of the respondents accepted that the better working condition will helps for work performance and reduce exhaustion. 45% of the respondents accept that welfare measures motivate them towards better performance, 26% accept it is by Inter personal relations, 19% said that they perform well due to growth opportunities and rest of them are due to some other reasons. It is found that supervisor's support, working condition are the most essential factor for employee performance. The major reasons for low performance is that 24% of respondent said due to power shutdown and lack of training and 08% said due to in adequate welfare measures, 13% of the respondents are saying that due to personal reasons and remaining people have some other reasons for their low performance. In general QWL factors are the most influencing factors for employees work performance. The company have been adapt various program for the betterment of Quality of Work Life like, for adequate and fair compensation, the company provides bonus, PF etc, the safe and healthy working condition of the employees is ensured by providing dust proof facility, light ventilation, drinking water, canteen facility etc, for the proper balance between work and personal life, the company provides work shift facility.

The Tata Motors Group employed 79,558 permanent employees as of Fiscal 2017 and the Company employed 26,035 permanent employees as of Fiscal 2017. The Tata Motors Group has generally enjoyed cordial relations with its employees and workers. The Company has labour unions for operative / worker grade employees at all the plants across India, except the Dharwad Plant. The labour union at Sanand Plant has recently been registered and the first settlement is yet to be done. The Company has generally enjoyed cordial relations with its employees and unions at its factories and offices and has received union support in the Company's implementation of reforms that impact safety, quality, cost erosion and productivity improvements across all locations. Employee wages are being paid in accordance with wage agreements that have varying terms (typically three to four years) at different locations. With an objective of improving Organizational Effectiveness, the Company decided to undertake a structure change exercise with key guiding principles of Empowerment to the Business Units with clear accountability for business results, strong functional leadership and oversight for an effective maker-checker concept, improved and speedier decision making, agility and quick responsiveness to market, and strong cross functional alignment to drive quick issue resolution. Transactional roles have been identified across functions for transition to shared services, and therefore focus on core activities. Volumetric study has been performed to identify optimum manpower at each level, bringing the organizational spread closer to global standards. This combined with the Job Evaluation exercise and Management Audit helped in establishing clear job descriptions for each role and identifying the right talent for the roles. The Executive Committee conducted a thorough assessment of potential candidates for the top 2/3 levels in the organisation. The assessment results were used for placement of the candidates, which was followed up with 'on boarding' workshops and Astronaut Trainings to prepare the management teams for the new responsibilities. In order to create a mind-set free of job titles and hierarchy, the concept of designations has been abolished and individuals will carry the title of their functional role. After market benchmarking, revised Compensation & Policies have been rolled-out. The new terms and conditions of employment has been shared with the employees through individual letters by respective managers.

The Company is committed to provide a safe and healthy working environment for its employees and associates to ensure a high degree of safety norms. The Company continuously strives to perform beyond compliance whilst positively influencing its value chain members to improve their safety standards. There is an increased focus on areas like training and awareness, safety observations, audits etc. to drive a positive safety culture. The Company's India operation, whilst achieved improved performance with Total Recordable Case Frequency Rate (TRCFR) being 1.84 against the target of 1.96 for the Fiscal 2017, the overall Safety Performance improved but recorded four fatalities during the year, of which three were road related. Manufacturing Plants across the country are certified to ISO 14001 - Environment Management Systems and OHSAS 18001-Occupational Health & Safety Management System, along-with Warehouses Safety Infrastructure upgraded and certification of OHSAS 18001 for a warehouse was also accomplished during Fiscal 2017. The Company places equal emphasis on safety processes, behavioural safety and strive to create a positive safety culture towards achieving the ultimate goal of 'zero injury'. Safety is a primary focus area in daily management and safety parameters are part of the scorecard for Senior Leaders. Sessions on Road Safety were conducted at 9 offices across India engaging tunes of 1,000+ employees along with mentoring of Flexi Work Force under "MY BUDDY" program by Permanent Blue Collar Work force / Group leaders. In line with Safety and Health Policy, to enhance safety standards of its business partners, Company engaged its upstream and downstream supply chain in the safety journey. The objective of such engagement is to raise the safety standards at Suppliers and Dealer workshops. In addition to existing 16 safety standards, new standards / guidelines like Cell Phone Policy, CCTV Policy, Lone Working Standard, Industrial Hygiene Standard, Engineering Standards, Vehicle Usage & Replacement Guidelines were developed and rolled out to raise the level of safety. The Company continued Campaign 'i-drive safe' – an initiative on building a safe driving culture amongst its employee and associates and have trained them in defensive driving. In excess of 19,103 employees and associates till date have been trained under this campaign, initiated few years ago.

Conclusion

The employees are satisfied, who are working for Tata Motors. All the employees are motivated and work together to achieve company's goal. Because of high motivated employees Tata Motors division increases its production this year from the employees is very lucky, who is working and who will work for Tata Motors. The company should provide all those facilities, which it provides at other offices in India excluding division. Earning of more and more money is not enough for live the life, if an employee wouldn't able to give time to his/her family, then he/she must be disturbed at the working duration. If the employee gives his/her best effort to the company, then the next responsibility is of the company to provide a better quality of life in return. It is found that there is a high level of satisfaction among the employees regarding the Quality of Work life. The factors determining the satisfaction with the quality of work life in the organization were "Adequate Income & Fair Compensation, Safe & healthy working conditions, Opportunities to use & develop human capacity, Opportunity for career growth, Social integration in the work force, Constitutionalism in work organization, Eminence of Work Life and Social relevance of work, Cordial relationship with employees and superiors, and remedy for the grievance and performance appraisal. All these factors are positively correlated with the quality of work life in Tata Motors Limited. Adequate training and development programs should be provided to the employees for an effective increase in the performance and attitude levels.

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Anusandhanika / Vol. XI / No. I & II / 2019 / pp 53-58 ISSN 0974 - 200X

Marketing Strategy Indian Commercial Vehicles Companies

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Abstract

In today's competitive era the word 'Strategy' is very crucial for all business organizations. Presently organizations started realizing that customer centric and aggressive marketing strategies plays vital role to become successful leaders. Though globalization has opened the doors of opportunities for all, the market is still crowded with some unknown risks and a lot of competition. Because of this competition, a marketing strategy must aim at being unique, differential-creating and advantage-creating. Therefore, at the heart of any business strategy is a marketing strategy. All the marketing strategies are based on the right mix of 4P's, only those can be ahead which have the right marketing strategies because it increases the chances of better market penetration with proper utilization of resources. Marketing strategies include all basic and long term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and formulation, evaluation and selection of market-oriented strategies and therefore contribute to the goals of the company and its marketing objectives.

Keywords : committed workers, cultural deviation, scarcer commodity

Introduction

Marketing plays an important role in the strategic planning process for many organizations. Although some marketing positions are represented at the corporate level, most are at the functional level within the business units of an organization.

Marketing is involved in the strategic planning at all organizational levels. Strategic marketing describes the marketing activities that affect the corporate, business, and marketing strategic plans. Strategic marketing activities can be classified into three basic functions. First, marketers help orient everyone in the organization toward markets and the customers. Thus, they are responsible for helping the organizations execute a marketing philosophy throughout the strategic planning process.

Second, marketers help gather and analyze the information required to examine the current situation, identify trends in the marketing environment, and assess the potential impact of these trends. This information and analysis provides input for the corporate, business, and marketing strategic plans.

Third, marketers are involved in the development of the corporate, business, and marketing strategic plans. Marketing's influence varies across the organizations. For organizations driven by a marketing philosophy, marketing necessarily plays a key role in the strategic decision making. The trend toward pushing the strategic planning responsibility further down the organization is increasing the marketing's clout in an organization's strategic planning process.

Marketing management relates to specific product the marketing strategies. It differs from strategic marketing in its basic orientation. Strategic marketing focuses on the broad strategic decisions at the corporate and the business levels. Marketing management is concerned, by contrast, with specific strategic decisions for individual products and the day-to-day activities needed to execute these strategies successfully. At the operating level, marketing managers must focus on the four Ps of the marketing mix: price, product, promotion, and place.

The strategic role of the marketing and marketing management is now in a period of considerable change and evolution. These changes are due to a number of important environmental phenomena that are affecting the way many firms do the business. To begin, many well known companies work closely with dedicated partners on the supply side and the distributor side of their business, expecting their distributors to play pro-active roles in the development of the services and marketing strategy.

In an Indian financial system, a fatherland with a population of more than a billion members to offers marvelous market chance. With the increase in the income height and the rise in the removal income and relative augment in the inclination to consume, has show the way to the entry of the top MNC's. The Indian bazaar is the large quantity promising marketplace in the world, so in the Indian purchaser across the every one of socioeconomic section regions and settlement classes. Increasing incomes, multiple proceeds households, exposure in the direction of lifestyles and media, easier financial credit and an upbeat financial system are enhancing aspiration and expenditure.

The paper covers an assortment of aspects of Indian automobile market in addition to gives a detailed investigation of its various segments such as a profitable vehicle, passenger vehicle, utility vehicles and their multipurpose of different vehicles. In each and every section concisely put in plain words the current and future marketplace trends, of developments in Indian automobile marketplace. There are immense opportunities for various manufacturing players including automobile manufactures and players of automobile machinery.

Materials and Methods

For the purpose of depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used in analytical and descriptive. Both primary as well as secondary sources of information have been taken.

Results and Discussions

Automobile industry globally and in India is one of the key sectors to economy. The well developed Indian automotive industry produces a wide variety of vehicles, passenger cars, light medium and heavy commercial vehicle multi utility vehicles such as jeeps, scooters, motorcycle, mopeds, three wheelers, tractors and other agricultural equipment etc.

India is developing as one of the world's fastest growing passenger car markets and second largest two-wheeler producer. It is also home to the largest motorcycle manufacturer and the fifth largest commercial vehicle producer. The industry currently accounts for almost 7% of the country's GDP and employs about 19 Million people both directly and indirectly. It's currently the seventh largest producer in the world with an average annual production of 17.5 Million vehicles, of which 2.3 Million are exported. The Indian automobile market is estimated to become the 3rd largest in the world by 2016 and will account for more than 5% of global vehicle sales. It is the second largest two wheeler manufacturer, the largest motorcycle manufacturer and the fifth largest commercial vehicle manufacturer in the world. The total turnover in 2010-11 was USD 58.5 Billion, turnover by 2016 is slated to be USD145 Billion.

The de-licensing of the industry in 1993 opened the sluice gates a flood of international auto-makers that swift into what they saw as the last remaining untouched market, the largest autonomous market of the world. The next couple of years saw an exceptional growth in the industry with assembly lines working overtime to meet demand. The latent of India's 100 million odd people, car companies planned determined capacities. However, India was a much tougher market than they had unreal. This forced most of the new competitors into the premium end of the market the so called mid-sized luxury section. Manufacturers are rethinking their approaches and vindicating capacities to deal with what is currently seen as a temporary hiccup. Many are still optimistic about mid -sized segment and expect it to have the maximum growth potential. Hyundai and Telco have recently entered into the small segment cars but are finding a great deal difficult to enter the M800 market. Ford has launched its IKON sedan (a variant of the Ford Fiesta hatchback) with a capacity of 20,000 per annum.

A large number of principles for the automobile industry have been planned in the last five years. These aim to take India to the group of technologically established automobile markets. Today, auto makers are mandatory to issue an intended recall in case of an engineering defect, as they forestall severe penalties when government makes it mandatory under the Motor Vehicle Act. The Government plans to make fore and side crash tests mandatory for new vehicles from October 2017 and existing vehicles by October 2019. This has forced carmakers to moan up safety landscapes. To pass these tests, cars must have airbags and other safety features such as child restraint systems.

The government wants to adopt Bharat Stage VI emission norms (equivalent to Euro VI norms) quickly, skipping the previous BS V stage. The move is good in intent, but approving new technologies in a short span of time could hurt the auto diligence and impact demand as new technologies will raises prices.

Exports of cars, utility vehicles, two-wheelers and commercial vehicles have grown-up every year since 2000. In 2014-15, auto exports were at a record high. Exports have helped automobile firms to ease risks from the recurring demand in home and overseas markets. The tepid demand in the local market in the last three years saw a renewed exports thrust by automobile firms, particularly those that saw a sharp decline in domestic volumes. Today, every company is looking to make use of the auspicious manufacturing atmosphere in the country.

Passenger Vehicle	13%
Commercial Vehicle	3%
Three Wheelers	3%
Two Wheeler	81%
Total	100%

Category	2011-12	2012-13	2013-14	2014-15	2015-16
Passenger Vehicles	31,46,069	32,31,058	30,87,973	32,21,419	34,13,859
Commercial Vehicles	9,29,136	8,32,649	6,99,035	6,98,298	7,82,814
Three Wheelers	8,79,289	8,39,748	8,30,108	9,49,019	9,33,950
Two Wheelers	1,54,27,532	1,57,44,156	1,68,83,049	1,84,89,311	1,88,29,786
Grand Total	2,03,82,026	2,06,47,611	2,15,00,165	2,33,58,047	2,39,60,409

The production of the passenger Vehicles gradually increased from 31,46,069 in

2011-2012 to 32,31,058 in 2012-2013 but reduced to 30,87,973 in 2013-2014 and again increased in 2014-2015 to 32,21,419 and 34,13,859 in 2015-2016. Commercial vehicles are also shows increasing trends from 2011-2012 i.e. 9,29,136 to 8,32,649 in 2012-2013. Three wheelers has been increased from 2011-12 to 2012-13 but during 2013-14 it's decreased due to lack of economic development and again in 2015-16 production has been increased to 9,49,019 respectively. And in case of Two Wheelers it maintains the increasing trends from 2011-2012 i.e. 1,54,27,532 to 1,88,29,786 in 2015-2016. The industry produced a total of 23,366,246 vehicles including passenger vehicles, commercial vehicles, three wheelers and two wheelers in April-March 2016.

The Indian Commercial Vehicle (CV) industry registered volume growth of 4.5 percent in the financial year 2017 over the previous year. CV Industry growth was driven by favourable economic condition and positive business sentiments. The Industry registered double-digit growth in FY 2016. Buyers are still waiting for clarity on GST that may bring down Vehicle prices to some extent. During FY 13 to FY 15, the CV industry was going thru difficult time due to slow demand by fleet owners, and weak replacement demand. Currently, issues like GST, emission norms, Bus code for safer and comfortable journey, Truck body code is also being considered by Govt., Mandatory Fitment of Speed Governors on Transport Vehicles to avoid over speeding, Model Automated Centres for checking the fitness of the vehicles, AC cabin and other regulations are impacting on Industry.

In FY 2009, the Commercial Vehicle volume was 383 thousand units and it touched 727 thousand units in FY 17. If we check the market share of Tata Motors in FY 2009 to FY 2017, company lost around 18 percent market share. On the other hand, Ashok Leyland, Mahindra (Overall CV segment), Eicher, Force Motors gained market share.

Tata Motors lost around 19 percent market share since FY 2009 to FY 2017. There are several factors are responsible for continues losing the company's grip on the market. Mahindra gained around 10 percent, Ashok Leyland 6 percent, Eicher 2.3 percent, Force Motors 1.3 percent market share during the same period.

European players are more interested in the Medium & Heavy segment due to favorable market dynamics and competitive position. Foreign OEMs are focusing not only just selling the vehicle but selling the complete solution along with Telematics, Digital Technology etc. Since FY 2014, the M&HCV segment is showing positive moments from FY 14 to FY 16. Due to unexpected market dynamics, this segment lost around 2% share. LCV segment share decline from FY 2014 to FY 2016 there is a minor improvement in FY 2017.

Tata Motors Product Marketing Strategy

Tata Motors introduced new product range of Signa and upgrading the products like Pick Up Xenon and Tata ACE by modifying their body. The company is offering 4 years warranty on its heavy truck range and extended warranty. Indian Commercial Vehicle showed continues growth since FY 15 but Tata Motors market share is declining.

Tata Motors lost its market share in every segment of Commercial vehicle. Overall it lost around 18 percent market share in its CV segment. The LDT segment which contributes around 51 percent of sales lost 22 percent market share in FY 2017.

Tata Motors is the biggest loser in this segment which lost around 15% market share. Ashok Leyland increased its market share from 25.7% to 32.4%, Eicher increased from 7.4% to 10.9%, Bharat Benz showed excellent performance by achieving 4.1% market within 5 years of its operation.

LCV segment is dominating by local players. European players like Daimler, MAN are not planning to enter into this segment due to price position of vehicles. The LCV product would be more expensive with European technology. It also requires good after-sales network in rural and semi-urban areas. Mahindra Maxximo vehicle equipped with electronics parts. This was the major reason that this vehicle struggling in the market. Vehicle architecture must match the market dynamics, Application and Customer expectations.

Newly launched vehicle JEETO performance is excellent in mileage and Payload capacity. Mahindra had just 27.9 percent market share in FY 2009 and Tata Motors had around 60 percent market share in Light Commercial Vehicle Segment. In 9 years, Mahindra became a market leader with 42 percent market share and Tata Motors hold only 38 percent market share in FY 2017. Bolero, Jeeto is flagship products of this segment. In Heavy Commercial Vehicle Segment, Tata Motors lost market share in every segment of HCV. On the other hand, Mahindra, Eicher, Ashok Leyland and other players increased market share from FY 2009 to FY 2017. In M & HDT Truck segment, Tata Motors Volume declined by around 8% against Ashok Leyland

6.7 percent and Industry de-growth of 1.25 percent in FY 17.

In LDT segment, Tata Motors, Mahindra and Industry are in the same position by registering around 7 percent growth in FY 17 compared to FY 16. In Bus Tata Motors, given the excellent growth of 22 percent against Ashok Layland de-growth of 9.5 percent and industry growth of 7.6 percent. In Light Bus segment, Force Motors is dominating the segment for a long time. Tata Motors showed de-growth of 0.95% against Force Motors 2.24 percent and Industry growth of 3.9 percent.

Promotion Strategy

Tata Motors, recently started TV commercial with Akshay Kumar to promote its CV sales. Mahindra is also running TV commercial with Ajay Devgan for a long time but company registered only 17 percent growth in FY 17 compared to last year. It is better to invest in product development, improvement and gain the confidence of the customers by giving world-class product. Ashok Leyland is a good example of this strategy. Company diverts the fund to invest in technology and also improved its balance sheet. We have not seen the exceptional impact of celebrities on Commercial vehicle business in any part of the world. Sometimes, it could only have a minor impact on branding.

Conclusion

The car market day to day is very self-motivated and standing by for accomplishment with arrange of dramatis personae and goods. There are so a lot of reasons for the amazing growth of the Indian person along for the exits conveyed car manufacturing. In a come to of these are trouble-free availability of means of transportation finance, in attractive rates of importance and convenient installment. The Maruthi Suzuki India Ltd is a very leading one of the large company in Indian vehicle sector which occupies prominent position due to it's innovate strategic marketing, promotional, Brand positioning, advertising strategies. In today's scenario the success of company lays structuring and restructuring the advertising strategies and permanent innovation of product and their services.

The pre-owned car market may be transformed into a more organized market with the adventure of Indian and global car makers and other major corporate houses of India. An auto majors not only increase their market penetration through the pre-owned car business, but also make a profit out of this venture. Unorganized pre owned car dealers are trying to match the service standards of organized used car dealers to become more professional in their marketing approach. The general consensus among the industry is that the pre owned car segment may become almost double of the new car market in another six to ten years as in the case in the developed countries.

The overall pleasant appearance of the Indian car manufacturing industry in the present state of affairs with moderate intimidation from new entrants in practically low bargaining power of suppliers; considerably high bargaining authority of buyers; ominous danger from substitutes; and far above the position intensity of rivalry possibly will be rated as reasonable. Through, with the projections pertaining to the probable expansion rate in the coming years furthermore potential in the niche Indian rural market the axis of the pleasant appearance would fall resting on the higher side. It is also experiential that many car manufacturers encompass set up their disconnect units for production with the used car market. These establishments are spending huge amount on advertisements and supplementary promotional strategies. Growing interest of consumers and also of the used-car dealers are assures the shining future of used cars in Indian market.

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Anusandhanika / Vol. XI / No. I & II / 2019 / pp 59-63 ISSN 0974 - 200X

Marketing Strategies of Banking Sector in India

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Abstract

Banks play important role in the development of trade, commerce and it has vital role in the economic development of nation's economy. We can't think modern society without banking system. The banking services marketing is not very old concept, it is in the growth phase of its life cycle. The competition among the players in banking sector has increased the expectations of customers who now want new products with faster delivery at cheaper and affordable cost. These expectations are more with the new generation private sector banks because they are the new entrants on the banking scene with better technology, faster delivery, and customer centric policies. Marketing becomes increasingly necessary in today's competitive environment. It becomes mandatory for the banks to think seriously about how they can compete effectively with other financial institutions. This has led them to pay due importance to marketing strategies. Marketing strategies perform two different functions i.e. attract the deposits on one hand and attract the borrowers and users of services. In banking sector marketing is important to create powerful images and a sense of credibility, confidence and assurance. Marketing depends heavily on an effective communication flow between the company and the customers.

Keywords : better technology, faster delivery, customer centric policies

Introduction

Banks play a very useful and dynamic role in the economic life of every modern state. It is one of the many institutions that impinges on the economy and affect its performance. Economists have expressed a variety of opinions on the effectiveness of the banking systems in promoting or facilitating economic development. As an economic institution, the bank is expected to be more directly and more positively related to the performance of the economy than most non-economic institutions. Banks are considered to be the nerve centre of economies and finance of a nation and the barometer of its economic perspective. They are not merely dealers in money but are in fact dealers in development.

Banks are important agencies for the generation of savings of the community. They are also the main agents of credit. They divert and employ the funds to make possible fuller utilization of the resources of a nation. They transfer funds from regions where it is available in plenty to where it can be efficiently utilized: the distribution of funds between regions pave the way for the balanced development of the different regions. They are thus catalytic agents that create opportunities for the development of the resources to speed up the tempo of economic development.

The world of banking has assumed a new dimension at dawn of the 21st century with the advent of tech banking, thereby lending the industry a stamp of universality. In general, banking may be classified as retail and corporate banking. Retail banking, which is designed to meet the requirement of individual customers and encourage their savings, includes payment of utility bills, consumer loans, credit cards, checking account and the like. Corporate banking, on the other hand, caters to the need of corporate customers like bills discounting, opening letters of credit, managing cash, etc. Metamorphic changes took place in the Indian financial system during the eighties and nineties consequent upon deregulation and liberalization of economic policies of the government. India began shaping up its economy and earmarked ambitious plan for economic growth. Consequently, a sea change in money and capital markets took place. Application of marketing concept in the banking sector was introduced to enhance the customer satisfaction the policy of privatization of banking services aims at encouraging the competition in banking sector and introduction of financial services. Consequently, services such as Demat, Internet banking, Portfolio Management, Venture capital, etc, came into existence to cater to the needs of public. An important agenda for every banker today is greater operational efficiency and customer satisfaction.

The introduction to the marketing concept to banking sectors can be traced back to American Banking Association Conference of 1958. Banks marketing can be defined as the part of management activity, which seems to direct the flow of banking services profitability to the customers. The marketing concept basically requires that there should be thorough understanding of customer need and to learn about market it operates in. Further the market is segmented so as to understand the requirement of the customer at a profit to the banks. The banking industry, one of the most important instruments of the national development occupies a unique place in a nation's economy. Profit is the main reason for the continued existence of every commercial organization and profitability depicts the relationship of the absolute amount of profit with various other factors. The main source of operating income of a commercial bank are-interest and discount earned, commission, brokerage, income from non banking assets and profit from sale of or dealing with such assets and other receipts. The expenditure broadly consists of – interest paid on deposits and borrowings and non interest cost or charges incurred on staff salary, stationery, rent, law charges, postage, telegram, telephone etc. In this context, some attempts have already been made at individual as well as at the official level and various aspects of commercial banking profitability have been discussed Banks play an active role in the economic development of a country. Their ability to make a positive contribution in igniting the process of growth depends on the effective banking system. These banks mostly deal with money collected in the form of deposits along with their own funds in the form of share capital and resources constituting around 5% of the total resources of the banks. So the banks have the obligation of meeting the demand of the customers promptly, paying interest for the amount and meeting the expenses to carry out its activities. This necessitates the banks to maintain adequate liquidity and earn required profit from their activities.

Materials and Methods

For the purpose of depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used in analytical and descriptive. Both primary as well as secondary sources of information have been taken.

Results and Discussions

The banking sector is an integral part of the economy. Hence this sector plays a key role in the wellbeing of the economy. A weak banking sector not only jeopardizes the long-term sustainability of an economy, it can also be a trigger for a financial crisis which can lead to economic crises. Majority of the banking institutions are now putting emphasis on marketing to make customer aware about the services and benefits offered by them. Marketing is the crucial connection between banks and customers, no banks can expect to succeed without putting substantial investments in its marketing efforts. Banks nowadays are coming up with surprising and impressing ways to lure the customers and retaining their customer base. These days' banks are focusing heavily on building long term relationships with their existing customers and thereby gaining new customers. Hence, relationship marketing becomes very important for the banks. It is concerned with mapping out all the touch point and evaluating what services are provided, by whom, and when, and how, and what is expected by customers. All the techniques and strategies of marketing are used so that ultimately they induced the people to do business with the particular bank.

To create and keep a customer means doing all those things so that people would like to do business and continue to do it with the particular bank rather than with the competitors. It cannot stay in business if it does not attract and hold enough customers, no matter how efficiently it operates.

Importance of Bank Marketing

The market segmentation implies regrouping of bank's various services and activities into separate departments for each category of customers, depending upon the business handled in each market. The marketing effort should be directed through segmentation. The rationale of segmentation lies in the fact that banking being a financial services industry, focus has to be on customer and his needs, instead of organizational convenience. A customer has more than helped us to serve him better. His needs in turn would depend on the activity he is pursuing. Through segmentation it would be possible to relate business to activity of customer. This could be done by sub- dividing the market into more or less homogeneous sub-sets of customers. It must reflect measurability, accessibility, substantiality and action ability. The customers can be sub grouped taking into account geographical area, social status, income levels, profession, economic activity, age group etc.

Awareness among Customers: Modern technology has made customers aware of the developments in the economic environment, which includes the financial system. Financial needs of the customers have grown multi-fold into various forms like quick cash accessibility, money transfer, asset security, increased return on surplus funds, financial advice, deferred payments etc. With a wide network of branches, even in a dissimilar banking scenario, customers expect the banks to offer a more and better service to match their demands and this has compelled banks to take up marketing in right earnest.

Quality as a Key Factor: With the opening up of the economy, fast change has been experienced in every activity, and banking has been no exemption. Quality is the watchword in the competitive world, which is market driven and banks have had to face up to this emerging scenario. In fact, it may not be out of place to reiterate that quality will in future be the sole determinant of successful banking ventures and marketing has to focus on this most crucial need of the hour.

Growing Competition: Increased completion is being faced by the Indian banking industry from within the system with other agencies both, local and foreign, offering value added services. Competition is no more confined to resource mobilization but also to lending and other areas of banking activity. The foreign commercial bank with their superior technology speed in operations and imaginative positioning of their services has also provided the necessary impetus to the Indian banks to innovate and complete in the market place.

Technological Advances: Technological innovation has resulted in financial product development especially in the international and investment banking areas. The western experience has demonstrated that technology has not only made execution of work faster but has also resulted in greater availability of manpower for customer contact.

Marketing strategies of banking sector

Marketing becomes increasingly necessary in today's competitive environment. It becomes mandatory for the banks to think seriously about how they can compete effectively with other financial institutions. This has led them to pay due importance to marketing strategies. Marketing strategies perform two different functions i.e. attract the deposits on one hand and attract the borrowers and users of services. In banking sector marketing is important to create powerful images and a sense of credibility, confidence and assurance. Marketing depends heavily on an effective communication flow between the company and the customers. Manufacturing a product and making it available in the market is only a part of the Company job. It is equally important, or perhaps more desirable, to make it known to the customers that the product is available in the market. In a competitive market, where several firms are striving to win over customers, it is not enough if the availability of a product or service only is made known to customers. It is also essential to propagate the distinctive features specifications of the product. The process does not end here. The firm should also get feedback on how the customers accept its products through an effective, continuous, and two-way flow of information between the firm and the customers.

Indian banking sector historically passed through five stages: pre-independence, post-independence, pre- nationalization, nationalization and post-liberalization stages. In all these stages, other than the last stage, marketing was always considered not to be a banker's cup of tea. But today it is considered to be an integral management function in the banking sector. Banking is an industry that is built on trust. Customers deposit their money with a bank only if they trust the bank and the bank gives loans to the customers only when it trusts them. Banks do business with customers' money by accepting deposits from them and by giving loans on interest for any bank to conduct business; initially it is the trust that matters, not the capital it owns.

Creating effective communication with the customers is the important aspect in service marketing and therefore banking sector. One of the p's of marketing mix promotion is also known as marketing communication. Banks have to communicate with their existing customer as well as potential customer about what they are doing and what they are planning to do in near future. Marketing communication is very important and at the same time challenging in banking sector as the nature of services is characterized by intangibility of service product which is decision to convince customers on the value of the product. Marketing communication provide information that plays important role in adding value to a service product. Customers need information about the features of services, its price, and the ways by which they can access those services, to make a well informed purchase decision. Thus, if the customers are able to get the necessary information about the service product on demand and adequately, they may feel that they are buying quality product or service. This means having good and effective communication adds value to the service of a company or organization as customers have the confidence on their purchase.

In banking sector marketing is important; they help to create powerful images and a sense of credibility, confidence and assurance. Elements that are used in banking service sector:-

Advertising: Advertising plays a major role in promoting a bank's products and services on a large scale. However developing advertising campaigns for services is a difficult aspect because of the intangible attribute of service. Banks should involve front line employee in designing the advertising campaign as service personnel directly interact with customers during the process of marketing. A bank can improve its brand image and brand equity with the help of advertising. It also helps the bank in differentiating and positioning its services from those of competitors.

Sales Promotion: Sales promotion is often used by the companies to improve the sales of a product or service either by encouraging the existing customers to use the service more frequently or by attracting new customers to use their service. Banks also aim to pull customers to use their services by attracting them with free offers, coupons, cash discounts, warranties; prizes etc.

Personal Selling: Due to the characteristics of banking services, personal selling is the way that most banks prefer in expanding selling and usage of their services. It occurs in two ways. First occurs in a way that customer and banker perform face to face interaction with each other at

Publicity and Public Relations (PR): Banks use publicity campaigns to bring in awareness about their offers among the existing and potential customers .It involves using the information in a way that induces interest towards a company, event or person. Public

Relations in banking helps in:-1) Establishing most effective communication system. 2) Creating sympathy about relationship between bank and customer. 3) Giving broadest information about activities of bank.

Direct Marketing: Direct Marketing involves contacting the existing and potential customers directly through telemarketing, direct mail, and online marketing (e-mail and official websites) without employing any intermediaries in the process. The customers of banking service need some specific information or a customized change in the offering of the bank, so that the bank personnel can best satisfy him while the intermediaries might not be in a position to respond to customer's satisfaction.

Conclusion

Marketing strategies in banking are concentrating only those who are gaining rich dividends from agriculture, industry and business sector and neglecting rural masses regarding banking products which are beneficial to the working class who are really creating the wealth and contribution to the national income. Banks are unwillingly advertise the government Sponsored schemes for drawn trodden people, these people are don't know about the banking products and insurances how to utilize, in this way the banks are commercialized the marketing and marketing strategies. So in this democratic Indian nation the marketing strategies in banking are framed on the basis of majority people not for minority people for benefiting the all the levels of the people in the nation with social marketing strategies.

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Anusandhanika / Vol. XI / No. I & II/ 2019 / pp 64-70 ISSN 0974 - 200X

Impact of FDI on Industrial Development in India

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Abstract

Foreign capital and technology have been playing a vital role in India's industrial development. At the time of Independence, India inherited an industrial structure restricted to a few industries like textiles and sugar. Today, the industrial structure has been widely diversified covering broadly the entire range of consumer, intermediate and capital goods. In most of the manufactured products, the country has achieved a self-sufficiency with foreign collaboration, but primarily through domestic efforts. This is indicated by the decline in relative share in industrial production of the traditional manufacturing sectors like food and textiles and substantial increase in the production of new sectors like engineering and chemicals. The diversification of industrial structure is further reflected in commodity composition of our foreign trade in which the share of imports of manufactured products have become a growing component of exports. The rapid stride in industrialization has been accompanied by corresponding growth in technological and managerial skills obtained from abroad, not only for efficient operation of highly complex and sophisticated industrial enterprises but also for their planning, design and construction.

Keywords : industrial structure, manufactured products, commodity composition

Introduction

Investment, or creation of capital, is an important determinant of economic growth. In general, investment may lead to creation of physical capital, financial capital and human capital. In combination with other factors of production and technology, investment determines the levels and growth through changes in production and consumption of goods and services. Investment consists of foreign investment and domestic investment. Domestic investment may lead to creation of domestic savings. Domestic savings gap arise when domestic savings fall short of domestic investment. Other things being the same, less investment leads to lower economic growth with attendant consequences on reduction in income, consumption and employment. Foreign investment can reduce domestic savings gap. Hence, notwithstanding the domestic savings gap, economic growth can be increased in an open economy with inflow of foreign investment. The foreign investment in India would stimulate the domestic investments. The foreign investments are complementary to economic growth and development in developing countries like India. Keeping this end in view both developed and developing countries are trying their best to undertake investment programmes. Since the availability of capital is scarce in many countries due to low rate of domestic savings, the importance of foreign investment is ever rising. The multinational corporation is a suitable device to integrate the world economy. The growth of foreign investment is directly associated with the growth of multinational corporations.

Foreign Direct Investment plays a very important role in the development of the nation. Sometimes domestically available capital is inadequate for the purpose of overall development of the country. Foreign capital is seen as a way of filling in gaps between domestic savings and investment.

Foreign Direct Investment (FDI) is a type of investment in to enterprises in a country by another enterprises located in another country by buying a company in the target country or by expanding operations of an existing business in that country. In the era of globalization FDI takes vital part in the development of both developing and developed countries. FDI has been associated with improved economic growth and development in the host countries which has led to the emergence of global competition to attract FDI.

FDI offers number of benefits like overture of new technology, innovative products, and extension of new markets, opportunities of employment and introduction of new skills etc., which reflect in the growth of income of any nation.

Foreign direct investment is one of the measures of growing economic globalization. Investment has always been an issue for the developing economies such as India. The world has been globalizing and all the countries are liberalizing their policies for welcoming investment from countries which are abundant in capital resources. The countries which are developed are focusing on new markets where there is availability of abundant labors, scope for products, and high profits are achieved. Therefore Foreign Direct Investment (FDI) has become a battle ground in the emerging markets.

Foreign investment plays a significant role in development of any economy as like India. Many countries provide many incentives for attracting the Foreign Direct Investment (FDI). Need of FDI depends on saving and investment rate in any country. Foreign Direct investment acts as a bridge to fulfill the gap between investment and saving. In the process of economic development foreign capital helps to cover the domestic saving constraint and provide access to the superior technology that promote efficiency and productivity of the existing production capacity and generate new production opportunity.

Foreign investment and technology play an important role in the economic development of a nation. The economic health of the transition countries in Eastern Europe, Russia and Central Asia is well off due to these inputs. Even the communist countries like China have welcomed the foreign investment to make their economies better. Most of the advanced countries of today developed due to the foreign investment, which played a vital role in making them high income countries. Economic growth is proportional to the capital formation. Less developed countries having less income and low saving have not been able to take their economies to take-off stage. Hence, domestic resources are supplemented with foreign investment to make the development plan work for better and healthier economy.

Foreign investment gives the facility of imports of capital goods, raw materials and technical knowledge for the growth of an economy. If investment is made in export-oriented industries, it promotes exports of host countries and facilitates imports to a large extent. If it is in cost reducing industries, customers get cheaper products which results in general increase in the real incomes of the people. The investments, if used, for structural development leads to the development and growth of all other kinds of industries. Besides giving a general boost to the industrial development, increased FDI leaves favourable impact on the balance of payment position of a country.

International Financial Markets have got a higher degree of strength in liberalization. Globalization has opened the doors, almost all over the world, for utilizing international financial flows, which have been outpacing the flow of goods and services among trading countries. Developing countries are the recipients of funds from the international markets and it results in timely availability of external finance in the required amount for their development.

India's recorded GDP growth throughout the last decade has lifted millions out of poverty & made the country a favoured destination for foreign direct investment. A recent UNCTAD survey projected India as the second most important FDI destination after China for transnational corporations during 2010-2015. Services, construction activities, telecommunication, computer software & hardware and automobile are major sectors which attracted higher inflows of FDI in India. Countries like Mauritius, Singapore, US & UK were among the leading sources of FDI in India.

Materials and Methods

For the purpose of depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used in analytical and descriptive. Both primary as well as secondary sources of information have been taken.

Results and Discussions

If country is interested in rapid economic development, they will have to import machinery, technical know-how, entrepreneurship, and foreign investment. One of the methods of paying for the imports is to set up exports or second alternative is getting foreign technology and equipment and it also depends upon foreign assistance in some forms or the other. Most countries of the world which embarked on the road to economic development had to depend on foreign capital to some extent. The fact cannot be denied that the foreign capital contributed in many important ways to the process of economic growth and industrialization.

As India is a developing country, capital has been one of the scare resources that are usually required for economic development. Capital is limited and there are many issues such as Health, poverty, employment, education, research and development, technology obsolesce, global competition. The flow of FDI in India from across the world will help in acquiring the funds at cheaper cost, better technology, employment generation, and upgraded technology transfer, scope for more trade, linkages and spill over to domestic firms. The need for foreign capital for a developing country like India can arise on account of the following reasons:

i. **Sustaining a high level of investment:** As all the under-developed and the developing countries want to industrialize and develop themselves, therefore it becomes necessary to raise the level to investment substantially. Due to poverty and low GDP the saving are low. Therefore there is a need to fill the gap between income and savings through foreign direct investments.

ii. **Technological gap:** In Indian scenario we need technical assistance from foreign source for provision if expert services, training of Indian personnel and educational, research and training institutions in the industry. It only comes through private foreign investment or foreign collaborations.

iii. **Exploitation of natural resources:** In India we have abundant natural resources such as coal, iron and steel but to extract the resources we require foreign collaboration.

iv. **Understanding the initial risk:** In developing countries as capital is a scare resource, the risk of investments in new ventures or projects for industrialization is high. Therefore foreign capital helps in these investments which require high risk.

v. **Development of basic economic infrastructure:** In the recent years foreign financial institutions and government of advanced countries have made substantial capital available to the under developed countries. FDI will help in developing the infrastructure by establishing firm's different parts of the country. There are special economic zones which have been developed by government for improvising the industrial growth.

vi. **Improvement in the balance of payments position:** The inflow FDI will help in improving the balance of payment. Firms which feel that the goods produced in India will have a low cost, will produce the goods and export the same to other country. This helps in increasing the exports.

vii. **Foreign firm's helps in increasing the competition:** Foreign firms have always come up with better technology, process, and innovations comparing with the domestic firms. They develop a completion in which the domestic firms will perform better it survive in the market.

Supporters of private foreign investment argue that, the foreign investment brings with it new technology, better management and organization, superior marketing and sometimes cheaper finance. The arguments in favour of private foreign investment are the following:

i. Foreign investment constitutes a net addition to investible resources in host countries and as such raises their rates of growth;

ii. Foreign investment results in a pattern of growth which is desirable from the point of view of underdeveloped countries since new products are introduced and marketed, new tastes are created and specific needs of the host country are met; and

iii. Free flow of capital is conducive for the welfare of both the individual country and the world at large. The operations of foreign firms, especially of modern multinational firms, knit countries together and closer into the web of international commerce, both by(vertical and horizontal) economic integration and by the transmission of tastes, designs, ideas and technology.

Cumulative FDI inflows received during the post liberalization period i.e. 1991-2015 amounted to US $258,480 million. From the year 2000 up to 2002, investments into India grew 65%. However, they declined during the subsequent two years from 2002 to 2004. From 2004 to 2006, India once again experienced increasing investments, growing 47% in 2004-05 and 72% in 2005-06 respectively. The year 2006-07 was an exceptional year with a 125% growth in FDI inflows. The subsequent year was again very good, where investment inflows gained 97 %, followed by an increase of 11% during 2008-09. During the year of the financial crisis, Apr'09-Mar'10, foreign direct investments suffered a slight setback with inflows declining a little over 5% over the previous year. During the fiscal from Apr'10-Mar'11, FDI into India declined further by 25% to US $19,427 million. However, in the year from April '11-March'12, investments once again surged to US $36,504 posting a growth of 88%. In the year 2012-13, FDI inflows into the subcontinent amounted to US $22,423 million, registering a decline of 38%. During FY 2013-14, despite the difficult economic situation, the country received US $24,299 million posting an increase of 8.4%. FDI into India grew an impressive 27% during the last financial year 2014-15. India's pro-growth business policies have contributed a great deal in making this possible.

Impact of FDI on Industrial Development of India

Foreign capital and technology have been playing a vital role in India's industrial development. At the time of Independence, India inherited an industrial structure restricted to a few industries like textiles and sugar. Today, the industrial structure has been widely diversified covering broadly the entire range of consumer, intermediate and capital goods. In most of the manufactured products, the country has achieved a self- sufficiency with foreign collaboration, but primarily through domestic efforts. This is indicated by the decline in relative share in industrial production of the traditional manufacturing sectors like food and textiles and substantial increase in the production of new sectors like engineering and chemicals. The diversification of industrial structure is further reflected in commodity composition of our foreign trade in which the share of imports of manufactured products have become a growing component of exports. The rapid stride in industrialization has been accompanied by corresponding growth in technological and managerial skills obtained from abroad, not only for efficient operation of highly complex and sophisticated industrial enterprises but also for their planning, design and construction.

Foreign capital has also been instrumental in filling the gap between domestic saving and the capital needed for development. Further, foreign capital has helped the country in supplying the much needed foreign exchange thereby filling the foreign exchange gap to a considerable extent. The foreign exchange gap equals the difference between imports and exports which can be filled by net capital inflows. Foreign capital has been a major factor in India's drive towards self-reliance and import substitution in critical areas. Import substitution has led to diversification of domestic production and consequent reduction in imports for certain critical areas like machinery manufacture, crude oil and petroleum products, infrastructural development, etc. The country has been able to export services such as project consultancy, design engineering and project implementation, etc. This has been made possible through the development of indigenous expertise with the help of foreign assistance. Besides, foreign capital has helped in boosting our exports by modernizing and diversifying India's industrial structure.

Sectors Attracting Highest FDI Equity Inflows

Amount in Rs. crores (US$ in million)

Sector	2013-14	2014-15	2015-16	% age to total Inflows (In terms of US$)
Services Sector	13,294 (2,225)	19,963 (3,253)	4,036 (636)	17 %
Construction Development: Townships, Housing, built-up infrastructure	7,508 (1,226)	4,582 (758)	216 (34)	9 %
Computer Software & Hardware	6,896 (1,126)	13,564 (2,200)	16,245 (2,556)	7 %
Telecommunications (Radio Paging, Cellular mobile, basic telephone services)	7,987 (1,307)	17,372 (2,895)	2,517 (395)	7 %
Automobile Industry	9,027 (1,517)	15,794 (2,570)	6,914 (1,094)	5 %
Drugs & Pharmaceuticals	7,191 (1,279)	9,211 (1,523)	1,370 (215)	5 %
Chemicals (Other Than Fertilizers)	4,738 (878)	4,077 (669)	1,598 (251)	4 %
Power	6,519 (1,066)	3,985 (657)	1,717 (271)	4 %
Trading	8,191 (1,343)	16,962 (2,761)	5,679 (897)	4 %
Metallurgical Industries	3,436 (568)	2,897 (472)	845 (133)	3 %

Source: Department of Industrial Policy & Promotion, Govt. of India, 2015

Sector- wise FDI equity inflow

From April 2000 to January 2015

Sector	Amount of FDI Inflows (in Rs. Crore)	Amount of FDI Inflows (in US$ millions)
Services Sector	201,728.28	42,101.98
Construction Development: Townships, Housing, Built-Up Infrastructure And Construction - Development Projects	112,916.36	24,028.19
Telecommunications	83,697.07	16,994.68
Computer Software & Hardware	67,693.78	14,125.19
Drugs & Pharmaceuticals	63,629.47	12,856.02
Automobile Industry	60,725.08	11,857.11
Chemicals (Other Than Fertilizers)	48,641.77	10,229.69
Power	46,358.87	9,512.02
Metallurgical Industries	40,737.61	8,480.90
Hotel & Tourism	40,198.41	7,774.03
Trading	41,315.28	7,660.73
Petroleum & Natural Gas	31,650.29	6,519.53
Food Processing Industries	36,360.11	6,215.46
Miscellaneous Mechanical & Engineering Industries	20,572.50	3,948.17
Information & Broadcasting (Including Print Media)	19,156.59	3,890.94
Electrical Equipments	18,298.41	3,786.22
Non-Conventional Energy	18,524.21	3,521.78
Industrial Machinery	18,420.29	3,515.67
Cement And Gypsum Products	14,625.29	3,085.60
Construction (Infrastructure) Activities	14,807.38	2,923.64
Hospital & Diagnostic Centers	14,565.34	2,793.72
Textiles	7,710.42	1,555,.69
Sea Transport	6,546.83	1,368.93

Source: Department of Industrial Policy & Promotion, Govt. of India, 2015

FDI in India has a significant role in development of India. FDI in India to various sectors can attain sustained economic growth and development through creation of jobs, expansion of existing manufacturing industries. The inflow of FDI in service sectors and construction and development sector, from April, 2000 to June, 2015 attained substantial sustained economic growth and development through creation of jobs in India. Computer, Software & Hardware and Drugs & Pharmaceuticals sector were the other sectors to which attention was shown by Foreign Direct Investors (FDI).

Conclusion

Investment, or creation of capital, is an important determinant of economic growth. In general, investment may lead to creation of physical capital, financial capital and human capital. In combination with other factors of production and technology, investment determines the levels and growth through changes in production and consumption of goods and services. Other things being the same, less investment leads to lower economic growth with attendant consequences on reduction in income, consumption and employment. Foreign investment can reduce domestic savings gap. Hence, notwithstanding the domestic savings gap, economic growth can be increased in an open economy with inflow of foreign investment. The foreign investment in India would stimulate the domestic investments. The foreign investments are complementary to economic growth and development in developing countries like India. Investment in an economy raises output and improves standard of living of the people. Keeping this end in view both developed and developing countries are trying their best to undertake investment programmes. Since the availability of capital is scarce in many countries due to low rate of domestic savings, hence the importance of foreign investment is ever rising. FDI have strong impact on industrial development. The flow of FDI is more beneficial especially for developing countries like India.

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Anusandhanika / Vol. XI / No. I & II / 2019 / pp 71-76 ISSN 0974 - 200X

Role of NABARD in Agricultural Development in India

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Abstract

Growth with Social Justice has been the basic objective of the Development Planning in India since independence. Since the beginning of planned development, the Government made significant strides in developing rural India through Five Years Plans. The National Bank for Agriculture and Rural Development (NABARD) was set up in July 1982. It became the apex institution to play a pivotal role in the sphere of policy planning and providing refinance facilities to rural financial institutions and for augmenting their resource base. Agricultural credit is considered as one of the most basic input for conducting all agricultural development programmes. In India there is an immense need for proper agricultural credit as the economic condition of Indian farmers are very poor. From the very beginning the prime source of agricultural credit in India was money lenders. After independence the Govt. adopted the institutional credit approach through various agencies like co-operatives, commercial banks, regional rural banks etc. to provide adequate credit to farmers, at a cheaper rate of interest. Moreover with growing modernization of agriculture during post-green revolution period the requirement of agricultural credit has increased further in recent years.

Keywords : agricultural credit, economic condition, financial institutions

Introduction

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. As per the 2nd advised estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) is estimated to be 17.3 per cent of the Gross Value Added (GVA) during 2016-17 at 2011-12 prices. The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment.

The National Bank for Agriculture and Rural Development (NABARD) is the apex organization with respect to all matters relating to policy, planning and operational aspects in the field of credit for the promotion of, agriculture and allied activities in rural areas. The bank provides refinance to various banks for their term lending operations for the purposes of agriculture and rural development. The National Bank of Agriculture and Rural Development (NABARD) has emerged as an apex refinancing institution for agricultural and rural credit in the country since July, 1982. It has taken over the refinancing functions from the Reserve Bank of India with respect of State Cooperative Banks and Regional Rural Banks. It has also taken over the ARDC (Agricultural Refinance and Development Corporation), Developing a strong and efficient credit delivery system which is capable of taking care of the expanding and diverse credit needs for agriculture and rural development was a task that received the attention of NABARD.

NABARD is involved in the implementation of projects assisted by World Bank and its affiliate, the International Development Association (IDA). There are some other International Aid Agencies which provide assistance to NABARD in respect of various projects. NABARD has been associated with the implementation of 42 projects with external credit out of which 38 projects are assisted by World Bank and its affiliate, i.e. IDA and International Bank for Reconstruction and Development (IBRD).

Materials and Methods

For the purpose of depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used in analytical and descriptive. Both primary as well as secondary sources of information have been taken.

Results and Discussions

Agricultural credit is considered as one of the most basic input for conducting all agricultural development programmes. In India there is an immense need for proper agricultural credit as the economic condition of Indian farmers are very poor. From the very beginning the prime source of agricultural credit in India was money lenders. After independence the Govt. adopted the institutional credit approach through various agencies like co -operatives, commercial banks, regional rural banks etc. to provide adequate credit to farmers, at a cheaper rate of interest. Moreover with growing modernization of agriculture during post-green revolution period the requirement of agricultural credit has increased further in recent years.

Now a day the long term and short term credit needs of these institutions are also being met by National Bank for Agricultural and Rural Development (NABARD). It is the evolution of agricultural finance. It was established in the year 1982, with head office at Mumbai and 16 regional offices throughout the country. It has the objective of promoting the health and the strength of the credit institutions which are in the forefront of the delivery system namely, cooperatives, commercial banks and regional rural bank. It is, in brief, an institution for the purpose of refinance; with the complementary work of directing, inspecting and supervising the credit- flows for agricultural and rural development.

The scope of the operations of NABARD is large indeed. Besides providing finance to credit institutions, it is providing innovations in regard to formulation of schemes, monitoring of implementation, evaluation of results and evolution of suitable supporting structures of all kinds of agricultural activities. It is performing the various functions assumed by it smoothly and efficiently. A rural infrastructural development fund (RIDF) was established under NABARD in 1995-96. Every year the resources of RIDE have been augmented to finance rural infrastructure development project by States. The outstanding refinance from NABARD by State Co-operative Banks, RRBs and State Governments was Rs. 7,075 crore as at end June 2002, which was a little higher than Rs. 6,857 crore as at end June 2001. Farm mechanisation got the highest amount of assistance and the second place went to minor irrigation. The rest of the amount was distributed for forestation/Plantations, Land Development, sheep-rearing, poultry farming, dairy farming etc. The National Bank has vigorously continued its efforts for promoting investments in the agricultural sector in the less developed/under banked states. U.P., Bihar, M.P., Rajasthan and Orissa in that order, have been the biggest beneficiaries.

Thus NABARD is taking the necessary steps to revitalise and rejuvenate the rural economy of India by developing agriculture, small scale and cottage industries and trading activities in all possible ways.

In earlier years, sums aggregating Rs. 1500 crore was received from RBI and Government of India as advance towards capital. But in 2001-02 by a notification of GOI, these amounts were credited to capital account of NABARD. It was proposed to increase it further to Rs. 2000 crore in future. It performs the various functions.

i. It provides refinance facilities for agriculture, small scale industries, artisans; cottage and village industries, handicrafts and other allied economic activities so that production may be increased.

ii. It can borrow from RBI and the Government of India. It can arrange funds from the World Bank and other multilateral and bilateral financial agencies.

iii. It can advance loans up to a period of 20 years to State Governments so that they may participate in the share capital of cooperative credit societies. It can provide credit facilities for the short, medium and long term to State Co-operative Banks, Commercial Banks, Regional Rural Banks and other financial institutions.

iv. It coordinates the work of the Government of India, Planning Commission and State Governments for Village and small scale industries.

v. It finances research on agriculture and rural development.

vi. It supervisor the work of Regional Rural Banks, Commercial Banks and other Cooperative Bank.

In this way NABARD acts as an apex body for the development of agriculture and other activities related to agriculture sector.

The role of Commercial Banks in financing the agricultural sector has been very small. Of the total agricultural credit their share was as low as 0.9% in 1951-52 and 28% in 1981-82. Since the nationalisation of Banks, this share has been increasing. There has also seen a phenomenal increase in the number of branches of commercial banks in rural areas. The proportion of new rural branches to the total number of new bank offices has increased. The percentage of rural branches on 30th June, 2003 was 49% of the total branches of all commercial banks in the country.

The public sector banks have increased their lending under priority sector advances since June 1969. The amount outstanding under this head has increased from Rs. 441 crore at the end of June 1969 to Rs. 2,57,916 crore at the end of March 2002. The share of priority sector lending in total banks credit was 34.6% as an end March 2002.

The Reserve Bank of India being the Central Bank of the country does not provide finance directly to the farmer, but it provides the facility of agricultural credit through State Cooperative Banks.

The Reserve Bank of India provides two types of short-term financial assistance to the State Cooperative banks: -

a. Short-Term credit, and

b. Rediscounting Facilities.

Both these facilities are provided at a concessional rate of two per cent below the bank rate. Loans are made against specified Government Securities, approved debentures of recognised Rural Development Banks, (formerly Land Development Banks) promissory notes of Approved Cooperative Marketing Societies endorsed by the State Cooperative Banks, etc.

Short-term loans are granted by the Reserve bank of India to the State Cooperative banks for seasonal agricultural operations and marketing of crops. Besides this, Reserve bank of India also gives medium-term loans to the State Cooperative Banks for being advanced to the farmers for such purposes as construction of wells, minor irrigation schemes, purchase of machinery and agricultural tools.

The Reserve Bank of India has also started undertaking long-term financing for agricultural purposes, though indirectly, by subscribing to debentures of the Rural Development Banks, which are guaranteed by the State Governments.

The Reserve bank of India also undertakes research investigations and surveys relating to rural finance. The bank has been giving very valuable advice to the Central and State Governments and to the State Cooperative

Banks on matters relating to rural finance. With this aim in view, the Reserve Bank of India has set up a separate Agricultural Credit Department whose functions are as follows:

- To maintain the expert staff for studying all the problems of agricultural credit and to provide expert advice to the Central and State Governments, State Cooperative Banks and other banking organizations.
- To finance the movement of agricultural crops and other agricultural operations through the medium of State Cooperative Banks and other agencies of rural credit.

In addition to financial assistance, the RBI has also played an important role in conducting research on rural credit problems.

The Reserve Bank of India has been playing an important role in meeting the country's need in respect of rural credit and in making the position of State Cooperative Banks and Rural Development Banks strong. In order to benefit fully from the services of the Reserve Bank of India, the government must have a properly organized rural banking system. The State Governments have assigned due place to these institutions in the planning process.

Commercial banking system is expected to play an important role in forecasting the future framework of institutional finance in agriculture. Before nationalization in 1969, the commercial banks in India had confined their banking operations mainly in urban areas by receiving deposits and financing trade and industry. One of the long standing complaints against commercial banks was their failure in financing agriculture. Before their nationalization in 1969, they were hesitant to provide short term, medium and long term credit for agricultural purposes. The uncertain character of Indian agriculture, small amounts of individual loans, inadequate security for loans, difficulty in recovery of loans' from farmers and lack of business experience of working with rural sector, were some of the factors which discouraged the commercial banks from taking interest in agricultural finance.

Farmer's needs for funds were mainly met by the private money lender and co-operative credit institutions. The co-operative credit societies, Land Mortgage Banks, Land Development Banks and the Government Taccavi loans were the main sources of institutional credit available to the farmers. These agencies, however, did not have enough resources to meet all the requirements of the farmers which had increased with introduction of new farm technology.

Recognising that capital was one of the most limiting-factors hindering the adoption of new farm technology, fourteen commercial banks in India were nationalised in July, 1969. These banks included, Bank of India, Central Bank of India, Bank of Baroda, Punjab National 'Bank, United Bank of India, Canara Bank, United Commercial Bank, Union Bank of India, Indian Overseas Bank, Indian Bank, Dena Bank, Bank of Maharashtra, Syndicate Bank and Allahabad Bank. Six more commercial banks viz. Punjab and Sind Bank; New Bank of Commerce, Andhra Bank, Corporation Bank, Vijaya Bank, Oriental Bank of Commerce were nationalised in 1980.

The broad objectives of bank nationalisation were:

i. To ensure a wider spread of bank credit,

ii. To prevent misuse of bank credit by big business houses,

iii. To direct a large volume of bank credit to flow to priority sector s and to make it more effective instrument of economic development,

iv. To make continuing efforts to stimulate savings and attract them into the banking system through a co-ordinate branch expansion programme in all parts of the country and all sectors of the society,

v. To have a purposeful" and equitable distribution of bank credit, and

vi. To create fresh opportunities for backward areas in different parts of the country and all sections of the society.

The achievement of these objectives is a long term and continuing process. However, there is a general feeling that the nationalised commercial banks are still lagging behind in the achievement of objectives enjoined upon them through their nationalisation.

Regional disparity in the distribution of commercial bank credit to agriculture cannot possibly be studied without reference to the level of agricultural productivity, and divergence in agricultural development potential and socio-economic structure of different regions of the country. The growth rate of agriculture production for the period 1995-96 to 2009-06 has shown that the progress of agriculture during recent years has been quite impressive The growth rate of agricultural production are higher than the growth rate of population (2.14) during the same period. The cumulative effect of the higher growth rate of production had led to create a feeling that we had made satisfactory progress in agricultural, at least in production of food grains. A detailed examination of this growth in output of agriculture needs to be done to see if all the states have experienced a uniform Pattern of growth in agricultural production. It is a fact that the uneven growth of crops had led to the regional imbalances in the rural prosperity.

In India whatever industrial development has taken place, it has had varied degrees of impact on the agriculture sector of different regions. The recipient classes of economic surplus from agriculture have variations in character in different regions depending on the nature and degree of technological transformation of agriculture in any region. An increase in regional disparities in the wake of technological change is, of course, a-common feature of agriculture growth in many parts of the world. These disparities, however, are derived partly from the character of technological change which is dependent on the nature of change in the mechanism of surplus capital germination and partly from regional differences in resources endowment - physical and institutional infrastructure and entrepreneurship.

Institutional credit has to go along .way in bridging the regional imbalances in the flow of credit. The policies initiated so far in this direction have at best arrested the widening of the gap. Unless the structural defects in agriculture and the risk factors are cushioned off, coupled with credit guarantee scheme to the less developed areas susceptible to natural credit guarantee scheme to the less developed areas susceptible to natural calamities, the regional gaps are likely to be continued, irrespective of the measures initiated to rectify the defects on the institutional front. Furthermore, earmarking of a certain percentage of credit to the less developed regions within the country or a State or district, might help to augment the flow of credit to these regions.

One of the most intriguing features of India's agrarian economy in recent years is the persistence of agrarian distress in many regions, even while agricultural credit flow has risen sharply. Rising flow of credit to agriculture is normally associated with buoyancy in the farm sector. A closer look at the data on agricultural credit reveals that what is termed agricultural credit may have very little to do with agriculture. It is well known that the 1990s were a period of sharp fall in the growth of agricultural credit flow in India. Numerous studies and reports have argued that one of the major factors associated with the agrarian distress in the late-1990s and 2000s was an increase in rural indebtedness, especially to moneylenders. According to the All India Debt and Investment Survey (AIDIS), the share of total debt of cultivator-households taken from formal sources fell from 64 per cent in 1992 to 57 per cent in 2003. In the same period, the share of total debt taken from moneylenders almost doubled from 10.5 per cent to 19.6 per cent. In the 2000s, however, there was a reversal of the slide in agricultural credit flow. From the early-2000s, growth of credit to agriculture began to pick up. Commercial banks and Regional Rural Banks (RRBs) played a major role in the revival of agricultural credit.

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Anusandhanika / Vol. XI / No. I & II / 2019 / pp 77-82 ISSN 0974 - 200X

Indian Agricultural Marketing System: An Analysis

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Abstract

Agricultural marketing involves many operations and processes through which the food and raw materials move from the cultivated farm to the final consumers. Agriculture provides goods for consumption and exports and manufacturing sectors. The suitable marketing system should be designed so as to give proper reward or return to the efforts of the tiller of the soil. Market information is a means of increasing the efficiency of marketing system and promoting improved price formation. It is crucial to the farmers to make informed decisions about what to grow, when to harvest, to which market produce should be sent and whether are not to store it. The marketing as a term is broader than traditional trading. Today, in current scenario agriculture markets are the hub of rural economy. Agricultural marketing today means more than linking the producer with consumer, it includes creation of favorable economic environment for farmers to enthuse them to grow more and get proceeds from transactions.

Keywords : manufacturing sectors, economic environment, suitable marketing

Introduction

India is an agricultural country and one third population depends on the agricultural sector directly or indirectly. Agriculture remains as the main stray of the Indian economy since times immemorial. Indian agriculture contribution to the national gross domestic product (GDP) is about 25 per cent. With food being the crowning need of mankind, much emphasis has been on commercialising agricultural production. For this reason, adequate production and even distribution of food has of late become a high priority global concern. Agricultural marketing is mainly the buying and selling of agricultural products. In earlier days when the village economy was more or less self-sufficient the marketing of agricultural products presented no difficulty as the farmer sold his produce to the consumer on a cash or barter basis.

Today's agricultural marketing has to undergo a series of exchanges or transfers from one person to another before it reaches the consumer. There are three marketing functions involved in this, i.e., assembling, preparation for consumption and distribution. Selling on any agricultural produce depends on some couple of factors like the demand of the product at that time, availability of storage etc. The products may be sold directly in the market or it may be stored locally for the time being. Moreover, it may be sold as it is gathered from the field or it may be cleaned, graded and processed by the farmer or the merchant of the village. Sometime processing is done because consumers want it, or sometimes to conserve the quality of that product. The task of distribution system is to match the supply with the existing demand by whole selling and retailing in various points of different markets like primary, secondary or terminal markets. Most of the agricultural products in India are sold by farmers in the private sector to moneylenders (to whom the farmer may be indebted) or to village traders. Products are sold in various ways. For example, it might be sold at a weekly village market in the farmer's village or in a neighboring village. If these outlets are not available, then produce might be sold at irregularly held markets in a nearby village or town, or in the mandi.

In India, there are several central government organisations, who are involved in agricultural marketing like, Commission of Agricultural Costs and Prices, Food Corporation of India, Cotton Corporation of India, Jute Corporation of India, etc. There are also specialised marketing bodies for rubber, tea, coffee, tobacco, spices and vegetables. Under the Agricultural Produce (grading and marketing) Act of 1937, more than forty primary commodities are compulsorily graded for export and voluntarily graded for internal consumption. Although the regulation of commodity markets is a function of state government, the directorate of marketing and inspection provides marketing and inspection services and financial aid down to the village level to help set up commodity grading centres in selected markets.

Materials and Methods

For the purpose of depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used in analytical and descriptive. Both primary as well as secondary sources of information have been taken.

Results and Discussions

Marketing is as critical to better performance in agriculture as farming itself. Therefore, market reform ought to be an integral part of any policy for agricultural development. The term agricultural marketing is composed of two words-agriculture and marketing. Agriculture, in the broadest sense, means activities aimed at the use of natural resources for human welfare, i.e., it includes all the primary activities of production.

Marketing connotes a series of activities involved in moving the goods from the point of production to the point of consumption. Agricultural marketing involves essentially the buying and selling of agricultural produces. This definition of agricultural marketing may be accepted in olden days, when the village economy was more or less self-sufficient, when the marketing of agricultural produce presented no difficulty, as the farmer sold his produce directly to the consumer on a cash or barter basis. But, in modem times, marketing of agricultural produce has to undergo a series of transfers or exchanges from one hand to another before finally reaches the consumer. Agricultural marketing system is defined in broadest terms, as physical and institutional set up to perform all activities involved in the flow of products and services from the point of initial agricultural production until they are in the hands of ultimate consumers. This includes assembling, handling, storage, transport, processing, wholesaling, retailing and export of agricultural commodities as well as accompanying supporting services such as market information, establishment of grades and standards, commodity trade, financing and price risk management and the institutions involved in performing the above functions. The National Commission on Agriculture defined agricultural marketing as a process which starts with a decision to produce a saleable farm commodity and it involves all aspects of market structure of system, both functional and institutional, based on technical and economic considerations and includes pre and post- harvest operations, assembling, grading, storage, transportation and distribution. The Indian council of Agricultural Research defined involvement of three important functions, namely (a) assembling (concentration) (b) preparation for consumption (processing) and (c) distribution. Agricultural markets are special types of markets that have special characteristics that differ from other markets. These are mainly due to factors affecting supply of agricultural products, and the situation of producers in this business. First of all the agricultural market is very competitive because the producers are all very small and large in number. Therefore, they don’t have a great influence on the price of their products. Agricultural producers are what are known as price takers, producers that have little or no influence on the price of their output.

Today’s agricultural marketing has to undergo a series of exchanges or transfers from one person to another before it reaches the consumer. There are three marketing functions involved in this, i.e., assembling, preparation for consumption and distribution. Selling on any agricultural produce depends on some couple of factors like the demand of the product at that time, availability of storage etc. The products may be sold directly in the market or it may be stored locally for the time being. Moreover, it may be sold as it is gathered from the field or it may be cleaned, graded and processed by the farmer or the merchant of the village. Sometime processing is done because consumers want it, or sometimes to conserve the quality of that product. The task of distribution system is to match the supply with the existing demand by whole selling and retailing in various points of different markets like primary, secondary or terminal markets. Most of the agricultural products in India are sold by farmers in the private sector to moneylenders (to whom the farmer may be indebted) or to village traders. Products are sold in various ways. For example, it might be sold at a weekly village market in the farmer's village or in a neighbouring village. If these outlets are not available, then produce might be sold at irregularly held markets in a nearby village or town, or in the mandi.

In India, there are several central government organisations, who are involved in agricultural marketing like, Commission of Agricultural Costs and Prices, Food Corporation of India, Cotton Corporation of India, Jute Corporation of India, etc. There are also specialised marketing bodies for rubber, tea, coffee, tobacco, spices and vegetables. Under the Agricultural Produce (grading and marketing) Act of 1937, more than forty primary commodities are compulsorily graded for export and voluntarily graded for internal consumption. Although the regulation of commodity markets is a function of state government, the directorate of marketing and inspection provides marketing and inspection services and financial aid down to the village level to help set up commodity grading centres in selected markets. As we have a tradition of agricultural production, marketing and allied commercial activities, now it is the time for us to brainstorm and come out with new ideas of value added services. These value added services will give the existing agricultural engine a new dimension. The next logical step could be food-processing which not only could be another revenue generating area but also can provide lots of full-time employment to our youths. With the changing agricultural scenario and global competition, there is a need of exploiting the available resources at maximum level.

There was a survey undertaken by the directorate of marketing and inspection in the ministry of agriculture in 1970-71 and 1971-72, of five hundred regulated markets was, with a view to assessing the adequacy and efficiency of the existing regulated markets and highlighting their drawbacks and deficiencies and suggesting measures to develop them. One of the most important drawbacks has been the inadequate financial resources of some of the market committees. During the fourth plan, a central sector scheme was drawn up by the ministry of agriculture to provide a grant at 20 per cent of the cost of development of market, subject to a maximum of Rs. 2 lakhs. The balance will have to be provided by the commercial banks.

Another important development in the field of regulated markets is the keen interest taken by the International Development Agency (IDA) in the development of the infrastructure in regulated markets. The IDA is financing the development of infrastructure in 50 markets of Bihar.

Importance of Agriculture Marketing

The farmer has realized the importance of adopting new techniques of production and is making efforts for more income and higher standards of living. As a consequence, the cropping pattern is no longer dictated by what he needs for his own personal consumption but what is responsive to the market in terms of prices received by him. While the trade is very organized the farmers are not Farmer is not conversant with the complexities of the marketing system which is becoming more and more complicated. The cultivator is handicapped by several disabilities as a seller. He sells his produce at an unfavourable place, time and price. Agricultural marketing plays an important role not only in stimulating production and consumption, but in accelerating the pace of economic development. The agriculture marketing system plays a dual role in economic development in countries whose resources are primarily agricultural. Increasing demands for money with which to purchase other goods leads to increasing sensitivity to relative prices on the part of the producers, and specialization in the cultivation of those crops on which the returns are the greatest, subject to socio-cultural, ecological and economic constraints. It is the marketing system that transmits the crucial price signals.

With the emergence of new inputs and new technologies in the market, agriculture has changed from deficit oriented to surplus oriented sector. New methods of marketing like Contract farming are visible, providing farmers with better returns. Contract farming is more practiced now a day. The Tata's, The Birla's, The Mahindra's and other corporate houses are entering and expanding agricultural business. With 68,000 plus branches, commercial banks and regional banks have phenomenal strength in financing agri-business ventures. With the newer and newer areas emerging, there is a scope for Agri-business for profitable operations not only to individuals but to institutions as well. The administrators of public and private/corporate have taken the responsibility of translating the research findings and discoveries to concrete programmes and policies of action. The Cooperatives, the Panchayat's, the NGO's and the Media must also join hands in the process of transmission of knowledge and information and to provide better market connectivity. Bilateral, Regional and Trade agreement have provided way in reducing tariff and non-tariff barriers to cross boarder flows of agricultural output and increased openness of financial markets, leading to enhanced capital flow into developing countries especially in the form of Foreign Direct Investment (FDI). Moreover, FDI liberalizations have paved many opportunities for making investments in post-harvesting process and agricultural retailing in developing countries since 1990's , this also fostered improved market efficiencies and competitiveness, integration of fragmented markets providing product diversification through differentiation, value additions and technology transfer. These market liberalizations and globalizations have provided opportunities in transforming agro-food markets in India. Food procurement and distribution system is also witnessing the institutional innovations like contract farming, producer associations and super markets. Out of 7310 wholesale markets in the country 7161 are covered under Agriculture Produce Marketing Committee (APMC). As per rule in APMC market, commodity brought by farmer for sale should be kept open on auction floor, where buyers in presence of APMC officials and commission agents bid price and highest bidders are entitled the produce processors, exporters, importers, investors and general commodity stakeholders. Indian Public Distribution System (PDS) though old, but has a wider coverage than any other system prevailing in the country. It is estimated that out of 11.2 crore households, 4 crore utilize services of PDS. PDS distributes essential commodities like wheat, rice, sugar, edible oils etc. Food Corporation of India (FCI) transport bulk quantity to its godowns and then uses PDS to distribute the commodities through its 4.76 lakh Fair Price Shops, is the largest of its type in the world. Grameen Sanchar Society (GRASSO), the e-seva Kendra provides agri-related services like access to market, price for agricultural products, availability of cold storage facilities, availability of labor and work opportunities. It is a bulk franchisee of Bharat Sanchar Nigam Limited in West Bengal, Odisha and Jharkhand. AGMARKNET-The internet based information system aims at providing "single window" service catering to diversified demands of information with the development of information and data infrastructure market prices will perform role of information service providers, online marketing information will connect distant marketers and promote the efficient marketing in near future. There are several other areas of agricultural marketing with which the user get awareness like adopting best market practices for improving price realization and knowledge is imparted in areas as market driven production programs, post harvest management, market finance, facilities for quality assurance and standards, packaging and labeling storing and transporting, contract farming, direct marketing, alternative markets, commodity exchange etc. Agricultural and Processed Food Products Export Development Authority an autonomous organization to the Ministry of Commerce, Government of India. It functions as a link between Indian producers and the global markets and also provides financial assistance under various schemes to promote and develop agricultural exports. It has extensive data base of Indian Exporters of Agri produce from all major cities and large towns. Indian Tobacco Company's e-choupal (ITC's e-choupal) also achieved considerable success in agricultural marketing, ITC has set up a small internet kiosk at the village level to provide farmers real time market and pricing related information and highlighting arbitrage opportunities in sales between various mandis. It also provides information related to availability of inputs, weather, market conditions etc. ITC believes that their intervention in this chain has increased their realization on crops between 10%-15% than earlier Indian leading tractor manufacturing company Mahindra and Mahindra limited has entered the Private sector extension scene through forming subsidiary Mahindra Shublabh Services Limited (MSSL), that runs centre as Mahindra Krishi Vihar (MKV) first operated in Madurai district of Tamil Nadu in October 2000. It provides agriculture extension services and buyers a lot of agricultural produce from the farmers Krushak Bazaars in the state of Odisha fetch 4-41% of higher prices than wholesale market price. Government of Odisha established 40 Krushak Bazaars in the state in 200-01. The price fixation policy in these Bazaars involves the farmer's decision making. Hadaspar vegetable market in Pune city is a model for direct marketing of vegetables, there are no commission agents and middle man the purchaser makes payment direct to the farmer. Commodity Future Trading came into existence in 2003 trading for 54 agricultural commodities. The national Horticulture Mission was launched in May 2005 as a major initiative to bring about diversification in agriculture marketing. The other initiatives include DCM shiram consolidated Haryali Kisan Bazaars. The Godrej group runs a chain of Agri-stores named Adhaar in Maharashtra and Gujarat. These serve as one stop shop for farmers selling agricultural products. More over websites like ikisan.com, krishivihar.com, agriwatch.com and commodityindia.com provide information to farmers on production and marketing of agricultural commodities.

Conclusion

There is an eminent need for the Agri-marketing initiatives to be large and organized. The present market must cover two aspects of marketing network and actual regulation of the conduct of market. The need to strength the regulated market system arises from changing nature of linkages between agriculture and markets. It has been observed that better and easy market access and efficient information flow can bring much desired market orientation of the production system. Indian agriculture, moving from commoditization to commercialization drives it towards market orientation. India can claim to have largest network of agri-business cooperatives in the world, engaging in performing manufacturing, procurement and marketing of agricultural produce. These have proven to occupy important place in our economy. The government must examine its policies and regulations with view to strength the marketing network and ensure that prices are being determined on competitive basis and markets are being manipulated. Using modern ICT can bring out better solutions as it can facilitate agricultural marketing functions and processes include buying and selling, payment, grading, standardization, transportation in an efficient manner.

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Anusandhanika / Vol. XI / No. I & II / 2019 / pp 83-88 ISSN 0974 - 200X

Performance of Public Enterprises in India

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Abstract

A state-owned enterprise in India is called a public Sector Enterprise. These companies are owned by the union government of India, or one of the many state or territorial governments, or both. The company stock needs to be majority-owned by the government to be a PSU. PSUs may be classified as Central Public Sector Enterprises (CPSEs), State Level Public Enterprises (SLPEs). CPSEs are companies in which the direct holding of the Central Government or other CPSEs is 51% or more. They are administered by the Ministry of Heavy Industries and Public Enterprises. India has a mixed economy. The state has been assuming a greater role in the economic development of India. The higher the degree of economic backwardness, the greater is the role of the state. Further, only the state can afford investments that are huge by normal standards for developing basic industries and infrastructural facilities. Finally, the investment by the government directly and indirectly stimulates investment and expansion in the private sector. From the social point of view, public sector enterprises can prevail upon a policy and thereby reduce the concentration of wealth and income.

Keywords : economic backwardness, territorial governments, infrastructural facilities

Introduction

When India achieved independence in 1947, it was primarily an agricultural country with a weak industrial base. The national consensus was in favour of rapid industrialisation of the economy which was seen as the key to economic development, improving living standards and economic sovereignty. Building upon the Bombay Plan, which noted the requirement of government intervention and regulation, the first Industrial Policy Resolution announced in 1948 laid down broad contours of the strategy of industrial development. Subsequently, the Planning Commission was constituted in March 1950 and the Industrial (Development and Regulation) Act was enacted in 1951 with the objective of empowering the government to take necessary steps to regulate industrial development. Prime Minister Jawaharlal Nehru promoted an economic policy based on import substitution industrialisation and advocated a mixed economy. He believed that the establishment of basic and heavy industry was fundamental to the development and modernisation of the Indian economy. India's second five year plan (1956–60) and the Industrial Policy Resolution of 1956 emphasised the development of public sector enterprises to meet Nehru's national industrialisation policy. Indian statistician Prasanta Chandra Mahalanobis was instrumental to its formulation, which was subsequently termed the Feldman–Mahalanobis model. The major consideration for the setting up of PSUs was to accelerate the growth of core sectors of the economy; to serve the equipment needs of strategically important sectors, and to generate employment and income. A large number of "sick units" were taken over from the private sector. Additionally, Indira Gandhi's government nationalised fourteen of India's largest private banks in 1969, and an additional six in 1980. This government-led industrial policy, with corresponding restrictions on private enterprise, was the dominant pattern of Indian economic development until the 1991 Indian economic crisis. After the crisis, the government began dis-investing its ownership of several PSUs to raise capital and privatise companies facing poor financial performance and low efficiency.

Materials and Methods

For the purpose of depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used in analytical and descriptive. Both primary as well as secondary sources of information have been taken.

Results and Discussions

Post Independence, India was grappling with grave socio-economic problems, such as inequalities in income and low levels of employment, regional imbalances in economic development and lack of trained manpower, weak industrial base, inadequate investments and infrastructure facilities, etc. Hence, the roadmap for Public Sector was developed as an instrument for self-reliant economic growth. The country adopted the planned economic development polices, which envisaged the development of PSUs. Initially, the public sector was confined to core and strategic industries. The second phase witnessed nationalization of industries, takeover of sick units from the private sector, and entry of the public sector into new fields like manufacturing consumer goods, consultancy, contracting and transportation etc. The Industrial Policy Resolution 1948 outlined the importance of the economy and its continuous growth in production and equitable distribution. In this process, the policy envisaged active engagement of the State in development of industries.

Public Sector has played a crucial role in the planned economic and industrial development of the country. For the purpose of planning and national accounting, public sector in India includes all activities funded out of the government budget. Thus, the size of the public sector is indeed very large. It includes not only government departments but also government companies, whether in the centre or the state like irrigation and power projects, railways, posts and telegraphs, ordinance factories and other departmental undertakings, banking, insurance, financial and other services.

In order to appreciate the role of the public sector as a strategic choice for economic development, it might be necessary to recapitulate the state of economy at the time of India's independence in 1947 and the problems confronting the country which needed to be tackled in a planned and systematic manner. India was basically an agriculture economy with a weak industrial base, low level of savings and investment and near absence of infrastructural facilities. A vast percentage of population was extremely poor. There existed considerable inequalities in income, low level of employment opportunities, serious regional imbalances in economic attainments and lack of trained man- power in various fields of management. It was, thus, obvious that if the country was to speed up its economic growth and maintain it in the long run at a steady level, a big push was required. As such state intervention in all the sectors of the economy was inevitable because private sector had neither the necessary resources in terms of funds, managerial and scientific skill, nor the will to undertake risks involved in large long-gestation investments. Among the imperatives were removal of poverty, better distribution of income, expansion of employment opportunities, removal of regional imbalances, accelerated growth of agricultural and industrial production and a wider ownership of economic power to prevent its concentration in a few hands. Given the type and range of problems faced by the country on its economic, social and strategic fronts and the imperatives just mentioned, it became a pragmatic compulsion to deploy the public sector as an instrument of self-reliant economic growth so as to develop a sound agricultural and industrial base, diversify the public economy and overcome the economic and social backwardness.

The predominant considerations for continued large investments in public sector enterprises were to accelerate the growth of core sectors of economy; to serve the equipment needs of strategically important sectors like railways, telecommunications, nuclear power, defence, etc., to enable the government to exert countervailing power on the operations of private monopolies and multinationals in selected areas and to provide a springboard for the economy to achieve a significant degree of self-sufficiency in the critical sectors.

Another category of a large number of public enterprises is essentially the consumer-oriented industries such as drugs, hotels, food industries, etc. The rationale for setting up such enterprises was to ensure easier availability of vital articles of mass consumption, to introduce check of prices of important products and services of emerging areas like tourism, etc. Then, again a large number of enterprises belonging to 'sick units' taken over from the private sector in order to sustain production and protect employment. There are large number of public enterprises operating in national and international trade like consultancies, contracts and constructions services, inland and overseas communications etc. The overall profile of public sector enterprises in India is, thus, a heterogeneous conglomerate of basic and infrastructural industries, industries producing consumer goods and industries engaged in trade and services, etc.

The Industrial Policy Resolution of 1956 has been the guiding factor which gave the public sector a strategic role in the economy. Massive investments have been made over the past four decades to build a Public Sector. Many of these enterprises successfully expanded production, opened up new areas of technology and built up a reserve of technical competence in a number of areas. Nevertheless, after the initial concentration of public sector investment in the key infrastructure areas, public enterprises began to spread into all areas of the economy, including non-infrastructure and non-core areas. This has sometimes adversely affected the overall performance of the public sector, which has manifested itself in low or negative returns to public investment.

Causes for the expansion of Public Enterprises

At the time of independence, India was backward and underdeveloped-basically an agrarian economy with weak industrial base, high rate of unemployment, low level of savings and investment and near absence of infrastructural facilities. Indian economy needed a big push. This push could not come from the private sector because of the lack of funds and their inability to take risk with large long-gestation investments. As such, government intervention through public sector was necessary for self-reliant economic growth, to diversify the economy and to overcome economic and social backwardness.

Causes for the expansion of public enterprises in India

1. **Rate of Economic Development and Public Enterprises:** The justification for public enterprises in India was based on the fact that the targeted rate of economic growth planned by the government was much higher than could be achieved by the private sector alone. In other words, the public sector was essential to realize the target of high growth rate deliberately fixed by the government.

2. **Pattern of Resource Allocation and Public Enterprises:** Another reason for the expansion of the public sector lies in the pattern of resources allocation decided upon under the plans. In the Second Plan the emphasis was shifted to industries and mining, mainly basic capital goods industries to be developed under the aegis of the public sector. Thus more resources for industrialization were funneled through the public sector.

3. **Removal of Regional Disparities through Public Enterprises:** Another important reason for the expansion of the public sector was the need for balanced development in different parts of the country and to see that there were no serious regional disparities. Public enterprises were set up in those regions which were underdeveloped and where local resources were not adequate. Good examples are the setting up of the three steel plants of Bhillai, Rourkela and Durgapur and the Neyveli Project in Madras which were meant to help industrialise the regions surrounding the projects.

4. **Sources of Funds for Economic Development:** Initially, state was an important source of funds for development.

The surplus of government enterprises could be re-invested in the same industries or used for the establishment and expansion of other industries. Profits of public sector industries can be directly used for capital formation which is necessary for the rapid development of the country.

5. **Socialistic Pattern of Society:** The socialistic pattern of society envisaged in the Constitution calls for expansion of public sector. For one thing, production will have to be centrally planned as regards the type of goods to be produced, the volume of output and the timing of their production. Besides, one of the objectives of the directive principles of the Indian Constitution is to bring about reduction of the inequalities of income and wealth and to establish an egalitarian society. The Five Year Plans have taken this up as a major objective of planning. The public enterprises were used as major instruments for the reduction of inequalities of income and to bring about a more equitable distribution of income in several ways.

6. **Limitations and Abuses of the Private Sector:** The behavior and attitude of the private sector itself was an important factor responsible for the expansion of the public sector in the country. In many cases the private sector could not take initiatives because of the lack of funds and their inability to take risk with large long-gestation investments. In a number of cases, the government was forced to take over a private sector industry or industrial units either in the interest of workers or to prevent excessive exploitation of consumers. Very often the private sector did not function as it should and did not carry out its social responsibilities. Accordingly, the government was forced to take over or nationalize the private sector units.

Performance of Public Enterprises

Public enterprises were set up to serve the broad macro-economic objectives of higher economic growth, self-sufficiency in production of goods and services, long term equilibrium in balance of payments and low and stable prices besides meeting certain socio-economic obligations. While there were only five Central Public Sector Enterprises (CPSEs) with a total investment of Rs. 29 crore at the time of the First Five Year Plan, there were 320 CPSEs (excluding 7 Insurance Companies) with a total investment of Rs. 11,71,844 crore as on 31st March, 2016. The CPSEs are key and strategic actors in the nation's economy providing essential goods and services and holding a dominant market position in critical sectors such as petroleum, mining, electricity and transportation. They also operate in competitive markets such as telecommunication, hospitality etc. The CPSEs are increasingly under pressure by both the government and competition to achieve their goals more effectively and efficiently. A large number of CPSEs have been set up as Greenfield projects consequent to the initiatives taken during the Five Year Plans. CPSEs such as National Textile Corporation, British India Corporation Ltd, Andrew Yule & Company Ltd, Coal India Ltd. (and its subsidiaries) have, however, been taken over from the private sector consequent to their 'nationalization'. Industrial companies such as Indian Petrochemicals Corporation Ltd., Modern Food Industries Ltd., Hindustan Zinc Ltd., Bharat Aluminum Company and Maruti Udyog Ltd, which were CPSEs earlier, ceased to be CPSEs after their 'privatization'. Along with other public sector majors such as State Bank of India in the banking sector, Life Insurance Corporation in the insurance sector, Post & Telegraph in telecom sector and Indian Railways in transportation, the CPSEs are leading companies of India with significant market-shares in sectors such as petroleum, (e.g. ONGC, GAIL,HPCL, BPCL and Indian Oil Corporation), mining (e.g. Coal India Ltd. and NMDC), power generation (e.g. NTPC and NHPC), power transmission (e.g. Power Grid Corporation of India Ltd.), nuclear energy (e.g. Nuclear Power Corporation of India Ltd.), heavy engineering (e.g. BHEL), aviation (e.g. Hindustan Aeronautics Ltd. and Air India Ltd.), storage and public distribution (e.g. Food Corporation of India and Central Warehousing Corporation), shipping and trading (e.g. Shipping Corporation of India Ltd, and State Trading Corporation of India Ltd.), steel (e.g. Steel Authority of India Ltd and Rashtriya Ispat Nigam Ltd) and telecommunication (e.g. BSNL and MTNL).

While CPSEs play a significant role in the growth of the Indian economy. They are also affected by the overall growth in the economy. Provisional estimate of GDP at current prices in 2015-16 was Rs. 135.76 lakh crore as against the GDP of Rs. 124.88 lakh crore (revised figure) for the year 2014-15 recording a growth rate of 8.71% during the period. The Gross Turnover of CPSEs has decreased in 2015- 16 by 7.04% to Rs. 18,54,667 crore from Rs. 19,95,176 crore in 2014-15. The profit of profit making CPSEs increased by 10.86% to Rs.1,44,523 crore in 2015-16 from Rs. 1,30,364 crore in 2014-15. Aggregate net profit reported by all 244 CPSEs is Rs. 1,15,767 crore as against Rs. 1,02,866 crore reported in the year 2014-15, thus showing a growth in overall profit of 12.54% as against a reduction of 19.82% in 2014-15. During the year 2015-16 the number of profit making CPSEs have increased to 165 from 159 CPSEs in previous year and the number of loss making CPSEs have increased from 76 to 78 during the same period. One CPSE, namely Food Corporation of India neither earned profit nor incurred loss during 2014-15 and 2015-16.

The Manufacturing sector has a major share of 61.52% of the total turnover achieved by CPSEs during 2015-16, followed by Services sector (20.20%), Mining sector (11.47%), Electricity sector (6.76%) and Agriculture sector (0.05%). The group wise analysis of the sectors shows that Petroleum (Refinery & Marketing) contributes 52.57%, followed by Trading and Marketing services (10.40%), Electricity -Power Generation (5.64%), Crude Oil (5.43%), Coal (5.11%), Financial Services (3.70%) and Steel (2.98%). The turnover of CPSEs belonging to Chemical & Pharmaceuticals, Industrial Development & Technical Consultancies Services, Power Transmission, Medium & Light Engineering, Contract & Construction Services, Tourist Services, showed a significant per centage increase during the year 2015-16. The Mining sector has a major share of 43.54% of the total net profits earned by CPSEs during 2015-16 followed by Manufacturing sector (25.06%), Electricity Sector (22.19%) and Services sector (9.26%). The group wise analysis of sectors shows that Coal sector contributed 26.21%, to the net profit for the year 2015-16 followed by Petroleum (23.47%), Power Generation (16.96%), Crude Oil (13.94%) and Financial Services (12.64%). The net losses, have decreased for the Agriculture sector, The group wise analysis of sectors show that Steel, Heavy Engineering and Trading & Marketing have reported losses in 2015-16 as against profit reported in 2014-15 and the net losses of Chemicals & Pharmaceuticals have increased in 2015-16 as compare to net losses reported in 2014- 15. The turnover of all 244 operating CPSEs during 2015-16 stood at Rs. 18,54,667 crore as compared to Rs. 19,95,176 crore in the previous year. The share of earnings through export/deemed export amounted to 4.16 per cent of total turnover during the year, and the CPSEs earned foreign exchange equal to Rs. 77,216 crore in 2015-16 as compared to Rs. 1,03,071 crore in 2014-15. The foreign exchange outgo on imports and royalty, know-how, consultancy, interest and other expenditure, on the other hand, decreased from Rs. 5,44,561 crore in 2014-15 to Rs. 3,88,045 crore in 2015-16 showing a reduction of 28.74%.

Conclusion

The Public Sector in India is attempting to reinvent itself ever since the Economic Liberalization Policy was implemented by the Government of India. In order to inject competition and make the economy vibrant and dynamic almost all sectors reserved for the Public Sector has been opened up. The impact of the new policy decisions on the performance of the Public Sector Enterprises is debatable. The competitive strength of the Public Sector Enterprises to emerge as successful business enterprises in the new economic order and their capability to survive in the unprotected environment is a subject of academic interest. The identification of the specific strategies followed by the successful Public Sector Enterprises could be replicated by others for making them turn around and survive in the liberalised economy.

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Anusandhanika / Vol. XI / No. I & II / 2019 / pp 89-100 ISSN 0974 - 200X

Financial Performance Appraisal of CCL Hazaribag

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Abstract

Performance Appraisal as an advanced management tool is becoming more and more sophisticated in order to accommodate needs of different communities and levels of government over services ranging from public safety and public works to economic development. Performance measurement is becoming an essential tool for addressing questions of productivity improvement in terms of efficiency, effectiveness and accountability. As performance appraisal has many aspects, financial performance appraisal is a major parameter of an organisation's performance. Financial performance appraisal referred to financial statement analysis. The main idea behind this study is to analyze the financial operating position of the company. This research is done with help of secondary data which is gathered from the annual report of the company. Financial performance can be measured by using various financial tools such as profitability ratio, solvency ratio, comparative statement, etc. Based on the analysis, findings have been arrived that the company has got enough funds to meet its debts & liabilities, the Statement of Profit & Loss of the company shows sales of the company increased every year at good rate and profit also increased every year.

Keywords : financial performance, profitability ratio, solvency ratio

Introduction

The Performance Management System is a process of setting objectives, making plans to achieve those objectives and accomplishing the desired results. Rewards and recognition are the end stage of this process. Organizations use this system to assess the performance of an individual, a team, a function and then the organization as a total. Performance appraisal has been defined as any personal decision that affects the status of employee regarding their retention, termination, promotion, transfer, salary increase or decrease or admission into a training programme.

Performance appraisal is a formal structured system of measuring and evaluating an employee's job, related behaviour and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform effectively in the future so that the employee, organization, society all benefits.

Financial Performance Appraisal

It is the process of identifying the financial strength and weakness of a firm from the available accounting data and financial statement. The analysis is done by properly establishing the relationship between the items of balance sheet and Statement of Profit & Loss , the first take of financial analyst is to determine the information relevant to the decision under consideration form the total information contained in the financial statement. The second step is to arrange information in a way to highlight significant relationship. The final step is interpretation and drawing of inferences and conclusion. Thus financial analysis is the process of selection relating and evaluation of the accounting data information.

This studying contain Comparative Statement of Profit & Loss, Ratio analysis, Liquid ratios, solvency ratios.

Comparative Statement of Profit & Loss

It is the analysis of changes in different components of the financial statements over different periods with help of a series of statements. Such an analysis makes it possible to study periodic fluctuations in different components of the financial statements.

Ratio Analysis

Ratio analysis is a widely used tool of financial Performance analysis. The term ratio is refers to the relationship expressed in mathematical terms between two individual figures or group of figures connected with each other in some logical manner and are selected from financial statements of the concern. It helps to express the relationship between two accounting figures in such a way that users can draw conclusions about the performance, strengths and weakness of a firm.

Materials and Methods

The study is based on secondary data. Data pertaining behaviour of liquidity solvency and profitability position were collection from the balance sheet and profit & loss account of Ashok Leyland. The necessary data were obtained from published annual report. The data required for the study has been collected from secondary sources and the relevant information were taken from annual reports, journals and internet etc.,

Results and Discussions

Comparative Statement of Profit & Loss of CCL Hazaribag

Particulars		31.03.17 ₹ in lakhs	31.03.16 ₹ in lakhs	Increase/ Decrease	% Change
Revenue from Operations					
A	Sales (Net)	105699.22	86639.07	19060.15	22.00
B	Other Operating Revenue (Net)	1201.31	698.98	502.33	71.87
(I)	**Revenue from Operations (A+B)**	**106900.53**	**87338.05**	**19562.48**	**22.40**
(II)	Other Income	1841.57	966.68	874.89	90.50
	Coal Used for other purposes	15361.17	10870.83	4490.34	41.31
(III)	**Total Income (I+II)**	**124103.27**	**99175.56**	**24927.71**	**25.13**
(IV) EXPENSES					
	Coal Used for other purposes	16981.78	13677.91	3303.87	24.15
	Cost of Materials Consumed	11609.79	11370.48	239.31	2.10
	Changes in inventories of finished goods/work in progress and stock in trade	-16576.73	-8953.2	-7623.53	85.15
	Excise Duty	5213.49	3649.44	1564.05	42.86
	Employee Benefits Expense	35359.23	31294.83	4064.40	12.99
	Power Expenses	2352.7	2313.32	39.38	1.70
	Corporate Social Responsibility / Welfare Expenses	63.74	76.93	-13.19	-17.15
	Repairs	2945.39	3363.3	-417.91	-12.43
	Contractual Expense	9628.09	8234.53	1393.56	16.92

	Particulars	31.03.17 ₹ in lakhs	31.03.16 ₹ in lakhs	Increase/ Decrease	% Change
	Finance Costs	670.02	624.84	45.18	7.23
	Depreciation/Amortization / Impairment	5240.14	5513.32	-273.18	-4.95
	Provisions	54.71	748.1	-693.39	-92.69
	Write Off	0	0	0.00	0.00
	Deferred Stripping Activity Expenses/ Overburden Removal Adjustment	32073.68	22065.54	10008.14	45.36
	Other Stripping Activity Expenses	-38686.5	-30857.79	-7828.71	25.37
	Other Expenses	19001.01	13165.98	5835.03	44.32
	Total Expenses (IV)	**85930.54**	**76287.53**	**9643.01**	**12.64**
(V)	Profit before exceptional items and Tax (III-IV)	38172.73	22888.03	15284.70	66.78
(VI)	Prior Period Adjustment	0	0	0.00	0.00
(VII)	**Profit before Tax (V-VI)**	**38172.73**	**22888.03**	**15284.70**	**66.78**
(VIII)	Tax Expense	0	0	0.00	0.00
(IX)	**Profit For the year from continuing operations (VII-VIII)**	**38172.73**	**22888.03**	**15284.70**	**66.78**
(X)	Profit/(Loss) from discontinued operations	0	0	0.00	0.00
(XI)	Tax exp of discontinued operations	0	0	0.00	0.00
(XII)	Profit/(Loss) from discontinued operations (After Tax) (X-XI)	0	0	0.00	0.00
(XIII)	Share in JV's/ Assocate's profit/(loss)	0	0	0.00	0.00
(XIV)	**Profit for the year (IX+XII+XIII)**	**38172.73**	**22888.03**	**15284.70**	**66.78**

Source: Annual Report CCL Hazaribag.

Interpretation

1. Sales (Net) have been increased by 22.00%, due to increased demand and production.
2. Other Operating Revenue (Net) has been increased by 71.87%.
3. Other Income has been increased by 90.50%.
4. The total income of the company was increased by 25.13%, due to increased amount of other incomes.
5. Coal Used for other purposes has increased by 24.15%.
6. Cost of Materials Consumed has site increase of 2.10%
7. Other Expenses have been increased by 44.32%.
8. Profit before Tax, Profit For the year from continuing operations and Profit for the year has increased by 66.78%.

Particulars		31.03.16 ₹ in lakhs	31.03.15 ₹ in lakhs	Increase/ Decrease	% Change
Revenue from Operations					
A	Sales (Net)	86639.07	87428.82	-789.75	-0.90
B	Other Operating Revenue (Net)	698.98	7.04	691.94	9828.69
(I)	**Revenue from Operations (A+B)**	**87338.05**	**87435.86**	**-97.81**	**-0.11**
(II)	Other Income	966.68	706.13	260.55	36.90
	Coal Used for other purposes	10870.83	4412.37	6458.46	146.37
(III)	**Total Income (I+II)**	**99175.56**	**92554.36**	**6621.20**	**7.15**
(IV)	**EXPENSES**				
	Coal Used for other purposes	13677.91	9939.18	3738.73	37.62
	Cost of Materials Consumed	11370.48	11562.74	-192.26	-1.66
	Changes in inventories of finished goods/work in progress and stock in trade	-8953.2	-2039.85	-6913.35	338.91
	Excise Duty	3649.44	2545.7	1103.74	43.36
	Employee Benefits Expense	31294.83	30617.07	677.76	2.21
	Power Expenses	2313.32	2078.23	235.09	11.31
	Corporate Social Responsibility / Welfare Expenses	76.93	152.06	-75.13	-49.41
	Repairs	3363.3	3923.37	-560.07	-14.28
	Contractual Expense	8234.53	2322.29	5912.24	254.59
	Finance Costs	624.84	8.46	616.38	7285.82
	Depreciation/Amortization / Impairment	5513.32	4482.29	1031.03	23.00
	Provisions	748.1	1187.86	-439.76	-37.02
	Write Off	0	0	0.00	0.00
	Deferred Stripping Activity Expenses/Overburden Removal Adjustment	22065.54	2859.13	19206.41	671.76
	Other Stripping Activity Expenses	-30857.79		-30857.79	#DIV/0!
	Other Expenses	13165.98	12019.2	1146.78	9.54
	Total Expenses (IV)	**76287.53**	**81657.73**	**-5370.20**	**-6.58**
(V)	**Profit before exceptional items and Tax (III-IV)**	**22888.03**	**10896.63**	**11991.40**	**110.05**
(VI)	Prior Period Adjustment	0	667.64	-667.64	0.00
(VII)	**Profit before Tax (V-VI)**	**22888.03**	**10228.99**	**12659.04**	**123.76**
(VIII)	Tax Expense	0	0	0.00	0.00
(IX)	**Profit For the year from continuing operations (VII-VIII)**	**22888.03**	**10228.99**	**12659.04**	**123.76**

Particulars		31.03.16 ₹ in lakhs	31.03.15 ₹ in lakhs	Increase/ Decrease	% Change
(X)	Profit/(Loss) from discontinued operations	0	0	0.00	0.00
(XI)	Tax exp of discontinued operations	0	0	0.00	0.00
(XII)	Profit/(Loss) from discontinued operations (After Tax) (X-XI)	0	0	0.00	0.00
(XIII)	Share in JV's/ Assocate's profit/ (loss)	0	0	0.00	0.00
(XIV)	Profit for the year (IX+XII+XIII)	22888.03	10228.99	12659.04	123.76

Source: Annual Report CCL Hazaribag.

Interpretation

1. There is decrease in Sales (Net) by 0.90%.
2. Other Income has been increased by 36.90%.
3. The total income of the company was increased by 7.15 %, due to increased amount of other incomes.
4. Coal Used for other purposes has increased by 37.62%.
5. Cost of Materials Consumed has been decreased by 1.66% due to decrease in Sales.
6. Other Expenses have been increased by 9.54%.
7. Though Sales has decreased, Profit before Tax, Profit For the year from continuing operations and Profit for the year has increased by 123.76%.

Particulars		31.03.15 ₹ in lakhs	31.03.14 ₹ in lakhs	Increase/ Decrease	% Change
Revenue from Operations					
A	Sales (Net)	87428.82	76541.01	10887.81	14.22
B	Other Operating Revenue (Net)	7.04	4.02	3.02	75.12
(I)	**Revenue from Operations (A+B)**	**87435.86**	**76545.03**	**10890.83**	**14.23**
(II)	Other Income	706.13	659.7	46.43	7.04
	Coal Used for other purposes	4412.37	3459.43	952.94	27.55
(III)	**Total Income (I+II)**	**92554.36**	**80664.16**	**11890.20**	**14.74**
(IV)	**EXPENSES**				
	Coal Used for other purposes	9939.18	9494.36	444.82	4.69
	Cost of Materials Consumed	11562.74	11015.13	547.61	4.97
	Changes in inventories of finished goods/work in progress and stock in trade	-2039.85	414.37	-2454.22	-592.28
	Excise Duty	2545.7	2369.13	176.57	7.45
	Employee Benefits Expense	30617.07	28995.65	1621.42	5.59
	Power Expenses	2078.23	1866.27	211.96	11.36
	Corporate Social Responsibility / Welfare Expenses	152.06	146.67	5.39	3.67

	Particulars	31.03.15 ₹ in lakhs	31.03.14 ₹ in lakhs	Increase/ Decrease	% Change
	Repairs	3923.37	2930	993.37	33.90
	Contractual Expense	2322.29	1909.49	412.80	21.62
	Finance Costs	8.46	86.98	-78.52	-90.27
	Depreciation/Amortization / Impairment	4482.29	4145.49	336.80	8.12
	Provisions	1187.86	948.63	239.23	25.22
	Write Off	0	0	0.00	0.00
	Deferred Stripping Activity Expenses/Overburden Removal Adjustment	2859.13	7415.27	-4556.14	-61.44
	Other Stripping Activity Expenses				
	Other Expenses	12019.2	10047.83	1971.37	4.97
	Total Expenses (IV)	**81657.73**	**81785.27**	**-127.54**	**-0.16**
(V)	**Profit before exceptional items and Tax (III-IV)**	**10896.63**	**-1121.11**	**12017.74**	**-1071.95**
(VI)	Prior Period Adjustment	667.64	-1924.13	2591.77	0.00
(VII)	**Profit before Tax (V-VI)**	**10228.99**	**803.02**	**9425.97**	**1173.82**
(VIII)	Tax Expense	0	0	0.00	0.00
(IX)	**Profit For the year from continuing operations (VII-VIII)**	**10228.99**	**803.02**	**9425.97**	**1173.82**
(X)	Profit/(Loss) from discontinued operations	0	0	0.00	0.00
(XI)	Tax exp of discontinued operations	0	0	0.00	0.00
(XII)	Profit/(Loss) from discontinued operations (After Tax) (X-XI)	0	0	0.00	0.00
(XIII)	Share in JV's/ Assocate's profit/ (loss)	0	0	0.00	0.00
(XIV)	**Profit for the year (IX+XII+XIII)**	**10228.99**	**803.02**	**9425.97**	**1173.82**

Source: Annual Report CCL Hazaribag.

Interpretation

1. Sales (Net) have been increased by 14.22%, due to increased demand and production.
2. Other Operating Revenue (Net) has been increased by 75.12%.
3. Other Income has been increased by 7.04%.
4. The total income of the company was increased by 14.74%.
5. Coal Used for other purposes has increased by 4.69%.
6. Cost of Materials Consumed has increase of 4.97%
7. Other Expenses have been increased by 4.97%.
8. Profit before Tax, Profit For the year from continuing operations and Profit for the year has huge increase of 1173.82%.

Particulars		31.03.14 ₹ in lakhs	31.03.13 ₹ in lakhs	Increase/ Decrease	% Change
Revenue from Operations					
A	Sales (Net)	76541.01	68733.4	7807.61	11.36
B	Other Operating Revenue (Net)	4.02	0	4.02	#DIV/0!
(I)	**Revenue from Operations (A+B)**	**76545.03**	**68733.4**	**7811.63**	**11.37**
(II)	Other Income	659.7	637.82	21.88	3.43
	Coal Used for other purposes	3459.43	2693.55	765.88	28.43
(III)	**Total Income (I+II)**	**80664.16**	**72064.77**	**8599.39**	**11.93**
(IV)	**EXPENSES**				
	Coal Used for other purposes	9494.36	7647.58	1846.78	24.15
	Cost of Materials Consumed	11015.13	8543.5	2471.63	28.93
	Changes in inventories of finished goods/work in progress and stock in trade	414.37	-571.34	985.71	-172.53
	Excise Duty	2369.13	2325.8	43.33	1.86
	Employee Benefits Expense	28995.65	29567.09	-571.44	-1.93
	Power Expenses	1866.27	1856.49	9.78	0.53
	Corporate Social Responsibility / Welfare Expenses	146.67	1145.98	-999.31	-87.20
	Repairs	2930	2592.14	337.86	13.03
	Contractual Expense	1909.49	1640.63	268.86	16.39
	Finance Costs	86.98	111.86	-24.88	-22.24
	Depreciation/Amortization / Impairment	4145.49	3329.1	816.39	24.52
	Provisions	948.63	759.6	189.03	24.89
	Write Off	0	0	0.00	0.00
	Deferred Stripping Activity Expenses/Overburden Removal Adjustment	7415.27	4526.46	2888.81	63.82
	Other Stripping Activity Expenses				
	Other Expenses	10047.83	7933.18	2114.65	26.66
	Total Expenses (IV)	**81785.27**	**71408.07**	**10377.20**	**14.53**
(V)	**Profit before exceptional items and Tax (III-IV)**	**-1121.11**	**656.7**	**-1777.81**	**-270.72**
(VI)	Prior Period Adjustment	-1924.13	387.55	-2311.68	0.00
(VII)	**Profit before Tax (V-VI)**	**803.02**	**269.15**	**533.87**	**198.35**
(VIII)	Tax Expense	0	0	0.00	0.00

Particulars		31.03.14 ₹ in lakhs	31.03.13 ₹ in lakhs	Increase/ Decrease	% Change
(IX)	**Profit For the year from continuing operations (VII-VIII)**	**803.02**	**269.15**	**533.87**	**198.35**
(X)	Profit/(Loss) from discontinued operations	0	0	0.00	0.00
(XI)	Tax exp of discontinued operations	0	0	0.00	0.00
(XII)	Profit/(Loss) from discontinued operations (After Tax) (X-XI)	0	0	0.00	0.00
(XIII)	Share in JV's/ Assocate's profit/ (loss)	0	0	0.00	0.00
(XIV)	**Profit for the year (IX+XII+XIII)**	**803.02**	**269.15**	**533.87**	**198.35**

Source: Annual Report CCL Hazaribag.

Interpretation

1. Sales (Net) have been increased by 11.36%, due to increased demand and production.
2. Other Income has been increased by 3.43%.
3. The total income of the company has increased by 11.93%.
4. Coal Used for other purposes has increased by 24.15%.
5. Cost of Materials Consumed have been increased by 28.93%
6. Other Expenses have been increased by 26.66%.
7. Profit before Tax, Profit For the year from continuing operations and Profit for the year has increased by 198.35%.

Liquidity Ratio

These ratios portray the capacity of the business unit to meet its short term obligation from its short term resources (e.g.) current ratio, quick ratio.

Current Ratio: Current ratio may be defined as the relationship between current assets and current liabilities it is the most common ratio for measuring liquidity. It is calculated by dividing current assets and current liabilities. Current assets are those, which can be realized with in a period of one year. Current liabilities are those amounts, which are payable with in a period of one year.

Current Ratio = Current Assets / Current Liabilities

Years	Current Assets	Current Liabilities	Ratio
2012-13	19,228.66	18,182.52	1.06
2013-14	20,511.99	20,686.62	0.99
2014-15	24,471.31	21,830.12	1.12
2015-16	31,341.97	26,810.12	1.17
2016-17	48,916.30	27,863.66	1.76

Source: Annual Report CCL Hazaribag.

Interpretation

The above table shows that the current ratio in the year 2012-13 was 1.06 and then it decreased to 0.99 in the year 2013-14, next year onwards it move upward to 1.12 in the year 2014-15, 1.17 in the year 2015-16 and

1.76 in the year 2016-17. The normal current ratio is 2:1. The above table shows that current ratio is less than 2 in all the financial years. This shows that company is not enjoying credit worthiness.

Liquid Ratio: The term "liquidity" refers to the ability of a firm to pay its short-term obligation and when they become due. The term quick assets or liquid assets refers current assets which can be converted into cash immediately and it comprises all current assets except stock and prepaid expenses it is determined by dividing quick assets by quick liabilities.

Liquid Ratio = Liquid Assets / Current Liabilities

Years	Liquid Assets	Current Liabilities	Ratio
2012-13	4,306.15	18,182.52	1.06
2013-14	6,048.49	20,686.62	0.99
2014-15	7,650.50	21,830.12	1.12
2015-16	6,157.55	26,810.12	1.17
2016-17	6,597.56	27,863.66	1.76

Source: Annual Report CCL Hazaribag.

Interpretation

The above table shows that the Liquid ratio during the above period except in the year 2013-14 is above the normal (i.e.) 1:1.Hence the firm is efficient in controlling its stock position.

Profitibility Ratio

The profitability ratios of a business concern can be measured by the profitability ratios. These ratios highlight the end result of business activities by which alone the overall efficiency of a business unit can be judged. (E.g.) gross Profit ratios, Net profit ratios.

Gross Profit Ratio: This ratio expresses the relationship between Gross profit and sales. It indicated the efficiency of production or trading operation. A high gross profit ratio is a good management as it implies that the cost of production is relatively low.

Gross Profit Ratio = Gross Profit / Net Sales x 100

Years	Gross Profit	Net Sales	Ratio
2012-13	3,710.11	68,733.40	5.40
2013-14	5,035.49	76,541.01	6.58
2014-15	14,719.74	87,428.82	16.84
2015-16	29,026.19	86,639.07	33.50
2016-17	44,082.89	1,05,699.22	41.71

Source: Annual Report CCL Hazaribag.

Interpretation

The above table shows that the relationship between Gross Profit and Net Sales in percentage. During the above period Gross profit Ratio has a great increasing trend, Company has maintained in very well.

Net Profit Ratio: Net profit ratio establishes a relationship between net profit (after taxes) and sales. It is determined by dividing the net income after tax to the net sales for the period and measures the profit per rupee of sales

Net Profit Ratio = Net Profit / Net Sales x 100

Years	Net Profit	Net Sales	Ratio
2012-13	269.15	68,733.40	0.39
2013-14	803.02	76,541.01	1.05
2014-15	10,228.99	87,428.82	11.70
2015-16	22,888.03	86,639.07	26.42
2016-17	38,172.73	1,05,699.22	36.11

Source: Annual Report CCL Hazaribag.

Interpretation

The above table shows that the relationship between Net Profit after tax and Net Sales in percentage. During the above period Net profit Ratio is in increasing trend, it shows that company is efficient and effective.

Activity Ratio / Turnover Ratio

These ratios evaluate the use of the total resources of the business concern along with the use of the components of total assets. They are intended to measure the effectiveness of the assets management the efficiency with which the assets are used would be reflected in the speed and rapidity with which the assets are converted into sales. The greater the rate of turnover, the more efficient the management would be the stock turnover ratio, fixed assets turnover ratios etc

Capital Turnover Ratio: Capital Turnover Ratio established the relationship between Cost of Goods Sold and Capital Employed in the Business, and shows the efficiency of capital Employed in the business.

Capital Turnover Ratio = Cost of Goods Sold/ Capital Employed

Years	Cost of Goods Sold	Capital Employed	Ratio
2012-13	65,023.29	28,354.86	2.29
2013-14	71,505.52	30,592.26	2.34
2014-15	72,709.08	38,325.33	1.90
2015-16	57,612.88	39,665.22	1.45
2016-17	61,616.33	55,663.77	1.11

Source: Annual Report CCL Hazaribag.

Interpretation

The above table shows that during the above period Capital Turnover Ratio has increased in year 2013 – 14 as comparison to the year 2012 – 13. But from the year 2014 -15 onwards it is showing decreasing trend continuously in 3 years.

Working Capital Turnover Ratio: This ratio shows the number of times working capital is turned-over in a stated period. It indicates to what extent the working capital funds have been employed in the business towards sales.

Working Capital Turnover Ratio = Cost of Goods Sold/ Working Capital

Years	Cost of Goods Sold	Working Capital	Ratio
2012-13	65,023.29	1,046.14	62.16
2013-14	71,505.52	174.63	409.47
2014-15	72,709.08	2,641.19	27.53
2015-16	57,612.88	4,531.85	12.71
2016-17	61,616.33	21,052.64	2.93

Source: Annual Report CCL Hazaribag.

Interpretation

The above table shows that the Working Capital Ratio in the year 2012-13 was 62.16 and then it has huge increased to 409.47in the year 2013-14, next year onwards it move downward to 27.53 in the year 2014-15, 12.71 in the year 2015-16 and 2.93 in year 2016-17.

Total Assets Turnover Ratio: This ratio is an indicator of how the resources of the organization utilized for increasing the turnover. It shows the ratio between the total assets and the net sales of the company. From this ratio one can understand how the assets are performing and being utilized in achieving the objectives of the company.

Total Assets Turnover Ratio = Cost of Goods Sold / Total Assets

Years	Cost of Goods Sold	Total Assets	Ratio
2012-13	65,023.29	46,537.38	1.40
2013-14	71,505.52	51,278.88	1.39
2014-15	72,709.08	60,155.45	1.21
2015-16	57,612.88	66,475.34	0.87
2016-17	61,616.33	83,527.43	0.74

Source: Annual Report CCL Hazaribag.

Interpretation

The above table shows that Total Assets Turnover Ratio is showing decreasing trend throughout the subsequent five years. It implies that Assets are not being utilized towards the achievement of organisational goals properly.

Inventory Turnover Ratio: This ratio is an indicator of the efficiency of the use of investment in stock. Mostly opening and closing stock figures are given and these should be averaged. The average should be calculated as under:

Too large an inventory will depress the ratio; control over inventories and active sales promotion will increase the ratio. If desired this ratio may be split into two ratios, for raw materials and for finished goods. This analysis will throw a better light on the inventory position.

Average inventory is calculated on the basis of the average inventory at the beginning and at the end of the accounting period.

Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory

Years	Cost of Goods Sold	Average Inventory	Ratio
2012-13	65,023.29	14,554.83	4.47
2013-14	71,505.52	14,693.01	4.87
2014-15	72,709.08	15,642.16	4.65
2015-16	57,612.88	21,002.62	2.74
2016-17	61,616.33	33,751.58	1.83

Source: Annual Report CCL Hazaribag.

Interpretation

The above table is showing that Inventory Turnover Ratio in the year 2012-13 is 4.47, and in the year 2013-14 it has been increased to 4.87. After 2013-14 there is continuous decrease in the year 2014-15, 2015-16 and 2016-17. It is showing that company is not is using its Inventory in efficient way.

Findings, Suggestions And Conclusions

Findings

There is increase in Sales (Net) continuously except in the year 2014-15 hence the management should take care of the quality and market situations. All the relevant expenses are normal.

There is regular increase in the Net profit

Before Tax, hence Profit After Tax is also showing increasing trend.

The current ratio in the year 2012-13 was 1.06 and then it decreased to 0.99 in the year 2013-14, next year onwards it move upward to 1.12 in the year 2014-15, 1.17 in the year 2015-16 and 1.76 in the year 2016-17. The normal current ratio is 2:1. The above table shows that current ratio is less than 2 in all the financial years. This shows that company is not enjoying credit worthiness.

Liquid ratio during the above period except in the year 2013-14 is above the normal (i.e.) 1:1.Hence the firm is efficient in controlling its stock position.

During the above period Net profit Ratio is in increasing trend, it shows that company is efficient and effective.

Working Capital Ratio in the year 2012-13 was 62.16 and then it has huge increased to 409.47in the year 2013-14, next year onwards it move downward to 27.53 in the year 2014-15, 12.71 in the year 2015-16 and 2.93 in the year 2016-17.

Inventory Turnover Ratio in the year 2012-13 is 4.47, and in the year 2013-14 it has been increased to 4.87. After 2013-14 there is continuous decrease in the year 2014-15, 2015-16 and 2016-17. It is showing that company is not is using its Inventory in efficient way.

Conclusion

The study reveals that the financial performance is fair. It has been maintaining good financial performance and further it can improve if the company concentrates on its operating, and by reducing expenses. The company should increase sales volume as well as Net profit. The company was able to meet its entire requirements. Company should take necessary steps to control Inventory.

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Anusandhanika / Vol. XI / No. I & II / 2019 / pp 101-111 ISSN 0974 - 200X

Financial Management of Central Coalfield Limited in the Post-Liberalisation Era

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Abstract

Financial management refers to the efficient and effective management of money (funds) in such a manner to accomplish the objectives of the organization. Financial Management is a body of business concerned with the efficient and effective use of equity capital, borrowed cash or any other business funds as well as taking the right decision for profit maximization and value addition of an entity. Liberalization is state of from where state lifts restrictions on some private individual activities. This article explains the relationship between Financial Management in Central Coalfield limited in reference to Pre and Post liberalization. Therefore, this is an attempt to explain how financial planning becomes more vital after liberalization. Liberalised economy interlinked with other economies and work together at economies of scale which leads to hiher profit as a whole.

Keywords : liberalization, financial management, monetary policy

Introduction

Financial Management has different definition with single defined goal. "Financial Management is obtaining and effectively utilizing the funds necessary for efficient operation whereas on the other hand it refers to the effective and efficient management of money and it is also process of planning, controlling, leading, and directing of a firm's financial resources. Financial Management is defined by two basic objectives such as Profit maximization and Wealth maximization. Liberalization (or liberalisation) is a general term for any process whereby a state lifts restrictions on some private individual activities. Liberalization occurs when something which used to be banned is no longer banned, or when government regulations are relaxed. Liberalisation means the removal of rules and regulations at various levels of the economy. It prefers free and competitive market and reduces the role of the state in economic affairs. It refers free trade and the removal of government control over economy, for example external trade, foreign investment, loans and aid, technological progress, etc. Liberalisation advocates the reduction of tax, social security, welfare for the state etc.

Materials and Methods

The study of this article is related to Financial Management in central coalfield limited in reference to Pre-Post Liberalization. This article is based on Secondary data such as Data from different directors report, Newspapers, Annual reports is been used for the said article. Data collection through Secondary source is used in to the said empirical studies.

Results and Discussions

Pre Liberalization - Post Liberalization: Financial Management in Central Coalfield Limited:

There is significant change in financial management and book keeping in any organization and same has happened in central Coalfield Limited after liberalization. Liberalization has given a new technology to manage books of accounts and new advanced ways to pass the entry. This advancement has increased the productivity due to decrease in time to unfinished product to output cycle. The international financial activities help the organizations to connect with international dealings with overseas business partners-customers, suppliers, lenders etc. It is also led by government organization and non-profit institution.

During the post-war years, the GATT was established in order to improve trade. It removed the trade barriers notably over the years, as a result of which international trade grew manifold. The financial participation of the trader›s exporters and importers and the international transactions flowed significantly. It started when different countries started "liberalizing" i.e. when countries agreed to open doors for each other and traded. The advancement of technology and liberalization resulted in the idea of financial management both domestically and globally.

Liberalization and its relation since ancient time to the present day and scripture of liberalization: The economic history of India is the story of India's evolution from a largely agricultural and trading society to a mixed economy of manufacturing and services while the majority still survives on agriculture. Prior to 1947 that history encompasses the economy of the Indian Subcontinent, corresponding to the modern nations of India, Pakistan, Nepal, Sri lanka and Bangladesh. This history begins with the Indus Valley Civilization (3300–1300 BC), whose economy appears to have depended significantly on trade. Around 600 BC, the Mahajanapadas minted punch-marked silver coins. The period was marked by intensive trade activity and urban development. By 300 BC, the Maurya Empire had united most of the Indian subcontinent. The resulting political unity and military security allowed for a common economic system and enhanced trade and commerce, with increased agricultural productivity.

The Maurya Empire was followed by classical and early medieval kingdoms, including the Cholas Guptas, Western Ganges, Harsha, Palas, Rashtrakutas and Hoysalas. During this period, Between 1 CE and 1000 CE, the Indian subcontinent is estimated to have accounted for one-third, to one-fourth of the world's population, and product, though GDP per capita was stagnant. India experienced per capita GDP growth in the high medieval era after 1000, during the Delhi Sultanate, but was not as productive as 15th century Ming China.

After most of the subcontinent was reunited under the Mughal Empire, the empire became the largest economy by 1700, producing about a quarter of global GDP, before fragmenting, and being conquered over the century. According to the Balance of Economic Power, India had the largest and most advanced economy for most of the interval between the 1st century and 18th century, the most of any region for a large part of the last two millennia.During the Mughal Empire, India was the world leader in manufacturing, producing 25% of the world's industrial output up until the mid-18th century, prior to British rule. Due to its ancient history as a trading zone and later its colonial status, colonial Inida remained economically integrated with the world, with high levels of trade, investment and migration. India experienced deindustrialization under British rule,_which along with fast economic and population growth in the Western World resulted in India›s share of the world economy declining from 24.4% in 1700 to 4.2% in 1950,and its share of global industrial output declining from 25% in 1750 to 2% in 1900.

The Republic of India, founded in 1947, adopted central planning for most of its independent history, with extensive public ownership, regulation, red tape and trade barriers. After the 1991economc crisis, the central government launched economic liberalization, allowing it to emerge as one of the world's fastest growing large economies.

Indus valley Civilization, the first known permanent and predominantly urban settlement, flourished between 3500 BCE and 1800 BCE. It featured an advanced and thriving economic system. Its citizens practised agriculture, domesticated animals, made sharp tools and weapons from copper, bronze and tin and traded with other cities. Evidence of well-laid streets, layouts, drainage system and water supply in the valley's major cities, Dholavira, Harappa, Lothal, Mohenjodaro and Rakhigarhi reveals their knowledge of urban planning. Though ancient India had a significant urban population, much of India's population resided in villages, whose economy was largely isolated and self-sustaining. Agriculture was the predominant occupation and satisfied a village's food requirements while providing raw materials for hand-based industries such as textile, food processing and crafts. Besides farmers, people worked as barbers, carpenters, doctors (Ayurvedic practitioners), goldsmiths and weavers.

Delhi Sultanate: Before and during the Delhi Sultanate (1206–1526 CE), Islam underlay a cosmopolitan civilization. It offered wide-ranging international networks, including social and economic networks. They spanned large parts of Afro-Eurasia, leading to escalating circulation of goods, peoples, technologies and ideas. While initially disruptive, the Delhi Sultanate was responsible for integrating the Indian subcontinent into a growing world system.

India's GDP Per capita was lower than the Middle East from 1 CE (16% lower) to 1000 CE (about 40% lower), but by the late Delhi Sultanate era in 1500, India›s GDP per capita approached that of the Middle East. According to economic historian Angus Maddison in Contours of the world economy, 1–2030 CE: essays in macro-economic history, India had the world's largest economy from 1 CE to 1000 CE. However, productivity did not grow during the period. Between 1000 and 1500, in the high medieval era (during the Delhi Sultanate), India began to experience GDP growth, but more slowly than East Asia, which overtook India to become the world›s most productive region. Ming China and India remained the largest economies through 1600. India experienced its fastest economic growth under the Mughal Empire, during the 16th–18th centuries, boosting Mughal India above quing China by 1700.

Liberalization and 18th Century: 18th century explained that liberalization and how India engaged with other parts of India for smooth trading. As per the latest data recorded through website shows how Mughal India was the most important manufacturing centre for International trade. Key Industries included textiles shipping and steel. Processed products included cotton textiles, yarna ,thread, silk, jute products, metalware, and foods such as sugar oils and butter. This growth of manufacturing has been referred to as a form of proto-industrilization, similar to 18th-century Western Europe prior to the Industrail Revolution. Imported products from Mughal India, particularly cotton textiles, spices, peppers, indigo, silks and saltpetre (for us munitions). European fashion, for example, became increasingly dependent on Indian textiles and silks. From the late 17th century to the early 18th century, Mughal India accounted for 95% of British Imports from Asia, and the Bengal Subah province alone accounted for 40% of Dutch Imports from Asia. In contrast, demand for European goods in Mughal India was light. Exports were limited to some woolens, unprocessed metals and a few luxury items. The trade imbalance caused Europeans to export large quantities of gold and silver to Mughal India to pay for South Asian imports. Indian goods, especially those from Bengal, were also exported in large quantities to other Asian markets, such as Indonesia and Japan. As per the above lines we could easily understand that it is not 1991 when Indian economy became liberalized and we started Import- export. That was the year where New Economic reforms were taken place for better movement and channelization of the product in-between countries without any delays. Mughal Era was the finest Era to speak how India was engaged with other part of nation for importing and exporting for smooth running of the economy. It was recorded as a significant era where India recorded as 95% import of British goods and 40% as Dutch Imports.

Late Mughal Economy's Income distribution (1750)

Social group	% of population	% of total income	Income in terms of per-capita mean
Nobility, Zamindars	1	15	15
Merchants to Sweapers	17	37	2.2
Village Economy	72	45	0.6
Tribal Economy	10	3	0.3
Total	100	100	1

There are some economic effects of Country Liberalization which are as under

When a nation becomes liberalized, the economic effects can be profound for the country and for investors. Economic liberalization refers to a country "opening up" to the rest of the world with regards to trade, regulations, taxation and other areas that generally affect business in the country. As a general rule, you can determine to what degree a country is liberalized economically by how easy it is to invest and do business in the country. All developed (first world) countries have already gone through this liberalization process, so the focus in this article is more on the developing and emerging countries.

Emerging Countries: An emerging market economy is a nation's economy that is progressing toward becoming advanced, as shown by some liquidity in local debt and equity market and the existence of some form of market exchange and regulatory body. Emerging markets are not as advanced as developed countries but maintain economies and infrastructures that are more advanced than frontier market countries.

BREAKING DOWN 'Emerging Market Economy'

Emerging markets generally do not have the level of market efficiency and strict standards in accounting and securities regulation to be on par with advanced economies (such as the United States, Europe and Japan), but emerging markets do typically have a physical financial infrastructure, including banks, a stock exchange and a unified currency. Investments in emerging markets come with much greater risk due to political instability, domestic infrastructure problems, currency volatility and limited equity opportunities, as many large companies may still be «state-run» or private. Also, local stock exchanges may not offer liquid market for outside investors.

Pre & Post Liberalization

The history of India's economic growth is divided into two phases, the first 43 years (1947-1990) after independence featuring measures of socialism, and the last twenty three years (1991-2013) as a free market economy. During the first 43 years after independence, the government controlled most of the consumer services, and coupled with regulation in the manufacturing sector, India witnessed limited growth. The first three decades of India's policy formulation were marked by socialist policies. Between 1950 and 1980 India grew at an annual rate of 3 to 3.5 percent, which was also referred to as the "Hindu rate of growth." But 1991 saw the nation enter into a new phase of economic policies. For the first time India saw a shift away from its socialist ideologies. The impetus for these reforms started in 1980s when Rajiv Gandhi became the Prime Minister and brought some macro-economic changes. Following the reforms in 1991, the Indian economy has enjoyed a strong capital growth with annual GDP growth exceeding 8 percent since 2003. Private investments have grown extremely fast and constituted 80 percent of the total investments in 2010-11. The poverty ratio went down from 45 percent in 1992-93 to 32 percent in 2009-10. This growth has been accompanied by some structural changes. The share of services in total GDP jumped from 43 percent in 1990-91 to 58 percent in 2010-11, while that of agriculture slipped to 14 percent in 2010-11 from 28 percent in 1990-91. There has been a paradigm shift in the configuration of the economy resulting in increased importance of external trade, foreign capital inflows, and growth of the domestic capital market. In addition, the new liberalization era has convinced the world's investors that India holds great economic promise. The result has been that since liberalization the Indian capital market has been one of the best performing markets in the world. In the past 10 years the stock market has more than tripled in value fuelled by strong economic growth and large inflows from foreign institutional investors. In India, due to socialistic policies of the Government, there were a lot of constraints in the financial markets and hence the development of financial markets was delayed.

Objectives of Reforms

To know the reforms of the financial sector in the Pre and Post Liberalization period, to analyze the steps taken by the Government to reinforce the economy after Post Liberalization scenario and to examine the development in the financial market which leads to the economic growth of the country.

Post Liberalization Scenario in the Economy

The major policy initiatives taken by the Government to fundamentally address the balance of payments problem and the structural rigidities were as follows:

1. Fiscal Reforms : A key element in the stabilization effort was to restore fiscal discipline. The data reveals that fiscal deficit during 1990-91 was as large as 8.4 percent of GDP. The budget for 1991-92 took a bold step in the direction of correcting fiscal imbalance. It envisaged a reduction in fiscal deficit by nearly two percentage points of GDP from 8.4 percent in 1990-91 to 6.5 percent in 1991-92.

2. Monetary and Financial Sector Reforms: Monetary reforms aimed at doing away with interest rate distortions and rationalizing the structure of lending rates. The new policy tried in many ways to make the banking system more efficient. Some of the measures undertaken were:

Reserve Requirements: reduction in statutory liquidity ratio (SLR) and the cash reserve ratio (CRR) in line with the recommendations of the Narasimham Committee Report, Interest Rate Liberalisation, Liberalisation of bank branch licensing policy in order to rationalize the existing branch network, Banks were given freedom to relocate branches and open specialized branches, Guidelines for opening new private sector banks and New accounting norms regarding classification of assets and provisions of bad debt were introduced in tune with the Narasimham Committee Report.

3. Reforms in Capital Market : Recommendations of the Narasimham Committee were initiated in order to reform capital markets, aimed at removing direct government control and replacing it with a regulatory framework based on transparency and disclosure supervised by an independent regulator. The Securities & Exchange Board of India (SEBI) which was set up in 1988 was given statutory recognition in 1992 on the basis of recommendations of the Narasimham Committee. SEBI has been mandated to create an environment which would facilitate mobilization of adequate resources through the securities market and its efficient allocation.

4. Industrial Policy Reforms: In order to consolidate the gains already achieved during the 1980s, and to provide greater competitive stimulus to the domestic industry, a series of reforms were introduced in the Industrial Policy. The government announced a New Industrial Policy on 24 July 1991. The New Industrial Policy established in 1991 sought substantially to deregulate industry so as to promote growth of a more efficient and competitive industrial economy Industrial licensing was abolished for all projects except in 18 industries. With this, 80 percent of the industry was taken out of the licensing framework. Reforms in MRTP, MOU, and Disinvestments policies.

5. Trade Policy Reforms: Under trade policy reforms, the main focus was on greater openness. Hence, the policy package was essentially an outward-oriented one. New initiatives were taken in trade policy to create an environment which would provide a stimulus to export while at the same time reducing the degree of regulation and licensing control on foreign trade. Freer imports and exports, Rationalization of tariff structure and removal of quantitative restrictions: and Trading Houses were the initiative of Trade reform policy.

6. Promoting Foreign Investment: The government took several measures to promote foreign investment in India in the post-reform period. In 1991, the government announced a specified list of high technology and high-investment priority industries wherein automatic permission was granted for foreign direct investment (FDI) up to 51 percent foreign equity. The limit was raised to 74 percent and subsequently to 100 percent for many of these industries. Moreover, many new industries have been added to the list over the years. And Initiatives has been taken in the field of Foreign Investment Promotion Board (FIPB) and foreign institutional investment (FII).

7. Rationalization of Exchange Rate Policy; One of the important measures undertaken to improve the balance of payments situation was the devaluation of rupee. In the very first week of July 1991, the rupee was devalued by around 20 percent. The purpose was to bridge the gap between the real and the nominal exchange rates that had emerged on account of rising inflation and thereby to make the exports competitive.

8. Other Financial Institution and NBFC: Apart from reforms in the banking sector and capital markets sector, other areas in the financial services industry also saw reforms. The mutual fund industry in India had started in 1963 with the formation of UTI, an initiative of the Government of India and Reserve Bank of India. Till 1987, UTI was the only mutual fund. However, in 1993, the private sector got clearance for mutual funds. In addition, the government allowed foreign institutional investors in the mutual fund segment. Apart from the above mentioned a lot of Development Finance Institutions (DFIs) and Non-Banking Financial Companies (NBFCs) have opened up in India, offering a wide variety of financial services. They play a vital role in providing credit to small borrowers and unorganized sectors at the local level.

Conclusion of Economic Reforms: (Pre and Post Liberalization); The 1991 economic reforms were focused primarily on the formal sector, and as a result, we have seen significant boom in those areas that were liberalized. Sectors such as telecom and civil aviation have benefited greatly from deregulation and subsequent reforms. However, liberalisation and economic reforms still have a long way to go, especially for the informal sector—including the urban poor who hold jobs as street vendors or rickshaw pullers, the agricultural sector, Micro, Small and Medium Enterprises (MSMEs) and tribals. The slow growth and stagnation in these sectors which have not seen any reform further highlights the significant role of the 1991 reforms in helping India's economy become what it is today. From 1990 to 2012 India's GDP grew at an average of 6.1 percent, second only to China. Moreover, new opportunities came up as the economy opened up. These were taken up by entrepreneurs, some of them becoming extremely successful.

Central Coalfield Limited and its brief history

Central Coalfields Limited is a subsidiary of Coal India Limited, an undertaking of the Government of India. CCL manages the nationalized coal mines of the Coal Mines Authority, Central division. Headquarter of CCL is in Ranchi, Darbhanga House, Near Rajbhawan. CCL Motto is – Committed to create Eco Friendly. Total number of employees in CCL is 40840 as on 01.03.2018 (including executive and non-executive).

Central Coalfields Limited is a Category-I Mini-Ratna Company since October 2007. During 2009-10, coal production of the company reached its highest-ever figure of 47.08 million tonnes, with net worth amounting to Rs.2644 crore against a paid-up capital of Rs.940 crore. Formed on 1st November 1975, CCL (formerly National Coal Development Corporation Ltd) was one of the five subsidiaries of Coal India

Ltd. which was the first holding company for coal in the country (CIL now has 8 subsidiaries).

Early History – Formation of NCDC (Pre-nationalisation)

CCL had a proud past. As NCDC, it heralded the beginning of nationalization of coal mines in India. National Coal Development Corporation Ltd. (NCDC) was set up in October, 1956 as Government-owned Company in pursuance of the Industrial Policy Resolutions of 1948 and 1956 of the Government of India. It was started with a nucleus of 11 old state collieries (owned by the Railways) having a total annual production of 2.9 million tonnes of coal. Until the formation of NCDC, coal mining in India was largely confined to the Raniganj coal belt in West Bengal and the Jharia coalfields in Bihar (now in Jharkhand), besides a few other areas in Bihar (now in Jharkhand) and a part of Madhya Pradesh (now Chattishgarh also) and Orissa. From its very beginning, NCDC addressed itself to the task of increasing coal production and developing new coal resources in the outlying areas, besides introducing modern and scientific techniques of coal mining. In the Second Five Year Plan (1956-1961) NCDC was called upon to increase its production from new collieries, to be opened mainly in areas away from the already developed Raniganj and Jharia coalfields. Eight new collieries were opened during this period and the production increased to 8.05 million tonnes by the end of Second Plan.

During Third Five Year Plan (1961-1966), though the Corporation had built up a much larger production capacity, it could not be utilized due to a sluggish domestic coal market. Production had, therefore, to be pegged down and the development of several collieries undertaken from the early part of the Plan period, had to be suspended. By this time, the contribution of NCDC to the nation's coal production (67.72 million tones) increased to around 9.6 million tonnes.

NCDC played a pioneering role in India's coal industry by introducing large-scale mechanization and modern and scientific methods of coal mining for promoting conservation of high grades of coal and exploiting deep coking coal seams necessitating heavy capital investment and sophisticated technical skill. NCDC went in for foreign collaboration with countries such as Poland and the USSR besides limited collaboration with Japan, West Germany and France. NCDC's role can be truly assessed by its contribution towards growth of new coal resources in, what are known as, the outlying areas. The opening of new mines in Madhya Pradesh, Orissa and Maharashtra brought about a significant change in these regions by creating new opportunities of industrialization and employment. Development of the Singrauli coalfields has brought coal almost to the door steps of northern India. With the development and application of improved mining techniques, emphasis on planning, design and research; introduction of modern mine management systems and an enlightened industrial relations policy, NCDC was able to provide the infrastructure for the total nationalization of coal industry in the country.

Nationalization of Coal Mines

A major event in the history of Indian coal industry during the Fourth Plan Period (1969-74) was the nationalisation of the erstwhile privately owned coal mines in two phases. In the first phase, the management of coking coal mines was taken over by the Government of India on 17thOct. 1971 and nationalization was effective from 5th January 1972. A state owned company, Bharat Coking Coal Ltd. was formed for managing coking coal mines. For convenience of management, BCCL collieries in the East Bokaro coalfields in Bihar (now Jharkhand) were transferred to NCDC, and its projects in Central Jharia region viz., Sudamdih and Moonidih deep shaft mines were handed over, in stages to BCCL.

In the second phase of nationalisation

The management of non-coking coal mines in the country, excepting the captive coal mines of the two steel plants, viz., TISCO and IISCO, was taken over by the Government on 31st January 1973. These mines were subsequently nationalized with effect from 1st May 1973 and another state-owned company, Coal Mines Authority Ltd. (CMAL) came into being with headquarters at Calcutta (now Kolkata) to manage and develop NCDC collieries and other newly nationalized units. NCDC itself, in this process, became a division of CMAL which owned 36 collieries under commercial production in Bihar, Orissa, Madhya Pradesh and Maharashtra, besides four coal washeries, one by-product coke oven plant, two large central workshops and manpower of about 71,000. As a result, NCDC units located in the States of Maharashtra and Madhya Pradesh, with the exception of Singrauli Coalfields, became a part of the Western Division..

Formation of Central Coalfield Limited (CCL)

The Coal Mines Authority Ltd. (CMAL), with its three divisions continued upto 1st November 1975 when it was renamed as Coal India Limited (CIL) following the decision of Govt. of India to restructure the coal industry. The Central Division of CMAL came to be known as Central Coalfields Limited and became a separate company with the status of a subsidiary of CIL, which became the holding company.

Vision of CCL : To emerge as a National player in the Primary Energy Sector, committed to provide energy security to the Country, by attaining environmentally and Socially Sustainable Growth, through best practices from Mine to Market.

Mission of CCL : The Mission of Central Coalfields Limited (CCL) is to produce and market the planned quantity of Coal and Coal products efficiently and economically in Eco-Friendly manner, with due regard to Safety, Conservation and Quality.

Major Milestones of Coal India before and after Liberalization

S.No	Year	Observations
1	1973–74	Nationalization of coal mines, in order to provide for a higher growth in coal sector to meet the growing energy needs of the country
2	1973–74	Incorporation of the Company as ?Coal Mines Authority Limited
3	1975–76	Incorporation of CMPDIL, ECL and WCL, and formation of BCCL, CCL, CMPDIL, ECL and WCL, as its subsidiaries.
4	1979–80	Construction of the low temperature carbonized plant started in Dankuni Coal Complex. The pricing policy of CMPDIL was reviewed to ensure that the company was working on a commercial line instead of working on (no profit no loss) basis.
5	1980–81	Construction of five new washeries: Moonidih washery, Ramgarh washery, Mohuda washery, Barora washery, Kedla washery. Overall production of coal by the Company and its subsidiaries crossed 100 million tonnes. Introduction of retention prices of coal by amending the Colliery Control Order, 1945 by notification dated March 31, 1982, in respect of its Subsidiaries.
6	1985–86	Formation of NCL and SECL as Subsidiaries of the Company, to manage certain mines managed by WCL and CCL.
7	1987–88	Blasting Gallery Method? introduced at East Katras mine under BCCL and Chora mine under ECL
8	1992–93	Formation of MCL as its Subsidiary to manage mines Talcher and IB valley in the state of Orissa.

S.No	Year	Observations
9	1995–96	Approval of a financial restructuring package by the Government, whereby Rs 891.7 crore of interest liability was waived, Rs 904.18 crore of plan loan repayment arrears was converted to preference equity and Rs 432.64 crore of non plan payment arrears were allowed a moratorium for repayment and interest accrual for a period of three years, to be repaid in three equal instalments.
10	1996–97	(Rating of A+), indicating adequate safety with regard to timely payment of interest and principal, awarded by CRISIL in respect of the Rs. 400.0 crore bond issue by the Company. Adoption of financial viability as the basis for approval of coal development projects.– Discontinuation of retention prices scheme and the Coal Price Regulation Account (CPRA), with the deregulation in prices of certain grades of coal.
11	1997–98	Corporatization of the financial flow between the Company and Subsidiaries, such that the Company is to receive only dividends under applicable policy from its Subsidiaries and the corpus of the Company was to be utilized to provide strategic support to a loss making entity only for, maintaining their productive capital assets. Sanction of loan of $1.03 billion from the World Bank and the Japanese Bank for International Co–operation for implementing 24 highly viable open case projects with global sourcing of equipments, of which $84.40 million was availed during the period between Fiscal 1998 to Fiscal 2004.
12	2001–02 2006-07	Laying down of a minimum internal rate of return of 12% at 85% capacity utilization as cut off for the development of a project.Introduction of sale of coal through e–auction method. ECL and BCCL reported profit of Rs. 363.8 crore and 202.67 crore in Fiscal 2006. 2006–07 – Decline in debt as a percentage of net worth from 66% in 2001–2002 to 10% in 2006 –2007.

Central Coalfield Limited: Financial Position.

The financial results of the CCL during 2016-17, as compared to 2015-16, are as under:

Sl. No	Particulars	2016-17	2015-16
1	Revenue from operations	11507.09	11543.20
2	Other Income	561.75	465.09
3	Total Revenue	12068.84	12008.29
4	Expenses excluding depreciation, interest	9250.73	8421.84
5	Profit before depreciation, interest	2818.11	3586.45
6	Depreciation/Amortization /Impairment	372.63	400.58
7	Interest	71.88	77.26
8	Profit before Tax	2373.60	3108.61
9	Tax Expense	984.19	1179.21
10	Net Profit after Tax	1389.41	1929.40
11	Other comprehensive income	20.05	65.49

Sl. No	Particulars	2016-17	2015-16
12	Tax on Other Comprehensive Income	8.32	24.83
13	Profit attributable to Owners of the Company	1401.14	1970.06

The Board of Directors of CCC has paid an Interim Dividend of ` 3634.04 Crs. (Previous year — ` 1457.00 Crs.) and recommended a final dividend of Nil. (Previous Year — Nil). Total dividend in 2016-17 is Rs. 3634.04 Crs. (dividend per equity share is Rs.3866.00, on 9400,000 equity shares of Rs.1000.00 each — previous Rs. 1550.00).

Financial Parameters of MoU 2016-17

1. Thus, CCL has achieved Rs. 10774.82Crs. for the parameter "Revenue from Operations (Net) : Net Sales+other operating Revenue(Net)". This is Excellent Rating against ` 10372.02Crs. of MoU Target 2016-17.
2. Thus, CCL has achieved 19.81% for the parameter "Operating Profit: PBT (Excluding other income, prior period and exceptional items)". This is Excellent Rating against 17.97% of MoU Target 2016-17.
3. Thus, CCL has achieved 67.38 days for the parameter "No. of Days of Inventory of Coal Stock (Net) to Sale of Products (Net)". This is Excellent Rating against 68.79 days of MoU Target 2016-17.
4. Thus, CCL has achieved 8.47% for the parameter "Trade Receivables (Net) as % of Revenue from Operations (Gross)". This is Excellent Rating against 13.65% of MoU Target 2016-17.
5. Thus, CCL has achieved 46.11% for the parameter "PAT /Net Worth". This is Excellent Rating against 18.31% of MoU Target 2016-17.
6. Thus, CCL has achieved 277.13% for the parameter "Dividend/PAT". This is Excellent Rating against 36% of MoU Target 2016-17.
7. Thus, CCL has achieved 127.79% for the parameter "Dividend/Networth". This is Excellent Rating against 6.59% of MoU Target 2016-17.

Conclusion

Keeping in view of the fact stated above , all terms and facts had explained how Indian Economy were pre-engaged in the liberalized world before 1991. During Mughal Era- Indian economy had interacted well with other parts economy and traded for smooth running of the economy. India's GDP per capita was lower than the Middle East i.e., 40%. The articles have covered the GPD value from different Era's. Liberalization reforms such fiscal and monetary etc into the Indian Economy had contributed a lot in terms of National Income and Net factor income from abroad. Financial data of Central Coalfield Limited into relation with Pre and Post liberalization showed a significant increase in the volume of the Coal production and Company value as a whole.

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Anusandhanika / Vol. XI / No. I & II/ 2019 / pp 112-118 ISSN 0974 - 200X

Strategic Manpower Planning for SME in Jharkhand

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Abstract

Human resource management is considered as the most critical factor that contributes in the competitiveness of any organization and supports the organization from resource requirements and allocations to operational areas that further contribute in the success of the organization. Strategic Manpower planning is the key component that ensures success of an organization. In according to Belu and Veloculi, have explained that strategic workforce planning is a continued process that works in close alignment to the organizational goals, mission and vision. This explanation further gives rise to the question how workforce planning significantly affects the growth and sustainability of an organization. To answer this question, it must be understood that the role for strategic HR planning is to ensure that right individual is employed at the right position at the right time. An employee is considered as the most important asset for any organization that has a creative and innovative impact on the business operations of any organization. As a result, around 40-45% SMEs in Ranchi as well as in entire state of Jharkhand are facing the challenges involving higher rates of employee turnover; these turnovers is more than 5% of the stipulated limit as per the permitted labour law limit. These leads to industrial unrest and higher levels of uncertainty. This also implies that there is an emergent need of strategic manpower planning that can help SMEs to sustain in the tumultuous industrial environment and provide support to the state in improving its socio-economic conditions.

Keywords : strategic manpower planning, workforce planning, sustainability, labour law

Introduction

From a SME-perspective, the study of Human Resource Management (HRM) is relevant for several reasons. First, it is observed that SMEs consider their HRM problems to have top priority (McEvoy, 1984; Hess, 1987; Hornsby and Kuratko, 1990; Huang and Brown, 1999; Dorst and van Meteren, 1999). Secondly, HRM is of special interest to SMEs because for these firms human resources play a vital role in developing and sustaining competitive advantage (Lado and Wilson, 1994; Duberley and Walley, 1995; Huiban and Bouhsina, 1998; Flanagan and Deshpande, 1996; Ferligoj, Prasnikar, and Jordan, 1997). In small firms this is even more relevant as a result of their specific work organisations and because SMEs are relatively labour intensive (Flanagan and Deshpande, 1996).

Human resource management is considered as the most critical factor that contributes in the competitiveness of any organization and supports the organization from resource requirements and allocations to operational areas that further contribute in the success of the organization. Strategic Manpower planning is the key component that ensures success of an organization. According to Belu and Veloculi, have explained that strategic workforce planning is a continued process that works in close alignment to the organizational goals, mission and vision. This explanation further gives rise to the question how workforce planning significantly affects the growth and sustainability of an organization. To answer this question, it must be understood that the role for strategic HR planning is to ensure that right individual is employed at the right position at the right time. An employee is considered as the most important asset for any organization that has a creative and innovative impact on the business operations of any organization.

Thus, it can be said that strategic planning works around certain objectives that include getting right person for the right role, ensuring that the individual is the right fit as per organizational culture and nature and optimum utilization of resource in helping achieve organizational goals and objectives. An absolute balance is required to understand resource availability with the organizational goals and then aligning them with manpower supply and demand. On achieving this balance, organization can achieve sustainability competitive advantage to sustain in the cut-throat competition.

Stages of Human Resources Strategic Planning

Analysis of organizational goals

↓

Analysis of organizational environment

↓

Forecasting the demand of human resources

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Forecasting the supply of human resources

↓

Developing plans and programmes

↓

Assessing the results

Source : http://www.strategiimanageriale.ro/papers/140479.pdf

Concept of SME & Significance in Economic Development

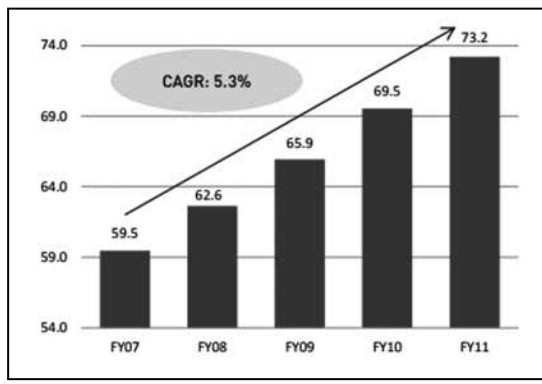
Across the globe, Small and Medium-sized Enterprises (SMEs) are considered as the major economic growth engine and promoters of equitable development. This sector carries enormous employment potential due to low capital cost. In comparison to the larger enterprises, they have much higher labour intensity. In most of the economies, SME sector constitutes for 90% of the total business enterprises and thus generates highest employment opportunities as they form the most production and export houses.

In India, SME sector has played a significant role in the overall industrial development of the country and have recorded higher growth rate as compared to larger enterprises in the industrial sector.

Over the years, SMEs have demonstrated the perfect socio-economic model through encouraging use of foreign exchange for importing capital goods, promoting labour intensive mode of production to boost employment opportunities for labour class resources.

In India, it can be said that SMEs form the backbone of the Indian economy. In 2011, SMEs accounted for 17% of country's GDP with more than 30 million units. Additionally, Small & Medium Business Development Chamber of India projected a significant growth of 22% in the share of SMEs in expanding the economy. These projections were backed by the voluminous addition of 12 million people to the SME sector between 2012 and 2014. Currently, SME sector employs nearly 60 million people.

Employment generated by MSMEs (millions)



Source: https://www.ibef.org/download/SMEs-Role-in-Indian-Manufacturing.pdf

Performance of Indian MSME Sector:

The Indian MSME sector provides maximum opportunities for both self-employment and wage-employment outside the agricultural sector and contributes in building an inclusive and sustainable society in innumerable ways through creation of non-farm livelihood at low cost, balanced regional development, gender and social balance, environmentally sustainable development, etc.

Indian SMEs are growing with a positive outlook by expanding their scope, capital investment and workforce requirements. The sector is perched to become bigger in Indian market accounting for an estimated 45% share in manufacturing output and 40% share in total exports. The governing bodies have also introduced several policies that are aimed to encourage growth of SME as it is believed that no economy can survive without a vigorous SME environment.

Regardless of the unmatchable capabilities and high fervour to grow and expand, SMEs in India are subjected to a number of strategic issues that may interfere with the growth. Some of the major challenges include scale of operation, inefficiencies in maintaining consistent supply chains, rising competition, technological constraints, shortage of funds, uncertain market conditions, etc. Thus, in order to cope with these challenges, SMEs are required to adopt strategic approaches in their operations. One of the major factors that can help Indian SME's to sustain in this transitional phase, keep with the high zeal and contribute significantly to the Indian economy is Strategic Manpower Planning. With respect to SME perspective, strategic human resource planning is vital to the sustainable development of SMEs.

Indian SMEs are required to develop processes and systems that will empower them to optimize strategic planning tools to drive business efficiencies and achieve overall organizational success. However, despite of the realization that the sector requires proper planning and inputs in the field of strategic management, it is believed that the sectors lacks consistency in the strategic management and is highly segmented. While on the other hand, many research studies have proved that many companies have shown remarkable performance and gained sustainable competitive advantage with the help of implementation of strategic plans.

Time and again there have been many apprehensions surrounding the contribution of human resource practices in the implementation of the strategic objectives of SMEs and enhance their performance. Strategic Human Resource management practices have laid more prominence on strategic alignment of HR practices with an organization's goals, responsibility development of managers, training and development programs in organizations, decision-making, employee engagement and other practices that add value to the overall organizational performance.

Research Background

Small and Medium enterprises have shown significant impact on economies all across the globe and are regarded as the most effective employment generating instrument in both developed and developing economies. Thus, with small capital investment and higher rates of employment generation, they play a pivotal role in the economic development of any economy. In most developing countries like India, small-scale and cottage industries are prominent with respect to employment opportunities, balanced regional growth, rural and urban development and equitable distribution of national income.

The large-scale employment opportunities offered by SMEs, bring in an assurance of improvised equitable distribution of national income and effectual capital and resource mobilization that may otherwise go unutilized. As already stated that the sector is a growth engine, it is very important in developing economies especially India as it contributes in revenue generation, employment generation, export earnings and GDP. According to the latest statistics, Indian economy is one of the fastest growing economies and with such observable upward trend in the economic growth, SMEs are making incredible efforts to make the presence realized and bring growth plans to reality.

Over the last few years, there have been areas, where SMEs failed to grow due to challenges faced in acquiring capabilities to transform business. In business to business as well business to customer business models, SMEs are required to compete with big market players. This is because, it is easier for large businesses to form strategic alliances and partnerships to tap upcoming opportunities, build robust resource strengths, enhance supply chain effectiveness and provide value-added services to end-users. This is where the real challenge comes in for SMEs and a need to adopt strategic approach in business operations surfaces.

As the developing countries struggle with higher rates of unemployment, big business shut-down, lower economic growth and degraded living standards, it has become imperative to encourage the expansion of SMEs and leverage their potential as growth and employment drivers. Thus, to facilitate the growth of SMEs, it is important to understand the key factors that directly affect their growth and performance. In this context, there is a need to closely understand the working patterns being adopted in SMEs and relative business models.

In general, small and medium enterprises are considered as the labour intensive production units and this is the reason why they have become the employment generation engines within any economy. Despite of being one of the highest employment generating sectors, the use of Human resource management practices is one of the most questioned and least researched topic. It has been realized that still Human resource management or strategic HRM is considered as a part large business enterprises and is not given much priority in the SME sector.

Strategic human resource management empowers enterprises to strategically manage their resources and leverage the best out of them to improve the overall quality of production. Thus, it can be said that effective business strategies are inevitable for the growth and expansion of SME sector. Usually the business operations of SMEs are stuck due to various challenges including lack of expertise and skills, limited availability of resources and inexperienced management. Thus, it becomes highly to incorporate strategic manpower planning and deploy right person at the right job in order to maximise the possibilities of unmatched growth and performance. Even the entrepreneurs are now opening up on exploring ways address these common issues and bring more power to the sector.

Therefore, the purpose of this research paper is to explore and evaluate the role of strategic human resource practices and its impact on the sustainability of the SMEs. The study also focuses on key success factors of business such as human capital, core competencies, social capital, intellectual capital, etc. Although, a lot of research studies have been conducted around use of SHRM in SMEs, but no study has deliberately emphasised on the role and impact of strategic manpower planning on the sustainability of SMEs. To make study less generalized and more focussed, the researcher has conducted comprehensive study on the strategic manpower planning for the sustainability of SMEs in the Ranchi region of Jharkhand. The research will focus on how SHRM practices can be useful for SMEs and how they can help manage labour issues and ensure sustainability in the times of economic crises.

Jharkhand is the 28th state of the union and came into existence on November 15th, 2000. The state is endowed with ample natural resources having vast varieties of mineral resources including Mica, Granite, Bauxite, Dolomite, Uranium, Fieldspar, Quartz, clay, iron, coal, copper and Magnetite. In fact, the coal and copper reserves in the state comprise of 32% and 25% of total coal and copper reserves of India respectively. Furthermore, it is topmost producer of Mica, Uranium, Kainite and Iron ore, and 3rd highest producer of Coal. Additionally, 29% of the state is occupied by Forest and Woodland that is the largest in India. Thus, it can be asserted that Jharkhand is the mineral rich state of the country and accounts for around Rs 3000 crores of total mineral production.

Around 30% of Jharkhand's geographical area is covered with highly bio diversified forests, thus, giving opportunity for development of Minor forest produce based industries and herbal based industries. Also, its agro-climatic condition is suitable for development of Agri-based and allied sector industries. Jharkhand has experienced phenomenal growth in Sericulture Sector. In order to maintain the leading edge and rejuvenate existing rural industries including sericulture, handloom, handicraft, khadi, textile etc., it is envisaged to assist them in modernisation/technological up gradation and provide necessary common facilities, backward and forward linkages including product design, marketing support etc. so as to make them globally competitive and their product remunerative.

Jharkhand government is taking adequate steps with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Cognizant of the efforts required to make global distribution of local products a reality in accordance with the national “Make in India” policy, Government of Jharkhand stresses on “Zero Defect” to produce globally-competitive, locally manufactured goods. It is necessary that these products be marketed aggressively and their promotion facilitated by the Government.

Jharkhand is progressing fast on adopting best practices for making an investor friendly environment in the state to facilitate investments, employment generation and welfare of the people. Measures like Jharkhand Investment Promotion Board, single window clearance, online payments, online verification, third party certifications, self- certification, time bound approvals, availability of information online; standard operating procedures for approvals, deemed approvals, etc. are being adopted by various departments and government agencies.

Industrial development promotes higher capital formation, raises wage incomes and absorbs surplus workforce to bring about equitable development. Therefore the State Government has accorded top priority to industrial growth as a means to mitigate poverty and unemployment. Jharkhand Industrial and Investment Promotion Policy aims to establish state-of-the-art infrastructure, promote manufacturing, enhance inclusivity, foster innovation and create employment opportunities across sectors. The Government of Jharkhand lays utmost emphasis on sustainable SMEs development anchored by capacity building at the grassroots level.

In the context of the above discussion, it can be asserted that, with its vast mineral reserves, Jharkhand is one state that has ample amount of potential for the growth and development of small and medium enterprises that will lead to enhanced employment generation. Currently, 48 million SMEs are actively working in India and around 47,462 are in Jharkhand with 410 actively functioning SMEs in Ranchi, the capital of Jharkhand.

Ranchi, the capital of Jharkhand, is considered as the SME hub of the state as it holds great potential for the growth and development of SMEs in the region. Currently, there are six industrial zones in the region that account for 84 active SME units. Although the companies in the region are adopting the Human resource management practices and reaping realized benefits through it, most SMEs focus on short-term profits and comprise of temporary workforce. This clearly states that the sector is not willing to take up the SHRM practices and adopt ways to engage and retain workforce. As a result, around 40-45% SMEs in Ranchi as well as in entire state of Jharkhand are facing the challenges involving higher rates of employee turnover, industrial unrest and higher levels of uncertainty. This implies that there is an emergent need of strategic manpower planning that can help SMEs sustain in the tumultuous industrial environment and provide support the state in improving its socio-economic conditions.

HRM as a multi- faceted process in SMEs

Human Resource Management is a multi - faceted process involving various strategic approaches to manage a company’s most valued assets - the ‘human resources’ in the organization. It includes a plethora of activities across various areas like human resource planning, recruitment, selection, motivational techniques, performance management system, training and development and the like. In a small business the role of HR is very crucial as it requires the management of multi-skilled people due to requirement of limited number of people who are required to be multi- tasked.

The following HR practices are assumed to be important for small businesses (Input from Desai Vasant, 2011 and other readings):

Manpower planning: MPP or HRP in a small business is usually a one man show or a matter of group decision involving the head of the organization as the number of people is usually less. There is as such no formal way of job analysis, or job description, job specification but it is done in line with strategic requirements.

Recruitment, selection and placement: Many small businesses go ahead with the referral as a selection method to keep a check on the loyalty part of the employees. The selection of employees in small businesses can be though public or private employment exchanges, local job portal in online, training institutes, local colleges, newspaper advertisements, professional associations etc.

Performance Appraisal: T V Rao (2005) in his paper approved of designing a simple and effective PMS (Performance Management System) for the small and medium organization and to invest in some amount of training. He focused on creating a learning environment and being sensitive to factors that help to retain talent. As in small businesses multi- tasked people are required to function effectively hence an effective PMS has to be designed to motivate the key people with monetary or non-monetary incentives.

Training and development: Mostly on- the-job training is followed in small businesses. In certain businesses off-the –job training and specialized training is recommended for. On-the-job training helps the organization to cut costs to the company, along with the added advantage of skilling its people in its own work environment and work-processes.

Employee compensation: Fringe benefits like health plans, pension plans, bonus, profit sharing as well as other means of rewarding the employees and especially high performers have to be specially taken care of by the SME entrepreneurs. Few key people hold multiple responsibilities in the small businesses and they have a strong local network, hence it is very important for the business house to compensate these high performances in a commensurate manner.

Motivation: Attention should be paid by small businesses with regard to factors for enhancing higher morale and productivity of their employees. Focus of entrepreneurs towards motivational aspects in SMEs is quite necessary, as it is managed with few people, as compared to large organizations.

Communication: Forms of communication, whether oral or written, should have clarity, flexibility, be more open, and enhance efficiency and productivity.

The Importance of Human Resources in the Success of SMEs (Small and Medium Size Enterprises) in Jharkhand

The SME sector is a manufacturing and services sector and performance assessment generally depends on the performance of the staff employed in them. Highly qualified, motivated and happy staffs are the main factor for the success of SMEs. Good customer service remains the main factor to distinguish from one SME to another SME and the competitiveness of each market. There are several reasons for this:

Good service is a key factor that explains why a potential customer chooses a particular SME or why existing customers stay or leave an SME.

Best impressions of a service, expressed from a friend or relative, effects in choosing a SME. Moreover, a bad impression on service will send customers to other competing firms.

High customer service gives all SMEs sustainable and long term competitive advantage. This service will be difficult to duplicate and surpassed by competitors in the short term. Good service is not reached immediately; it takes many months, if not years, of investment in the training and dedication to achieve it.

Industrial Relations and Labour Law

For industrial peace and worker co-operation, labour laws and legislations have to be followed. The law are mostly same as that is applicable to large enterprises. The legislation can be categorized as:

a) Law regulating to working conditions

- Factories Act, 1948

b) Law regulating wages

- Minimum wages Act, 1948
- Payment of Wages Act, 1936

c) Law relating to social security measures

- Workmen's Compensation Act, 1923
- Employee's State Insurance Act, 1948
- Employee's Provident Fund and Family Pension fund Act, 1952

d) Laws relating to worker's associations and disputes

- Trade Union Act, 1926
- Industrial Disputes Act, 1947

e) Law relating to women and child workers

f) Law relating to environment and pollution control

Conclusion

To summarize, HR functions deal with different dynamics when contributing to SME growth plan. While the organization plans to follow a successful Trajectory, there is a need for both HR and the promoters to appreciate and agree on change management agenda through change in organization culture. HR has the responsibility to understand business dynamics in SME environment before implementing the standard HR practices, policies and processes. This mutual appreciation will help HR to be an effective business partner.

The success, survival and growth of the economy lies in a competitive based market. Whereby regulations and practices are transparent, ethical, effective and appropriate: and whereby, the big corporate houses, government and the small industries work in a collaborative manner. Though a lot of initiatives have been taken up by the central as well as state government, through its various policies and plans, and also by the Private sector, yet a lot more can be done to make this sector even more vibrant. Policy induced restriction, high- cost of infrastructure and raw materials, licensing controls, restrictive trade practices, bureaucratic controls, discretionary approvals etc have to be removed from the system.

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Anusandhanika / Vol. XI / No. I & II / 2019 / pp 119-124 ISSN 0974 - 200X

Performance Evaluation of Life Insurance Corporation of India after Liberalization

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Abstract

The word performance refers to the process or manner of functioning or operating. The Government of India liberalized the insurance sector in March 2000 with the passage of the Insurance Regulatory and Development Authority (IRDA) Bill, lifting all entry restrictions for private players and allowing foreign players to enter the market. The entry of private players has increased customer awareness. After liberalization of insurance sector private insurers are making waves. They have beaten all the forecasts. The type of growth rate they have achieved for themselves has no parallel on the globe. In the year 2000-01 when the insurance industry was opened up to the players, the life insurance premium was Rs. 34898.48 crores. The premium income for the life insurance segment has grown 303% between 2000-01 and 2005-06. The analysis has been made in the following area also new rural business, number of policies, sum assured, new business progress under Group Superannuation Scheme etc. In the era of competition, performance evaluation has become significant in order to survive for a long period of time. It provides a base for checking and controlling the weak areas of the activity and also provides a ground for growth, expansion and diversification. The present research work is an attempt to study the performance of LIC after the liberalization.

Keywords : reforms, premium, annuities

Introduction

Insurance is the best form of fortification against risk that has been formulated by man. Since its emergence, insurance has become unavoidable to every aspect of human life from health disorders to building properties insurance is considered to be a social device to meet uncertain losses, when the need arises. In general it is clear that an insurance organization bears the responsibility of offering world-class services to the ultimate users, which needs innovative marketing practices. Insurance in India started without any regulations in the nineteenth century by Britishers. After the independence, the Life Insurance Company was nationalized in 1956, and then the general insurance business was nationalized in 1972. The Life Insurance market in India is an underdeveloped market that was only tapped by the state owned LIC of India till the entry of private insurers. The penetration of Life Insurance products was 19% of the total 400 million of insurable population. Most customers were under-insured with no flexibility or transparency in the products. With the entry of the private insurers the roles of the game have changed. The Government of India liberalized the insurance sector in March 2000 with the passage of the Insurance Regulatory and Development Authority (IRDA) Bill, lifting all entry restrictions for privat4 players and allowing foreign players to enter the market with some limits on direct foreign ownership. The bill was passed to protect the interest of the policyholders from private and foreign players. Under the current guidelines there is a 26% equity cap for foreign partners in an insurance company. There is a increase in this limit to 49% in 2014.

Materials and Methods

For almost four decades LIC has been sole player with virtual monopoly in the Life Insurance Sector in India. From 2000 many private players entered into the insurance industry passing a tough competition to LIC. LIC has been re-organizing itself in order to perform better than the new players. In order to keep its performance consistent, LIC has been formulating new strategies and plans from time to time. No doubt experience generally improves performance and LIC has experience of almost fifty years.

My paper is based on secondary data. Secondary data has been collected from books, papers, annual reports and some research paper available on internet. One of the technique used was chi-square that led to forming of homogeneous.

As many new players have joined the insurance industry and have started their business, LIC must analyze its performance in order to face the competition. The performance of Life Insurance Corporation has been evaluated on the basis of Quantum of Business as well as income of the corporation. The analysis has been made by using the following performance measures[1];

Performance Measures Parameters

Individual Insurance

a. New Business in India
b. New Business out of India
c. New Rural Business
d. Business in Force in India
e. Business in Force out of India

Group Insurance

a. New Business Progress under Group Superannuation Schemes.
b. Business in Force under Group Insurance and Superannuation Schemes

Other Performance Measures

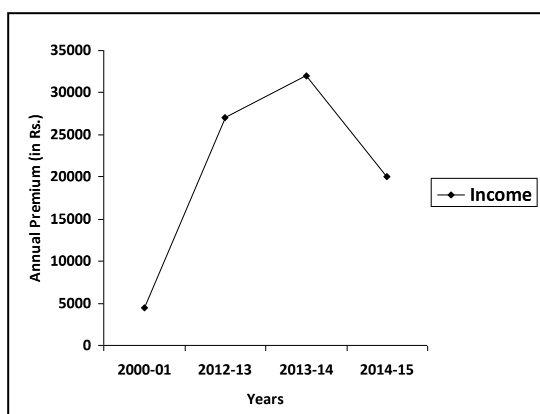
a. Growth in Active Agents
b. Composition of Income
c. Average Sum Assured per Policy
d. Claims Settlement Operations
e. Analysis of Utilization of Income
f. Life Insurance Fund

Individual Insurance

New Business in India

LIC offers a basket of schemes to meet the various needs of an individual and his family. New business is a pointer towards the spread of message of insurance among those people who have never availed of the benefits of Life Insurance as well as the existing policyholders.

The premium income of the corporation has shown earlier wrong growth during 2000-2016. In 1993-94 the annual premium was Rs. 2507.73 crores which kept on increasing every year and reached to Rs. 19989.28 crores in 2014-15. This is shows by following diagram



There has been steady increase in the number of policies from 1993-94 to 2014-15 i.e. from

10725633 policies to 26456320 policies.

New Business Out of India

LIC is the most preferred multinational organization catering to the insurance and financial needs of Non-resident Indians (NRI's) and people of Indian Origin (POI's) in particular and of the global market in general.

In terms of annual premium, there are many fluctuations in the performance of LIC. In 1993-94, annual premium was Rs. 12.13 crores which increased to Rs. 299634 crores in 2016-17. There are three major hiccups that occurred in 1996-97, 1998-99 and 2000-01 when there was fall in the amount of annual premium with negative growth of -1.53%, -5.31% and -35.40% respectively.

In case of number of policies the offshore performance of LIC has been pretty well in the initial year but some downfall is happed in 2005-06 after that the overall business is normal.

New Rural Business

Sustained and conscious efforts are made to carry the message of Life Insurance into the rural areas, especially the backward and remote areas. The performance of new rural business has been analyzed in the terms of number of policies and sum assured. After reforms there has been steady growth in the new business of rural market of the LIC. In 1993-94 the number of policies in rural areas were 48.56 lacs and in 2015-16 it increased to 4 million with 19.5% growth rate. In context of sum assured from new rural business it increased from Rs. 16680.41 crores in 1993-94 to Rs. 144168.19 crores in 2015-16.[2]

Business in Force in India

The quantum of business in force indicate the sum assured number of policies and the total premium till date. It is the major indicator of growth of the corporation. It reveals the amount of business that the corporation has been able to conduct in the country.

Premium income of business in force in India in case of individual insurance has increased every year but the rate of increased is not constant. As the premium income increased from Rs. 8758.19 crores in 1993-94 to Rs. 1.45 trillion in 2015-16. The rate of growth has been quite fluctuating.

In case of total numbers of policies, LIC maintained the growth rates of above 7% throughout. In 1993-94 there were 608 lac policies only and in 2015-16, number increased to 4539.21 lac which is outstanding.

Group Insurance

Group Insurance refers to the policy taken on the lives usually of the employees of a business concern. A policy is taken for insuring a group of people generally employees.

Group Life Insurance is that form of life insurance covering not less than fifty employees with or without medical examination. Eligible groups for group insurance are:

a. Employer-Employee Groups

b. Labour-Union Groups

c. Creditor-Debtor Groups

d. Government Schemes

e. Co-operative Societies

Types of group Schemes are:

a. Group Gratuity Scheme

b. Group Superannuation Scheme

c. Group Leave Encashment Scheme

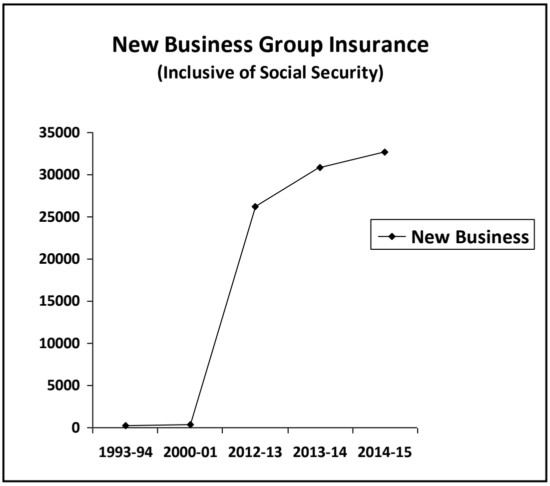
d. Group Annuity Scheme

e. Group Scheme for VRS[3]

Instead of using a term policy, under group insurance term 'Scheme' is used and for total number of people term 'Lives or member' is used. Sum assured is referred to as 'Annuity'. New business for group insurance under superannuation schemes has been analyzed for assessing the performance of LIC. This analysis is done on the basis of number of schemes, number of members and total annuity per annum/sum assured.

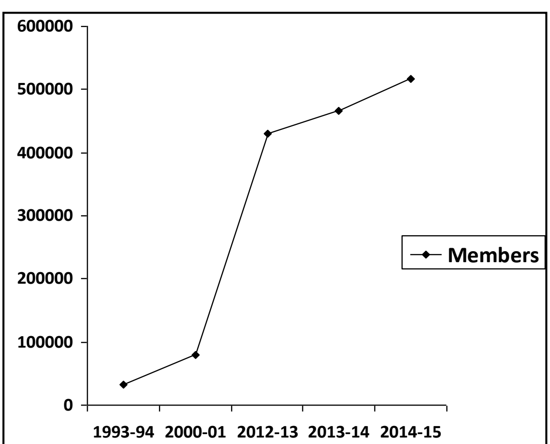
In case of number of schemes new business group insurance has increased from 273 new schemes in 1993-94 to 32710 schemes in 2014-15. The compound growth rate of number of schemes for the entire perioe is 4.29%.

This one is also present through following diagrams:



Source: 58th Annual Report, Page-99

In case of number of members, the new business, group insurance of LIC has been quite inconsistent. Though the number of members insured increased from 31695 in 1993-94 to 430.61 lacs in 2012-13 466.39 lacs in 2013-14 and 517.23 lacs in 2014-15. The compound growth rate of number of members is 12.35% during last 15 years. The whole data is present through following diagram:



Source: 58th Annual Report, Page-41

New business under superannuation schemes in terms of total annuity per annum has increased from Rs. 18.17 crores in 1993-94 to Rs. 113001.56 crores in 2012-13, Rs. 176892.18 crores in 2013-14 and Rs. 247447.94 crores in 2014-15. The major downfall occurred in the year 1998-99 when the growth rate was negative, i.e. -8.67%. This year proved to be a bad year in terms of number of schemes also. But after this bad year LIC started improving its position with an increase in the growth rate of total annuity every year. The compound growth rate of total annuity for the entire period is 24.86%.

Other Performance Measures

Growth in Active Agents

The performance of Insurance business to a large extent will be dependent on the skills and the ability of the well trained agents to attract the public to its ford. It is the responsibility of the industry to strengthen the hands of the agents to handle the problems linked with increasing complexity of insurance products, rapid changes in the market place scenario, sophistication etc.

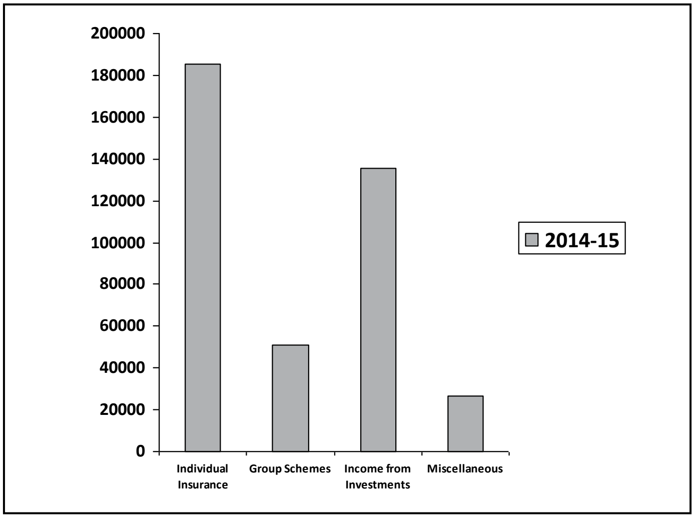
In LIC basically two categories of agents exist. One is a direct agent known as career agent and other category is of those agents who are appointed by the development officers. The agent is not born but can be made effective though training. Every agent has to satisfy the condition of 12 policies in a year in order to retain its agency. In case of non-compliance of this condition, the agency automatically gets cancelled. The number of active agents increased from 524427 in 1993-94 to 2.18 million. The compound growth rate of last 20 years in approx 2.0%, while the private life insurers recorded an increase of 4.5%

Composition of Income

Income of an organization is one of the important parameters for evaluating its performance. Income generated by LIC every year is a composition of various variables. Income of LIC comes from (1) First Year Premium, (2) Renewal Premium, (3) Single Premium and Consideration for Annuities, (4) Income from

Investments and (5) Miscellaneous.

The huge percentage of income comes from Renewal Premium every year the second big percentage of income comes from investments, then first year premium, followed by single premium and consideration for annuities and the smallest contribution is of miscellaneous income.[4]



Source: 58th Annual Report, Page-94

The compound growth rate of first year premium for last 17 years is 1.13%. The percentage share of renewal premium lies between 45% to 50% of the total income. But the compound growth after reforms is 0.86%.

In case of single premium and consideration for annuities the percentage share lies between 1% to 7% of the total income. The compound growth rate of this part during reforms is 18.35% in renewal premium.

Substantial share to the total income of LIC comes from income from investment. The compound growth rate in investment is 16.8%.

There are some miscellaneous income also which contribute in a very small percentage between 0.5% to 3% to the total income. The compound growth rate in this area is 11.74% in last 15 years.

Average Sum Assured per Policy

The performance of LIC can also be evaluated in terms of Average Sum Assured per policy. This is calculated by taking Sum Assured of new business for different years and dividing it with the number of policies for different years and dividing it with the number of policies for different years.

In 2000-01 the average sum assured was Rs. 63475 which increased to Rs. 175108. As far as the compound growth rate of average sum assured per policy is concerned, it has been 6.89% for last 17 years.[5]

Claims Settlement Operations

The settlement of claims is very important aspect of service to the policy-holders. Hence, the corporation has laid great emphasis on expeditious settlement of the maturity as well as death claims. The corporation strives to settle maturity claims on or before the due date itself.

The performance of LIC is evaluated on the basis of claims settlement operations. For this, the data relating to claims intimated, claime settled and claim outstanding at the end year is analyzed. In year 2000-01 total claim intimated in number was 75.55 lacs and in amount it is Rs. 11666.82 crores. Claim settled during the year 2000-01 was 75.86 lacs and in amount Rs. 11637.98 crores. Below table explain in better way of claims settlement.

Claim Settled during the year

Year				Death		
	Number (In lacs)	**Amount (Rs. In Crore)**	**Percentage outstanding maturity claims**	**Number (in lacs)**	**Amount (Rs. in crore)**	**Percentage outstanding death claims**
2012-13	173.85	64630.13	0.53	9.78	9447.71	0.90
2013-14	248.87	81424.54	0.33	10.13	9761.91	0.48
2014-15	222.17	79365.71	0.23	10.15	11092.45	0.44

Source: Annual report 2014-15, Page No.-109

The compound growth rate of claims intimated in number as well as in amount is 11.66% and 19.52% respectively.

Life Insurance Fund

Out of the total annual income of the corporation, some percentage of the total income is kept under Life Insurance Fund every year. It is a fund created by the corporation out of the Life Insurance business. The amount of this fund is used by the LIC for making investments and for providing loans. This fund is maintained after meeting all kinds of expenses and after making each and every payment related to Life Insurance business such as payment of claims, salaries, commission, taxes, government share of surplus, surrenders etc. To analyze the performance of LIC, the evaluation of Life Insurance fund is important.

The life fund amount is growing consistently every year. Figures pertaining to years 2012-13, 2013-14 and 2014-15 are Rs. 1433103 crore, Rs. 1607025 crore and Rs. 1824195 crore respectively. The average percentage growth in the Life Insurance fund has been approx 20 to 22%.

Conclusion

On the whole the performance of Life Insurance Corporation has been quite satisfactory in respect of almost all the parameters after liberalization. The growth of various indicators of performance has been rather rapid especially upto 2001-02 i.e. until the private players entered the market. The efficiency factor of the LIC has also improved as reflected in outstanding/unsettled claims at the end of the year which showed significant positive compound growth rate. Analysis of premium collection, new business, new rural business showed significant growth rate. Group Insurance Scheme also becomes popular day by day. After reforms agents became more responsible and amount contributed on Life Insurance Fund also increased gradually.

So we can say that after liberalization LIC become more strong and face still challenge from private insurance players.[6]

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Anusandhanika / Vol. XI / No. I & II / 2019 / pp 125-129 ISSN 0974 - 200X

Impact of Motivation Practices on Job Satisfaction and Productivity

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Abstract

Motivation plays a crucial and significant role. Motivation has positive effect on the efficiency and performance of employees. It increases job satisfaction and brings stability in the workforce. The significance of motivation in the workplace is very high because it puts human resources into action and improves level of efficiency and job satisfaction. Motivation is a bunch of internal and external factors that stimulate desire and energy to the employees to be continually interested in and committed to the job. There are many theories of motivation. Some claim that the role of social processes in the organization is vital, as long as the need of belongingness is more important than money. Others consider organizational reward system as a possibility to motivate employees. There is no one correct approach to motivation. Every individual has its own "need theory" and that is why knowing that how to motivate employees is very important in managerial practice. In the view of above facts our present project work is aimed at throwing light on the various motivational practices and its impact on employee's satisfaction and performance, and consequent result thereof. There are several other factors, no doubt, which have far rich influence on human resource management and some of the factors are highly crucial in effect but with the growing development of the idea, industrial units are facing worldwide competition. As a result, the motivated and satisfied workforce has become very significant and its positive effect also has constructing influence on organizational efficiency. In this paper we would like to emphasis on Impact of motivational practices on job satisfaction and productivity.

Keywords : motivation, job satisfaction, productivity

Introduction

Employees are backbone of any organisation. The success of every organisation largely depends upon their employees. Employees are vital for the success and failure of the organization. Generating positive behaviour of the employee is essential for creating congenial atmosphere and restoring the industrial peace in the organisation.

Employees in any organisation need something to keep them working. Mostly the salary of an employee is enough to keep him or her working for an organisation. However, sometimes just working for salary is not enough for employees to stay at an organisation. An employee must be motivated to work for the organisation. If no motivation is present in an employee, then that employee's quality of work or all work in general will deteriorate.

The study of human motivation is of great importance in any theory of management. Human is an organic system, not a mechanical one. The input of energy such as food, water, rest, environmental conditions etc are converted by him into the outputs of behaviour. This behaviour is determined by relationship between his characteristics as organic system and the environment in which he moves. Management involves creation and maintenance of environment for performance of individuals working together in group towards accomplishment of organisational objectives and, therefore, the manger cannot perform his function without knowing what motivates people.

A man's performance on a specific task is a function of his skill and motivation. Thus it can be said that P=f(S, M), where P is for performance, S for skill and M for motivation. Skill does not guarantee that the individual will put forth his best effort. There is another variable, motivation which finally determines the effort which can be expected from such employee. It is rightly said that we can buy a man's time, we can buy a man's physical presence at a given place, but we cannot buy his enthusiasm, initiative and loyalty. Motivation aims at transforming the "ability to do" into "the will to do".

Motivation

Motivation is what drives a person into doing something. Much of what we do is driven by the thought of a potential reward, or a consequence of not doing something. The rewards or consequences can be obvious tangible benefits, such as financial reward, enjoyment or the risk of these being taken away through losing one's job. There are also other benefits that are less obvious, but which still motivate people to do something such as an internal satisfaction or feeling of achievement.

Grazier provides a useful reference indicating that the expectation of a benefit is a major reason that somebody would be motivated to do something. "Each day brings with it an endless list of decisions to be made. The process of making those decisions is driven, in large part, by the hope of a benefit or the fear of a consequence"[1].

Rensis Likert has called motivation as "the core of management"[2]. Motivation is an effective instrument in the hand of the management in inspiring the workforce. It is the major task of every manager to motivate his subordinates or to create the 'will to work' among the subordinates. Motivation will also foster team spirit among the employees and increase their loyalty to the work group.

In order to motivate employees to work for the organisational goal, the manager must determine the motives and needs of the employees and provide an environment in which appropriate incentives are available for their satisfaction. Higher motivation leads to job satisfaction of the employees which can reduce absenteeism, staff turnover, misconduct and labour unrest. Other motivational concerns of a manager are retention and growth.

According to Dalton E. McFarland, "Motivation refers to the way in which urges, desires, aspiration, striving or needs direct, control or explain the behaviour of human beings"[3]. Motivation has close relationship with the behaviour of human beings. It explains how and why the human behaviour is caused. McFarland considers the terms used in his definition in a general sense "as forms of tension occurring within individuals, with resulting aimed at reducing, eliminating or diverting the tension. Understanding the need and drives and their resulting tension helps to explain and predict human behaviour, ultimately providing a sound basis for managerial decision and action". This motivation is a term which applies to the entire class of urges, drives, needs and similar forces.

Types of Motivation

1. Positive Motivation: In real sense, motivation means positive motivation. Positive motivation includes people to do work in the best possible manner to improve their performance. Under this motivation, better facilities and rewards are provided for their better performance. Such rewards and facilities may be financial and non-financial.

   Positive motivation is the "Pull" mechanism, which includes enjoyment and optimism about the task that one is doing. It is a process of attempting to influence others to do your will through the possibility of gain or reward. People work for incentives in the form of the 4P's of motivation: Praise, Prestige, Promotion and Pay cheque.

2. Negative Motivation: Negative motivation aims at controlling the negative efforts of the work and seeks to create a sense of fear for the workers, which he has to suffer for lack of good performance. It is based on the concept that if a worker fails in achieving the desired result, he should be punished.

   Negative motivation is based on force and fear. Fear causes persons to act in a certain way because they are afraid of the consequences. If workers do not work, they are threatened with lay-off or demotion. Hence, negative motivation is a "Push" mechanism.

Sources of Motivation

Motivation is all about what a person wants and about his emotional state, which drives him in the direction of achieving what he wants. According of Jones and George motivation comes from two sources: oneself and other people. These two sources are called intrinsic motivation and extrinsic motivation.

1. Intrinsic Motivation : Intrinsic motivation refers to motivation that is driven by an interest or enjoyment in the task itself, and exists within the individual rather than relying on any external reward or pressure. Intrinsic motivation is based on taking pleasure in an activity originated from the relationship between an employee and a task. Thus employees within a work situation will be intrinsically motivated by their work which gives them a sense of accomplishment, enjoyment and achievement.

2. Extrinsic Motivation: Extrinsic motivation refers to the performance of an activity in order to achieve an outcome. In other words, the desire to perform a task is controlled by an outside source such as an external reward or fear of punishment. Employees with some extrinsic work values desire some of the consequences of working which may include earning money, having status, time off from work for family or fear of loosing the job.

Significance of Motivation

(i) It puts workforce into action and leads to stability of workforce, which ultimately leads to stability of the organization.

(ii) It increases satisfaction level of workforce.

(iii) Workforce will tend to be as efficient as possible by improving their skill and knowledge so that they contribute to the progress of the organisation.

(iv) The rates of staff turnover and absenteeism will be low.

(v) There will be increase in the quantity and quality of products. Wastage and scrape will be less. Better quality of products will also increase the public image of the organisation.

Methods of Motivation

Motivational methods are instruments in the hand of management that prompt the workforce to act in a certain direction to achieve organizational goal. There are various methods of motivation which are broadly classified into two categories such as financial and non-financial methods

1. Financial Methods:Financial methods are in monetary forms which are measurable in money worth to motivate employees for better performance. As we know money is an important motivator. Money plays a significant role in satisfying physiological needs. As money is recognized as the basis of status, respect and power, it also helps to satisfy the social needs. The different financial methods of motivation are:

   a) Salary or Wages

   b) Incentive or Bonus

   c) Retirement benefits

2. Non Financial Methods: Non-financial methodsare used to provide psychological and emotional satisfactions rather than financial satisfaction. The non-financial methods are more effective in the organization. There are many forms in which they can be given. Managers may increase motivation by giving employees more responsibility so that they feel their contribution is more valuable. Further, managers can promise the chance of promotion if they reach a certain standard or target. Some non-financial methods are:

a) Appreciation and Recognition

b) Growth Opportunity

c) Performance Feedback and Guidance

d) Participation in Decision Making

e) Nomination for External Training

Job Satisfaction

Job satisfaction is the amount of pleasure or contentment associated with a job. It is an individual's emotional reaction to the job. In the words of Feldman and Arnold "Job satisfaction is the amount of overall positive effect or feelings that individuals have towards their job"[4].It is a combination of psychological and physiological factors that makes an employee to admit that "I am happy at my job".

Job satisfaction is considered as a state of condition where employees are:

(i) Induced to do work efficiently and effectively,

(ii) Convinced to remain in the organization,

(iii) Interested in promoting the image of the organization, and

(iv) More happy and satisfied with their job.

(v) Interested to contribute to increase the organizational productivity.

Importance of Job Satisfaction

When employees are allowed to operate freely, job satisfaction can contribute substantially to the organisational effectiveness. It can contribute to productive output in the form of high quantity and quality of products or services, as well as to organisational maintenance as represented by low absenteeism and turnover. Yet in a great many instances, aspects of the individual, the organisation, or the environment constrain the satisfaction - productivity relationship to the point where its practical importance is minimal. Ultimately stress may catch up with such a person and signs of poor corporate citizenship may appear, but such denials of natural satisfaction output patterns can maintain themselves for long periods.

Hence, job satisfaction is often much more important to the individual than to the employing organisation. Individuals can change jobs, thereby obtaining more satisfying work. Organisation can shift people from job to job within the firm, but their capacity to move people from organisation to organisation is very limited. The obvious exception is when a firm provides outplacement assistance to its laid-off workers.

Motivation and Job Satisfaction

Job satisfaction and motivation reinforce each other, strengthen each other and promote each other. If the employee is satisfied on the front of job performance he tends to be motivated, and highly motivated employees perform better on the job and derive more satisfaction out of it which ultimately leads to more job satisfaction. Apart from it motivation and job satisfaction are both psychological factors creating some forces or tension or pressure for behaving or doing the things in a particular manner.

The level of job satisfaction is affected by motivational practices, the quality of supervision, social relationships with the work group and the degree to which individuals succeed or fail in their work. It is believed that the behavior that helps the organisation to be successful is most likely to happen when the employees are well motivated and feel committed to the organization, and when the job gives them a high level of satisfaction.

Productivity

Productivity literarily means the rate of power to produce, but productivity from the management point of view is the ratio of what is produced to what is required to produce it. It represents goods or services produced in relation to the resources utilized in their production. Productivity represents the balance between all factors of production that will give the greatest output at less effort. It is the effective and efficient conversion of resources into marketable products that determines organizational profitability.

In technical term, productivity may be defined as a relationship between output and input.

Productivity is the measure of how well operation and motivation systems function. It portrays a concept about output in comparison with the inputs used for production of that output. It is, thus, defined as the ratio of output to input. According to International Labour Office, the ratio between output and one of the factors of input is generally known as productivity of the factors considered.

Conclusion

Factors of motivation and morale play a very dominant role in the productivity of an organisation and these two factors are closely related to job satisfaction. Job satisfaction leads to productivity because every worker, who derives satisfaction from a particular job, is bound to put in greater time and efforts on the job. On the other hand, if workers are not satisfied with their job, they may tend to concentrate less attention and put in less time and effort on the job, leading to less productivity. There is also a possibility for greater employee's absenteeism and turnover. Thus, the greater the job satisfaction of the workers, the greater would be the efforts they make towards their job which results in improved productivity. Any organisation who wants to increase productivity must make efforts to provide satisfaction for its workers. When assigning jobs to workers proper care must be taken to match the job with the people having specific talent and technical knowledge. Motivation can be used to induce and motivate the worker to accept and enjoy the tasks.

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Human Resource Management Practices in Public Sector Undertakings

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Abstract

Human Resources in any organization are the biggest and most valuable asset and tools of overall development, efficiency and effectiveness. Good and proper usage of these resources leads to technological, economical and ecological development of the organization. The present global scenario of corporate governance assigns the highest level significance to the organization's human resources or human capital. Human resources constitute the most valuable asset in the perspective of development in every organization. The study of human resource management practices has been an important and critical area in management and organizational performance from last several years. Human resource management (HRM) has emerged as a major function in organizations. HRM is the organizational function that deals with issues related to people such as, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration and training. The present research paper evaluates the role of Human Resource Management practices in Public Sector Undertakings.

Keywords : global scenario, valuable asset, cultural deviation

Introduction

Human Resource Management (HRM or simply HR) is a function in organizations designed to maximize employee performance in service of their employer's strategic objectives. HR is primarily concerned with how people are managed within organizations focusing on policies and systems. HR departments and units in organizations are typically responsible for a number of activities, including employee recruitment, training and development, performance appraisal, and rewarding (e.g., managing pay and benefit systems). HR is also concerned with industrial relations, that is, the balancing of organizational practices with regulations arising from collective bargaining and governmental laws. Human Resource Management Practices means the actual practices covering the service conditions of workers, including conventional personnel management practices, which are implemented in an organization.

Running a successful business involves more than just making money; it also means being able to manage the people that make it all possible – the employees. Having a well-defined set of Human Resources (HR) practices in place makes this an easier task to accomplish. Practices that are legally and ethically sound will produce greater results in business than attempting to manage employees in a haphazard fashion.

The best human resources practices create the most effective and efficient method of achieving any objective or task for a business. When aligned with the company mission statement and goals, these practices can address many of the personnel issues that can come up for a business. It is far better for a company to move forward towards meeting goals as one unit, collectively working towards a common goal and having a plan to get there.

Human Resources Management Practices play a very crucial role in achieving the organization's goals and maintain the competitive advantage. HRM practices refer to organizational activities directed at managing the pool of human resource and ensuring that the resources are employed towards the fulfillment of organizational goals. Human resource management practices is the management of people within the internal environment of organizations, comprises the activities, policies, and practices involved in planning, obtaining, developing, utilizing, evaluating, maintaining, and retaining the appropriate numbers and skill mix of employees to achieve the organization's objectives. Presently organizations are competing through implementing the unique HRM practices and due to the globalization organizations adopt the most up-to-date HRM practices in order to accomplish the organizational goals. Best HRM practices are advantageous for both employee and employer; it plays an important role in constructive growth of the organization. Job satisfaction is an attitude which is an outcome of harmonizing and summation of numerous precise likes and dislikes experiences with the job. Job satisfaction for an employee is the level of satisfaction according to job. Job satisfaction is a crucial indicator of how employees feel about their job and describes how much they are contented with his or her job. The satisfaction level of employees also associated with increase output of the organization. Job satisfaction of an employee is essential to the success of an organization. In an organization a high rate of employee contentedness is directly related to a lower turnover rate. Thus, keeping employees' satisfaction in their jobs with their careers should be a foremost priority for every organization. HRM practices try to develop and allocate human capital in the best possible ways in order to achieve long-term goals; they provide them with many benefits and good environments that would boost employee's motivation, job satisfaction, and increase their performance. In order to sustain in the market human resource management (HRM) practices and job satisfaction of employees have many significant benefits for organization.

Materials and Methods

For the purpose of in depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used is analytical and descriptive. Both primary as well as secondary source of Information have been taken.

Results and Discussions

A state-owned enterprise in India is called a Public Sector Undertaking (PSU) or a public Sector Enterprise. These companies are owned by the union government of India, or one of the many state or territorial governments, or both. The company stock needs to be majority-owned by the government to be a PSU. PSUs may be classified as Central Public Sector Enterprises (CPSEs), Public Sector Banks (PSBs) or State Level Public Enterprises (SLPEs). CPSEs are companies in which the direct holding of the Central Government or other CPSEs is 51% or more. They are administered by the Ministry of Heavy Industries and Public Enterprises.

India has a mixed economy. The state has been assuming a greater role in the economic development of India. The higher the degree of economic backwardness, the greater is the role of the state. Further, only the state can afford investments that are huge by normal standards for developing basic industries and infrastructural facilities. Finally, the investment by the government directly and indirectly stimulates investment and expansion in the private sector. From the social point of view, public sector enterprises can prevail upon a policy and thereby reduce the concentration of wealth and income.

Public Sector has played a pivotal role in the planned economic and industrial development of the country. For the purpose of planning and national accounting, public sector in India includes all activities funded out of the government budget. Thus, the size of the public sector is indeed very large. It includes not only government departments but also government companies, whether in the centre or the state like irrigation and power projects, railways, posts and telegraphs, ordinance factories and other departmental undertakings, banking, insurance, financial and other services. Public Sector Undertakings are divided into three categories:

The status of Maharatna, Navratna, Miniratna to CPSUs is conferred by the Department of Public Enterprises to various Public Sector Undertakings. These prestigious titles provide them greater autonomy to compete in the global market.

In India the Human resource Management has evolved as a strategic approach to acquisition, motivation, development and management of the organization's human resources. The human resource management is devoted to evolve the workplace as an appropriate corporate cultured workplace. The HR department also introduces a no of programs that supports the core values of the enterprise and ensures its success in every aspect. The HRM is considered as pro-active rather than pre-active. The human resource department always works to what needs to be done.

The various PSUs are at different steps of the ladder. The type of HR practices needed by an organization depends upon its size, sector, performance, and age. It is also very important to resolve the problem at the earliest. In today's time most of the PSUs are going through transformation. The soul searching process of these PSUs is to evaluate their strengths and weaknesses. The overall emphasis is given to create parallel initiatives to overcome the traditional bottlenecks. The technological disruptions and automation helps in transforming the skills that are in demand and will be in demand in the near future. Globalization and economic fluctuations are responsible for the constant change in the way the business functions and the industry operates. With the increase in addition of newer workforce organizations need to adopt HR practices through which the organization can achieve the success through it's 'people'. In today's time the role of HR has become to lead the organization from the front. The HR also helps to keep the track of everything that is needed in the transforming world and also helps to have control on the possibilities that the world offers. In this context, the SCOPE HR Summit that motivated the convening the new fact "Reinventing HR: Breaking the Mould Globally". This has brought all the HR leaders from both the public and private sector in keeping the consultants and academicians aligned with as how the HR can be a strategic business partner, and can lead the organization from the front. It also helps to align the workforce with Business Strategy along with the best talent management practices and solutions to various challenges that HR faces.

In today's world, the whole market is operating in a VUCA world. In this VUCA world the main struggle is for talent, attrition rates and workforce retention. These have become serious issues for organizations in both private and public sector. There are likewise extra difficulties of overseeing and empowering assorted variety in the workforce – be it in incorporation of more ladies, joining of individuals of various age bunches with various styles of working and learning, or in making working environments open to use capacities of in an unexpected way abled people. The multipronged challenge ahead for the HR people group is to encourage the production of a comprehensive working environment and influence this inclusivity to fabricate authoritative spryness in the midst of propelling innovation and monetary vulnerability.

In the past all the decisions were taken on the basis of gut feeling. But in recent times, in decision making processes all these opinions and gut feelings are replaced by big data. The role of the HR is to incline the whole decision-making processes towards technology-centric model. The HR needs to be more buoyant as the world is going through transformation. The world is becoming more automated and the jobs are cut down at higher rates so the job roles, in-demand skills and demand and supply of talent also need to be transformed.

PSUs in India have to a great extent been in good shape in driving financial development just as in their social capacity of country building. In any case, a portion of the genuine difficulties that have nagged PSUs throughout the years relate to overwhelming misfortunes, overstaffing, poor authority pipeline, unacceptable mechanical relations, absence of inspiration and political obstruction. Be that as it may, today, PSUs are experiencing energizing changes in their condition, with a scope of new chances and difficulties as the Indian economy coordinates with the worldwide markets. Today, being gainful is the most significant objective and that is just conceivable through great execution. It is the association's kin who drive the exhibition and they should be world class, exceptionally gifted and drew in with the association.

The difficulties that stand up to the HR offices in PSUs are hence like their partners in private segments, albeit to some degree extraordinarily set. There are anyway sure shared factors. Capacity and ability working, alongside access to circumstances and acknowledgment is the thing that the youthful age workforce needs more than all else. Unquestionably the pay bundle and professional stability perspective despite everything hold significance, yet are a long way from adequate in building faithfulness or commitment. The association's pledge to giving presentation, preparing and building up its workers is undoubtedly the key differentiator for youths. This speculation will hone the saw, which will be basic in raising the exhibition bar for PSEs.

Commitment of the youthful age is a test for some PSUs, particularly when they need to contend with private segment organizations, especially new companies, who offer alluring development openings and pay to the best of the ability in the market. The more youthful age needs their conclusion to be considered, which has not been constantly done in the PSUs with an order and control inheritance. They look to have upwards, downwards and horizontal correspondence channels to be open for them and less progressions.

The well-performing PSUs today are able to make huge investments in technology development as well as R&D, which enables them to provide a high quality technical exposure to their employees. Many PSUs like EIL also have set up annual awards to recognize their young professionals, managers and executives. Important responsibilities such as leadership of plant commissioning teams are assigned to those who perform really well.

Over the most recent couple of years, innovation has been introducing a social change towards a perfect and straightforward working framework, by empowering representatives to self-administration their desk work and document for claims without human intercession. This prompted the normalization of the guidelines and approaches, which were prior dependent upon human translation. Innovation stages, be that as it may, are planned with a solitary guideline, which gets executed consistently towards all. This has consequently made a degree of straightforwardness that was unrealistic in the prior days when information was not digitized and HR divisions used to practically claim and along these lines control the representative information. Present day HR divisions with their certified experts are very extraordinary in their degree of demonstrable skill. The mechanization of ordinary undertakings that previous fell in HR's area possesses opened up energy for direct communication with representatives, getting some answers concerning their issues and needs, and acquiring more intercession. HR Directors today understand that correspondence is as a vital part of commitment and maintenance.

Conclusion

PSUs today are experiencing a spirit looking through procedure of assessing their qualities and shortcomings, with an accentuation on making equal activities to beat conventional bottlenecks. Normally, advancements in PSUs will in general be residency based and this viewpoint for the most part can't be superseded exclusively based on execution, which is the place they contrast from the private area. The SCOPE Summit meeting on Performance Management additionally observed an enchanting conversation regarding the matter of Bell Curve, which is the PMS commanded in the PSUs by the Department of Public Enterprise rules. While the Bell Curve can be valuable, as an independent apparatus, it is obligated to exclusions and predispositions, which disturb the reason. It is additionally inadequate while making a decision about group exercises, for example, fabricating. This is the motivation behind why numerous private part organizations have discarded it. Along these lines, maybe an investigation of choices in execution the board is altogether. Additionally, there are other recommended outside rules with respect to payrolls, profession movement and so on that doesn't really improve workforce commitment or furnish PSUs with a serious edge.

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Anusandhanika / Vol. XI / No. I & II / 2019 / pp 135-139 ISSN 0974 - 200X

Performance Analysis of Online Commodity Trading

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Abstract

India one of the fastest growing economies in the world is one of the attractive destinations for investments. With volatile global environment diversification and hedging of investments is much needed to mitigate risk. One such popular profitable avenue available for Indian investor is commodities market. In India, the commodities available for trading includes precious metals, ferrous and non-ferrous metals, spices, pulses, plantation crops, sugar and other soft commodities. Commodity trading is nothing but trading in commodity derivatives for hedging and arbitraging (futures or options). An online Trading commodity has gained popularity for many investors in recent years. Online commodity trading platform offers easy and convenient trading experience to investors. Trading commodities online also allows instant trading without having to contact a live broker to place orders. Almost everything one could possibly need to trade commodities is available through an online commodity trading account including commodity trading charts, commodity news, and technical analysis programs. Online commodity trading gives a sense of independence as a trader is in control of the trade and has to make end trading decisions. The commodities derivatives market has seen ups and downs, but seems to have finally arrived now. The market has made enormous progress in terms of technology, transparency and the trading activity. Current futures volumes are miniscule compared to underlying spot market volumes and thus have a tremendous potential in the near future.

Keywords : trading account, trading decisions, commodities derivatives market

Introduction

India is among the top-5 producers of most of the commodities, in addition to being a major consumer of bullion and energy products, which needs use of futures and derivatives as price-risk management system. Fundamentally price you pay for goods and services depend greatly on how well business handle risk. By using effectively futures and derivatives, businesses can minimize risks, thus lowering cost of doing business. Commodity players use it as a hedge mechanism as well as a means of making money. For an agricultural country like India, with plethora of mandis, trading in over 100 crops, the issues in price dissemination, standards, certification and warehousing are bound to occur. Commodity Market will serve as a suitable alternative to tackle all these problems efficiently.

A commodity market is a market that trades in the primary economic sector rather than manufactured products, such as cocoa, fruit and sugar. Hard commodities are mined, such as gold and oil. Futures contracts are the oldest way of investing in commodities. Futures are secured by physical assets. Commodity markets can include physical trading and derivatives trading using spot prices, forwards, futures, and options on futures. Farmers have used a simple form of derivative trading in the commodity market for centuries for price risk management.

A financial derivative is a financial instrument whose value is derived from a commodity termed an underlier. Derivatives are either exchange-traded or over-the-counter (OTC). An increasing number of derivatives are traded via clearing houses some with central counterparty clearing, which provide clearing and settlement services on a futures exchange, as well as off-exchange in the OTC market.

Derivatives such as futures contracts, Swaps (1970s-), Exchange-traded Commodities (ETC) (2003-), forward contracts have become the primary trading instruments in commodity markets. Futures are traded on regulated commodities exchanges. Over-the-counter (OTC) contracts are "privately negotiated bilateral contracts entered into between the contracting parties directly".

Exchange-traded funds (ETFs) began to feature commodities in 2003. Gold ETFs are based on "electronic gold" that does not entail the ownership of physical bullion, with its added costs of insurance and storage in repositories such as the London bullion market. According to the World Gold Council, ETFs allow investors to be exposed to the gold market without the risk of price volatility associated with gold as a physical commodity.

Broadly speaking, commodity trading is an activity which involves investing/trading in commodities. It is similar to stock trading but instead of buying and selling shares of companies, a trader buys and sells commodities. Commodities traded are often goods of value, consistent in quality and produced in large volumes by different suppliers such as wheat, coffee and sugar. Trading is affected by supply and demand, thus, limited supply causes a price increase while excess supply causes a price decrease. Therefore, the process of commodity trading is directly or indirectly affected by the demand and supply in the market.

Commodity trading is an investing strategy wherein goods are traded instead of stocks. Commodities can be traded on a spot level or on the futures exchanges as futures contracts. A futures contract is an agreement between two parties to buy or sell an asset at a certain time in the future at a certain price. A commodity future contract is a future contract which has a commodity as underlying asset.

Commodity exchanges

A commodities exchange is an exchange where various commodities and derivatives products are traded. If you take a look at a typical trading platform, you will see commodities listed as tradable contracts. Commodity trading is not limited to a particular exchange. Investors are free to trade on various exchanges if they desire to do so. An example of a commodity exchange where commodities are traded is the New York Mercantile Exchange (NYMEX), which is the world's largest futures commodity exchange. There are 24 commodity exchanges in India. There are three national level commodity exchanges to trade in all permitted commodities. They are: Multi Commodity Exchange of India Ltd, National Commodity and Derivative Exchange, and National Multi Commodity Exchange of India.

Online Commodity Trading

Trading commodities online has gained popularity for many investors in recent years. Online commodity trading platform offers easy and convenient trading experience to investors. Trading commodities online also allows instant trading without having to contact a live broker to place your orders. Almost everything could possibly need to trade commodities is available through an online commodity trading account including commodity trading charts, commodity news, and technical analysis programs. Online commodity trading gives you a sense of independence as a trader is in control of the trade and has to make end trading decisions. The execution of a trade is much quicker and not like the old times where you had to wait to call the broker and then give him the instructions about the trade, online trading is much convenient and results too can be seen instantly.

Materials and Methods

For the purpose of depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used in analytical and descriptive. Both primary as well as secondary sources of information have been taken.

Results and Discussions

Online commodity trading platform offers easy and convenient trading experience to investors. It provides high-end integrated trading applications for fast, efficient and reliable execution of trades. Online trading is nearly instantaneous, providing the freedom to trade at leisure from anywhere, anytime. Another major benefit of online commodity trading is liquidity. Liquidity is characterized by a high level of trading activity. Assets that can be easily bought or sold are known as liquid assets. The involvement of speculators also means that futures contracts are reasonably liquid. Commodity trading also offers the benefit of leverage. Leverage means use of borrowed capital or margin to increase the potential return of investment. Only a small percentage of the total value of a position is needed to be paid upfront to get full benefit and to enhance profits.

Commodity returns have historically had low or negative correlations with the returns of other major asset classes, and may be used to diversify a portfolio. Commodities may react differently from stocks and bonds in various economic and geo-political situations, enhancing risk-adjusted returns and reducing the overall volatility of a portfolio. Geo-political events like wars and supply disruptions due to natural disasters like hurricanes, droughts and floods may impact the supply of, and increase the demand for, certain commodities. Including commodities in a portfolio may act as a potential hedge against certain types of event risks.

Key Features of Online Commodity Trading

- Instant Access: Instant access to account through browser-based applet interface & Exe based application.
- Trade on the move: with mobile trading option one can placer orders, track orders, view live quotes and do many other things wherever you are.
- Live Streaming Price: With multiple market watches that can be customized as per individual preferences.
- Multi Exchange Access: Trade in Equity (BSE/NSE), F&O (BSE/NSE) and Currency Futures & Options from a single terminal, and in Commodity through a dedicated terminal.
- Payment Gateway: Transfer funds from more than 15 banks through integrated online payment gateway & get instant limits for trading.
- Market Watch: Create multiple market watch lists with the option of adding contracts from different segments in the same watch list.
- Technical Charting: View intraday & EOD charts with various technical indicators to help you make wise trading decisions.
- Trading Calls: Intra-day, Overnight, Short-term and Long-term investment calls are provided directly on the Trading screen and via SMS.
- Integrated Trading: Seamless integration of Trading, Demat and Bank accounts that leads to easy transfer of shares and funds.
- Consolidated information: View your demat holdings, Open positions, Ledger Balance, Margin used & available and a host of other account related information on the screen.
- Expert Advisory: Timely Advisory & Portfolio Restructuring provided on daily basis by your Relationship Manager.

Benefit of Online Commodity Trading

The biggest advantage of trading in commodities through Future contracts is ease of entering and exiting this type of investment. What exactly a trader is required to do is filling the margin requirements and executing the trade. Rest leave upon the exchange to check through your transaction from there.

Apart from the ease of doing trades, the other benefits offered by Wisdom Capital as an online commodity trading facilitator include:-

Diversification of Portfolio

Commodities help to diversify a portfolio. The return on commodity trading have not impact upon its performance, whatever the price bonds and equities are faring in the market. It has been seen that returns on commodity keeps on rising despite the fall in prices of primary asset class including bonds and stocks. For example, the price of gold keeps on rising despite the fall in price of stocks in equity market.

Protection against Inflation

Inflation makes an adverse impact upon commodity trading in comparison to financial assets like stock and bonds. With the deprecation in the cost of currency during inflation the real value of financial assets get eroded. However, the cost of commodities remains constant even during the period of high inflation.

Hedging Against Risk

The biggest benefit offered by commodities trading include is hedging against risk, primarily, event risk. War like situation along with equities impact commodities, negatively. So, commodities trading act as potential hedge against some event risks and easily meet out fluctuations in price of commodities.

High Liquidity

The liquidity offered by commodities futures is very high and they are quite easier to buy and sell. An investor can easily liquidate his position whenever he feels like quitting it.

Trading Even on Lower Margin

The margin required for future contracts in commodities happen to be far lower required by a broker. The margin, thus, there happen to around 5–10% of the total value of the contract and is lesser than the margin required by other asset classes. Thus, a trader can take large positions even with a lesser capital in commodities trading.

High Returns

Commodity markets are volatile. They can experience huge swings in prices. For example, war in a major oil-producing country like Iraq can cause oil prices to shoot up. Smart investors can take advantage of these price swings to make gains. Well-planned commodity investments can provide higher returns than investments in other assets.

Easy Trading Facility

For commodity buying and selling, whether, on smart-phone or from computer, doing it online is the easiest way to carry out transaction with an ease. What a trader required to follow is opening a trading account and can begin it from the comfort of home.

Preserve Speculations at Fingertips

At the same time as doing buying and selling you will no longer most effective be capable of seeing the contemporary standings of commodities but can also be capable of reading via the speculations regarding them and how experts experience about their destiny trends. This allows you make a far higher and well-informed selection, thereby elevating your chances of creating an enormous amount of income.

Automatic Commodity Buying and Selling

Consider yourself lacking out on excessively valued earnings just due to the fact you could not order for it to be bought simply in time. With online commodity buying and selling, you could now put your commodities on sale over a selected price using an automatic commodity buying and selling system.

To make effective and money-making commodity trading, investors should have proper knowledge about the trading market. To get more and best information and techniques to get better profit in the market, investors can get the assistance of the online commodity experts firms like Wisdom Capital.

India is one of the top producers of a large number of commodities, and also has a long history of trading in commodities and related derivatives. The commodities derivatives market has seen ups and downs, but seems to have finally arrived now. The market has made enormous progress in terms of technology, transparency and the trading activity. Interestingly, this has happened only after the Government protection was removed from a number of commodities, and market forces were allowed to play their role. This should act as a major lesson for the policy makers in developing countries, that pricing and price risk management should be left to the market forces rather than trying to achieve these through administered price mechanisms. The management of price risk is going to assume even greater importance in future with the promotion of free trade and removal of trade barriers in the world. All this augurs well for the commodity derivatives markets.

Conclusion

As majority of Indian investors are not aware of organized Online Commodity Trading; their perception about is of risky to very risky investment. Many of them have wrong impression about commodity market in their minds. It makes them specious towards Online Commodity Trading.

Concerned authorities have to take initiative to make commodity trading process easy and simple. Along with Government efforts NGOs should come forward to educate the people about Online Commodity Trading and to encourage them to invest in to it. There is no doubt that in near future Online Commodity Trading will become 'hot spot' for Indian farmers rather than spot market. And producers, traders as well as consumers will be benefited from it. But for this to happen one has to take initiative to standardize and popularize the Online Commodity Trading.

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Performance of Special Economic Zone (SEZ) in India

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Abstract

Special Economic Zones (SEZs) have been recognized as an important mechanism for trade and investment promotion, creation of infrastructure, employment generation, promotion of regional development, increase in foreign exchange earnings, improving export competitiveness and transfer of skills and technology. The SEZs have been in existence for decades, but have attracted renewed attention world-wide in recent years due to globalization of trade and financial markets. Now, it is well recognized fact that the SEZs are instrumental in developing local and regional infrastructure facilities, which in turn are necessary for overall economic development of a country. SEZs have witnessed generation of employment, investments and exports over a period of time. The paper has been undertaken to highlight the efficiency and issues of SEZs and their expectations with regard to the formulation and modification of policies. The present paper mainly focuses on the performance of SEZs keeping in view the objectives set for them by the government. The article also examines the working environment in SEZs. It will prove to be highly useful for multinational companies, SEZ developers, policy-makers, businessmen and researchers.

Keywords : employment generation, foreign exchange, regional development

Introduction

Special Economic Zone (SEZ) is an area in which business and trade laws differ from the rest of the country. SEZs are located within a country's national borders, and their aims include: increased trade, increased investment, job creation and effective administration. To encourage businesses to set up in the zone, financial policies are introduced. These policies typically regard investing, taxation, trading, quotas, customs and labour regulations. Additionally, companies may be offered tax holidays, where upon establishing in a zone they are granted a period of lower taxation. The creation of special economic zones by the host country may be motivated by the desire to attract Foreign Direct Investment (FDI). The benefits a company gains by being in a Special Economic Zone may mean it can produce and trade goods at a lower price, aimed at being globally competitive. The operating definition of a SEZ is determined individually by each country. In some countries the zones have been criticized for being little more than Chinese labor camps, with workers denied fundamental labor rights.

During the period 1950 to 1980 this concept has evolved in order to counter the anti-export bias created by the import substitution industrial policy regime, which was prevalent in many countries. Over-valued exchange rate coupled with high tariffs and quantitative restrictions makes production for import substitution significantly profitable relative to production for exports. Attempts to promote export-oriented industries within an import-substituting regime, therefore, require countervailing fiscal measures such as duty drawbacks, cash compensation or import replenishment licenses. The concept of SEZ gathered momentum during 1980s within the realm of new growth theory incorporating the features of neo-institutionalism and the role of a developmental state. The new growth theory argues that institutions all play a vital role in the developmental process of a society. Since developing countries lack efficient institutions, therefore, the state should play an active role in promoting new institutions. In other words, it asserts that the state should be a facilitator and be proactive in promoting private sector led industrialization SEZ is one such state-led policy for industrial development. SEZs are benefited, from location advantage, modern efficient infrastructure, and better governance through single window facility ensuring less transaction costs of doing business. In general, trade-related infrastructure and institutions are poor in developing countries. The cost of doing business is high, as argued in numerous studies. Since country-wide development of infrastructure is expensive and implementation of structural reforms require time due to socio-economic and political realities, SEZs are considered as a strategic tool for the promotion of exports, especially from developing countries. However, given the limited technological and marketing capabilities of developing countries, these zones may not affect exports substantially unless they attract foreign direct investment as well. The new theories also stress on possible external effects generated by SEZs and that may take the form of learning, human capital development, demonstration effects and so on, and can accelerate the process of industrialization of developing countries. The concept of SEZ is, thus, a catalyst for fast learning for all major stakeholders of the process of industrialization (policy makers, entrepreneurs and labor) and also a pioneer for attracting export-oriented FDI, which promotes exports. SEZ is a specifically delineated duty free enclave and shall be deemed to be foreign territory for the purposes of trade operations and duties and tariffs. India was one of the first in Asia to recognize the effectiveness of the Export Processing Zone (EPZ) model in promoting exports, with Asia's first EPZ set up in Kandla in 1965. With a view to overcome the shortcomings experienced on account of the multiplicity of controls and clearances; absence of world-class infrastructure, and an unstable fiscal regime and with a view to attract larger foreign investments in India, the Special Economic Zones (SEZs) Policy was announced in April 2000. This policy intended to make SEZs an engine for economic growth supported by quality infrastructure complemented by an attractive fiscal package, both at the Centre and the State level, with the minimum possible regulations.

To instill confidence in investors and signal the Government's commitment to a stable SEZ policy regime and with a view to impart stability to the SEZ regime thereby generating greater economic activity and employment through the establishment of SEZs, a comprehensive draft SEZ Bill prepared after extensive discussions with the stakeholders. A number of meetings were held in various parts of the country both by the Minister for Commerce and Industry as well as senior officials for this purpose.

Every country stands for its economic development. Economic development refers to the sustained and concentrated actions by the government which increase employment opportunities extend export import of the country and that promote standard of living, economic and health. It can involve and include different areas of development like human, capital, critical infrastructure, regional competitiveness, environment stability, health, safety, literacy and other initiatives. A SEZ is a demarcated area of land that provides impetus to manufacturing and services, with the primary objective of boosting exports. SEZs typically feature liberal tax laws and economic policies. Units situated in SEZs are deemed to be outside the customs territory of India. Therefore, goods and services coming into SEZs from the domestic tariff area (DTA) are treated as exports from India, while goods and services rendered from the SEZ to the DTA are treated as imports into India.

Materials and Methods

For the purpose of depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used in analytical and descriptive. Both primary as well as secondary sources of information have been taken.

Results and Discussions

A Special Economic Zone (SEZ) is a specially delineated duty-free enclave and shall be deemed to be foreign territory for the purpose of trade operations and duties & tariffs. Goods and services going in to the SEZ area from domestic tariff area (DTA) shall be treated as exports and goods & services coming from the SEZ area in to DTA shall be treated as imports. Special Economic Zones (SEZs) had contributed significantly in the past by way of investments, incremental investments, employment and incremental employments. It also positive growth in exports in more than twenty five percentage of countries total Indian exports contributed by special economic zones of India. This will bring into India positive position in International Trade. Top five states had more than sixty percentage of total SEZs in India. Sectors wise information technology, Hardware and Telecom equipments sectors had secured by majority of SEZs in India during the study period. This study finally suggested that the rest of the union and state governments should takes necessary step to give various monetary and non monetary start ups, subsides, direct and indirect tax holiday for setting new SEZs in other than top five state and sectors in India. It also suggested that the Ministry of Commerce And Industry, Department of commerce and various states and UT governments should be introduced various corporate legal reforms and create that new and revised policy for board approval, minimum land requirement for multi sector SEZ, Sectors specific SEZ, FTWZ and other sectors. Minimum land availability at reasonable cost, availability of domestic and foreign investments, Labour cost and infrastructure facilities like road, port, airport, water, power, transport facility and other facilities are deciding factors for starting SEZ in India. The small amount of the policy modifies and corporate reforms may unfavorably impact the development of these zones. The government should make the various innovative policies to introduce for more consistent to facilitate a friendly investment environment. It would also be in great interest to promote the exports, creating employments and improving balance of payments of positions by way of ease doing business in India. It also facilitates to attract for various existing and new Indian and foreign entrepreneurs to invest in Indian Special Economic Zones.

Salient features of SEZs

Mentioned below are some of the salient features of Indian Special Economic Zones:

i. Indian SEZs are developed by government, private and joint sector, unlike its international counterparts where zones are chiefly maintained by their respective governments. This provides equal prospects to both Indian and global players.

ii. Government has allocated a least favorable area of 1,000 hectares for green field SEZs. Although, there are no limitation in context of favorable area in constructing sector specific SEZs.

iii. 100% of Foreign Direct Investment is allowed for all endowments in Special Economic Zones, apart from activities cataloged under the unconstructive record.

iv. SEZ divisions are obligatory to be encouraging net foreign exchange yielders and are not entitle to any least amount of value addition guidelines or export responsibilities.

v. Commodity surge from Domestic Tariff Area (DTA) into a SEZ is recognized as exports and commodity surge into DTA from SEZ are recognized as imports.

The sector-wise distribution of SEZs lays down the differentiation among SEZs according to the pre-classified sectors made by the Board of Approval. As far as the national level classification of the sectors are concerned there are 28 sectors. The sector that has the highest number of SEZs is the IT/ITES/ Electronics with 102 exporting SEZs which has attained the first rank. The second rank has been given to Multi-Product where there are many sectors under the same SEZ. There are 19 multi-product SEZs in the country. The engineering sector has got the third rank with 11 SEZs in its fold. The least rank in the pre-classified sector are Auto and Related, Electronic Products, Petrochemicals and Port-based Multi-Product which has got one SEZs each. There has been five hundred and sixty six Formal Approvals, Forty three In-principle approvals and three hundred and eighty eight notified SEZs working in the country. There is one hundred and eighty five exporting SEZs operating in the country under various pre-classified sectors.

Performance of SEZs in India

The three important objectives of the SEZs Act, 2005 are to generate employment opportunities, encourage investments and increase India's exports. Under this ambit performance of SEZs in India is measured in terms of employment, investments and exports.

Year	Total Exports (Rs. In Crores)	Annual Growth Rate (In %)	SEZ Exports (Rs. In Crores)	Annual Growth Rate (In %)	Share of SEZ exports in India's total exports (In %)
2009-10	8,45,534	-	2,20,711	-	26.10
2010-11	11,42,922	35.17	3,15,868	43.11	27.64
2011-12	14,65,959	28.26	3,64,478	15.39	24.86
2012-13	16,34,318	11.48	4,76,159	30.64	29.14
2013-14	19,05,011	16.56	4,94,077	3.76	25.94
2014-15	18,96,445	-0.45	4,63,770	-6.13	24.45
2015-16	17,16,384	-9.49	4,67,337	0.77	27.23
2016-17	18,49,434	7.75	5,23,637	12.05	28.31
2017-18	19,56,515	5.79	5,81,033	10.96	29.70
2018-19	23,07,663	17.95	7,01,179	20.68	30.38
CAGR					
(In %)	10.56	-	-	12.15	-

The above table shows the growth rate of total exports in India during the period from 2009-10 to 2018-19. The amount of Total exports in India has increased from

Rs.8,45,534 crores in 2009-10 to Rs.23,07,663 crores in 2018-19. Although the amount of exports declined during 2014-15 & 2015-16, it has picked up in the subsequent years. The increase over the period was 2.72 times. The percentage of growth over the previous year lies between -9.49 percent and 35.17 percent. The highest growth rate has been observed as 35.17 percent in the year 2010-11. The negative growth rate has been observed as -9.49 percent in the year 2015-16.

The Compound Annual Growth Rate (CAGR) of Total exports was 10.56 percent which is a welcome trend. During the study period of ten years, it has been observed that the growth rate for five years was above the CAGR and the growth rate for four years was below the compound annual growth rate. A further analysis exhibits that the SEZs exports made by India are increasing year by year except the year 2014-15. The SEZs exports have increased from Rs.2,20,711 Crores in 2009-10 to Rs.7,01,179 Crores in 2018-19 means it has increased by 3.17 times during the study period.

During the study period, the percentage of growth over the previous year lies between -6.13 percent and 43.11 percent. The highest growth rate has been observed as 43.11 percent in the year 2010-11. The negative growth rate of - 6.13 percent has been observed in the year 2014-15. The Compound Annual Growth Rate (CAGR) of SEZs exports made by the country was 12.15 percent which is a welcome trend. During the study period of ten years, it has been observed that the growth rate for four years was above the CAGR and the growth rate for the remaining five years was below the compound annual growth rate. The share of SEZs exports in India's total exports have also increased sharply from 26.10 percent in 2009-10 to 30.38 percent in 2018-19.

Conclusion

Special Economic Zones has been playing a crucial role in generating additional economic activities at the National levels. The export and employment generation objectives of the SEZ should not result in compromising the quality of the working conditions within the zones. To attract more FDI, Country needs to improve the investment climate of the country because SEZs are also a part of a economy and these enclaves can't operate efficiently if there exist the supply bottlenecks.

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Anusandhanika / Vol. XI / No. I & II / 2019 / pp 145-150 ISSN 0974 - 200X

Make in India Initiative and its impact on Indian Economy

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Abstract

To transform India into a global manufacturing hub, Make in India Campaign was launched which is an international marketing strategy, conceptualized by the Prime Minister of India, on 25 September 2014 to attract investments from businesses around the world and make India the manufacturing Hub. For promoting this campaign the web portal, logo and brochures are used for detailing 25 priority sectors of the economy. The objective behind this initiative is to focus on job creation, skill development and innovation and to align India's manufacturing sector into the Global Value Chain by encouraging Public Private Partnership (PPP), Joint Ventures (JV), Foreign Direct Investment (FDI) inflow, and advancing Ease in Doing Business (EDB). This scheme focuses on acceleration of economic growth to the new heights and to pull back the economy from clutches of recession. Currently India's GDP is heavily tilted in favour of service sector. In this research paper `Make in India' an attempt has been made to understand the advantages and disadvantages of Make in India and the effect of foreign direct investment in Indian manufacturing. The study also attempts to understand the impact of it on the Indian Economy.

Keywords : manufacturing hub, ease in doing Business, job creation

Introduction

To transform India into a global manufacturing hub, Make in India Campaign was launched which is an international marketing strategy, conceptualized by the Prime Minister of India, on 25 September 2014 to attract investments from businesses around the world and make India the manufacturing Hub. For promoting this campaign the web portal, logo and brochures are used for detailing 25 priority sectors of the economy. The objective behind this initiative is to focus on job creation, skill development and innovation and to align India's manufacturing sector into the Global Value Chain by encouraging Public Private Partnership (PPP), Joint Ventures (JV), Foreign Direct Investment (FDI) inflow, and advancing Ease in Doing Business (EDB). This scheme focuses on acceleration of economic growth to the new heights and to pull back the economy from clutches of recession. Currently India's GDP is heavily tilted in favour of service sector.

India is a country rich in natural resources. Labour is aplenty and skilled labour is easily available given the high rates of unemployment among the educated class of the country. With Asia developing as the outsourcing hub of the world, India is soon becoming the preferred manufacturing destination of most investors across the globe. Make in India is the Indian government's effort to Harness this demand and boost the Indian economy. India ranks low on the "ease of doing business index". Labour laws in the country are still not conducive to the Make in India campaign. This is one of the universally noted disadvantages of manufacturing and investing in India. The new government initiating a new ways for free flows of capital. Make in India is an initiative of the Government of India, to encourage companies to manufacture their products in India. The government's flagship campaign intended to boost the domestic manufacturing industry and attract foreign investors to invest into the Indian economy with an intention of reviving manufacturing businesses and emphasizing key sectors in India amidst growing concerns that most entrepreneurs are moving out of the country due to its low rank in ease of doing business ratings. The Indian manufacturing sector is the classic example of an industry that has great potential. The objective of the scheme is to ensure the manufacturing sector which contributes around 16% of country's GDP is increased to 25% in next 5 years. Make in India scheme Eliminates Unnecessary laws and regulations. Three sectors which contribute to GDP of any country are agriculture, manufacturing and services. According to the current contributions of these sectors to Indian economy manufacturing occupies 16% which is lowest. There are lots of opportunities to be tapped as far as Indian manufacturing sector is concerned. Many business man and entrepreneurs view make in India initiative for betterment of our economy.

The Make in India initiative was launched as part of a wider set of nation-building initiatives. Devised to transform India into a global design and manufacturing hub, Make in India was a timely response to a critical situation: by 2013, the much-hyped emerging markets bubble had burst, and India's growth rate had fallen to its lowest level in a decade. The promise of the BRICS Nations (Brazil, Russia, India, China and South Africa) had faded, and India was tagged as one of the so-called 'Fragile Five'. Global investors debated whether the world's largest democracy was a risk or an opportunity. India's 1.2 billion citizens questioned whether India was too big to succeed or too big to fail. India was on the brink of severe economic failure.

Make in India was launched by Prime Minister against the backdrop of this crisis, and quickly became a rallying cry for India's innumerable stakeholders and partners. It was a powerful, galvanising call to action to India's citizens and business leaders, and an invitation to potential partners and investors around the world. But, Make in India is much more than an inspiring slogan. It represents a comprehensive and unprecedented overhaul of out-dated processes and policies. Most importantly, it represents a complete change of the Government's mindset – a shift from issuing authority to business partner, in keeping with Prime Minister's tenet of 'Minimum Government, Maximum Governance'.

Advantages of Make in India

1. Develop Job Opportunity

One of the main purposes of Make in India crusade is to provide job opportunities for as many citizens of India as possible. It has targeted the young generation of the country as its prime beneficiary. The investments in the targeted sectors, i.e. telecommunications, pharmaceuticals, tourism etc. will encourage the young entrepreneurs to come forth with their innovative ideas without worrying about the source of speculation.

2. Ameliorate the Vicinity

In order to manufacture in India, a particular industry requires a promising location to set up machinery as well as factories. To fulfill this requirement, not only the areas were chosen would be improved but also the neighbouring locations will be highly benefited.

For a developing nation, such as ours' an initiative of this kind is extremely crucial. In addition, the labour hired, from the locality would also improve the financial status of the families living nearby.

3. Expand GDP

Due to the manufacturing of products in India, economic growth is inevitable, which will not only boost the trade sector but also will increase the GDP of Indian economy as with the setting up of new factories and various investments being speculated in the Indian commercial sectors the flow of income will be humongous. Various sectors such as exportation, architecture, textiles, telecommunications etc. are likely to flourish inevitably, strengthening the Indian economy which is already the seventh largest in the world.

4. Fortify the Rupee

The emergence of the manufacturing industries would automatically convert India into a hub for the fabrication of various commercial products; as a result, there would be a grand collection of the FDI, which, in turn, would strengthen the rupee against the domination of the American dollar.

5. Increase in Brand Value

Most of the urban population prefer international brands rather than putting their faith in Indian retailers. As a result, the small manufacturing companies suffer an extreme loss in the market.

Due to the Make in India campaign, such small manufacturers will be provided with a real shot at the business. With, companies investing in such small time retailers from all around the world, the brand value of Indian merchandise will increase dramatically.

6. Up-gradation of Technology

India being an underdeveloped country obviously lack various latest mechanization, which, is a big hurdle in the path to development of the nation. Hence, with the myriad of countries coming forth by the make In India crusade, India will be given the opportunity to make use of the latest technology these countries bring along.

Not only will India benefit from the knowledge and use of the technology but also, the concerned nations will be provided with a skilled and erudite labour.

7. Ease of Business

India is a nation which ranked 130th on the ease of doing business scale. But with the open invitation given to the entire world to manufacture their products in India, the various restrictions opposed over the entrepreneurs will be lifted and aspiring businessmen from all over the globe could invest in India with no stress at all.

8. Availability of Young Minds

Most of the young generation of India plans to move out of the country in the hope of a better future. Due to the lack of young labour, India has always been deprived of innovative and new ideas. With the Make in India campaign, the young population would not only be provided with employment but also their young and fresh minds would take the industrial sector to new heights. This initiative making it a win-win situation for the India as well as the concerned countries. For more on how Indian young minds are starting their own start-up by remaining in India.

9. Development of Rural Areas

It is a well-known fact, that a factory set up not only improves a particular area but also provides for the locals with employment, thus the quality of life of people would automatically enhance. Amenities like schools, hospitals, and other public conveniences will be developed for the betterment of the public.

10. Flow of Capital

Since the beginning of capitalization, the Indian currency is being spent on the foreign countries. With the introduction of make in India, the capital will not only remain in India, but also the foreign currency will be provided to the nation as well. In a nutshell, India will not spend on foreign countries, but the foreign countries will spend in India in the form of investments and wages.

Materials and Methods

For the purpose of depth study the contents have been taken from interview, relevant books and articles from journals and websites. The method used in analytical and descriptive. Both primary as well as secondary sources of information have been taken.

Results and Discussions

Make in India, a type of Swadeshi movement covering 25 sectors of economy, was launched by the Government of India in 25 September 2014 to encourage companies to manufacture their products in India. As per the current policy, 100% FDI is permitted in all the 25 sectors, except for space (74%), defence (49%) and news media (26%). Japan and India announced a US$12 billion “Japan-India Make-in-India Special Finance Facility” fund.

After the launch, India received ₹16.40 lakh crore (US$250 billion) worth of investment commitments and investment inquiries worth ₹1.5 lakh crore (US$23 billion) between September 2014 to February 2016. As a result, India emerged as the top destination globally in 2015 for foreign direct investment (FDI), surpassing the USA and China, with US$60.1 billion FDI.

Several states launched their own Make in India initiatives, such as Vibrant Gujarat, “Make in Haryana” and “Make in Maharashtra”. India received US $60 billion FDI in FY 2016-17. Combined with other initiatives by the end of 2017, India raised 42 places on Ease of doing business index, 32 places World Economic Forum’s Global Competitiveness Index, and 19 notches in the Logistics Performance Index. This initiative converges, synergises and enables other important Government of India schemes, such as Bharatmala, Sagarmala, Dedicated Freight Corridors, Industrial corridors, UDAN-RCS, BharatNet and Digital India. This initiative creates a policy framework to ease foreign investment, ease of business and management of intellectual property. This helps industries to establish their manufacturing bases in India. In turn, this helps create employment in India. Industries tend to develop a support ecosystem around them, thus empowering small businesses. Exports from such industries help in contributing to our foreign exchange reserve. Most importantly, such an initiative helps bring critical knowledge about manufacturing and production into the Indian population.

This initiative, by Govt of India is literally inviting the rich and semi-rich countries to step in India and invest their money for the future of India. It’s like inviting the countries to set up their companies in India and manufacture in the territory of our country. Now, this initiative has a great impact on the economy of our country. Obviously, if the big companies will setup their branches here, it will directly affect the GDP of India. The supreme objectives of Make in India are as follow: The main focus of Make in India Campaign is mainly on 25 sectors. Almost every sector is capital-intensive and demands a lot of skill. So, with the more and more investment in these sectors, the main focus will be on increasing employment and the use of advanced technology. These sectors are-

1. Automobiles	2. Automobile Components	3. Aviation
4. Biotechnology	5. Chemicals	6. Construction
7. Defence Manufacturing	8. Electronic Systems	9. Electrical Machinery
10. Food Processing	11. IT and BPM	12. Leather
13. Media and Entertainment	14. Mining	15. Oil and Gas
16. Pharmaceuticals	17. Ports and Shipping	18. Railways
19. Renewable Energy	20. Roads and highways	21. Space and Astronomy
22. Thermal Power	23. Textiles and Garments	24. Tourism and Hospitality
25. Wellness		

However, like every coin has two sides, we cannot ignore the negative impact and the probabilities of failure of this campaign. There are some constraints and limitations to this campaign as well. The main thing is that the focus is on the manufacturing sector, and the population of India is majorly middle-class or lower middle-class. So, the products manufactured by the foreign companies will be entirely for the upper section of the society. Hence, it is possible that the goals and aspirations of Make in India may not find much success. Make in India initiative is an honest attempt to revive the fortunes of Industry / Manufacturing sector. Revival of Industry sector is key to revival of Indian economy. Digital India will help to maintain contribution of Service sector but manufacturing / industry sector has to grow at much faster pace to out-pace service sector. It is not an easy task. Government should target to increase contribution of Industry / manufacturing from existing 16% to 35% in next 5 years. Make in India will help to achieve this goal but it comes with its own set of challenges. Manufacturing is capital and resources intensive sector which will require conducive environment for business. Labour issues will be major hurdle which the govt is trying to handle through labour reforms. Besides this, a major push is required to upgrade infrastructure of country. Govt has also set up 10,000 Crore start up fund to encourage entrepreneurship. Basically objective is to create ecosystem of small industries in periphery of manufacturing hub similar to Maruti model. Government will provide all the approvals under Make in India initiate in a time bound manner through single online portal.

India has the capability to push its manufacturing contribution to GDP to 25% by 2025. Government has to act as the central pivot of aligning industries, private companies, public sectors and all stakeholders in realizing this vision. Government has to put policies in place be it sector reforms, labor reforms or the elimination of business barriers. The Government of India has taken a number of steps to further encourage investment and improve business climate. 'Make in India mission' is one such long term initiative which will help to realize the dream of transforming India into a 'manufacturing hub'. India's expanding economy offers equal investment opportunities to domestic entrepreneurs and international players. It is our responsibility to leverage emerging economy. India's gross domestic product (GDP) is expected to reach US$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitization, globalization, favourable demographics, and reforms. Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy. 'Make in India' is the proof that the nation is willing to embrace growth by adopting changes on the journey to becoming an economic superpower. On a concluding note, it can be safely stated that make in India is an opportunity for everyone. It is a prospect, which if given time will flourish like a spring flower and would provide with the expected fruit.

Conclusion

India has already proved itself as one of the fastest growing economies of the world. It has been ranked among the top 10 attractive destinations for investments from all over the world. It has now become a professional license for investors to approach and endow in the escalation legend of India. Since 1991, the regulatory environment in terms of foreign investment has been consistently eased to make it investor-friendly. The measures taken by the Government are directed to open new sectors for foreign direct investment, increase the sectoral limit of existing sectors and simplifying other conditions of the FDI policy. FDI policy reforms are meant to provide ease of doing business and accelerate the pace of foreign investment in the country. Over all scenario of make in India and FDI was a positive summon to prospective investors from all over the world. It represents a wide-ranging refurbish of processes and policies. Earlier, Indian Government was working with a mindset of an issuing authority, but now with the launch of Make in India, it has started working as a Business Partner.

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