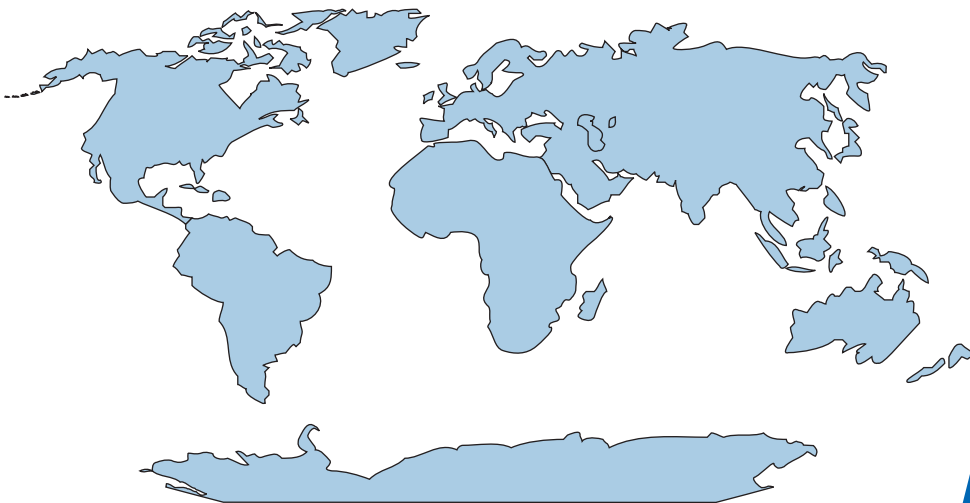


ISSN 2322 - 0899

**INTERNATIONAL JOURNAL OF RESEARCH
IN MANAGEMENT & SOCIAL SCIENCE**



Volume 3, Issue 2 (I)
April - June 2015

International Journal of Research in Management & Social Science

Volume 3, Issue 2 (I) : April – June 2015

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**THE PERCEPTION OF WORKING WOMEN REGARDING THEIR EMPOWERMENT AT
WORKPLACE: A STUDY OF THE BANKING SECTOR**

Tanushree

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ABSTRACT

Women Empowerment is being written about and discussed at various platforms today. Modern women are contributing optimally and making their potential and presence felt in various fields, but ironically, even then, at the grass-root level, they do experience multiple and intersecting inequalities. The objective of this study was to get an insight into the perception of women employees regarding their empowerment at workplace. The study focused on women employees working in the banking sector. Though the responses were encouraging and point towards an increasing sense of empowerment in women, there still seems to be a long way to go when it comes to creating an ideal scenario.

INTRODUCTION

Feminism isn't about making women strong. Women are already strong. It's about changing the way the world perceives that strength." —G.D. Anderson

‘Women empowerment’ refers to the creation of a healthy environment where women can make independent and informed decisions about their personal and professional development and make a mark in the society. It is something that is being talked about, written about and discussed at various platforms today. Today, women are contributing optimally and making their potential and presence felt in various fields, be it business or service, office or field work, education or research, but ironically, even then, at the grass-root level, they do experience multiple and intersecting inequalities.

Empowerment means moving from enforced powerlessness to a position of power. Education is an essential means of empowering women with the knowledge, skills and self-confidence necessary to optimally participate in the development process. It has to be realised that sustainable development is only possible when both women and men enjoy equal opportunities to reach their potential. Gender equality is, first and foremost, a human right. A woman is entitled to live with dignity and in freedom from insecurities and fear. Empowering women is also an indispensable tool for advancing development and reducing poverty. Empowered women contribute to the health and productivity of their families and communities and to improved prospects for the next generation.

It is encouraging to see that the present government is emphasizing on women safety and development and taking various measures to enhance their overall participation. They seem to realise that gender equality, women's empowerment and promotion and protection of women's rights play a great role in catalysing a shift in societies towards economic development, social stability and promoting greater equilibrium between societies and nature.

BRIEF LITERATURE REVIEW

Traditionally, women were looked upon as care givers or home keepers and were denied access outside home. But the scenario today is different. They have an important role to play even outside their home. With the improved education and employment opportunities in the modern world, most homes became dual earners because of increase in expenses and necessities. The expansion of higher education has also enhanced job prospects for women and there is a shift in the role models from stay-at-home mothers to successful professional women. Women have achieved tremendous progress in every walk of life and made a mark where ever they are (Thriveni & Rama, 2012). Contrary to the common perception, a large number of women in India are working (Mishra 2006). The National data collection agencies accept the fact that there is a serious under-estimation of women's contribution as workers (Menon & Kumar 2001).

A transformation has happened with the term ‘Empowerment’ which enables women to have control over the circumstances of their lives and their well-being. This process not only envisions but also helps to have control over their resources and ideology, greater self confidence and an inner transformation of one's consciousness to overcome external affairs (Dheepa & Barani, 2010). Experience has shown that addressing gender equality and women's empowerment requires strategic interventions at all levels of programming and policy-making. In nearly every country, women work longer hours than men, but are usually paid less and are more likely to live in poverty. In subsistence economies, women spend much of the day performing tasks to maintain the household, such as carrying water and collecting fuel wood. In many countries women are also responsible for

agricultural production and selling. Often they take on paid work or entrepreneurial enterprises as well. Unpaid domestic work – from food preparation to care giving – directly affects the health and overall well being and quality of life of children and other household members.

Empowerment of women is the key device to enable them to resurrect their status multifariously in the society and reconcile them to share virilities of the fast developing world. This device is significant in view of the role that women can more effectively play in all vital areas. It enhances the skills and qualities of women leaders and managers to face challenges and focuses on how women have converted the cultural and social obstacles into inspiration ladders for their success or identity (Thota, 2012).

WOMEN IN BANKING INDUSTRY

Indian banking sector has witnessed explosive growth and expansion ever since the era of economic reforms was launched nearly two decades ago. That growth also created new windows of opportunity for women for finding employment in the banking sector.

Women form a good percentage of workforce in the Banking Industry. This is one sector where they have been able to smash the glass ceiling as the banking and financial services sector has several women at the helm of affairs.

Tarjani Vakil was the first woman to reach the top at The Export Import Bank of India in 1996. Four years later, Ranjana Kumar became the chairman and managing Director of the Indian Bank. She played a critical role in turning around the bank before shifting to National bank for Agriculture and rural Development in 2003. The second woman chairperson in a commercial bank, H.A. Daruwala, reached the top in 2005 at the Mumbai based Central Bank of India. After that, another woman, Nupur Mitra, headed Dena Bank. Today, the industry has some dynamic, driven women leaders heading corporate operations in a number of Banks. Arundhati Bhattacharya, the chief of State Bank of India, Chanda Kochhar, the managing director and chief executive officer of ICICI Bank, Shikha Sharma, the managing director & CEO of Axis Bank are just a few names in this list.

OBJECTIVE OF THE STUDY AND THE RESEARCH METHODOLOGY

Though some women have done very well in the banking industry, the same cannot be said for many others working at the lower levels, who might not find it very easy to work in a society where, even today, men are considered to be major bread earners and superior workers.

The objective of this primary study was to study the perception of women employees regarding their empowerment at workplace. To accomplish this objective a structured questionnaire focusing on various aspects of empowerment was prepared and the responses were supplemented with a personal interaction with the respondents.

Convenience Sampling was used for the study and the sample size was 60 which included women respondents working in the banking industry. The data was collected from three prominent private sector banks. 30% of the respondents had been working for five years or less in the industry, 38% had an experience between six to ten years whereas the rest 32% had an experience of more than ten years in the industry.

The data was analysed and conclusions were drawn. Since the sample size was small, it might not have been an accurate representative of the population, this being the major limitation of this study. Moreover, since the respondents represented a particular sector, the results may not be generalized. Nevertheless some interesting observations were made.

MAJOR FINDINGS AND ANALYSIS

The following were the major findings of this study:

A majority (75%) of the respondents said that in their workplace, they get equal opportunities and resources to grow compared to their male counterparts while the rest did not feel the same. 60% of the respondents admitted that they are promoted in almost equal time compared to their male counterparts (for a similar performance) whereas 40% did not feel the same indicating a perception of discrimination of some sort. Also, 35% of the women revealed that they have faced gender based discrimination while getting other incentives or resources. Rest did not face any such discrimination indicating a perception of equality. 59% of the respondents said they found the behaviour of their male superiors towards them quite neutral i.e. neither particularly helpful nor antagonistic. 12% of women found the behaviour of their male bosses chauvinist whereas 29% of women found the behaviour to be on the co-operative and positive side. 60% of the respondents admitted that their gender puts an additional pressure on them to prove themselves i.e. they have to go for that extra mile to prove

themselves compared to their male counterparts. Some of them even believed that they have to work 'Ten times as Hard' than their male counterparts to gain the same recognition in their organization.

When asked if they feel hesitant to work with their male colleagues in teams/ assignments because of underestimation/discrimination on the basis of gender 65% of the women said they never shy away from working with their male colleagues because they treat them at par with themselves while 35% felt otherwise.

When asked if people in the workplace draw unrealistic conclusions about their character and attitude just because they are women, 50% of the respondents answered in affirmative as they felt that sometimes their actions are misconstrued because of their gender, reflecting a biased and negative mindset of people.

A majority i.e. 70% of the respondents said they have never felt any gender based abuse by their bosses/superiors while 30% said they did face various forms of comments/ abuse(both overt and covert) at the workplace.

On being asked if they think that the organization/office authorities will act in a fair manner if they ever faced any sexual or gender based harassment, 75% of the respondents thought that they would get justice as the authorities will act against the accused and appropriate actions would be taken.

In a particular response, a majority (70%) of the respondents said that they would fight against the injustice in case they suffer any abuse or harassment at work, 18% said they would suffer in silence reflecting their fears, lack of courage or acceptance of circumstances whereas 12% said that they would consider quitting the job.

In response to another question, 38% of respondents said that they believed that glass ceiling exists in their organization i.e. beyond a certain post women find it difficult to get promotions whereas 62% thought otherwise.

One encouraging finding was that a vast majority i.e. 85% of the respondents were happy with the work life balance measures being provided at their workplace which shows that the private sector banks are gearing up to the needs of maintaining a healthy and balanced life by their employees especially when they are women.

Upon analysis of the data it could easily be seen that the times are changing and women employees today feel more comfortable and confident in their workplace. A majority of them do not feel that they are harassed or discriminated against in their workplace. They also believe that the mindset of their male colleagues are slowly but steadily changing in a positive direction as they are accepting women as an important part of the workforce.

At the same time it cannot be ignored that a few of the respondents still believe that men are favoured when it comes to providing incentives or promotions as they are perceived to be more capable or professional than their women counterparts. Moreover 30% of the respondents confessed to having faced some form of gender based abuse at various points in their career, which is not an encouraging fact. This clearly shows that the system still has some people who do not respect women and do not miss a chance to treat them wrongly or to take undue advantages from them.

Similarly though it is encouraging to see most women being empowered enough to speak against any injustice/ harassment and trusting the organizational system when it comes to their protection or redressal of their grievances; it is sad to note that there are still a few who choose to suffer in silence and consider it a better option to quit their job rather than fighting the wrongs in the organization.

Another notable fact is that a majority of the respondents felt that as compared to men, they have to work much harder to prove their worth in the organization. This shows that women do work under a constant pressure of expectations and have a fear of continually being judged due to their gender.

CONCLUSION

To conclude, it can be said that gender equality and empowerment of women is essential for creation of a healthy progressive society. Though things are moving in a positive direction, there is still a long way to go. It has to be realised that to make women truly empowered, they have to be given equal opportunities, resources and a secure environment to work, where they are free to make informed choices and give their best to their organization. Moreover, there needs to be such a system in place where women do not hesitate to report any misbehaviour or harassment, both overt and covert, and strong actions need to be taken to ensure that such behaviours are not repeated or encouraged in the organization. As with other psychosocial risks, preventing harassment is a legal obligation. Making sure an organisation treats all employees equally while creating a culture that discourages discrimination and promotes dignity is essential. Raising awareness among both management and workers about the definition of harassment and how it is dealt with in the organisation should

be a regular feature in a progressive organization. The best prevention practices include developing an anti-harassment policy and putting organisational practices and procedures in place to deal with any harassment cases, reacting to them as soon as possible if they occur, and not waiting for the problem to escalate.

For creation of a healthy work environment, it is necessary that both men and women employees respect and support each other and work synergistically towards making their organizations successful. Moreover it has to be realized that Women Empowerment is possible only through Education (not just literacy!), Positive Mindsets and Cooperation between both the genders. Organizations should take steps to empower their women employees and women in turn should work hard to acquire the power that they rightfully deserve and then use it responsibly for the betterment of their organizations and the society at large.

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A REVIEW OF FACTORS AFFECTING CUSTOM LOYALTY IN TELECOMMUNICATION INDUSTRY

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ABSTRACT

The mobile telecommunication companies uphold their service quality and change their marketing core strategies to retain their existing customers by enhancing and optimizing the customer loyalty. Therefore, it becomes significant for telecom companies to identify factors of services that influence customer loyalty and in turn creates loyal customers by satisfying them. This present study aims to review the factors affecting customer loyalty in the Telecommunication Industry.

Keywords: Customer Satisfaction, Customer Loyalty, Mobile Telecommunication Industry

INTRODUCTION

Indian telecom sector has witnessed revolution during the last two decades. The liberalization era has added extra mileage to its growth. The telephone from landlines to 3G technology is a journey which not only brought revolution in the lifestyle of the people at large but it also contributed to the Indian economy. The telecom sector includes both telecom service providers as well as handset providers. At present mobile phone is the most essential element of our Life. In India it has reached out to almost every household. The overall teledensity of India is 72.5 and the high density circle Delhi having a whopping teledensity of 227.20 (TRAI, 2014). This has severely restricted the scope of addition of fresh subscriber to any telecom service provider. The provision of Mobile Number Portability has worsened the situation for all operators. Now every operator is poaching for each other's customer. This has made customer acquisition more costly than customer retention.

Many research studies have proposed that companies can generate more profit through retaining their existing current customers rather than to attracting new ones (Hogan et al., 2003, Lee-Kelley et al., 2003). It was also observed that, loyal customers were less interested in changing the company because of price and they also engaged in positive words-of-mouth about its current service provider and refer it to other customers (Reichheld & Teal, 1996). A dissatisfied customer is more likely to search for information on alternatives and more likely to yield to competitor overtures than is a satisfied customer (Anderson and Srinivasan, 2003). This shows customer loyalty is crucial for growth, and survival of the companies operating in telecommunication sector. Superior customer loyalty in telecommunication industries will lead to better productivity. Hence it is felt to explore the factors affecting customer loyalty in telecommunication industry.

OVERVIEW OF TELECOM SERVICES PROVIDERS IN INDIA

Table 1 shows that Bharati telecom which operates under the brand name AIRTEL is the No 1 in terms of subscribers 113.44 million and market share 22.29%. In urban sector, Reliance is having second highest number of subscribers where as in rural sector BSNL is having second highest number of subscribers. Vodafone which acquired Hutch is aggressive in the market and captured fourth position. MTNL (Mahanagar Telephone Nigam Ltd) only operates in Delhi and Mumbai so it does not have rural customers.

Table 1: Market share of telecom service providers as on 30th September 2009

| Service Provider | Rural Subscribers | Urban Subscribers | Total Subscribers | Market Share |
|-------------------|-------------------|-------------------|-------------------|--------------|
| Bharti | 38.45 | 74.99 | 113.44 | 22.29% |
| Reliance | 17.52 | 69.75 | 87.27 | 17.14% |
| BSNL | 31.02 | 56.19 | 87.20 | 17.13% |
| Vodafone | 27.29 | 55.56 | 82.85 | 16.28% |
| IDEA | 22.15 | 29.30 | 51.45 | 10.11% |
| Tata | 4.46 | 43.34 | 47.80 | 9.39% |
| Aircel | 10.74 | 14.99 | 25.73 | 5.05% |
| MTNL | - | 8.19 | 8.19 | 1.61% |
| Loop Mobile (BPL) | | 2.50 | 2.50 | 0.49% |
| HFCL | 0.00 | 0.54 | 0.55 | 0.11% |
| Sistema | 0.19 | 1.86 | 2.06 | 0.40% |
| Total | 151.81 | 357.22 | 509.03 | |

Source: TRAI report September 2009

Table -2 : List of Cellular Mobile (GSM & CDMA) Service Providers currently providing service as on 30th September 2009

| Sl. No. | Service Provider | Area of Operation |
|---------|--------------------------|---|
| 1 | Bharti | All India |
| 2 | Aircel Group | AP, TN, Karnataka, Assam, Bihar, Chennai, Delhi, HP, J&K, Kerala, Kolkata, MH, Mumbai, NE, Orissa, UP(E), UP(W) & WB |
| 3 | Reliance Communications | All India (except Assam & NE) |
| 4 | Reliance Telecom | Kolkata, MP, WB, HP, Bihar, OR, Assam & NE |
| 5 | Vodafone | All India |
| 6 | Tata Teleservices | All India |
| 7 | IDEA(Including Spice) | Delhi, Mumbai, AP, MP, Rajasthan, Punjab, Haryana, Gujarat, TN, Karnataka, Bihar, HP, Kerala, MH, Orissa, UP(E) & UP(W) |
| 8 | Sistema Shyam Telelink | Kolkata, TN (incl. Chennai) Kerala, Rajasthan, Bihar & WB |
| 9 | BSNL | All India (except Delhi & Mumbai) |
| 10 | MTNL | Delhi & Mumbai |
| 11 | Loop Telecom Private Ltd | Mumbai |
| 12 | HFCL | Punjab |

Source: TRAI report September 2009

Table 2 indicates the presence of telecom service providers in different telecom circles. As on September 2009 (TRAI report) there were 12 operators providing service in different telecom circles. Bharti, Vodafone and Tata teleservices are indicating pan India presence. Other telecom companies are providing their services in limited number of services. BSNL operates all over India but in Delhi and Mumbai it operates as MTNL(Mahanager Telephone Nigam Ltd). Reliance is operating in limited areas but it plans to go pan India with its GSM service. Aircel group is also operating in limited circles but plans are there to cover all circles.

OBJECTIVES OF THE STUDY

1. To Present an overview of Telecom service providers in India and the significant of customer loyalty in telecommunication sector.
2. To review the factors affecting customer loyalty in telecommunication industry.

CUSTOMER LOYALTY

Customer loyalty is a key component for a brand's long-term viability (Krishnamurthi & Raj, 1991). Oliver (1991) defines it as “a deeply held commitment to re-buy or re-patronize a preferred product/service consistency in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts of having the potential to cause switching behavior.” Though there are many more definitions of customer loyalty, it seems clear that there are two basic varieties: stochastic and deterministic. Loyalty of customers is considered to be a function of satisfaction and that loyal customers contribute to company profitability by spending more on company products and services, via repeat purchasing, and by recommending the organization to other consumers (Bowen & Chen, 2001; Fecikova, 2004). Customer loyalty expresses an intended behavior related to the service or the company. This includes the likelihood of future renewal of service contracts, how likely it is that the customer changes patronage, how likely the customer is to provide positive word-of-mouth, or the likelihood of customers providing voice. If real alternatives exist or switching barriers are low, management discovers the organization's inability to satisfy its customers via two feedback mechanisms: exit and voice (Hirschman, 1970). Exit implies that the customers stop buying the company's services while voice is customer complaints expressing the consumers' dissatisfaction directly to the company. Under all these conditions, protecting the existing customer base and retaining existing customer loyalty appear to be the crucial competitive advantage.

REVIEW OF FACTORS AFFECTING CUSTOMER LOYALTY

Numerous researchers have done research to decipher the key elements that affect customer retention and these areas are Customer satisfaction, Customer trust, Level of involvement, Attractiveness of alternatives & Switching barriers, Service quality, Price, Communication effectiveness, Ambivalence, Indifference and Inertia. Each of the above factors are discussed below at length.

CUSTOMER SATISFACTION

Customer satisfaction is defined as a customer's overall evaluation of the performance of an offering to date (Johnson and Fornell 1991). Customer satisfaction is conceptualized as the evaluation of an emotion and proclaims that the higher is the satisfaction, the higher is the level of retention (Ranaweera & Prabhu, 2003).

This overall satisfaction has a strong positive effect on customer loyalty intentions across a wide range of product and service categories, including telecommunications services (Fornell 1992; Fornell et al. 1996). As an overall evaluation that is built up over time, satisfaction typically mediates the effects of product quality, service quality, and price or payment equity on loyalty (Bolton and Lemon 1999; Fornell et al. 1996). It also contains a significant affective component, which is created through repeated product or service usage (Oliver 1999). In a service context, overall satisfaction is similar to overall evaluations of service quality. Compared with more episode-based or transaction-specific measures of performance, overall evaluations are more likely to influence the customer behaviors that help a firm, such as positive word of mouth and repurchase (Boulding et al. 1993). Historically, satisfaction has been used to explain loyalty as behavioral intentions (e.g., the likelihood of repurchasing and recommending). Customer satisfaction results from experiencing a service quality encounter and comparing that encounter with what was expected.

As customer satisfaction reflects the degree of a customer's positive feeling about a service provider, it is important for service providers to understand customers' perception of their services. On the other hand, a high level of customer satisfaction may have a positive effect on customer loyalty (Deng, Lu, Wei and Zhang, 2009). Patterson, Johnson and Spreng (1997) argue that satisfied customers are perceived as indispensable means of creating sustainable advantages in competitive environments. The authors further refer to Anderson & Sullivan (1993) who stated the following: "Investing in customer satisfaction is like taking out an insurance policy. If some hardship temporarily befalls the firm, customers will be more likely to remain loyal". Patterson et al. (1997) further look at customer dissatisfaction as the difference between an individual's pre-purchase expectations and post-purchase performance of the product or service. Although customer satisfaction is a good base to start with when retaining customers, it is not the only influencing factor. Richards (1996) argues that some customers even though they are satisfied will leave the firm while others who are dissatisfied will remain. On the basis of these studies, we expect customer satisfaction to have a significant influence on customer loyalty that varies across customers.

SERVICE QUALITY

Many studies have found a direct positive link between service quality perceptions and customer behavioural intentions (e.g. Boulding et al., 1993; Zeithaml et al., 1996). Various researchers (Bitner, 1990; Zeithaml, 2000) contend that service quality affects customer loyalty and service quality has been shown to assist in both the retention and expansion of the existing customer base. Ranaweera and Neely (2003), in their empirical study reported that service quality is an important driver of customer retention. However, the dominating perspective within service quality research has been to assume that service quality has a positive correlation with satisfaction, which in turn leads to increased customer loyalty.

Service quality according to Sharma and Patterson (1999) is divided into two main components: technical quality and functional quality. Technical quality is related to the actual outcomes or the core service as perceived by the client. Here, the competency of the professionals in achieving the best return on investment for their client at acceptable levels of risks is viewed. Technical quality is relevant to the promised service. Functional quality on the other hand is rather than concerned with „what“ is delivered, deals with „how“ the service is delivered. It is concerned with the interaction between the service provider and service receiver, and is assessed in a highly subjective manner. The authors further argue that trust had a great impact on how quality is delivered, both in terms of functional- and technical quality. Consequently, it is argued that the greater the perceived technical quality, the stronger is the trust in the relationship, and the greater the perceived quality of the advisor, the stronger is the level of trust in the relationship. Consequently, the greater the quality is perceived, the stronger is the relationship commitment. (Sharma & Patterson, 1999). Several studies have shown that there is a direct positive link between perceived service quality and customer repurchasing intentions (Ranaweera & Neely, 2003, Reichheld, 1996; Zeithaml & Bitner, 1996; Zeithaml, 1988).

CUSTOMER TRUST

Trust is defined as the belief that the service provider can be relied on to behave in such a way that the long-term interests of the buyer will be served (Sharma & Patterson, 1999; Crosby et al., 1990). It implies reliance on, or confidence in, the process or person. Hence, the greater is the level of trust, the stronger is the relationship commitment (ibid). The factor of trust was also looked at by Morgan & Hunt (1994) who argues that trust has a

positive relation to the extent through which the firms share similar values. Ganesan (1994)'s studies showed that a trust booster for firms was customers' satisfaction with past exchanges with the firms.

Trust is conceptualized as existing when one party has confidence in the other party's reliability and integrity. The authors argue in the article that several studies have recognized that even though firms manage to properly satisfy their customers, they may be unable to retain them. Hence, satisfaction alone is inadequate to ensure long-term customer commitment to a single provider. Due to costs related to the termination of the relationship, once trust has been built, the probability of each party ending the relationship decreases. (Ranaweera and Prabhu, 2003) Gounaris (2003) argues that trust is a vital element in any type of relationship. The more a customer trusts a supplier, the higher is the perceived value of the relationship. Consequently, the greater the chances that the customer remains in the relationship will be. Furthermore, trust is an important factor in the perceived quality of services, especially in business to business services.

LEVEL OF INVOLVEMENT

The first factor is the level of involvement in the brand and the category. The more people are involved in a given choice, the more carefully they will choose and once they have made their choices they often stick to it. Hence, if the customer is dissatisfied but involved, his primary strategy will be to try and repair the relationship rather than seeking other alternatives. If the customers are both dissatisfied and uninvolved, they would not even care about fixing the relationship but simply switch providers. Involvement creates a willingness to tolerate dissatisfaction. (Richards, 1996). Becket et al. (2000) argues that consumers' involvement in the buyer-seller interchange integrates several subsets such as customer control, customer participation and level of contact. The more a customer is involved, the more he/she has confidence in the service provider and also in the outcomes.

ATTRACTIVENESS OF ALTERNATIVES & SWITCHING BARRIERS

One of the arguments of Richards (1996) is that the more the alternatives attract, the more dissatisfied customers will converse, meaning switch service provider. If the alternatives available are not considered as being „good“ conversion may then be delayed in spite of dissatisfaction. On the other hand, if the alternatives attract, customers may converse even though they are highly satisfied (ibid). Sharma and Patterson (2000) state that when customers are not aware of the available substitutes or competing alternatives they may continue in a service relationship even though it is a less satisfactory one. Patterson and Smith (2000) in their study conclude that when customers are aware of, and perceive other suppliers as offering a differentiated service in terms of price, service and/or quality of technical outcomes, they tend to be less committed to one supplier. The perceived switching barriers are conceptualized as the consumers' evaluation of the resources and opportunities needed to perform the act of switching as well as the constraints preventing it (Ranaweera and Prabhu, 2003). Hence, the authors argue that the higher the level of perceived cost is, the higher is the probability for the customer to remain (ibid). The factor of switching or termination costs is also identified by Morgan and Hunt (1994) as contributing to the maintaining of relationships. However, the authors view switching costs as being only of economical nature. Sharma and Patterson (2000) discuss of switching cost as being in addition of economical nature, of both psychological- and emotional nature. The authors further present a few examples of switching costs such as social bonds, personal rapport and trust which have been built over time. The authors argue that switching costs may act as a present psychological exit barrier even when performance of the core service is less than satisfactory.

PRICE

Ranaweera and Neely (2003) hold the hypothesis that the better the perceived price is, the greater is the level of repurchase intentions. However, little research has been conducted on the correlation between price perceptions and customer retention and therefore, they argue that future research is needed in the area. In their study, they found that there was a direct relation between price perceptions and customer behavioral intentions.

COMMUNICATION EFFECTIVENESS

Communication effectiveness is referred to the formal as well as the informal sharing of meaningful and timely information between a client and an advisor in an empathetic manner. The purpose of such is to educate and keep clients informed about their investments in a language that they can understand. Strong communication skills are required to ensure that clients understand investments and thus become more confident in their ability to assess financial risks and outcomes. Effective communications also help customers through the unavoidable ups and downs of variable investment performances. Consequently, the greater is the communication effectiveness, the stronger is the relationship commitment. (Sharma & Patterson, 1999)

AMBIVALENCE

Ambivalence meaning insecurity caused by the range of choices. Richards(1996) argues in his article that the advantages respectively the disadvantage of each alternative should be compared and reviewed. Being in a state of ambivalence according to the author is when the customers are in a state in which they will waver whether to stay or leave. Ambivalence makes the customers less committed, although conversion is delayed as neither choice offer obvious advantages.

INDIFFERENCE

Ranaweera and Neely (2003), propose that the higher the level of customer indifference, the greater is the level of repurchase intentions. They argue that those who have positive perceptions of the service and also show a certain level of indifference, are the least likely to leave as their service expectations are fulfilled, and at the same time, they see no gains from switching. The authors further state that literature on measuring customer indifference is rather scarce and has sometimes been used in the marketing literature in relation to consumer's attitude towards advertising, described as neither positive nor negative.

INERTIA

Ranaweera and Neely (2003) argue that the higher the level of inertia is, the greater is the level of repurchase intentions. Ranaweera and Neely (2003) base their definition of inertia in their study as the one of Huang and Yu (1999), a non-conscious form of retention. Huang and Yu (1999) according to Ranaweera and Neely makes a distinction between inertia and loyalty by the level of consciousness involved in the decision to continue to purchase from the same provider. Therefore, they argue that consumer research should not be limited in researching conscious decisions but also non-conscious ones or involuntary customer relationships. Gupta et al. (1996) in Ranaweera and Neely (2003), argue that the greater the degrees of inertia, the more likely the customers are to be sensitive to promotions or similar attempts by competitors to attract them.

CONCLUSION

This study has attempted to comprehensively present the past research works relating to examining role of customer loyalty in telecommunication industry. The identified factors will serve as a guiding light for further research study for researchers and policy makers.

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**MICROFINANCE FOR INCLUSIVE GROWTH: A STUDY OF SOUTHERN INDIA WITH A FOCUS
ON THE WOMEN SHGs IN KERALA STATE**

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ABSTRACT

It is widely recognized that microfinance is an effective tool for channelling scarce resources for the benefit of the poor and hence a vital tool for faster and inclusive growth. Often microfinance activities have a direct bearing on empowering the women, particularly through time-tested models like viz. Self Help Group – Bank Linkage Programme (SHG-BLP). SHG-BLP has grown into world's largest microfinance initiative within a short period of two decades, though it had a humble beginning of the linking of a meagre 500 SHGs representing "unbankable" rural poor to the formal sector financial institutions. SHG-BLP has grown into 7.4 million SHGs as of 2014, representing 97 million rural households. In India, South Indian states alone account for nearly 50 percent of the total microfinance exposure. In this context, this paper makes a detailed analysis of the trend and pattern of microfinance exposure by formal sector institutions in South India with a focus on Kerala. The case of Regional Rural Banks (RRBs) and Co-operative Banks (Co-ops) is given emphasis in the study, because these groups are specially mandated to serve rural poor unlike the Commercial Banks (CBs). Besides, the extent of the reach of microfinance on exclusively women is also studied in detail. Based on the findings of the study, the paper offers strategies for more effective operation of microfinance activities for balanced, equitable and sustainable growth.

Key Terms: Microfinance, Financial Inclusion, Self-Help Groups, RRBs, Co-operatives.

1. INTRODUCTION

Indian economy has been growing at a fast rate in the ongoing reforms era as evidenced by its GDP registering an average growth rate of about 8 percent since the beginning of this century. There has been an almost steady growth over the years in spite of sub-5 per cent growth rate noted in a few years, e.g. 2012-13 (4.8 percent). For 2013-14 it is 6.8 percent and for 2014-15 it is estimated at a still higher level of 7.4 percent (Government of India, *Economic Survey 2014-15*, p.A4) [1]. Accordingly, the GDP growth during the period 1991-2001 was 5.7 percent while the same during 2001-2011 was 7.7 percent. The projections of GDP growth rate for the next fiscal 2015-16 by most of the agencies are above 8 percent, and upto 9 percent; and accordingly Indian economy could look forward for better growth prospects from 2015-16 and beyond. However, in spite of the above positive developments, there are growing apprehensions regarding the inclusiveness of India's economic growth process and also imbalance that is observed in the relative growth rates of the three major sectors. Services sector in India has been growing fast right from the 1950s and based on the latest statistics (as of 2014-15), services sector accounts for 56.10 percent (2004-05 series) and 49.6 percent (2011-12 series) of the GDP of the country (Government of India, *Economic Survey 2014-15*, Vol. II, p.3) [1].

In spite of the good prospects for the economy as a whole and service sector in particular, the issue of 'Inclusive Growth' or 'Distributive justice' is a question mark in India. So also is the issue of the fast declining share of the primary sector (viz. Agriculture and allied activities) towards the country's GDP which is at the level of 17.9 percent (2004-05 series) and 18.7 percent (2011-12 series) as against fast growing trend in services sector at about 50 percent or more as already noted above. Because of the general stagnancy in the industries sector over the years, persons rendered unemployed because of the constant decline in the share of agriculture sector needs alternate avenues for livelihood as they are fit for the service sector. Accordingly, promotion of agriculture assumes vital significance in India for ensuring that country's growth is equitable as well as sustainable in the long run. Promotion of gainful employment for the rural poor through micro level businesses, financing for and development of various rural development initiatives etc. are equally important. In this above situation that microfinance has emerged as an effective tool for poverty alleviation, rural development, women empowerment and such other modes of equitable and inclusive growth. Among the formal sector financial intermediaries, two intermediary groups viz. Regional Rural Banks (RRBs) and Co-operative banks (Co-ops) are specifically mandated to serve the rural poor and are playing a catalytic role in accelerating the 'Financial Inclusion' process. But, their collective share is only about half that of the Commercial Banks (CBs) which represents the largest among the groups and also one that undertakes such activities along with a number of general banking activities. In this context, an attempt is made to make a detailed study of the microfinance exposure by formal sector intermediaries in South India with a focus on Kerala state, with special reference to the case of

specialized agencies like RRBs and Co-ops and their exposure to women SHGs. Based on the study findings, suitable strategies are suggested for more effective reach of microfinance.

2. RELEVANCE AND SIGNIFICANCE OF THE STUDY

Banking and financial services sector is the backbone of the Indian economy. This sector has been fast growing ever since the initiation of the financial sector reforms by the Government of India since 1991. As part of the reform measures there has been high growth rate in the banking sector with massive expansion of the foreign and new generation banks. Though the share of agriculture have declined consistently as part of the total GDP over the years, it is true that every fourth farmer of the world is an Indian, and about 70 percent of the population still lives in villages and depends on agriculture for livelihood. Promotion of this sector is essential for balanced and equitable growth of the country as agriculture still plays a dominant role in Indian economy. To meet the credit needs of the people living in rural areas, and also to facilitate faster development of rural areas the RRBs and Co-ops can play a vital role as they are mandated to focus on these aspects. The performance of the Co-ops and RRBs, though impressive in absolute terms were inadequate to meet the credit needs of the Indian rural poor. Government of India (2015) in its *Economic Survey 2014-15* has revealed that majority of rural credit is still extended by the Commercial banks (CBs) and CBs account for 72.48 percent (FY 2014) of the total. In this context, a detailed study of the rural credit performance of RRBs and Co-ops is significant, as it can help formulate policies for enhanced performance of RRBs and Co-ops in Kerala.

3. LITERATURE REVIEW

A review of the literature relevant to the topic of research viz. initiatives in the financial inclusion front like microfinance, SHG-lending etc. by formal sector financial intermediaries like CBs, Regional Rural Banks (RRBs), Co-operative sector institutions (Co-ops) etc. including their implications on the society) has been made hereunder in the chronological sequence:

Hosamani S.B (2002)[5] has made an elaborate study of the RRBs in India with a focus on the reforms era. The factors influencing their performance of RRBs, their weaknesses including various issues and challenges faced by them are covered in the book. The author has made some suggestions for the enhanced performance of RRBs, based on the study findings.

Reserve Bank of India (RBI) (2006) [13] (Misra, Biswa S) has evaluated the performance of RRBs in India focusing on the 10 years' period, FY 1994 to FY 2003. The study was done on 196 RRBs, of which 150 were profit making and the rest 46 were loss making. The paper has studied in detail the the problem of the loss making RRBs, and also as to whether this problem is confined to some specific sponsor banks or States. The factors influencing the performance of RRBs and the role-played by sponsor banks were studied. It is noted that the problem of loss making RRBs were neither confined to their sponsor banks nor the states to which they belong. Investments had contributed positively to the profits of profit-making RRBs. Sponsor banks had a positive influence on the financial health of the profit making RRBs. For loss making RRBs, it is noted that they need focussed attention by all stakeholders, and their respective sponsor banks in particular. Hence, some critical thinking was suggested in their restructuring initiatives.

Ibrahim (2010) [7], has investigated as to whether the consolidations among the RRBs in India undertaken in 2005-06 has helped improve their performance have studied on the topic "Performance Evaluation of Regional Rural Banks in India". The researcher have used secondary data form various sources from data bases of Reserve Bank of India (RBI), National Bank for Agricultural and Rural Development (NABARD), Journals like Banker and the Journal of Indian Institute of Bankers . The study was confined to specific areas like number of branches, district coverage, deposits mobilized, credits and investments made by the Indian Regional Rural Banks (RRBs) for the eight years period starting from 2001-02 to the year 2008-09. The study revealed that even though number of RRB's has decreased the branch net work has been increased. The overall performance of RRB's have improved after the post-merger period.

Mohindra and Kaur (2011)[9] have conducted research on the topic "Efficiency of Regional Rural Banks in India: An Application of Data Envelopment Analysis". In this study they have examined the relative efficiency of regional rural banks during the post reform period from 1991- 92 to 2006-07 by using Data Envelopment Analysis, taking a sample of 50 RRB's. They have divided the overall technical efficiency into two components namely pure managerial in capabilities in utilizing critical inputs due to improper choice of sub optimal scale of operation. A positive relationship between scale economies and bank size has been revealed.

Alagawadi and Savadatti (2011) [1] have studied the performance of a Karnataka-based RRB viz. Malabrapha Grameen Bank (MGB), compared its performance between pre-WTO and post-WTO periods, using principal component analysis (PCA) with twenty nine variables. The study has found that in case of physical

indicators based on the factor loading three dimensions during pre-WTO period and two dimensions during post-WTO period, could explain 74 percent and 91 percent of the variations respectively. With respect to financial indicators three dimensions during pre-WTO period and three dimensions during post-WTO period explained nearly 90 percent and 93 percent of the variations in the bank's performance respectively. The PCA analysis indicated the dominance of Business Component in influencing the performance of the bank during post-WTO period. Hence, purpose wise and beneficiary wise rationalization of credit structure and scale is a pre-requisite for enhancing the effectiveness of the credit system and in turn business of the bank. Secondly, the bank has to strike a balance between advances for agricultural and non-agricultural purposes, since, safeguarding the interest of the target groups is important on one hand and sustainability of the bank on the other.

Government of Kerala (2012) [4] in its report 'Kerala Co-operative Movement' has given an elaborate account of the operations and performance of co-operative sector institutions in Kerala, the implications and reach of such activities, the major issues and problems faced by the co-operative sector institutions.

Paramanandam&Packirisamy (2012) [11] have made a comparative study of NABARD in India and its counterpart viz. Grameen Banks in Bangladesh. The paper highlights the achievements of Grameen Banks in Bangladesh and also the commendable schemes like the SHG-Bank linkage model of the NABARD. The need for further strengthening their initiatives with the active support of the Government, NGOs and Banks for the purpose of total eradication of poverty has been pointed out by the authors.

Fiorese (2012) [6] has studied the relative performance of all the 14 District Co-operative Banks (DCBs) in Kerala using Data Envelopment Analysis (DEA). The technical efficiency (TE) of all the 14 DCBs based in Kerala has been decomposed into pure technical efficiency (PTE) and scale efficiency (SE). Suggestions for improvement in respect of inefficient DCBs are made.

Rao and Rao (2014) [12] have made a recent study on the performance of RRBs in India in general and Andhra Pradesh GrameenaVikas Bank (APGVB) in particular. The vital role that RRBs provide for the development of rural and agricultural sectors have been highlighted in the paper, and is followed by detailed analysis of the performance of APGVB. The commendable performance of APGVB is pointed out. The need for expansion of the activities of APGVB and other RRBs for the faster, inclusive and sustainable development of India has been pointed out.

Government of Kerala (2014) [2] in its annual report 'Economic Review' gives a detailed account of the rural credit and agricultural finance in Kerala, various agencies in this field, etc. The working of co-operative societies, their deposit mobilization modes etc. are discussed. It is noted that Kerala has got one of the most vibrant co-operative movements in the whole of India.

Lakshmi &Manoj P K (2014) [8] in their study on 'Gramin Banks' (i.e. RRBs) have analysed the significance of RRBs in India in the ongoing reforms era for accelerating the pace of financial inclusion process. The problems and prospects of RRBs have been studied, with a focus on Kerala-based RRB viz. Kerala Gramin Bank (KGB). Based on the findings of the study the authors have suggested strategies for more effective functioning of RRBs like KGB.

Government of India (2014) [3] in its annual publication 'Economic Survey 2013-14' has pointed out that the agriculture sector was disbursed Rs.6,07,375.62crore in 2012-13. According to this report, Commercial banks (CBs), Regional rural banks (RRBs), and Co-operative banks (Co-ops) extended credit to 152.77 lakh new farmers, increasing the total number of agriculture loan accounts financed as of March 2013 to Rs. 7.04 crore. As per the provisional figures available, as against the farm credit target of Rs.7,00,000 crore for the year 2013-14, an amount of Rs.7,30,766 crore was disbursed during the year.

It may be noted that a number of studies have already been done in the study area as noted above, including a very recent study (2014) by the present author on RRBs. But none of these studies have dealt in detail microfinance initiatives of specialized intermediary groups in this front viz. RRBs and Co-ops. Besides, none of these studies have looked into the extent of women participation in such microfinance activities, i.e. microfinance exposure to exclusively women SHGs. It is in the above context that the present paper seeks to bridge the above research gap by focusing on microfinance initiatives by RRBs and Co-ops in South Indian states with a focus on Kerala state, and also the extent of women's participation in such microfinance exposures, quality of assets in respect of the loans extended by different intermediary groups.

4. OBJECTIVES OF THE STUDY AND METHODOLOGY

The major objectives of this study are (i) to make an overall study of the various institutional agencies in rural credit in India with a focus on the South Indian states, particularly Kerala; (ii) to make a detailed study of the microfinance exposure by two specialized groups formal sector financial intermediaries viz. Regional Rural Banks (RRBs) and Co-operative Banks (Co-ops) in Kerala; (iii) to suggest strategies for enhanced performance and reach of formal agencies in the microfinance front based on the findings of the study. The study adopts a descriptive-analytical approach. It primarily uses the secondary data. No hypothesis has been framed as the study is of an exploratory nature. Sampling is not relevant in this case, as the study is based on a census approach. The study considers all the formal sector financial intermediaries functioning in India in general and CBs operating in the state of Kerala in particular, to the extent of their exposure to microfinance initiatives. The data sources are primarily the published and authentic financial and operational statements relating to co-operative banks in India, particularly their audited financial statements. Other sources of secondary data include publications of Government and regulatory bodies like RBI, NABARD etc. Common tools are used for data analysis and interpretation.

5. RRBS AND CO-OPS – SPECIALIZED AGENCIES IN RURAL CREDIT – PERFORMANCE VIS-À-VIS CBS

The share of Co-operatives (Co-ops) and RRBs in the total credit off-take in the country is quite poor, though there has been steady and constant growth over the years. Share of Co-operatives and RRBs in agricultural credit as of FY 2014, for instance, has been at the level of just 16.37 percent and 11.52 percent respectively, thus the total being only 27.89 percent. The share of commercial banks has been as high as 72.11 percent. (Table I). From the growth pattern of the three groups of intermediaries over the years, it is noted that the growth rate of agricultural credit of commercial banks is very fast, those of Co-ops and RRBs are very low (Figure I).

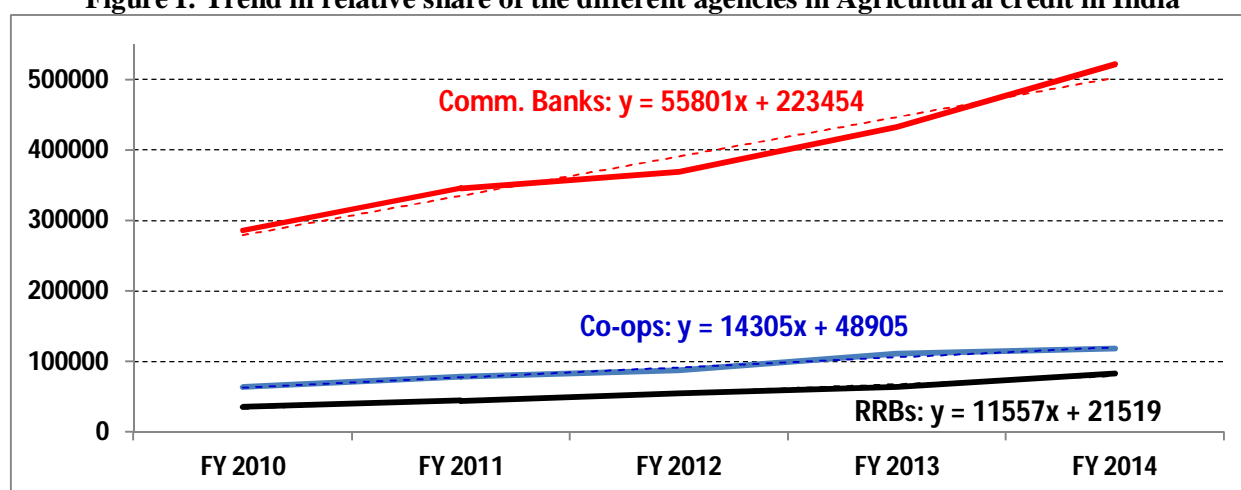
Table I: Relative share of the different agencies in Rural (Agricultural) credit in India

(Amount in Rs. Crore)

| Agency | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | Share (%) (FY 2014) |
|---------------|---------|---------|---------|---------|---------|---------------------|
| Co-operatives | 63497 | 78007 | 87963 | 111203 | 118422 | 16.37 |
| RRBs | 35217 | 44293 | 54450 | 63681 | 83307 | 11.52 |
| CBs | 285800 | 345877 | 368616 | 432491 | 521496 | 72.11 |
| Total | 384514 | 468291 | 511029 | 607375 | 723225 | 100.00 |

Source: Compiled from NABARD Annual Report 2013-'14, p.87.

Figure I: Trend in relative share of the different agencies in Agricultural credit in India



Source: Based on figures from NABARD Annual Report 2013-'14 as in Table I above.

Being the intermediaries focusing on agriculture and other forms of rural credit, steps are required for enhanced performance of Co-ops and RRBs for inclusive and balanced growth. 'Financial Inclusion' is already a national priority in India in the ongoing reforms era and the role of Co-ops and RRBs in bringing about financial inclusion effectively need not be over emphasized. Equally significant is their role in women empowerment. Their poor performance vis-à-vis CBs calls for suitable remedial measures (Figure I). This is the focus area of this paper.

6. RURAL CREDIT IN KERALA – PERFORMANCE OF THE MAJOR FINANCIAL INTERMEDIARIES

Co-operative Movement in Kerala started even before the formation of Kerala state. There were three administrative units in the erstwhile Kerala viz. Travancore, Cochin and Malabar. When Travancore, Kochi and Malabar were integrated to form the Kerala state, a common co-operative Law became inevitable, and the Kerala Co-operative Societies Act came into existence on 15th May 1969. In the rural development front, two RRBs namely North Malabar Gramin Bank (NMGB) and South Malabar Gramin Bank (SMGB) were functioning in Kerala. NMGB and SMGB got merged together to form Kerala Gramin Bank (KGB) in 2013 with Canara Bank as its sponsor bank. With effect from 08th July 2013, KGB is the only RRB in Kerala. It caters to the whole state, predominantly the northern Kerala, as in the past.

Agency-wise disbursement of the annual credit flow in the state reveals that out of total disbursement of priority sector advances, commercial banks stood at the first place disbursing Rs. 43135 crore (56.10 per cent) in 2012-13, followed by Cooperative Banks (36.63 per cent), RRBs (6.96 per cent) and others (0.30 per cent). In Agriculture lending also commercial banks dominated by disbursing Rs. 25780 crore (68.36 per cent) followed by Co-operative Banks (22.69 per cent) and RRBs (8.94 per cent). (Table II).

Table II: Agency-wise Credit to Total Priority Sector and Agriculture (segment) in Kerala

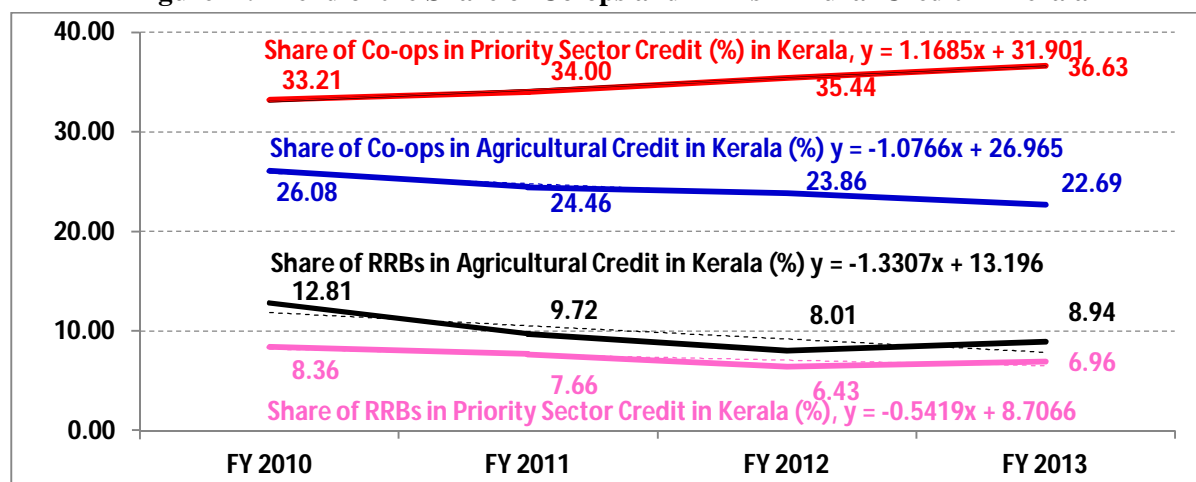
(Amount in Rs. Crore)

| Agency | Total Priority Sector | | | | Agriculture (segment) in particular | | | |
|-----------------|-----------------------|---------|---------|---------|-------------------------------------|---------|---------|---------|
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
| Comm. Banks | 29753 | 34281 | 40159 | 43135 | 14741 | 18857 | 23889 | 25780 |
| RRBs | 4303 | 4573 | 4484 | 5352 | 3090 | 2785 | 2807 | 3373 |
| Co-ops | 17103 | 20297 | 24720 | 28163 | 6292 | 7008 | 8367 | 8557 |
| Others | 333 | 539 | 390 | 232 | 1 | 3 | - | 0 |
| Grand Total | 51492 | 59690 | 69753 | 76882 | 24124 | 28653 | 35063 | 37710 |
| Share of Co-ops | 33.21% | 34.00% | 35.44% | 36.63% | 26.08% | 24.46% | 23.86% | 22.69% |
| Share of RRBs | 8.36% | 7.66% | 6.43% | 6.96% | 12.81% | 9.72% | 8.01% | 8.94% |

Source: State Level Bankers' Committee (SLBC), Thiruvananthapuram, Kerala.

On a closer analysis of the relative share of co-operative banks among the different intermediaries (agencies) in the total priority sector credit disbursed in the state of Kerala it is noted that there is a gradual increase in the relative share (percentage) of co-operative banks. On the other hand, a similar analysis of the relative share of co-operative banks among the different agencies in respect of agriculture credit in particular (within the total priority sector credit) there is a gradually declining trend. This suggests added thrust required on the part of co-operative banks towards lending to agriculture. (Figure II).

Figure II: Trend of the Share of Co-ops and RRBs in Rural Credit in Kerala



Source: Based on SLBC Data (as in Table II).

As already noted Kerala Gramin Bank (KGB) is the RRB formed on July 08, 2013 through the amalgamation of two Kerala-based RRBs – the erstwhile South Malabar Gramin Bank (SMGB) and North Malabar Gramin Bank (NMGB). KGB was formed under the Sub-Section (1) of Section 3 of the RRB Act 1976 (27 of 1976). KGB was formed through a notification by the Government of India with its Head Office at Malappuram and Sponsor bank Canara Bank. KGB is the largest RRB in India, with a total business of above 15,000 Crore and a network of 508 branches spread all over Kerala. As KGB is of recent origin (2013), its financial statements for FY 2014 alone is available. The figures of KGB for FY 2014 vis-à-vis FY 2013 (ie. consolidated figures of erstwhile SMGB and NMGB – the RRBs which were amalgamated to form KGB) show commendable performance in respect of KGB. All the performance parameters in respect of KGB for FY 2014 show significant improvement as against those (consolidated) of the two erstwhile RRBs. The financial performance, financial stability and viability of KGB are commendable and are showing a constantly improving trend. (Table III).

Table III: Performance of KGB –the RRB in Kerala

(Rs. in Crores)

| Particulars | FY 2013 # | FY 2014 |
|----------------|-----------|----------|
| Total Income | 9427559 | 11122363 |
| Total Expenses | 9162616 | 10818466 |
| Net Profit | 264282 | 400906 |
| Advances | 73928676 | 77522996 |

Source: Audited Financial Statements of KGB – for FY 2014. Note: # Consolidated figure of NMGB and SMGB.

7. REGIONAL SPREAD OF MICROFINANCE EXPOSURE UNDER SHG-BLP

There is wide inter-region disparity in the balance of savings per SHG account in India. The highest balance per SHG is in the Southern region (Rs.16878 for 2014) and the lowest is for the North-Eastern region (Rs.4173 for FY 2014). The distribution is shown in Table IV. (Figure III).

Table IV: Savings Balance per SHG: Region-wise Data for FY 2013 and FY 2014

(Amount in Rs)

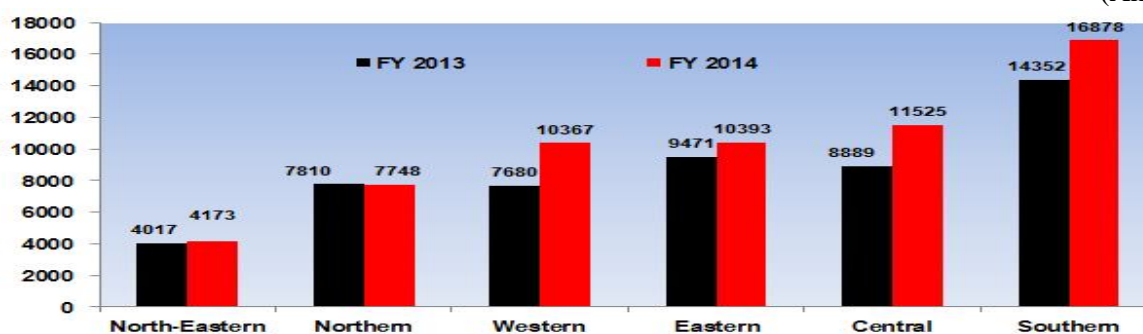
| Particulars | North-Eastern | Northern | Western | Eastern | Central | Southern | Average |
|-------------|---------------|----------|---------|---------|---------|----------|------------------|
| FY 2013 | 4017 | 7810 | 7680 | 9471 | 8889 | 14352 | 11230 (for 2013) |
| FY 2014 | 4173 | 7748 | 10367 | 10393 | 11525 | 16878 | 13322 (for 2014) |

Source: Compiled from NABARD, Status of Microfinance in India 2013-14, p.11.

The above situation of wide disparities in the depth of SHG loans points to the need for a focused approach towards the under-penetrated areas, most glaringly the North-Eastern region, followed by the Northern, Western, Eastern and Central regions, and lastly the Southern region which is the region with the highest depth for SHG advances among the six regions. (Figure III). Regarding the amount of loans disbursed too there is huge disparities among the different regions. Here too, the highest is for the Southern region (Rs.2,35,718) (34.95 percent) and the lowest is for the Eastern region (Rs.50,783) (7.53 percent)(Table V). The national average is Rs.1,75,768. Only the Southern region has disbursed more than the national average (Figure IV).

Figure III: Savings Balance per SHG – Region-wise Data for FY 2013 and FY 2014

(Amount in Rs.)



Source: Adapted from NABARD, Status of Microfinance in India 2013-14, p.11.

Table V: Region-wise Data on Disbursement of Bank Loans per SHG (FY 2014)

(Amount in Rs)

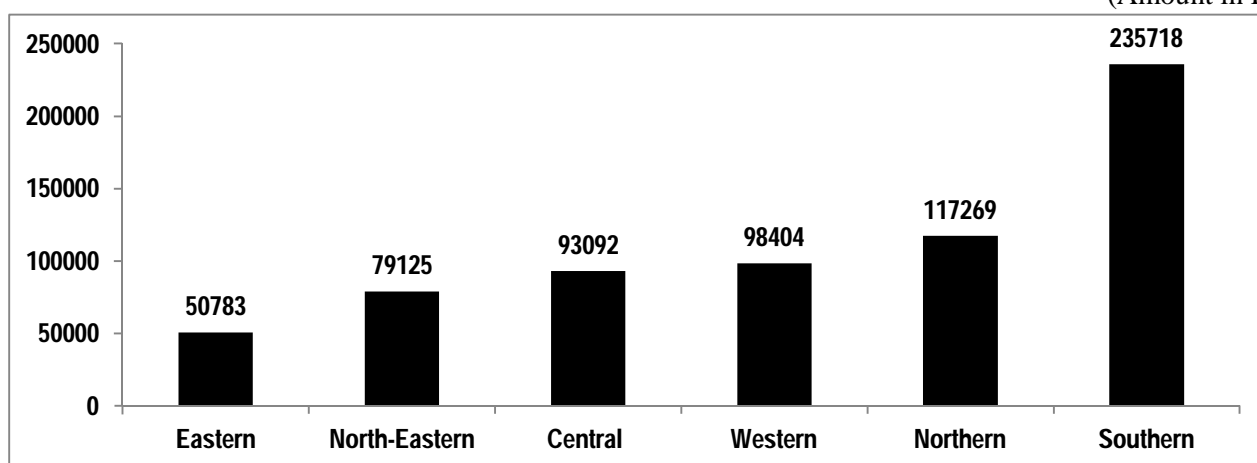
| Eastern | North-Eastern | Central | Western | Northern | Southern | All India level |
|---------|---------------|---------|---------|----------|----------|------------------------|
| 50783 | 79125 | 93092 | 98404 | 117269 | 235718 | 175768 (Average-India) |
| 7.53% | 11.73% | 13.80% | 14.59% | 17.39% | 34.95% | 100% (Total-India) |

Source: Compiled from NABARD, Status of Microfinance in India 2013-14, p.12.

In order to ensure a more meaningful reach of the microfinance loans through SHGs, the most under-penetrated areas deserve focused attention. Thus, Eastern region followed by the other five regions in the respective order (viz. North-Eastern, Central, Western, Northern and lastly Southern region) need to be paid attention by the policy makers to ensure a balanced and equitable growth through SHG-based microfinance initiatives (Figure IV, Table V).

Figure IV: Region-wise Data on Disbursement of Bank Loans per SHG (FY 2014)

(Amount in Rs.)



Source: Adapted from NABARD, Status of Microfinance in India 2013-14, p.12.

8. MICROFINANCE BY COMMERCIAL BANKS (CBS) AND OTHER AGENCIES IN SOUTHERN INDIA

SHG-BLP model has got high potential in spreading the outreach of microfinance particularly in those regions of the nation that are identified as resource poor, that is lacking in basic infrastructure for development. This model is an effective tool for bringing about gender equality through women empowerment. This approach requires making available need based credit for taking up economic activities – either through the existing SHG-BLP network by suitably increasing the credit levels or as individual customers of banks. ‘Kudumbashree’ – the flagship poverty alleviation programme being implemented in Kerala is a classic example where livelihood activities are promoted on a large scale through women SHGs, dovetailing it with development programmes of the Government and Local Administration, and the formal banking system. Opportunities are provided under this programme to take up economic activities not only by the ‘Kudumbashree’ members, but also for the benefit of their wards – children and elders; as a suitable means of social intervention by the Government of Kerala.

Table VI: Population ‘Below Poverty Line’ (BPL) (as of 2011-12) in Southern India

| State | No. of BPL persons (Lakhs) | Percentage (of BPL persons in India) |
|----------------|----------------------------|--------------------------------------|
| Andhra Pradesh | 78.88 | 2.92 |
| Karnataka | 129.76 | 4.81 |
| Kerala | 23.95 | 0.89 |
| Lakshadweep | 0.02 | 0.0007 |
| Puducherry | 1.24 | 0.05 |
| Tamil Nadu | 82.63 | 3.06 |
| Southern India | 316.48 | 11.73 |
| All-India | 2697.83 | 100.00 |

Source: Computed from NABARD, Status of Microfinance in India 2013-14 (Table 7, p.36).

It may be noted that Southern region in India which represents more than 50 percent of the total SHGs under the SHG-BLP initiative in India, accounts for just 11.73 percent of the total number of BPL persons in the whole nation. This connotes that enhanced microfinance activities might lead to reduced levels of poverty and hence lesser number of BPL persons.(Table VI).

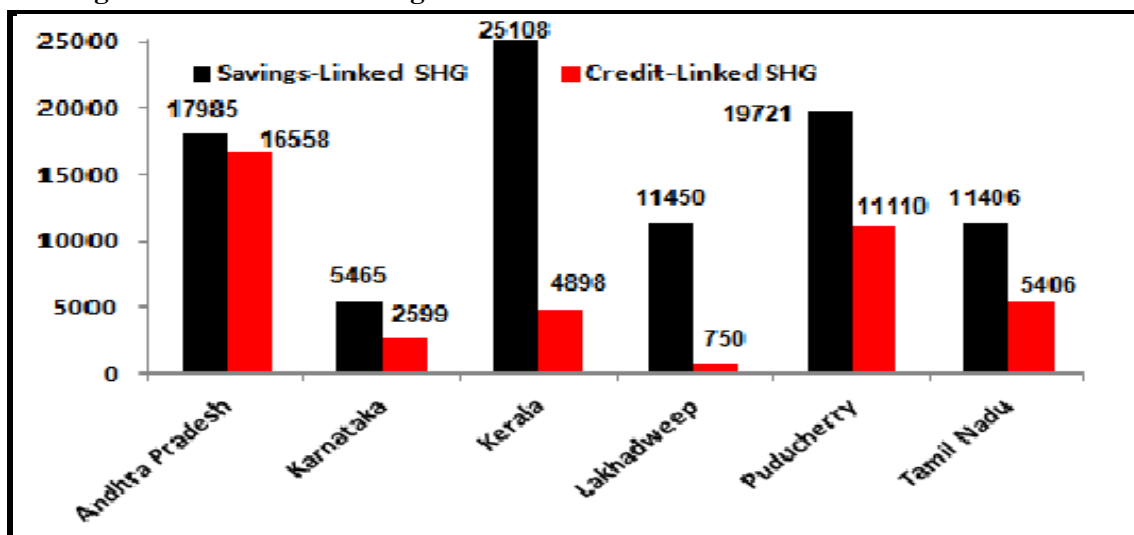
Table VII: SHG Penetration in Southern India

| State | Savings-linked SHGs (No. per Lakh) | | Credit-linked SHGs (No. per Lakh) | |
|----------------|------------------------------------|---------|-----------------------------------|---------|
| Andhra Pradesh | 17985 | 19.73 % | 16558 | 40.07 % |
| Karnataka | 5465 | 06.00 % | 2599 | 06.29 % |
| Kerala | 25108 | 27.55 % | 4898 | 11.85 % |
| Lakhadweep | 11450 | 12.56 % | 750 | 01.82 % |
| Puducherry | 19721 | 21.64 % | 11110 | 26.89 % |
| Tamil Nadu | 11406 | 12.52 % | 5406 | 13.08 % |
| Southern India | 91135 | 100.00% | 41321 | 100.00% |

Source: Compiled from NABARD, Status of Microfinance in India 2013-14 (Figure 10.7, p.40).

It is noted that the number of Credit-Linked SHGs is not even half that of Savings-linked SHGs, in general. This is very prominent in respect of Kerala, the state with the largest number of Savings-linked SHGs. Here, the number of Credit-linked SHGs is 19.51 percent of the former. Andhra Pradesh is relatively better in this regard as it has 92 percent. (Table VII and Figure V).

Figure V: Number of Savings-Linked and Credit-Linked SHGs in Southern India



Source: NABARD, Status of Microfinance in India 2013-14 (as given in Table VII).

It is noted that South India accounts for nearly 50 percent of the total number of microfinance savings accounts and more than 63 percent in terms of the amount. The share of Kerala as a percentage of the total for South India is 16.27 percent while it is only 9.13 percent in terms of the amount of savings. Kerala's share as a percentage of the whole of India is 8.09 percentage in terms of number and 5.75 percent in terms of amount.(Table VIII). It is noted that Kerala's share is quite high at the national and regional level (South India) considering the fact that the share of the population of Kerala in the total population of India is at 2.76 percent level.

Table VIII: Progress under Microfinance– Savings of SHGs in Southern India (31.03.2014)

(Rs. in Lakhs)

| Particulars | Comm. Banks | | RRBs | | Co-op. Banks | | Total | |
|----------------|-------------|-----------|--------|----------|--------------|----------|---------|-----------|
| | Number | Amount | Number | Amount | Number | Amount | Number | Amount |
| Andhra Pradesh | 987881 | 299537.69 | 405420 | 46368.19 | 25375 | 4056.30 | 1418676 | 349962.18 |
| Karnataka | 375573 | 74864.89 | 116572 | 11101.40 | 217026 | 22791.00 | 709171 | 108757.29 |
| Kerala | 475851 | 49705.46 | 50416 | 4881.00 | 75058 | 2356.03 | 601325 | 56942.49 |
| Lakhadweep | 229 | 648.81 | 0 | 0.00 | 0 | 0.00 | 229 | 648.81 |

| | | | | | | | | |
|-----------------------------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|
| Puducherry | 17690 | 1797.38 | 3553 | 363.17 | 3211 | 245.86 | 24454 | 2406.41 |
| Tamil Nadu | 706888 | 80337.89 | 66209 | 4680.37 | 169372 | 20126.95 | 942469 | 105145.21 |
| Southern India | 2564112 | 506892.12 | 642170 | 67394.13 | 490042 | 49576.14 | 3696324 | 623862.39 |
| All-India | 4022810 | 663145.63 | 2111760 | 195985.73 | 1294930 | 130610.18 | 7429500 | 989741.54 |
| S.India@India* | 63.74% | 76.44% | 30.41% | 34.39% | 37.84% | 37.96% | 49.75% | 63.03% |
| Kerala@S.India [#] | 18.56% | 9.81% | 7.85% | 7.24% | 15.32% | 4.75% | 16.27% | 9.13% |
| Kerala@India ^{##} | 11.83% | 7.50% | 2.39% | 2.49% | 5.80% | 1.80% | 8.09% | 5.75% |

Source: (Adapted) NABARD, Status of Microfinance in India 2013-14 (Statement-II-A, p.45).

* - Share of South India as a percentage of the total for India. [#] - Share of Kerala state as a percentage of the total for South India. ^{##} - Share of Kerala state as a percentage of the total for India.

Table IX: Progress under Microfinance – Loans Disbursed in Southern India (31.03.2014)

(Rs. in Lakhs)

| Particulars | Comm. Banks | | RRBs | | Co-op. Banks | | Total | |
|-----------------------------|-------------|------------|--------|-----------|--------------|-----------|---------|------------|
| | Number | Amount | Number | Amount | Number | Amount | Number | Amount |
| Andhra Pradesh | 342322 | 909310.05 | 153917 | 411622.39 | 8112 | 11549.48 | 504351 | 1332481.92 |
| Karnataka | 114874 | 187899.61 | 23924 | 51545.36 | 36980 | 56957.00 | 175778 | 296401.97 |
| Kerala | 36516 | 92967.50 | 4711 | 10134.00 | 14054 | 4153.26 | 55281 | 107254.76 |
| Lakshadweep | 1 | 0.30 | 0 | 0.00 | 0 | 0.00 | 1 | 0.30 |
| Puducherry | 3196 | 4359.43 | 543 | 1247.27 | 166 | 524.06 | 3905 | 6130.76 |
| Tamil Nadu | 93955 | 234526.61 | 13374 | 37023.27 | 27940 | 47731.11 | 135269 | 319280.99 |
| Southern India | 590864 | 1429063.50 | 196469 | 511572.29 | 87252 | 120914.91 | 874585 | 2061550.70 |
| All-India | 767253 | 1603749.35 | 333420 | 628813.35 | 265748 | 169173.14 | 1366421 | 2401735.85 |
| S.India@India* | 77.01% | 89.11% | 58.93% | 81.36% | 32.83% | 71.47% | 64.01% | 85.84% |
| Kerala@S.India [#] | 6.18% | 6.51% | 2.40% | 1.98% | 16.11% | 3.43% | 6.32% | 5.20% |
| Kerala@India ^{##} | 4.76% | 5.80% | 1.41% | 1.61% | 5.29% | 2.46% | 4.05% | 4.47% |

Source: NABARD, Status of Microfinance in India 2013-14 (Statement-II-B, p.46).

* - Share of South India as a percentage of the total for India. [#] - Share of Kerala state as a percentage of the total for South India. ^{##} - Share of Kerala state as a percentage of the total for India.

It is noted that in spite of the good performance of Kerala in respect of SHG-linked savings accounts (Table VIII) as already noted, the performance of the state in SHG-linked credits (loans) is very poor. It is noted that Kerala accounts for only 5.2 percent of the total amount of loans disbursed to SHGs in the Southern India. As a percentage of the total loans disbursed at the national level (ie. the whole of India), the share of Kerala is only 4.47 percent (Table IX). It is noted that share of loans disbursed as above is quite lower than that in respect of SHG savings, both in terms of number and amount. However, Kerala is ahead of most of other Indian states.

In respect of outstanding amounts of microfinance loans to SHGs by banks too, the pattern is quite similar to that of loans disbursed as noted above. The share of Kerala in South India is 5.28 percent and 5.36 percent respectively in respect of number of outstanding accounts and outstanding loan amount respectively. At the national level the share of Kerala is 2.79 percent and 3.97 percent respectively. It is noted that share of outstanding loans as above is quite lower than that in respect of SHG savings, both in terms of number and amount. (Table X). In view of the foregoing analysis, it is an undisputed fact that there is enough scope for improvement for Kerala in respect loans disbursed to SHGs, and hence to improve the outstanding loans to SHGs, both in terms of number and amount. (Tables IX and X). Such a strategy alone could ensure more investments by the SHGs which in turn results in higher output and employment, ultimately leading to faster and equitable economic development.

Table X: Progress under Microfinance–Bank Loans Outstanding in Southern India (31.03.2014)

(Rs. in Lakhs)

| Particulars | Comm. Banks | | RRBs | | Co-op. Banks | | Total | |
|----------------|-------------|------------|--------|----------|--------------|----------|---------|------------|
| | Number | Amount | Number | Amount | Number | Amount | Number | Amount |
| Andhra Pradesh | 921398 | 1489020.64 | 36468 | 604850.4 | 19994 | 20233.04 | 1306076 | 2114104.13 |
| | | | 4 | 5 | | | | |

| | | | | | | | | |
|-----------------------------|---------|------------|------------|---------------|------------|-----------|---------|------------|
| Karnataka | 200457 | 250060.05 | 61885 | 81416.88 | 74854 | 60107.00 | 337196 | 391583.93 |
| Kerala | 87753 | 148607.72 | 8336 | 11123.00 | 21214 | 10794.79 | 117303 | 170525.51 |
| Lakshadweep | 15 | 3.65 | 0 | 0.00 | 0 | 0.00 | 15 | 3.65 |
| Puducherry | 11496 | 8176.66 | 1410 | 1420.67 | 871 | 866.76 | 13777 | 10464.09 |
| Tamil Nadu | 331546 | 393935.93 | 28280 | 26472.84 | 86845 | 72043.22 | 446671 | 492451.99 |
| Southern India | 1552665 | 2289804.65 | 46459 5 | 725283.8 4 | 20377 8 | 164044.81 | 2221038 | 3179133.30 |
| All-India | 2501264 | 2938841.31 | 1227563 | 1104894.99 | 468511 | 2490 | 4197338 | 4292752.40 |
| S.India@India* | 62.08 | 77.92 | 37.85 | 65.64 | 43.49 | 6588.14 | 52.92 | 74.06 |
| Kerala@S.India [#] | 5.65 | 6.49 | 1.79 | 1.53 | 10.41 | 6.58 | 5.28 | 5.36 |
| Kerala@India ^{##} | 3.51 | 5.06 | 0.68 | 1.01 | 4.53 | 433.53 | 2.79 | 3.97 |

Source: NABARD, Status of Microfinance in India 2013-14 (Statement-II-C, p.47).

* - Share of South India as a percentage of the total for India. [#] - Share of Kerala state as a percentage of the total for South India. ^{##} - Share of Kerala state as a percentage of the total for India.

9. EXPOSURE OF MICROFINANCE BY DIFFERENT AGENCIES SPECIFICALLY TO WOMEN SHGS

The exposure of microfinance under SHG-BLP specifically to 'exclusively women' SHGs, needs to be analysed further. This in turn would reveal the extent upto which different agencies are responsive to the needs of women, especially those belonging to the rural poor families. It is noted that as a group RRBs have as high as 90.30 percent of the SHG loans to women members, 84.83 percent in terms of women SHGs and 84.55 in terms of amount of advances. Secondly comes the public sector banks (PSBs) which accounts for 86.61 percent, 88.89 percent and 83.26 percent in terms of number of women, number of women SHGs and amount of loans respectively. Co-ops, however, comes only in the third slot with 78.36 percent, 78.31 percent and 71.08 percent respectively. The exposure of the private sector banks (PRBs) to women is the least and is considerably lower than the other three groups; the same being at the level of 66.90 percent, 60.02 percent and 46.63 percent respectively. It may be pointed out that as specialized entities, the Co-ops need to scale up their exposure to women. (Table XI).

Table XI: SHGs Linked with Banks in Kerala and Share of Women SHGs (31.03.2014) (In Lakhs)

| Particulars | SHGs linked with Banks | | | Out of Total, Women SHGs | | | Exclusive Women SHGs (%) | | |
|----------------|------------------------|--------------|-------------------|--------------------------|--------------|-------------------|--------------------------|---------------------|------------------|
| | SHGs (No) | Members (No) | Amount (Rs Lakhs) | SHGs (No) | Members (No) | Amount (Rs Lakhs) | W-SHGs (Percent) | W-Members (Percent) | Amount (Percent) |
| Pub.Sect.Banks | 432299 | 5287399 | 46295.13 | 384265 | 4579663 | 38547.21 | 88.89 | 86.61 | 83.26 |
| Pvt.Sect.Banks | 43552 | 554186 | 3410.33 | 26142 | 370770 | 1590.10 | 60.02 | 66.90 | 46.63 |
| RRBs (ie.KGB) | 50416 | 852535 | 4881.00 | 42768 | 769824 | 4127.00 | 84.83 | 90.30 | 84.55 |
| DCCBs (14 Nos) | 75058 | 1135796 | 2356.03 | 58781 | 890040 | 1674.60 | 78.31 | 78.36 | 71.08 |

Source: Compiled and/or computed from, NABARD, Status of Microfinance in India 2013-14 [Statements III-A (i), pp.61-62; III-A (ii), p.67; III-B, p.72; and III-C, p.80].

In respect of the loans disbursed to women SHGs in terms of number of SHGs and amount of loans is the highest in the case of RRBs and equally good is the case of PRBs— over 90 percent in both cases. The cases of PSBs and Co-ops follow at a distance, the share of each being at about 70 percent or less. Here also, it may be pointed out that as specialized agencies, the Co-ops have to scale up their exposure to women SHGs. Because, Co-ops account for the lowest and the least impressive performance in terms of supporting the women and women SHGs. (Table XII).

Table XII: Bank Loans Disbursed to SHGs in Kerala and Share of Women SHGs (31.03.2014) (In Lakhs)

| Particulars | SHGs linked with Banks | | Out of Total, Women SHGs | | Exclusive Women SHGs (%) | |
|----------------|------------------------|-------------|--------------------------|-------------|--------------------------|------------|
| | SHGs(No) | Loan Amount | SHGs(No) | Loan Amount | Women SHGs (%) | Amount (%) |
| Pub.Sect.Banks | 24812 | 52539.28 | 17319 | 35633.33 | 69.80 | 67.82 |
| Pvt.Sect.Banks | 11704 | 40428.22 | 10616 | 37872.99 | 90.70 | 93.68 |
| RRBs (ie.KGB) | 4711 | 10134.00 | 4311 | 9323.00 | 91.51 | 92.00 |
| DCCBs (14 Nos) | 14054 | 4153.26 | 10591 | 1869.72 | 75.36 | 45.02 |

Source: Compiled and/or computed from, NABARD, Status of Microfinance in India 2013-14
[Statements IV-A (i), p.94; IV-A (ii), p.100; IV-B, p.105; and IV-C, p.114].

In respect of SHG loans outstanding also the performance of RRBs is very impressive with more than 90 percent share, both in terms of number of accounts and amount. Equally good is the case of PRBs. The case of PSBs, though only distantly following the RRBs and PRBs at about 70 percent or more, is somewhat satisfactory. However, in respect of Co-ops the position is very discouraging in spite of their status as specialised agencies mandated to serve the poor; because their microfinance exposure to women only about 65 percent in terms of number of accounts and just 27.04 percent in terms of amount. (Table XIII).

Table XIII: Bank Loans Outstanding to SHGs in Kerala and Share of Women SHGs (31.03.2014)

(In Lakhs)

| Particulars | SHGs linked with Banks | | Out of Total, Women SHGs | | Exclusive Women SHGs (%) | |
|----------------|------------------------|-------------|--------------------------|-------------|--------------------------|------------|
| | SHGs(No) | Loan Amount | SHGs(No) | Loan Amount | Women SHGs (%) | Amount (%) |
| Pub.Sect.Banks | 66319 | 93138.23 | 50347 | 65677.90 | 75.92 | 70.52 |
| Pvt.Sect.Banks | 21434 | 55469.49 | 18824 | 51284.52 | 87.82 | 92.46 |
| RRBs (ie.KGB) | 8336 | 11123.00 | 7660 | 10121.00 | 91.89 | 90.99 |
| DCCBs (14 Nos) | 21214 | 10794.79 | 13819 | 2919.09 | 65.14 | 27.04 |

Source: Compiled and/or computed from, NABARD, Status of Microfinance in India 2013-14
[Statements V-A (i), p.127; V-A (ii), p.133; V-B, p.136; and V-C, p.144].

10. ASSET QUALITY OF MICROFINANCE LOANS IN SOUTH INDIAN STATES WITH A FOCUS ON KERALA

Regarding the quality of assets of microfinance advances to SHGs by different types of intermediaries it is noted that Public Sector Banks (PSBs) in Kerala are marginally ahead of the national average, their NPA level being 6.95 percent as against the national average of 7.02 percent. The asset quality of Private sector Banks (PRBs) in Kerala is significantly ahead of the national average for PRBs, because of the NPA level in respect of PRBs in Kerala is 1.82 percent as against as high as 4.22 percent national average for PRBs. In respect of Regional Rural Banks (RRBs) the sole RRB in Kerala (viz. KGB) has got an NPA level of 2.26 percent which is significantly better than the national average of 6.26 percent. But, in respect of Co-operative Banks (Co-ops) alone, the asset quality in terms of NPA level is much lower than the national average for Co-ops; because the average NPA level for Co-ops in Kerala is as high as 12.68 percent as against just 8.67 percent at the national level for Co-ops at the national level. Moreover, it is noted that 12.68 percent NPA is highest level across any group in any state in South India. Thus, assets quality of commercial banks and RRBs in Kerala is quite satisfactory. But, asset quality of Co-ops in Kerala is very poor and Co-ops need to improve it. (Table XIV).

Table XIV: Non-Performing Assets (NPAs) in Loans to SHGs in Southern India (31.03.2014)

(In Percentages)

| Particulars | Public Sector Banks | Private Sector Banks | RRBs | Co-op. Banks | Total |
|----------------|---------------------|----------------------|------|--------------|-------|
| Andhra Pradesh | 3.67 | 8.29 | 2.12 | 9.07 | 3.29 |
| Karnataka | 4.45 | 0.82 | 2.89 | 2.41 | 3.62 |
| Kerala | 6.95 | 1.82 | 2.26 | 12.68 | 5.34 |

| | | | | | |
|----------------|-------|-------|-------|------|-------|
| Lakhadweep | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Puducherry | 7.80 | 0.00 | 2.62 | 0.00 | 6.45 |
| Tamil Nadu | 11.28 | 11.79 | 11.26 | 9.07 | 10.99 |
| Southern India | 5.19 | 4.54 | 2.54 | 6.82 | 4.64 |
| All-India | 7.02 | 4.22 | 6.26 | 8.67 | 6.83 |

Source: NABARD, Status of Microfinance in India 2013-14 (Statement-II-D, p.48).

Table XV: Bank Loans to SHGs in Kerala – Quality of Assets (Level of NPAs) (31.03.2014) (In Lakhs)

| Particulars | Loan to SHGs Outstanding | | Amount of NPAs | | NPAs (in Percentage) |
|----------------------|--------------------------|----------|----------------|----------|----------------------|
| Public Sector Banks | 93138.23 | 54.62 % | 6475.20 | 71.14 % | 06.95 % |
| Private Sector Banks | 55469.49 | 32.53 % | 1007.28 | 11.07 % | 01.82 % |
| RRBs (ie.KGB) | 11123.00 | 06.52 % | 250.84 | 02.76 % | 02.26 % |
| DCCBs (14 Nos) | 10794.79 | 06.33 % | 1369.11 | 15.04 % | 12.68 % |
| Total | 170525.50 | 100.00 % | 9102.43 | 100.00 % | 05.34 % |

Source: Compiled and/or computed from, NABARD, Status of Microfinance in India 2013-14 [Statements VI-A (i), p.157; VI-A (ii), p.163; VI-B, p.166; and VI-C, p.175].

On a closer look into the NPA levels on microfinance exposures by different types of agencies in Kerala, it is noted that PSBs which account for almost 55 percent of the total loans outstanding contributes as high as 71.14 percent; thus signifying a high 6.95 percent NPA level. On the other hand, PRBs with a low NPA level 1.82 percent, though accounting for 32.53 percent of the loan outstanding contributes just 11.07 percent of the NPA menace. (Table XV).

Regarding the asset quality of the specialised agencies under focused study in this paper i.e. RRBs and Co-ops (14 DCCBs or District Central Co-operative Banks functioning in Kerala), it may be noted that their share in the total microfinance outstanding is about 6.5 percent each. But, when it comes to the contribution to the total NPAs, while RRBs contributes just 2.76 percent to the total NPAs, the Co-ops contributes as high as 15.04 percent. This is because of the high asset quality of RRBs at the level of 2.26 percent, as against 12.68 percent for the Co-ops. In short, the asset quality of RRBs is 5.61 times higher (better) than that of Co-ops.

11. SUMMARY OF MAJOR FINDINGS

The major findings of this study are summarised hereunder:

- In view of the growing exclusiveness of India's financial system in the reforms era, alternate and deliberate policy options like 'Microfinance' is required for making the system more inclusive and hence to attain the national priority of 'Financial Inclusion'.
- The share of CBs in the total rural credit in India is at 72.11 percent of the total, and that of RRBs is 11.52 percent while that of Co-ops is 16.37 percent. The shares of the specialised agencies viz. RRBs and Co-ops need to go up for balanced and equitable economic growth.
- In the specific case of Kerala state in India, the share of Co-ops in Priority sector lending (PSL) is at 36.63 percent and in Agricultural credit in particular is 22.69 percent. The share of RRBs in Kerala is 06.96 percent and 8.94 percent respectively, and are relatively lower.
- Among the various microfinance models, the SHG-BLP model is a time-tested one and has got good growth prospects. SHG-BLP model of NABARD had a humble beginning with the linking of pilot 500 SHGs representing "unbankable" rural poor to the formal sector financial institutions in 1991-92 with the help of some NGOs in AP. Now, SHG-BLP has grown into 7.4 million SHGs, representing 97million rural households. (NABARD, 2014).
- SHG-BLP activities are much more prominent in in Southern Indian regionof India, among the total of six regions. Thisregion alone accounts for about 50 to 64 percent of the number of SHG-BLP accounts, and 63 to 86 percent of the amounts of such accounts. Within Southern region, the share of Kerala is quite high and is as high as 27.55 percent for savings-linked SHGs. But, in respect of credit-linked SHGs the share of Kerala is only 11.85 percent which is very low, given the high potential of the state as reflected in the number of savings-linked SHGs. In spite of this, the share of Kerala is quite high in India.

- In respect of the loans to women and women-based SHGs, the performance of RRBs is quite impressive. Besides the asset quality of RRBs is also superior. Similar is the case of PRBs in respect of both lending to women SHGs and quality of assets. PSBs follow very distantly the RRBs and PRBs; both in respect of both lending to women SHGs and in asset quality. The case of Co-ops is very disappointing in respect of both these aspects.

12. SUGGESTIONS FOR IMPROVEMENT IN THE MICROFINANCE BUSINESS BY DIFFERENT AGENCIES

- i) Being specialized agencies that are mandated to serve the rural poor, women and the marginalized, Co-ops have to focus more on lending to women and women SHGs. Besides, they have to have very strict monitoring of asset quality through containing NPA accounts.
- ii) The performance of RRBs is satisfactory both in respect of maintaining asset quality and supporting of women SHGs. But, as the exposure of RRBs in Kerala is relatively low, they have to scale up their activities without diluting the asset quality. Likewise, performance of PRBs is also quite satisfactory and their shares in rural banking and supporting of women SHGs are good. They may simply scale up the activities so that more people are benefitted.
- iii) The performance of PSBs, in general, needs improvement. Except for the high share in banking including microfinance and rural banking, PSBs could not perform well and also maintain their asset quality. Strict control of asset quality is vital for PSBs. They should focus more on lending to women or women SHGs, as their present share is relatively low.
- iv) The asset quality of microfinance advances in respect of Co-operative banks in Kerala is very poor and is the worst among the different groups of agencies. They have to accord maximum priority in enhancing asset quality through containing NPAs. They have to focus more on supporting the microfinance efforts of women as their present share is very low.
- v) Constant training and development of staff in delivery of modern banking services, particularly technology-based services. This is particularly true for Co-ops and PSBs and to certain extent for RRBs; because the technology-base of these agencies generally low. Besides, better customer service be ensured through the adoption of modern technology.

13. CONCLUDING REMARKS

As of 2011-12, Kerala has got 23.95 lakhs of people below poverty line (BPL) as against 2697.83 lakhs at the national (all India) level. Thus, Kerala accounts for only 0.89 percent of the total BPL population in India. The commendable performance of different financial institutions in the microfinance front might be one reason for the lower incidence of poverty and higher standard of living in Kerala. Kerala has got one of the best microfinance penetrations in the whole of India. The SHG-BLP model has worked well in Kerala. The performance of private banks in Kerala has been good in the microfinance front, supporting of women SHGs and also in maintain high asset quality. In spite of these positive facts, it may be noted that credit-linked SHGs are relatively low in Kerala. Besides, in respect of asset quality of Co-operative banks, Kerala has set one of the worst examples in the whole nation. Besides, the asset quality of PSBs functioning in Kerala is also poor. As Indian banking is passing through a highly competitive phase, Kerala has to improve in respect of the few areas as noted above. If it does so, the prospects of the state appears to be very bright in the microfinance and women empowerment fronts, given vast infrastructure of the state in the respective areas and also a number of positive features that the state is already enjoying now. As already pointed out, there is vast scope for improvement in the performance Co-operative sector institutions in Kerala.

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**THE INFLUENCE OF ANTECEDENTS ON ORGANISATIONAL ROLE STRESS AMONG
INFORMATION TECHNOLOGY EMPLOYEES**

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ABSTRACT

Organizations want to maximize the efficiency by minimizing stress, as increased levels of stress may have significant implications on organizational performance and will lead to low commitment, high absenteeism and turnover rates, and also overall wellbeing of employees. The study undertakes the examination of organisational role stress among employees working in IT industry of Chennai, southern most part of India. This study investigated the impact of emotional intelligence, organizational commitment and attitude to change on organizational role stress using structural equation modeling (SEM) on AMOS software. Results of the analysis illustrated relationship between variables and the indices of the model fit were found to be above standard norms.

Keywords: emotional intelligence, organizational commitment, attitude to change, organizational role stress, India, structural equation modeling

1. INTRODUCTION

Since the beginning of 20th century, work stress has been a major topic for researchers and practitioners working in the fields of psychology, organizational behaviour, health and medicine (Cooper, 2001). Evidence shows that work related stress has a negative impact on employee job performance, and their physical and psychological well-being (Sackey, 2009). Adequate contributions in this direction also emphatically point out the importance of stress free environment in successfully accomplishing higher performance efficiency. Some of the stressors identified in any work environment, that has a major influence on employee performance include, work overload, unsupportive relationship, work life imbalance, poor communication, poor working conditions and changes in organisational process.

India with its strategic positioning has evolved into a major destination for IT based organizations and has been recognized to be among the top ten high stress workplaces (www.hindu.com). Estimating the level of role stress among employees in such industries undoubtedly is not only important in alleviating factors influencing stress but also helpful in devising coping strategies. This paper is devoted to, presenting the details of investigation carried out towards identifying major factors that can be important in estimation of role stress levels using structural equation modelling (SEM) among employees particularly engaged in the IT sector of Kerala, southern part of India. Ensuing section presents recent and relevant literature on contributions of researchers in this direction along with definitions of the parameters employed in the study. The study methodology and description of the instrument are presented in the subsequent section. Analysis of the data collected, structural equation modeling and major interpretation of the results are discussed in the penultimate section with a concluding section summarizing the major findings from the study and possible scope for future studies.

2. REVIEW OF LITERATURE

This study mainly focuses on the extent of stress experienced by the employees particularly in the IT sector owing to the unique work environment prevailing. According to Selye Hans (1956) work stress manifesting in the form of Organizational Role Stress (ORS) explained as the conflict and tension due to the roles being enacted by a person at any given point of time. Pareek (2010) had classified organizational role stressors in to ten different classes such as.

- i. *Inter-role distance (IRD)*: Conflict between organizational and non-organizational roles.
 - ii. *Role stagnation (RS)*: The feeling of being “stuck” in the same role.
 - iii. *Role expectation conflict (REC)*: Conflicting expectations and demands between different role senders.
 - iv. *Role erosion (RE)*: The feeling that functions that should belong to the respondent’s role are being transformed/performed or shared by others.
 - v. *Role overload (RO)*: The feeling that more is expected from the role than the respondent can cope with.
 - vi. *Role isolation (RI)*: Lack of linkages between the respondent’s role and that of other roles in the organization.
-

- vii. *Personal inadequacy (PI)*: Inadequate knowledge, skills, or preparation for a respondent to be effective in a particular role.
- viii. *Self-role distance (SRD)*: Conflict between the respondent's values/self-concepts and the requirements of his or her organizational role.
- ix. *Role ambiguity (RA)*: Lack of clarity about others' expectations of the respondent's role, or lack of feedback on how others perceive the respondent's performance.
- x. *Resource inadequacy (RIn)*: Non availability of resources needed for effective role performance.

According to Salovey and Mayer (1990), Emotional Intelligence (EI) is an "ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions". EI guide us to respond appropriately to different stressors and is one of the essential factors. Rahim (2010) assessed the relationship of Stress and Emotional Intelligence competencies among the employees of Pakistan Banks who work under stressful conditions. The results showed that the EI competencies have positive and strong impact on stress and identified more than 75% employees of banking sector experienced stress.

Porter et al. (1976) defined Organizational Commitment (OC) as the relative strength of an individual's identification and involvement in a particular organization. (i) *Affective commitment* refers to employees' emotional attachment, identification with, and involvement in the organization. Employees with a strong affective commitment stay with the organization because they *want to*. (ii) *Continuance commitment* refers to employees' assessment of whether the costs of leaving the organization are greater than the costs of staying. Employees who perceive that the costs of leaving the organization are greater than the costs of staying remain because they *need to*. (iii) *Normative commitment* refers to employees' feelings of obligation to the organization. Employees with high levels of normative commitment stay with the organization because they feel they *ought to*. Mohamadkhani and Lalardi (2012) established explicit relationship between emotional intelligence and organizational commitment in his study of the hotel staff in 5-Star hotels of Tehran, Iran.

There is evidence in the change management literature identifying the role of organizational commitment in a change context. Cameron (2010) determined the levels of employee commitment and employee perceptions of the planned organisational changes. The research was conducted in a large telecommunication organisation in South Africa with over 20,000 employees. The results collected for this research indicated positive correlations between affective commitment and employee attitudes and perceptions of change. The results also suggested that higher levels of affective commitment are associated with more positive perceptions of change.

The present study investigated the level of possible interrelationships between the constructs namely, emotional intelligence, organisational commitment, employee attitude to change, socio-demographical characteristics and organizational role stress using SEM among employees in IT sector of southern most part of India.

3. QUESTIONNAIRE DESIGN

The questionnaire for the investigation was developed using instruments established through previous researches. The EI level was measured with The Emotional Intelligence Scale developed by Schutte et al. (1998) comprising 33 items classified into four dimensions namely (i) *perception of emotion (POFE)* evaluated by 10 items; (ii) *managing others emotions (MOTE)* by 8 items, (iii) *managing own emotions (MOWE)* by 9 items and (iv) *utilisation of emotion (UOFE)* by 6 items, each assessable with a five-point likert-type scale.

The organizational role stress (ORS) scale, which was developed and standardized by Pareek (2010) to measure the role stress, had been used in this study. The ORS instrument comprised of 50 items to measure 10 different types of role stressors (5 statements for each role stressor) assessable on a five point likert scale. Instrument developed by Allen and Meyer (1990) with 18 items classified in to three dimensions, namely: (i) *affective commitment (AC)*; (ii) *continuance commitment (CC)*; and (iii) *normative commitment (NC)* assessable with five point likert scale for measurement of OC was employed in this study.

Socio-demographical characteristics of the employees were categorized as personal attributes, comprising age, gender, family status, number of children, educational qualification, native place, number of family members and earning members and annual income; job attributes that includes number of days leaves availed, total experience, job overtime, salary satisfaction, challenging nature of work, recognition and appreciation for employee contribution and effective skill application and environmental attributes such as experiencing organisational change and attitude to change. Five items that measure attitudes to change were chosen from the instrument Attitude to Change Questionnaire (ACQ) developed by Vakola et al. (2003). Employee details on

the socio-demographical characteristics had been compiled through additional 23 items as indicated above. Thus the instrument developed for the study comprised a total of 129 items essentially derived from the well established instruments reported in literature.

4. DATACOLLECTION AND ANALYSIS

The population chosen for the study had been drawn from among individuals employed in IT sector, working in Chennai in the state of Tamilnadu located in the southernmost part of India. Study sample had been chosen with random sampling technique. The study conducted through personal interview yielded 129 duly completed questionnaires from a total of 150 distributed resulting in a response rate of 86%. The minimum sample size needed for this study estimated based on Bill Godden (2004), recommends 383 for estimated population size of 60,000 having 50% response distribution with 5% margin of error and at 95% confidence level. The estimate was subsequently verified through software developed by Raosoft. Inc. (2004). Data collected in this investigation was analysed using Statistical Package for Social Sciences (SPSS version 17.0). Step wise regression was employed with components of EI & OC, attitude to change and socio-demographical variables as independent variables and ORS being the dependant variable to establish model that can be used to estimate stress levels among individuals in IT sector (Deepa & Sudarsan, 2013).

The most important and crucial part of the research study is a proper selection of methodology (Davis, 1996 & Stevens, 2002). One of the first generation methods such as multiple regressions was suitable for establishing relationship between one dependent variable & one or more independent variables (Tabachnick, 2001) and for prediction. The second generation of multivariate technique, Structural Equation Modeling (SEM) is very powerful multivariate technique, enables researchers in measurement of direct and indirect effects of independent variables on dependent variables. Several regression equations, covariance between different set of variables, multi-collinearity etc can be analysed simultaneously from SEM. It can also perform test models with multiple dependent variables. Considering the benefit of SEM over multiple regressions, this paper attempts to model the relationship between variables using SEM. It was observed that international studies on stress using SEM was carried out in last two decades (King, 1996; Elangovan, 2001; Asberg, 2008; Brierie, 2010; Bowen, 2014). This study is a pioneering attempt to create an ORS model using SEM on AMOS 19 software in Indian context.

The results obtained from the analysis and inferences derived are presented below.

Initially the internal consistency of the instrument developed for the study was evaluated through Chronbach's alpha test that demonstrated excellent reliability with a score of 0.94 for ORS, 0.86 for EI, 0.81 for OC and while that for employees' attitudes to change was found to be 0.82.

5. STRUCTURAL EQUATION MODELING

Structural equation modeling (SEM) is a very powerful multivariate analysis technique for testing and estimating causal relations using a combination of statistical data and qualitative causal assumptions. This definition of SEM was articulated by the geneticist Sewall Wright (1921), the economist Trygve Haavelmo (1943) and the cognitive scientist Herbert A. Simon (1953). SEM is a large sample technique (usually $N > 200$; Kline, 2005) and the sample size required is dependent on model complexity, the estimation method used, and the distributional characteristics of observed variables.

Reliability & validity of measures and the connected factors were estimated as a preliminary step by exploratory factor analysis. Confirmatory factor analysis (CFA) was run to confirm the obtained factor construct. By means of modification indices, some of the indicators were deleted, and the model fit was checked. This procedure was repeated for obtaining acceptable fit. To achieve the acceptable fit of the structural model the method was repeated as in the case of CFA. SEM involves the evaluation of two models: a *measurement* model and a *structural/path* model. They are described below.

5.1 Measurement and Structural Models

Structural equation models comprise both a measurement model and a structural model. The measurement model relates observed responses or 'indicators' to latent variables and sometimes to observed covariates (i.e., the CFA model). The structural model then specifies relations among latent variables and regressions of latent variables on observed variables. The relationship between the measurement and structural models is further defined by the two-step approach to SEM proposed by James, Mulaik and Brett (1982). The two-step approach emphasizes the analysis of the measurement and structural models as two conceptually distinct models. This approach expanded the idea of assessing the fit of the structural equation model among latent variables (structural model) independently for assessing the fit of the observed variables to the latent variables

(measurement model). The rationale for the two-step approach is given by Joreskog and Sorbom (2003) who argued that testing of structural model is not meaningful unless the measurement model holds.

A measurement model is a part of a SEM model which specifies the relations between observed variables and latent variables. Confirmatory factor analysis is often used to test the measurement model. In the measurement model, the researcher must operationally decide on the observed indicators to define the latent factors. The strength of relation of indicators to the latent variables was decided by CFA. . It is apparent that if one indicator is weakly related, this will result in a poor definition of the latent variable.

5.2 Fit indices for SEM

In structural equation modeling, the fit indices establish whether the model is acceptable. If the model is acceptable, the researchers establish the significance of specific paths. Many of the fit indices are derived from the chi-square value. Conceptually, the chi-square value represents the difference between the observed covariance matrix and the predicted or model covariance matrix.

CMIN/DF: The relative chi-square is also called the normed chi-square. This value equals the chi-square index divided by the degrees of freedom. This index might be less sensitive to sample size. Acceptable values are in the 3/1 or 2/1 range.

Goodness of fit index and adjusted goodness of fit index: The goodness of fit index (GFI) is a measure of fit between the hypothesized model and the observed covariance matrix. The adjusted goodness of fit index (AGFI) corrects the GFI, which is affected by the number of indicators of each latent variable. The GFI and AGFI range between 0 and 1, with a cut-off value of 0.9 generally indicating acceptable model fit.

Relative fit index: Relative fit index (RFI) compares the chi-square for the hypothesized model to one from a “null”, or “baseline” model. This null model almost always contains a model in which all of the variables are uncorrelated, and as a result, has a very large chi-square (indicating poor fit). Relative fit indices include the normed fit index and comparative fit index.

Normed fit index: The Normed fit index (NFI) is also known as the Bentler-Bonett normed fit index. NFI analyses the discrepancy between the chi-squared value of the hypothesized model and the chi-squared value of the null model.

Comparative Fit Index: Comparative Fit Index (CFI) compares the absolute fit of your specified model to the absolute fit of the Independence model. CFI thus represents the extent to which the model of interest is better than is the independence model. Values that approach 1 indicate acceptable fit. CFI is not too sensitive to sample size (Fan, Thompson, and Wang, 1999).

Root mean square error of approximation: The root mean square error of approximation (RMSEA) avoids issues of sample size by analysing the discrepancy between the hypothesized model, with optimally chosen parameter estimates, and the population covariance matrix. The RMSEA ranges from 0 to 1, with smaller values indicating better model fit. A value of .06 or less is indicative of acceptable model fit.

5.3 Reliability and Validity of the model

The traditional criterion for assessing internal consistency reliability is Cronbach's alpha (CA), whereas a high alpha value assumes that the scores of all items with one construct have the same range and meaning (Cronbach, 1951). An alternative measure to Cronbach's alpha is the composite reliability (CR) (Werts et al. 1974). CR is also known as construct reliability. The CR values of more than 0.6 indicate good construct reliability. The factor loadings greater than 0.6 for established items indicate good convergent reliability.

If the fitness indices of the model are acceptable, the model shows good construct validity. Construct validity defines how well a test or experiment measures up to its claims and it is tested using confirmatory factor analysis.

Convergent validity involves the degree to which individual items reflecting a construct converge in comparison to items measuring different constructs. Convergent validity is a subset of construct validity and it tests that constructs that are expected to be related are, in fact, related. A commonly applied criterion of convergent validity is the average variance extracted (AVE) proposed by Fornell and Larcker (1981). AVE is a summary measure of convergence among a set of items representing a construct. It is the average percent of variation explained among the items. An AVE value of at least 0.5 indicates that a latent variable is on average able to explain more than half of the variance of its indicators and, thus, demonstrates sufficient convergent validity.

6. TEST OF THE PROPOSED MODEL: DEEP DARSH MODEL

A Structural Equation Modeling (SEM) technique was used to test Sudarsan - Deepa Model named as DEEP DARSH model which is presented in fig.2. The AMOS Ver. 19 was employed for this purpose. The observed variables used to predict the latent variables in SEM were obtained by processing the data in the instrument.

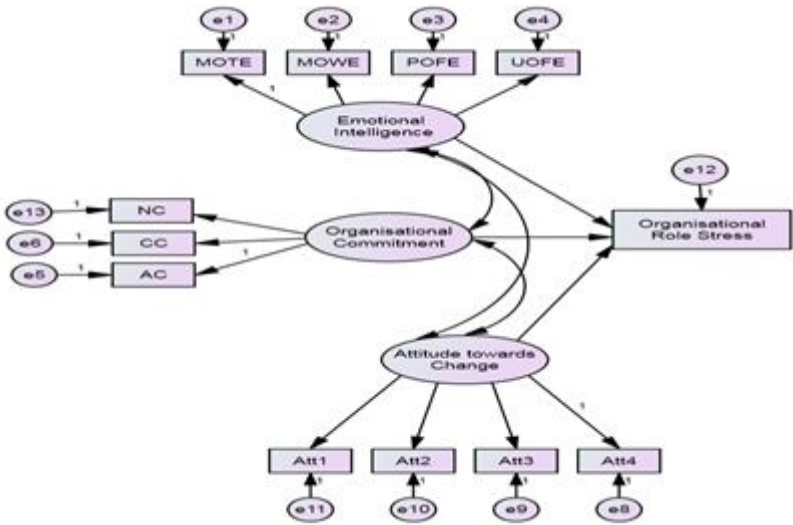


Fig.2 Test of Research model - DEEP DARSH model

The observed model fit indices of the model are given in table. 1. The results of SEM analysis indicated that the model offers a good fit to the data. The model illustrated the influence of EI, OC, ATOC on ORS. It was explicit that the socio-demographical variables have no influence on ORS.

Table.1 Summary Statistics of DEEP DARSH Model Fit

| Fit Index | *Recommended Values | Observed Values | Source |
|-----------|---------------------|-----------------|--|
| CMIN/DF | ≤ 3.00 | 2.01 | Carmnines&McIver,1981 |
| GFI | ≥ 0.90 | 0.93 | Schumacker & Lomax, 1996 |
| AGFI | ≥ 0.90 | 0.90 | Schumacker & Lomax, 1996 |
| RFI | ≥ 0.90 | 0.89 | Hu & Bentler ,1998 |
| NFI | ≥ 0.90 | 0.90 | Marsh & Grayson, 1995 |
| CFI | ≥ 0.90 | 0.98 | Gerbing and Anderson, 1993 |
| RMSEA | ≤ 0.08 | 0.05 | Browne and Cudeck 1993, Schumacker and Lomax, 1996 |

7. RELIABILITY AND VALIDITY OF MEASUREMENT MODEL

The measurement model specifies the relationship between observed indicators and the latent variables.

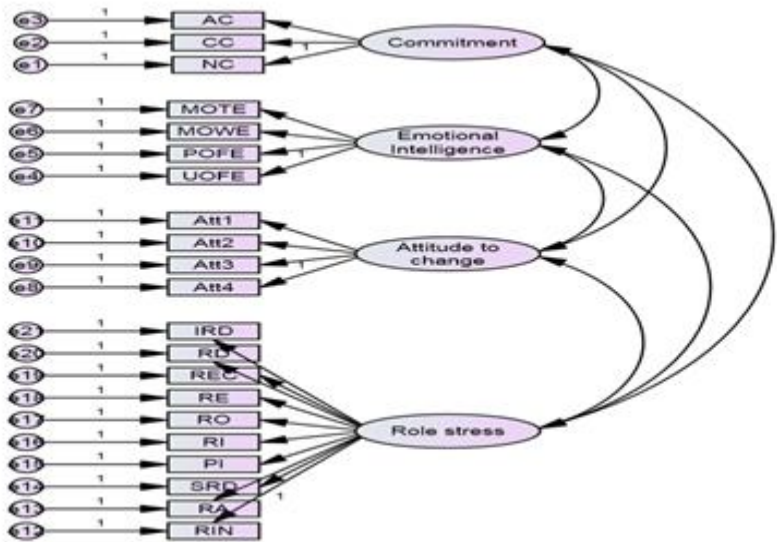


Fig.3 Measurement Model

The confirmatory factor analysis (fig.3) showed the model has a good fit of constructs with good factor loadings and the goodness of fit indices support the model fit. The fit indices of CFA are presented in the table 2. Based on the model, composite reliability (CR) and average variance extracted (AVE) were calculated by computing formulae given by Fornell and Larckers (1981) using Microsoft Excel 2007. The table.3 values of reliability and validity indicate good construct reliability and adequate convergent validity.

Table.2 Fit indices of CFA

| Fit Index | Observed Values | Source |
|-----------|-----------------|--|
| CMIN/DF | 2.08 | Carmnines&McIver,1981 |
| GFI | 0.90 | Schumacker & Lomax, 1996 |
| AGFI | 0.87 | Schumacker & Lomax, 1996 |
| RFI | 0.90 | Hu & Bentler ,1998 |
| NFI | 0.88 | Marsh & Grayson, 1995 |
| CFI | 0.90 | Gerbing and Anderson, 1993 |
| RMSEA | 0.074 | Browne and Cudeck 1993, Schumacker and Lomax, 1996 |

Table.3 Reliability and Validity

| No. | Variables | Cronbach's alpha | AVE | CR |
|-----|-------------|------------------|-------------|-------------|
| 1 | IRD | 0.80 | 0.96 | 0.84 |
| 2 | RS | 0.76 | 0.75 | 0.75 |
| 3 | REC | 0.72 | 0.94 | 0.73 |
| 4 | RE | 0.67 | 0.69 | 0.68 |
| 5 | RO | 0.71 | 0.74 | 0.72 |
| 6 | RI | 0.70 | 0.95 | 0.74 |
| 7 | PI | 0.71 | 0.89 | 0.73 |
| 8 | SRD | 0.70 | 0.90 | 0.71 |
| 9 | RA | 0.71 | 0.88 | 0.70 |
| 10 | RIn | 0.73 | 0.79 | 0.75 |
| 11 | ORS | 0.94 | 0.69 | 0.95 |
| 12 | MOTE | 0.69 | 0.68 | 0.70 |
| 13 | MOWE | 0.73 | 0.71 | 0.74 |
| 14 | POFE | 0.69 | 0.70 | 0.70 |
| 15 | UOFE | 0.71 | 0.71 | 0.72 |
| 16 | EI | 0.86 | 0.58 | 0.83 |
| 17 | AC | 0.79 | 0.73 | 0.78 |
| 18 | CC | 0.77 | 0.79 | 0.75 |
| 19 | NC | 0.74 | 0.76 | 0.76 |
| 20 | OC | 0.81 | 0.62 | 0.83 |
| 21 | ATOC | 0.84 | 0.52 | 0.87 |

8. CONCLUSION

Although this research was conducted among employees belonging to IT sector in Kerala, the research was not specific to this sector. The Cronbach's alpha values indicate good internal reliability of the questionnaire developed and also the AVE values illustrate good convergent validity. The fit indices of SEM illustrate a good fit of the model. It is reasonable to conclude that EI, OC and ATOC are the factors to illuminate organisational role stress among IT employees and the socio- demographical variables do not have any influence on ORS. The results indicate that through behavioural modification and training organisational commitment can be enhanced and this will further reduce the stress level among the employees. The results need to be validated through similar studies carried out in the different parts of India that is a confluence of diversified cultures. Similar studies can also be undertaken among other industrial clusters that will not only help the organizations in enhancing employee performance and commitment towards work and organization but also will act as a definite booster for effective Human Resource Development.

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AN EYE ON THE CHALLENGES FACED BY THIRD GENDER - EQUALITY AND TRUTH

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ABSTRACT

Gender identity and sex identity are biological, cultural or biocultural? Biology usually determines genetically whether a human's biological sex is male or female. Gender refers to difference between man and women based on social definition. Culture state that if an individual is female by sex and wears certain dress example frocks, skirts or saris as per country customs then she belong to female gender. Same principle applied with male even the behavior is also determined according to gender. It is wrongly believed that third gender refers to people who have ambiguous sex (who are intersex, that is, have mixed genitalia). Third gender refers to people who are either intersex or are socially deviant in their sexual inclination. Hence the word 'eunuch' is not an appropriate word to define the third sex. A better term for the third gender is Hijra. Hijra's are most popular third gender in the world. Numbers of Hijra's are so much that we can't close our eyes and ignore their presence, ill-treatment faced by them. As a human being, everyone deserves a feeling of "belonging", understanding and acceptance. This research paper gives light on various issues and problems faced by this third gender and also provide some rehabilitation measure for them.

Keywords: Gender; Cultural; Rehabilitation; Hijra; Ambiguous

INTRODUCTION

More than last 15 years, most feminist researchers will have heard about research into *intersexuality* or *hermaphroditism* or even research into *third sexes* or *third genders*. Many terms were given by various disciplines namely anthropology, medicine and psychology. Nothing seems natural, unchangeable or desirable to us than those human beings are divided without reminder into two biological sex's takes place at birth, when sex assignment is male or female, and into two genders, masculine and feminine and such sex assignment is assumed to be everlasting. The idea of sex and gender as a structure of two differing and non-changeable classes male and female: masculine and feminine is same in both common sense and social science. It is not easy to think about any alternative to this view of sex and gender. A cross cultural perspective indicates that some cultures include manygenders. Such unusual, or third gender roles, which are neither men nor woman have been described among the Omanis of Saudi Arabian peninsula (Wikan; 1977); among many Native American tribes and in New Guinea and among the hijras of India (Nanda; 1990).

Only two sexes – male and female – are recognised in Indian civil law (Sood ; 2010). The hijra of India are probably the most well known and populous third sex type in the modern world. There are some five to six millionhijras in India, of which (according to Mumbai based community health organization, the Humsafer Trust) only eight per cent are castrated. Many are labled third gender because of their psychological orientation. They are born male but their psyche is more feminine. In different areas they are known as aravani/aruvani or jogappa and often called eunuchs in English, they may be born intersex or superficially male, dress in feminine clothes and normally see themselves as neither men nor women. Hijras are of three types:

- Those that are born intersex.
- Those that are castrated and hence become eunuch.
- Those who are males but have feminine sexual orientation; hence wear and behave like women.

But Hijras are neither men nor they are women, in spite of several facets of feminine behavior related with the role. They dress like women, have long hairs, pluck their facial hairs, adopt feminine mannerisms, keep their names like women's and use female kinship terms and feminized vocabulary. But they are not considered as women, as they cannot give birth to a child, and their behavior such as their sexual aggressiveness is considered extreme and much in opposition to the expected modest behavior of ordinary women in their roles of wives, mothers and daughters. Hijra presentations are essentially imitations of women, and the entertainment value comes from difference between themselves, acting as women, and the real women they imitate. The Hijras belong to different community in our society though they born in our society. They are outsider because in our society in every sector people are identified as male or female. But, they donot come in any of those categories. They are marginalized in the society, cannot mix up frequently with others in the society, live in their own confined communities.

Hijras and other transgender (TG) people in India face a variety of issues (Chakrapani ; 2004). So far, Hijra/TG communities have been excluded from effectively participating in social and cultural life; economy; and politics and decision-making processes. A primary reason of the exclusion is the lack of (or ambiguity in) legal recognition of the gender status of hijras and other transgender people. It is a key barrier that often prevent them in exercising their rights related to marriage with a person of their desired gender, child adoption, inheritance, wills and trusts, employment, and access to public and private health services, and access to and use of social welfare and health insurance schemes. So far, there is no single inclusive source on the basis of which an evidence-based backing action plan can be prepared by transgender activists or possible legal solutions can be arrived at by policymakers.

Bearing in mind the complex network of people and the sizeable number of eunuchs in the world, it is impossible to remain blind and ignore their presence. It must be eminent that the third gender in India is not adequately provided for, though their existence is obvious in our country. A straight up intrusion of rights is necessary to make out eunuchs as equal citizens of India.

HISTORICAL VIEW ON THIRD GENDER

In Indic culture the Hindu god Shiva is often represented as Ardhanarisvara, with a dual character of male and female. Typically in Ardhanarisvara's right side is made of male and left side female. This sculpture is from the elephanta caves near Mumbai. References to a third gender can be found throughout the text of India's three ancient spiritual tradition, Hinduism (Wihelem, Amaradas, 2004) Jainism, (Jackson, Peter A. 1996), and it can be inferred that Vedic culture recognized three genders. The Vedas (c.1500 BC-500 BC) describe individual as belonging to one of three categories, according to one's nature or prakrti. These can also be seen in the 'Kama sutra' (c.4th century AD) and elsewhere as 'pums-prakrti (male-nature), stre-prakrti (female- nature) tritiyaparakrti (third- nature). A third sex is also described in ancient hindu law, medicine, linguistics and astrology. The foundational work of hindu law, the Manu Smriti (c.200BC-200 AD) explain origins of the three sexes: 'A male child is produced by a greater quantity of male seed, a female child by the prevalence of the female; if both are equal, a third sex child or boy and girl twins are produced; if either are weak or deficient in quantity, a failure of conception results'.

In the Puranas, there are many references to three kinds of devas of music and dance: apsaras (female), gandharvas (male) and kinnars (neuter). The two great Sanskrit epic poems, the Ramayana and the Mahabharata indicate the existence of a third gender in ancient Indic society. In the Buddhist Vinaya, codified in its present form around the 2nd century BC and said to be handed down by oral tradition from Buddha himself, describes four main sex/gender groups: males, females, ubhatobyanjanaka (people of dual sexual nature) and pandaka (people of non- normative sexual characters, maybe initially indicating a deficit in male sexual capability (Jackson, Peter A; 1996).

During the Mughal Empire in the 16th and 17th centuries, there were respects of castrated hijras- or eunuchs and considered close confidants of emperors, often being employed as royal servant and bodyguards. These jobs were so coveted that historian say some parents actually castrated their sons in order to attain favour with the mughal kings and secure employment for their children. But in spite of approval centuries ago, hijras today live on the fringes of Indian society and face discrimination in jobs and services such as health and education.

THEORETICAL FRAMEWORK

Hijras are imitating their identity to perform their role in the society. Their identity in the society is neither male nor female. The impression management is a crucial factor for them to generate there social as well as sexual life, which can be approached adequately by Goffman's (1956). Image forecast of Hijras needs to perform a series of act in individual level to make them third gender, the performance can be considered as back stage performance.

In the front stage Hijras comply with overt culture (includes dress, talking and walking style and also their special body language). This non-verbal conversation project the image of Hijra, through which they performs their role in social interaction. The information that is flowed by them reacts to other on the basis of their belief in the image they have projected. They are concerned about the image they projecting and other are concerned about truth worthiness of that image. Again their macro level interaction that means interaction with custom, institution and culture, above all their symbolic ritual they are performed made their identity. In the course of social interface they feel themselves different from others and feel they belong to different community.

The Goffman's micro and macro level interaction framework helps to understand their behavior. The face to face interaction model is explicitly relevant for identifying interaction and role performance.

Goffman's (1964) give "Management of spoiled identity" framework. He portrayed the feature of all minority groups such as the hijras share on decisive characteristics: they are socially abnormal; and therefore in danger of being considered less than human. Whether ordinary people react by rejection, by over hearty acceptance or by blain embarrassment, their main concern is with an individual's deviance, not with the whole of his personality.

Hijras have some symbolic interaction. Symbol as with the three types of symbolic imagery described in stigma, stigma symbols, prestige symbols, and misidentifies, assume a more abstract location in the communicative process, a reification of verbal cues. Hijras are in the category of stigma symbols. Goffman describes that the deviant or forbidden third sex or gender leads individuals to avoid being identified; that is they are forced to adapt the appearance and accoutrements of hegemonic social roles and practices. Alternate or third gender roles are thus typically displaced to the illicit, immoral or illegal margins of society. These people are also in such condition in our society. Using extensive quotations from autobiographic and casa studies, Goffman, (1964) argues that stigma is intimately associates with stereotype, and that both are related to the insensible expectations and norms which act as unseen arbiters in all social encounters.

In such stigmatized situation Hijras does not frequently share all the socil events. Thus they have encountered less experience have to take regressive action to manage the spoiled identity for generation of social as well as sexual life. The reality is that most of the research ignored the stigmatization process, but all the minority groups throughout the world are facing stigma greatly, which affects their communal lives.

Serena Nanda (1999) has done her fieldwork among Hijras of India, she marked Hijras as "neither male nor female" an institutionalized third gender role in India. She described their cultural dimension, individual dimensions of hijras role, hijras sexuality as a source of conflict and hijras impotence and creative asceticism. According to her they lived predominantly in the cities of north India, where they fixed the greatest opportunity to perform their traditional roles. The most significant relationship in the hijras community is that of the guruma (master, teacher), and chela relationship. The novice vows to obey the guruma and the rules of the community. Hijras traditionally earn living by collecting alms and receiving payment for performances at weddings, births and festivals. The hijras role accommodates different personalities, sexual needs, and gender identities without completely losing its cultural meanings.

While the core of the positive meaning attached to the hijras is linked the negation of sexual desire, the reality is that many hijras do, in-fact, engage in sexual activities. Because sexual behavior contrary to the definition of the role such activity conflicts for both the individuals and the community. Individual hijras deal with the conflict in different ways, while the community as a whole resorts to various mechanism of social control.

According to Bondyopadhyay (2002), there are half to one million hijras in India alone. He observed that by tradition and at present, hijras are routed into sex work and entertaining.

Bucholtz (2003), said that hijras regard themselves as people incapable of sexual sensation they also claim to have neither a male nor female genitalia.

Adnan Hossain (2001) explains some features of "hijras- culture and their relationship to indo-Pakistani Islam. He also dispels some prejudices and wrong myths spread among them.

Cameron and Kulick (2003) who worked among the hijras in India's post colonial world the status of the mukhanathun in the societies of India and Pakistan has an ambiguous character that depends on situations, geographical regions or simply on personal likes and dislikes. People have different type of attitude towards hijras. The highest respect they still find in old cities with a rich Muslim heritage, especially Lucknow which once was the seat of the nawab of Oudh. Indians since colonial times challenged with European values and Western exclusions, feel unsure about their relationship to the hijras. No one would ever dare to tease them face to face, but still people may make fun of them behind their backs. There is a ambiguity in attitude towards them.

During the British raja the colonial passed law in which the hijras were described as "sodomities" and people who did "homosexual offences". This was the first time ever that hijras were openly discriminated against in Indian history.

Another way of stigmatization stemming from colonial times is the ideas that 'hijras kidnap children and force them to be castrated and become hijras'. This is a parallel to the western legend that 'transgender could have a bad influence on our children. 'But this is not true'.

Furthermore, many hijras believe that “political skills” belong to their heritage since in the past they were so close to the ruling class. Today hijras are very active in local politics not only, in India, but also in Pakistan.

BITTER TRUTH- FACED BY THIRD GENDER

Third gender or hijras are social groups that exist on the margins of society. No wonder they face extreme forms of exclusion. The word hijra itself is considered a derogatory word. Some serious problems of hijras are.

Lack of employment opportunities : There are few opportunities available to them. Most of them make a living by begging, performing in ceremonies, and in prostitution. Owing to negative prejudices towards them they are not employed in industry or offices.

Prostitution: There are about 2000 eunuchs lane of Bombay. They face atrocities similar to that of women in prostitution. In addition they have higher chance of getting infected in HIV/AIDS. This is because their social status is even lower than female prostitutes. So they are generally more available for high- risk sex. It has been observed that for many hijras ‘sex work is the only option because no one is willing to employ them because of their gender identity. Even as commercial sex workers, hijras are the most vulnerable groups as they are placed right at the bottom of the hierarchy of sex workers. This results in their having little bargaining power and being unable to ensure that their customers practice safe sex. They are also at risk of violence both from customers and the public.

Education : As soon as hijras are adopted by “hijras families” they become hijra. These families stay on the margins of society. Their social status is low. Hence they do not get any formal education even schools also deny providing them education with normal students.

Violence: Violence against hijras, especially hijra sex workers, is common and brutal. Violence against hijras starts with prejudices and negative attitudes. Prejudice is ‘translated into violence, often of a brutal nature, in public spaces, police stations, prisons and even in their homes. Along with this, most hijras belong to lower middle class background which makes them more susceptible to harassment by the police. The discrimination based on their class and gender makes the hijras community one of the most disempowered groups in Indian society

Discrimination: Due to their social exclusion it is natural that they face discrimination in getting permission to stay in residential complexes, and health facilities. Some people are of the opinion that law is also prejudiced. Owing to Section 377 of Indian penal code, they are not recognized as gender. Marriage among hijras or of a hijra with a man is not legally recognized. When a bureaucracy cannot place them into male or female gender categories, the same bureaucracy also cannot deliver welfare services to them.

Political right: At many places hijras are not given the right to vote. Eunuchs were granted voting rights only in 1994. Even in any official document you usually find only two categories: male or female.

REHABILITATION

- Keep them in healthy and positive atmosphere.
- Try to minimize or reduce multilevel stigma and discrimination to reduce the anger and frustration.
- Make hostels and proper living place where they can live and study for 3 to 4 years.
- Give them proper educational opportunities.
- School should have trained personnel to counsel.
- Forcible marriage by parents must be stopped.
- Proper counseling at every stage must be given.

We must create awareness in society. There is a strong need to follow international conventions and principles to give them due respect. We should not deprive them of their legitimate natural and constitutional rights.

CONCLUSION

Groups whose gender identities and enactments fall outside of sociocultural norms for women and men are often described by scholars as well as group members as constituting a “third gender” or “third sex.” Third gender is used to identifying a social status that required showing consistent labeling and other linguistic practices in a society that distinguished a class of individuals from both men and women, and attributed them a constellation of traits comparable to those traits used to define other gender. From the above discussion it can be said that anatomical defect especially in the genitals distinguish them from others but their identity has made

through a process including their attitude, manners and practices. Denied by their own families in their juvenile and ridiculed and abused by everyone as "hijra" or third sex, eunuchs make their living by dancing at the beat of drums and often choose to obscene postures but their pain and suffering is not largely noticed and this demand is just a cue of how abandoned and ill-treated this section of society is. But now hijras are conscious about their human rights. There are many NGOs who are working with them. Finally it can be said that the situation is changing slowly. Now they are organizing and try to set up their position in the society. As a human being they are also fighting for their recognition in the society. A straight up intrusion of rights is necessary to make out eunuchs as equal citizens of India.

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STRESS MANAGEMENT OF HYPERTENSIVE PATIENTS

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Hypertension is clearly a major public health problem. High blood pressure in the medical term is called as hypertension but a one blood pressure reading that is high does not mean that we have hypertension. This means several blood pressure checks at intervals over time. Hypertension is often characterised as a silent killer and good wisdom. Thus the objectives of the present study were to examine the effect of aggressive tendency and to evaluate the effect of stress management in hypertensive patient and control group. In the present study 150 hypertensive male patients (who were suffering from at least from 3 years) and 150 well equated/matched control male subjects, of 40 to 60 ages are sampled. Aggressive Tendency scale(1996)and Stress Management scale(1991) are used to get the result for the present study. The finding of the present study revealed that the hypertensive patients experience more aggressive tendencies in compare to control group when control group experience high stress management than hypertensive patients. Further finding revealed that there is positive relationship between aggressive tendency and stress management for hypertensive patients and negative relationship for control group.

Keywords: aggressive tendency, stress management, hypertensive patients and control group.

Hypertension is often characterized as a silent killer and good wisdom. Although it affects about one in five, many people do not experience any symptoms. In effect, less than one sector really suffers from a sense of action. Most patients with high blood pressure are candidates for compulsory treatment with ACE inhibitors, beta blockers, calcium channel blockers and diuretics. High blood pressure in the medical term is called as hypertension. It is a blood pressure 140/90mmHg or above. High blood pressure result from tightening of very small arteries caused arterioles. Arterioles regulate the blood flow through our body. As these arterioles constrict our heart has to work to pump blood through the smaller space and pressure inside the vessels grows. Hypertension is classified as either primary (essential hypertension) or secondary hypertension. About 90 to 95% of cases are categorized as primary hypertension or secondary hypertension, which means high blood pressure with no obvious medical cause. Though aetiology of hypertension is very complicated and still not fully understood, yet there are certain physiological parameters which are directly involved in the regulation of high blood pressure. Normal blood pressure is a statistical concept. Males generally have somewhat higher blood pressure than females.

Aggression is behaviour that is intended to harm others. It may be more provocation, verbal or instrumental or offensive. In most instances of aggression either one or both the instrumentality or anger are involved. In human being an act to be labelled as aggressive the intention of the actor must be considered because some actions that do not hurt another person are aggressive acts, though they do not harm others. "Aggression is behaviour whose goal is the injury to some person or object" and anger is viewed as the emotional state resulting from frustration presumably creating a readiness for aggressive acts". "Aggression may be defined operationally in terms of made answering to genders, frequent quarrelling, broken engagements, impulses to take revenge and reactionary attitudes to traditions and beliefs".

According to Allport(1961)aggressive tendency leads to aggressive behaviour. Aggressive tendency leads to aggressive behaviour. Aggressive tendency is a particular kind of emotional reaction of the person's emotional state, which determines his temperament. Hence, aggressive tendency is a sort of temperament which is an aspect of personality. It is a temporary emotional reaction. It colours the person's characteristic, method of adjustment to the situation and environment.Murphy (1962) defined aggressive tendency as the more or less characteristic persistent emotional disposition of the individual.

Personality that present itself with aggressive behaviour are seen to be more competitive, manipulative, arrogant and self centered and this behaviour pattern reflects in the health of their arteries that supply blood to heart, kidneys and brain, the essential organs of the body. The arteries are more thickened and less elastic or supple making them more prone to hypertension and stroke.

In the most accurate meaning, stress management is not about learning how to avoid or escape the pressures and turbulence of modern living; it is about learning to appreciate how the body reacts to these pressures, and about learning how to develop skills which enhance the body's adjustment. To learn stress management is to learn about the mind- body connection and to the degree to which we can control our health in a positive sense. It is the ability to put things in perspective, dealing effectively with stressful situations and knowing how to relax. It

involves being able to deal with cognitive worry which is a major factor in anxiety and is manifested in negative self –restraint statements (about one’s ability, stability, future. the approach used in this module is based on both knowledge and skills. By identifying how we complicate our stress response, we can learn to practice specific behaviours that at will, in fact, help us decrease that response.

Stress management and hypertension are linked together. It has always been pretty much agreed upon in the medical community that being nervous raises blood pressure readings. So, it figures that being in an anxious state a good deal of the time could cause hypertension. When a person has an anxiety attack or may be even a panic attack, adrenaline flows wildly in the blood stream then they need to control this and manage stress which arises by this.

OBJECTIVES OF THE STUDY

- To find out the effect of aggressive tendency in hypertensive patient and control group.
- To evaluate the effect of stress management in hypertensive patient and control group.
- To find out the relationship among aggressive tendency and stress management of hypertensive subject and control group.

HYPOTHESES OF THE STUDY

- Hypertensive patient would be significantly higher on aggressive tendency than control group.
- Hypertensive patient would be significantly different on stress management than their control group.
- There would be a significant relationship among aggressive tendency and stress management of hypertensive patients and control group.

METHOD

Participants

The present study was conducted on 150 hypertensive male patients and 150 well equated / matched controls male subjects of 40 to 60 ages are sampled in each group. The clinically diagnosed male patients suffering from hypertension are sampled from various hospitals situated in urban and rural areas of the Udaipur, on suggestion of various doctors, where as in control group subjects never suffered with any kind of serious diseases and never complained for hypertension. The available biochemical records of the patients as well as the extraneous psychosocial variables of each group the subjects recorded with the objective to equate/match the sample for conducting the study. The participation of the subjects was depending on their will.

Aggressive tendency Scale (1996): This test was constructed by Dr. Prity Tiwari. It was decided to have 60 items in the scale. These statements show positive and negative aggressive tendency. Give two marks for “always”, one mark for sometimes and zero mark for “never”. In the positive statements showing aggressive tendency and adopt just reverse marking for negative statement showing no aggressive tendency. Positive item: 1,2,3,6,8,11,12,14,15,17,18,19,20,21,23,24,26,28,29, 31, 32,34,35,36,40=25 and Negative: 4,5,7,9,10,13,16,22,25,27,30,33,37,38,39=15. The test-retest reliability coefficient was found .91 and split half reliability was found .89. Cross validation with Thorndike dimensions of temperament of aggression was found and the coefficient was .78. Stress Management Scale (1991): Stress management scale was constructed by Dr. Pushpraj Singh & Dr. Anjali Srivastava. This scale consists of 30 items. Stress management scale was scored on a 5 point rating scale. The highest score of 5 was given to strongly agree response. 1 to agree, 2 to undecided, 2 to disagree and 1 to strongly disagree. Each item was scored in the same way. The total possible scores on S-M could range from 30 to 150. The coefficient of correlation obtained from the two set of scores was found to be 0.83 $P < .01$ level ($N=50$). The validation of content through competent judgements is most satisfactory.

RESULTS AND DISCUSSIONS

After scoring the inventories, the obtained data were analysed by mean and SD scores with one way ANOVA of aggression and stress management of hypertensive patient and control group. The results of the study are presented here. Important objective of the present research was to find out effect of aggressive tendency in hypertensive patient and control group. In order to address this objective the mean score and SD obtained by the hypertensive patients and control group on anxiety test and it was compared by using the ANOVA.

CONCLUSIONS

- Aggressive state of mind is always related to hypertension.
- An anxious person could be a victim of hypertension.

IMPACT OF CSR U/S 135 OF COMPANIES ACT 2013 ON NIFTY LISTED ENERGY COMPANIES

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ABSTRACT

Corporate Social Responsibility (CSR) had a long history but was not popularized in the initial stages. By passage of time, it had attained focus in the early 19th century. The Companies Act 2013 introduced the concept of CSR under section 135. India is the first country to mandate CSR w.e.f. 01.04.2014 with a minimum of 2% of the immediately preceding three financial years average profits.

The provisions of the Section 135 states that the Companies should undertake the CSR activities in and around the areas from where the companies draw the financial and other resources to earn profits. The study is undertaken to analyze the applicability of section 135 to NIFTY Listed Energy Companies, to compare CSR amount under section 135 with the actual amount spent by the Companies voluntarily and to estimate the amount to be spent on CSR activities as per section 135. The data are analyzed with the help of averages and percentages.

Key Words: NIFTY-National Index for Fifty Companies, Corporate Social Responsibility, Companies Act, 2013.

INTRODUCTION

Corporate Social Responsibility (CSR) had a long history but was not popularized in the initial stages. By passage of time, it had attained focus in the early 19th century. Howard Bowen can be considered as the father of Corporate Social Responsibility. According to him, CSR requires the businessmen to decide and adopt all those activities which are desirable and which are in the interest of the society.

The Companies Act, 2013, made it mandatory for the companies to discharge their social responsibility with effect from 1st April 2014. The Act provides that the companies with (i) net-worth Rs 500 Crores or more, or (ii) annual turnover of Rs 1,000 Crores or more or (iii) net profit of Rs 5 Crores or more in a financial year, shall provide at least 2% of the average net profits made during the three immediately preceding financial years for spending on the activities covered under Schedule VII of the New Companies Act 2013.

The provisions of the Section 135 states that the Companies should undertake the CSR activities in and around the areas from where the companies draw the financial and other resources to earn profits. The Corporate Sector, as socially responsible citizens, shall contribute for the social welfare and achieving the sustainable growth. In this context, the study is undertaken to analyze the applicability of the section 135 to NIFTY Listed Energy Companies and estimate the amount to be spent by them on CSR activities as per Section 135 of Companies Act 2013.

REVIEW OF LITERATURE

Heugens, P., & Dentchev, N. (2007)¹ have stated in their article “Identifying and Mitigating the Corporate Social Responsibility Risks” that the Companies are exposed to seven risks by investing in CSR activities. He used Grounded Theory Method to study the risks and discussed various strategies to mitigate the risks. He analyzed if the risks identified above had any applicability in the business field and concluded that it is dangerous to experiment with CSR activities in the competitive business field.

Jorge A. Arevalo and Deepa Aravind (2011)² in their article “Corporate Social Responsibility Practices in India: Approach, Drivers, and Barriers” found that the Stakeholder Approach is the most approved one in the Indian situation followed by the Profit Motive for pursuing CSR. The study also states that the difficulties in the implementation of CSR are lack of resources and difficulty in understanding due to the complexity of CSR.

Dd.Dipl.-Vw. Malte Kaufmann,(2012)³ in his article on “The Impact of Corporate Social Responsibility on Business Performance can it be measured, and if so how” covered the recent developments in the CSR and adopted Stakeholders Approach for measuring the impact of CSR on the benefits of the business.

Dr.Mohammad Anees,(2012)⁴ in his article on “ Corporate Social Responsibility in India Based on NIFTY Companies” revealed that the CSR initiatives taken by the NIFTY companies are independent of all the companies profitability level, their ownership status and type of activities.

Sunanda Poduwal (2013)⁵ in the article on “Section 135 –CSR Spending Estimation –BSE top 100 companies”, he estimated the CSR amount to be spent by the companies in the financial year 2013-14 and

2014-15, how many companies are over spending and under spending on CSR activities. His article revealed that fourteen companies out of Top hundred companies spent more than the mandatory limit (2%) on CSR activities and concluded that year by year amount to be spent CSR activities will increase.

Kalpeshkumar L Gupta and Rachana Arora (2014)⁶ in their article on “Study of Corporate Social Responsibility in the Central Public Sector Enterprises of India” concluded that they are more or less following the CSR guidelines issued by the Department of Public Enterprises and mandatory CSR provision under Companies Act 2013 is a very good step towards societal, environmental and sustainable development.

Vivek Wankahde (2014)⁷ in his article on “Analysis of Corporate Social Responsibility Spending of the Indian Companies” concluded that the amount spent on CSR by the Public Sector Companies and the Private Sector Companies is not equal to 2 % of profits as per Section 135 of Companies Act 2013 and there is no significant difference in the amount spent by the Public Sector Companies and Private Sector Companies.

RESEARCH GAP

Very few studies have focused on section 135, as it has become mandatory only with effect from 1st April, 2014. Therefore the study is being undertaken to focus on the applicability of the Section 135 to the NIFTY Listed Energy Companies and to estimate the amount to be spent on CSR activities by the Companies.

OBJECTIVES OF THE STUDY

The Objectives of the study are to:

- ✓ Analyze the applicability of section 135 to NIFTY Listed Energy Companies
- ✓ Analyse the actual amount spent on CSR activities voluntarily by the NIFTY Listed Energy Companies and See if it is above or below 2% of average net profits
- ✓ Estimate the amount to be spent on CSR activities by NIFTY Listed Energy Companies as per Section 135 of Companies Act 2013 for 2014-15

METHODOLOGY

- The study is based on Secondary data. The secondary data sources include Annual Reports of the NIFTY companies and NSE Website.
- The period of the study is for 4 years i.e. 2010-2014.
- The CNX NIFTY, also called the NIFTY 50 or simply the NIFTY, is the National Stock Exchange of India's benchmark index for the Indian Equity Market. The CNX NIFTY currently consists of 50 major Indian Companies. The CNX NIFTY covers 12 industries at present, Energy industry is one among the industries, which covered 8 Companies (i.e,16% of NIFTY Companies). Therefore, NIFTY Listed Energy Companies are selected for the analysis.
- NIFTY Listed Energy Companies as on 31st January 2015 are selected.
- Parameters chosen for the analysis are Net Profits, Net worth, and Turnover for the Current Financial Year, Average Net Profits and 2 % of Average Net Profits for the preceding three financial years.
- The data are analyzed with the help of averages and percentages.

LIMITATION

The Companies Act 2013 clearly says that 2% of the average net profits to be spent on CSR activities. The average profits should be calculated on the adjusted profits as per section 198 of Companies Act 2013. Due to lack of data in the form of Segment Reporting and other details of section 198, the same could not be ascertained. The pre tax profits are taken for the calculation of 2% of the average net profits.

APPLICABILITY OF SECTION 135 FOR THE FINANCIAL YEAR 2014-15: NIFTY LISTED ENERGY COMPANIES

Section 135 of the Companies Act 2013 makes it mandatory for the companies to discharge their social responsibility with effect from 1st April, 2014. The applicability of this section 135 for the companies is only when certain conditions relating to either net profit or annual turnover or net-worth are fulfilled. The applicability of Section 135 for the financial year 2014-15 to NIFTY Listed Energy Companies is presented in table- 1.

Table - 1
Applicability of Section 135 of Companies Act 2013: NIFTY Listed Energy Companies
(Financial Year 2014-15)

| Company Name | Criteria | | |
|--------------------------------------|-----------------------|----------------------------|----------------------------|
| | Profit \geq Rs 5 Cr | Turnover \geq Rs 1000 Cr | Net worth \geq Rs 500 Cr |
| Bharat Petroleum Corporation Ltd. | √ | √ | √ |
| Cairn India Ltd. | √ | √ | √ |
| GAIL (India) Ltd. | √ | √ | √ |
| NTPC Ltd. | √ | √ | √ |
| Oil & Natural Gas Corporation Ltd. | √ | √ | √ |
| Power Grid Corporation of India Ltd. | √ | √ | √ |
| Reliance Industries Ltd. | √ | √ | √ |
| Tata Power Co. Ltd. | √ | √ | √ |

Source: Annual Reports of the Companies

The above table clearly shows that section 135 is applicable to all the Energy Companies of the NIFTY, as the Companies are fulfilling the condition of net worth of Rs. 500 Crores or more, annual turnover of Rs 1000 Crores or more and net profit of Rs 5 Crores or more. Though the section requires that any one of the three conditions is to be fulfilled, the Companies have fulfilled all the three conditions. Hence, NIFTY Listed Energy Companies have to undertake CSR activities and spend in a year at least 2% of immediately preceding three financial year's average profit. It is mandatory with effect from 1st April, 2014.

CSR OF NIFTY LISTED ENERGY COMPANIES: AMOUNT SPENT

Section 135 though applicable from April 1st 2014, all NIFTY Listed Energy Companies have been spending on CSR activities voluntarily. Table-2 reflects upon the amount spent voluntarily on CSR activities by the NIFTY Companies for the financial year 2013-14.

Table – 2: Section 135 vs. CSR (2013-14)

(Rs in Crores)

| Sl.no | Company Name | Last 3 years Average Profits (2010-2013) | Actual amount spent on CSR (2013-14) | Percentage of Actual amount spent on CSR |
|-------|--------------------------------------|--|--------------------------------------|--|
| | | Rs | Rs | % |
| 1 | Bharat Petroleum Corporation Ltd. | 2771.58 | 34.38 | 1.24 |
| 2 | Cairn India Ltd. | 2144.39 | 47.6 | 2.22 |
| 3 | GAIL (India) Ltd. | 5573.54 | 62.57 | 1.12 |
| 4 | NTPC Ltd. | 12429.42 | 128.35 | 1.03 |
| 5 | Oil & Natural Gas Corporation Ltd. | 30586.35 | 341.25 | 1.12 |
| 6 | Power Grid Corporation of India Ltd. | 2054.46 | 21.66 | 1.05 |
| 7 | Reliance Industries Ltd. | 25064.94 | 712.00 | 2.84 |
| 8 | Tata Power Co. Ltd. | 1418.11 | 13.18 | 0.93 |
| | | 82042.78 | 1360.99 | 1.66 |

Source: Annual Reports of the NIFTY LISTED ENERGY Companies <http://economictimes.indiatimes.com>

From the above table, it is clear that all the NIFTY Listed Energy Companies were spending on CSR activities voluntarily though Section 135 is applicable with effect from 2014-15. There are 8 Energy Companies, Out of them Cairn India Ltd and Reliance Industries Ltd were spending 2% or more of the three immediately preceding financial year's average profits. Therefore, for these Companies, implementation of Section 135 would not make difference as they are already spending 2% or more of preceding three years average profits on CSR activities. For the other 6 companies also, implementing Section 135 would not be much difficult as they have already realized their responsibility to the society by undertaking CSR activities.

ESTIMATED CSR LIABILITY FOR THE FINANCIAL YEAR 2014-15

Section 135 of Companies Act 2013 is mandatory from 1st April, 2014. All the companies have to follow the Section 135 and spend 2% of average profits of immediately preceding three financial years (i.e. 2011-12 to 2013-2014) on CSR activities as specified in Schedule VII of Companies Act 2013. Table-4 below shows the estimated CSR liability of all NIFTY Listed Energy Companies.

Table-4: Estimated CSR Liability U/s 135 of Companies Act 2013 (FY 2014-15) (Rs in Crores)

| Sl.no | Company Name | Last 3 years average Profits (2011-2014) | CSR Liability @ 2% of average Profits for FY 2014-15 |
|-------|--------------------------------------|--|--|
| 1 | Bharat Petroleum Corporation Ltd. | 3956.28 | 79.13 |
| 2 | Cairn India Ltd. | 4807.26 | 96.15 |
| 3 | GAIL (India) Ltd. | 5818.38 | 116.37 |
| 4 | NTPC Ltd. | 13598.29 | 271.97 |
| 5 | Oil & Natural Gas Corporation Ltd. | 32096.93 | 641.94 |
| 6 | Power Grid Corporation of India Ltd. | 5506.90 | 110.14 |
| 7 | Reliance Industries Ltd. | 26142.67 | 522.85 |
| 8 | Tata Power Co. Ltd. | 1577.54 | 31.55 |
| | Total | 93504.3 | 1870.1 |

Source: Annual Reports of the NIFTY Top Companies <http://economictimes.indiatimes.com/>

The above table-4 clearly shows that the estimated CSR liability of the NIFTY LISTED ENERGY Companies for the financial year 2014-15, will be Rs 1870.1 crores. Section 135 will increase the CSR liability of NIFTY LISTED ENERGY Companies as they are spending less than 2% as of now except 2 the Companies which spent more than 2%.

CONCLUSION

India is the first country to mandate CSR w.e.f. 01.04.2014 with a minimum of 2% of the immediately preceding three financial year's average profits. Many Companies in India (including all NIFTY Listed Energy Companies) are spending on CSR activities voluntarily. As per Section 135, CSR liability of NIFTY Listed Energy Companies amount to Rs1870.1 crores for the financial year 2014-15. Among the NIFTY Listed Energy Companies Reliance Industries topped the list of high amount spent on CSR, with 2.84 % of the preceding three years' average profits, followed by Cairn India Ltd with 2.22% for the finance year 2013-14.

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DISCOURSE OF LEGAL RIGHTS OF CHILDREN BORN OUT OF LIVE-IN RELATIONSHIP IN INDIA

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ABSTRACT

In India, marriage has always been considered as sacrament. The Indian society is mostly religious and family centric. Now a days, the influence of western relationship, i.e. live-in relationship is increasing day by day in our society. This relationship is one of the areas which is under criticism and very high debated regarding its legality and implication. The Apex Court held that the live-in or marriage like relationship is neither a crime nor a sin though it is socially unacceptable in our society. But, there is no legislation on this subject matter and the Indian judiciary has thrown much light into the issues, especially various legal rights of children born out of such relation. Such children suffer most and hence, this paper tries to explore various legal rights of those children, such as status, maintenance, guardianship and custodial rights, rights of inheritance etc. and to make suggestions for the protection of various rights of such children.

Key Words: Live-in Relationship, child, status, maintenance, guardianship, inheritance.

INTRODUCTION

In India, marriage is a social institution and this institution has changed due to advent of liberalization, privatization and globalization. The influence has gone to such an extent that people now are getting married late due to higher expectations in relationships and the saddest part is that youngsters these days are not interested in marriage and are gradually shifting towards live-in relationships. It is a *de facto* union in which couple shares common bed-room without solemnizing marriage. The notion of such relationships gradually moved from the traditional view to the modern life of the changing society. This relationship is gaining momentum especially amongst the educated and economically viable groups.

In India, till date there is no specific legislation to deal on the subject matter on live-in relationship and the Protection of Women from Domestic Violence Act, 2005 provides some kind of protection to the aggrieved parties from any kind of atrocities faced by the females living in relationship in the nature of marriage. There is another serious concern that if a child born out of such a tie, what will be the legal status of that child, whether he/she can claim maintenance from the parents, what will be the parental right and property right, etc. law is completely silent.

OBJECTIVE OF THE STUDY

From the above backdrop the present paper aims to sketch the various rights of the children born out of live-in relationships. Moreover, it attempts to highlight the provisions of law and judgments in this respect. In addition to these it tries to suggest to enact new laws for the rights of children born out of such tie.

METHODOLOGY

For the purpose of preparing this paper I have gathered information through doctrinal methodology.

PRESENT SCENARIO OF LIVE-IN RELATIONSHIP IN INDIA

Now a days, this relationship is legalized by the judiciary in our country. The Supreme Court in *Lata Singh v. State of U.P.*¹ held that live-in relationship is permissible only in unmarried major persons of heterosexual sex. This type of relationship if continued for such a long time cannot be termed as 'walk in and walk out' relationship and there is presumption of marriage between them.

The Allahabad High Court in *Pyal Sharma v. Superintendent, Nari Niketan*² recognized the concept of live-in relationship is not illegal. The Court observed that a man and woman can live together as per their wish even without getting married. It further, held that it may be immoral for the society but is not illegal.

Justices M. Katju & T.S. Thakur in *S.Khushboo v. Kanniammal & Ors*³, in 2010 held that live-in together is a right to life. Live-in relationship may be immoral in the eyes of the conservative Indian society but it is not illegal in the eyes of law.

In 2013 *Indra Sarma v. K.B.Sarma*⁴, K.S. Rdhakrishnan J. & Pinaki Chandra Ghose J. held that live-in relation is "marriage like relationship" is neither a crime nor a sin though socially unacceptable in our country. Long standing relationship as a concubine though not a relationship of marriage but it is relationship in the nature of marriage.

This relationship temporary and can easily dissolve that is 'dissolve at will' without following the legal procedure. Thus, couples having children and not continuing the relationship will adversely affect the interest of the children due to lack of love and parental care. So the following basic rights must be recognized because they are innocent and vulnerable.

STATUS OF CHILDREN

Legitimacy is the first and foremost criteria and status for claiming of all rights (viz. claiming property, maintenance, guardianship and custody etc.) of children born out of such relationship. The Hindu Marriage Act 1955 recognizes it.

Child born out of live-in relation is "legitimate" in the eye of existing law. However, the Supreme Court in *Tulsa v. Durghatiya*⁵ held that children born out of such relationship will no more consider illegitimate.

In *Vidhyadhari v. Sukhrana Bai*,⁶ the Supreme Court held that even if a person had contracted 2nd marriage during, children born out of such second marriage still be legitimate though the second marriage would be void.

The Hon'ble Supreme Court in 1992 held in *S.P.S Balasubramanyam v. Suruttayayan*⁷ that if a man and woman are living under the same roof and cohabiting for a number of years, there will be presumption under section 114 of Indian Evidence Act that they are living as husband and wife and children born to them will not be illegitimate.

Whereas in *Md. Bauker v. Shurfoon Nissa Begum* the Privy Council had held that legitimacy of children of Mohammedan parents may be inferred without any direct proof of a marriage, if there is prolonged and continuous cohabitation. Thus, in a case where a couple has lived together for a longtime, there shall be presumption of marriage and a child born from such a relationship shall enjoy all the rights of a legitimate child.

The legitimacy of the children born out of live-in-relationship, once again the Supreme Court highlighted in *Uday Gupta v. Ayesha & others*⁸ the Bench of Justices B.S. Chauhan and Justice Chelameswar stated that children born out of prolonged live-in relationships could not be termed illegitimate. This judgment has overshadowed all the earlier understanding regarding the legitimacy of such children.

RIGHT OF MAINTENANCE OF CHILDREN

To provide maintenance is an obligation as an integral part of the legal angle of live in relationships in respect to the rights of the children born out of such union. It is already mentioned that the legal status of such children is legitimate and hence they can claim maintenance under the Hindu Adoption and Maintenance Act, 1956. The said Act provides that a Hindu is bound, during his or her lifetime, to maintain his or her legitimate or illegitimate children⁹. Thus, such children may claim maintenance from his or her father or mother so long as the child is a minor or unable to maintain himself / herself.

The judiciary in India provides social justice in a landmark case *Dimple Gupta v. Rajib Gupta*¹⁰, wherein the Supreme Court held that even an illegitimate child born out of an illicit relationship is entitled for maintenance under Section 125 of Cr.P.C. which provides maintenance to children whether legitimate or illegitimate while they are minors and after they attain majority where such child is unable to maintain.

Thus, Section 125 forms the model of welfare and progressive legislation aiming to protect child right in a situation where the people subjected to such laws are in fault of their own as noted in *Ramesh Chander Kaushal v. Mrs. Veen Kaushal*¹¹. In the said case, Krishna Iyer, J., observed that said section is a measure of social justice and specially enacted to protect women and children and falls within the constituted sweep of Article 15(3) reinforced by Article 39 of the Constitution. However, "the right to maintenance is condition to the fatherhood of the child being established.

Since the Court seems to be treating children arising from legitimate and illegitimate relationships alike when it comes to maintenance right, this has formed the foundation for the demand of equal treatment of such children when it comes to property rights. This is the fundamental right and if it is denied then it can be challenged before the court of law by such children.

The denial of maintenance rights to children born out of live in relations can also be challenged under Article 32 amounting to violation of fundamental rights guaranteed under the Constitution such as Article 21 which provides the right to life and personal liberty and such denial can deprive such individuals of their right to lead their lives with dignity and this upheld by Kerala High Court in *P.V. Susheela v. Komalavally*¹².

On the other hand, the unequal treatment of children of live in relationships and marital relationships even though both are perceived as legitimate in the eye of law can amount to violation of Article 14 which promises

equality before the law.¹³ The rights concerning such maintenance give effect to fundamental rights and natural duties of a man to maintain his wife and children when they are unable to maintain themselves as laid down in *Savitaben Somabhai Bhatiya v. State of Gujarat*¹⁴. Thus, maintenance rights continue to be a sensitive issue for children with respect to live in relationships.

RIGHT TO PARENTAL CARE: GUARDIANSHIP AND CUSTODY

The legal relationship of parent and child is composed of rights and duties. Parents have parental rights by virtue of being natural guardians of their children. Right to parental normally includes the right to determine the child's upbringing 'as regards religion, education, and other matters'.¹⁵ The term 'custody' is normally used in India to denote the right to physical possession of the child, i.e. charge of the minor's person.

Under Section 6(a) Hindu Minority and Guardianship Act, 1956 declares that in the case of a boy or an unmarried girl, the natural guardian of Hindu minor are the father, and after him, the mother, that proposition is subject to two qualifications as enumerated below-

1. The proviso to Sec. 6 lays down that the custody of a minor who has not completed the age of five years shall ordinarily be with the mother;
2. Section 13(1) lays down that in the appointment or declaration of any person as guardian of a Hindu minor by a court, the welfare of the minor shall be the paramount consideration.

Section 6(b) of the said Act also provides that an illegitimate boy or an illegitimate unmarried girl, the mother, and after her, the father. In other words, where the father and the mother of the child is not married to each other before the birth of the child, the mother and not the father has the parental responsibility for the child. However, unmarried father can acquire parental responsibility in the following ways-

- a) By subsequently marrying the child's mother;
- b) Upon taking office as a formally appointed guardian of the child;
- c) By making a parental responsibility agreement with the mother;
- d) By obtaining a parental responsibility order under the Act.

Under the Muslim personal law, the father's right to guardianship is recognized. Even when the custody is with the mother or any other female entitled to custody, the father's right of general supervision and control exists.¹⁶ So far as *hizanat* (custody) is concerned, the first and foremost right to have the custody of children belongs to the mother, and she cannot be deprived of her right so long as she is not found guilty of misconduct.¹⁷

But the question arise if in case the parties to live-in-relationship decide to move out of it, to secure rights of child whom none of the parents want to keep, there must be a provision that any of them would be responsible to look after the child. To ensure that his rights are actually given, Court may appoint a guardian. The child is entitled to get a share in the property of both the father as well as the mother. On the other hand, the father of the child must acknowledge paternity by making necessary legal documents such as declaration for legitimating his child and establishing his parental relationship. Likewise, both parents must actively participate in the raising of the child in order to have a legitimate claim to custody or access (visits).

PROPERTY RIGHT/RIGHT OF INHERITANCE

Property rights basically refer to the inheritance rights of children born out of sexual union revolving around live in relationships. Under the Hindu Succession Act, 1956, a legitimate child is formed Class-I heir and claim property rights of the joint family property. On the other hand, under Hindu Law an illegitimate child inherits the property of his/her mother only and not putative father as the illegitimacy makes it difficult to carry out such inheritance from the father's side. Thus, legitimacy forms a pre requisite for inheritance rights under Hindu law and reasonable period of time is the primary condition to be fulfilled for this purpose.

In *Vidhyadhari v. Sukhrana Bai*,¹⁸ the Supreme Court granted the inheritance to the 4 children born from the woman with whom the man shared a live-in relationship calling them "his legal heir". The Court ensured that no child born from a live-in relationship of a reasonable period may be denied their inheritance.

In *Santa v. Durga*¹⁹ the Court stated that children of a void marriages and children of annulled voidable marriages will inherit the property of their parents only and of none else. They cannot claim to be coparceners with their respective fathers and therefore, they have no right to claim partition of the joint family property.²⁰ The Bombay High Court²¹ has expressed the same view that property to which a child, under Section 16(3), can lay a claim would be the separate property of the father, and not the coparcenary property in which the father has a share.

In *Smt. P.E.K. Kalliani Amna v. K. Devi*²² the Apex Court held that Section 16 of the Act is not *ultra vires* of the Constitution of India. In view of the legal fiction contained in Section 16, the illegitimate children, for all practical purposes, including succession to the properties of their parents, have to be treated as legitimate. They cannot, however, succeed to the properties of any other relation on the basis of this rule, which in its operation, is limited to the properties of the parents. The same view was reiterated in *Jinia Keotin v. Kumar Sitaram Manjbi*.²³

The Madras High Court held in *Bharatha Matha v. R. Vijaya Renganathan & Ors*²⁴ that children born out of live-in relationship were entitled to a share in ancestral property as there was a presumption of marriage in view of long relationship. But this judgment was set aside by the Hon'ble Supreme Court in appeal. Justice B.S. Chauhan & Justice Swantar Kumar, observed that such children is not entitled to claim inheritance in Hindu ancestral coparcenary property and can only be claim a share in the parents' self acquired property, if any.

The issue of property rights has been dealt with in an incomplete manner under section 16 of the Hindu Marriage Act 1955. Justice Ganguly deliberated on the issue of live in relationships and child property rights stating that the legislature has used the word "property" in Section 16(3) of the Act and is silent on whether such property is meant to be ancestral or self acquired and in light of such ambiguity, the concerned child's property rights cannot be arbitrarily denied. Clauses (1) and (2) of the section expressly declare that such children shall be deemed legitimate in the eye of law. Thus, there is subsequent discrimination against them and unequal treatment with respect to other legitimate children who are entitled to all the rights in the property of their parents, both self-acquired and ancestral. Hence, there is need to amend the said section otherwise it will lose the value of the said section.

CONCLUSION

In the Indian context there is a urgent and dire need to recognize such relationship through legislation which would empower both the parties with rights and create obligations with duties thereby confining the ambit of such relationship. Therefore, law so enacted on live in relationship should keep in mind the basic structure of tradition that prevails in the Indian society.

At the same time there is need to enact some new laws for the grant of legal status of the child born out of live in relationship with all the legal rights of maintenance, guardianship and custodial rights, succession, inheritance as available to a married couple and their legitimate offspring, also securing their rights after the dissolution of such relationship due to break up or death of one of the partner. Hence, the need of the hour is to educate and enlighten the present generation about the real importance of marriage and family. This can be possible only when the parents respect the feelings and aspirations of their children and give them the freedom of choice in their marriage. It is true that society needs to change according to changing times but at the same time it should not compromise with the moral values and traditions of the society in the name of modernization.

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10. (2007) 10 SCC 30
11. AIR 1978 SC 1807
12. (2000) DMC 376
13. *Bharatha Matha v. R. Vijaya Renganathan & Ors*, AIR 2010 SC 2685
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 16. Father's right to control the religion of his children is recognized even if the mother is a non-Muslim. He has also the right to control the education, general upbringing, and movements of his children. In the absence of the father, the same right can be exercised by the grandfather or executor, whoever is entitled to guardianship.
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IMPACT OF INFLATION ON MONETARY POLICY OF INDIAN ECONOMY

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ABSTRACT

A central bank controls the supply of money in the economy by exercising its control over interest rates in order to maintain price stability and achieve high economic growth. In economics, inflation is a rise in the general level of prices of goods and services in an economy over a period of time. Inflation is caused by a too rapid increase in the money supply. The present paper attempts to measure the degree of relationship between inflation and monetary policy. This study is a descriptive study in nature. There are various statistical tools adopted for the research purpose like mean, median, mode, ratio analysis, cash flow analysis, fund flow analysis. For the present study, data has been collected from various sources like journals, secondary sources and websites. Under this study the inflation rate and monetary policy statement of 5 years (2008-2013) taken. Bank Rate, Statutory Liquidity Ratio and Cash Reserve Ratio etc. are the factors causing variations in the rate of the monetary policy. As we concluded that inflation and monetary policies are dependent variable as both affecting each other.

Keywords: Inflation, Monetary policy, wholesale price index & consumer price index

INTRODUCTION

Monetary policy is the process by which monetary authority of a country, generally a central bank controls the supply of money in the economy by exercising its control over interest rates in order to maintain price stability and achieve high economic growth. In India, the central monetary authority is the Reserve Bank of India (RBI) is so designed as to maintain the price stability in the economy.

1) Price Stability

Price Stability implies promoting economic development with considerable emphasis on price stability. The centre of focus is to facilitate the environment which is favourable to the architecture that enables the developmental projects to run swiftly while also maintaining reasonable price stability.

2) Controlled Expansion of Bank Credit

One of the important functions of RBI is the controlled expansion of bank credit and money supply with special attention to seasonal requirement for credit without affecting the output.

3) Promotion of Fixed Investment

The aim here is to increase the productivity of investment by restraining non essential fixed investment.

4) Restriction of Inventories

Overfilling of stocks and products becoming outdated due to excess of stock often results in sickness of the unit. To avoid this problem the central monetary authority carries out this essential function of restricting the inventories. The main objective of this policy is to avoid over-stocking and idle money in the organization

5) Promotion of Exports and Food Procurement Operations

Monetary policy pays special attention in order to boost exports and facilitate the trade. It is an independent objective of monetary policy.

6) Desired Distribution of Credit

Monetary authority has control over the decisions regarding the allocation of credit to priority sector and small borrowers. This policy decides over the specified percentage of credit that is to be allocated to priority sector and small borrowers.

7) Equitable Distribution of Credit

The policy of Reserve Bank aims equitable distribution to all sectors of the economy and all social and economic class of people

8) To Promote Efficiency

It is another essential aspect where the central banks pay a lot of attention. It tries to increase the efficiency in the financial system and tries to incorporate structural changes such as deregulating interest rates, ease operational constraints in the credit delivery system, to introduce new money market instruments etc.

9) Reducing the Rigidity

RBI tries to bring about the flexibilities in the operations which provide a considerable autonomy. It encourages more competitive environment and diversification. It maintains its control over financial system whenever and wherever necessary to maintain the discipline and prudence in operations of the financial system.

MONETARY OPERATIONS

Monetary operations involve monetary techniques which operate on monetary magnitudes such as money supply, interest rates and availability of credit aimed to maintain Price Stability, Stable exchange rate, Healthy Balance of Payment, Financial stability, Economic growth. RBI, the apex institute of India which monitors and regulates the monetary policy of the country stabilizes the price by controlling Inflation. RBI takes into account the following monetary policies:

MAJOR OPERATIONS**1) Open Market Operations**

An open market operation is an instrument of monetary policy which involves buying or selling of government securities from or to the public and banks. This mechanism influences the reserve position of the banks, yield on government securities and cost of bank credit. The RBI sells government securities to contract the flow of credit and buys government securities to increase credit flow. Open market operation makes bank rate policy effective and maintains stability in government securities market.

2) Cash Reserve Ratio

Cash Reserve Ratio is a certain percentage of bank deposits which banks are required to keep with RBI in the form of reserves or balances. Higher the CRR with the RBI lower will be the liquidity in the system and vice-versa. RBI is empowered to vary CRR between 15 percent and 3 percent. But as per the suggestion by the Narshimam committee Report the CRR was reduced from 15% in the 1990 to 5 percent in 2002.

3) Statutory Liquidity Ratio

Every financial institution has to maintain a certain quantity of liquid assets with the RBI for time and demand liabilities. These assets can be cash, precious metals, approved securities like bonds etc. The ratio of the liquid assets to time and demand liabilities is termed as the statutory liquidity ratio. There was a reduction of SLR from 38.5% to 25% because of the suggestion by Narshimam Committee.

3) Bank Rate Policy

Bank rate is the rate of interest charged by the RBI for providing funds or loans to the banking system. This banking system involves commercial and co-operative banks, Industrial Development Bank of India, IFC, EXIM Bank, and other approved financial institutes. Funds are provided either through lending directly or rediscounting or buying money market instruments like commercial bills and treasury bills. Increase in Bank Rate increases the cost of borrowing by commercial banks which results into the reduction in credit volume to the banks and hence declines the supply of money. Increase in the bank rate is the symbol of tightening of RBI monetary policy. Bank rate is also known as Discount rate.

4) Credit Ceiling

In this operation RBI issues prior information or direction that loans to the commercial banks will be given up to a certain limit. In this case commercial bank will be tight in advancing loans to the public. They will allocate loans to limited sectors. Few example of ceiling are agriculture sector advances, priority sector lending.

5) Credit Authorization Scheme

Credit Authorization Scheme was introduced in November, 1965 when P C Bhattacharya was the chairman of RBI. Under this instrument of credit regulation RBI as per the guideline authorizes the banks to advance loans to desired sectors.

6) Moral Suasion

Moral Suasion is just as a request by the RBI to the commercial banks to take so and so action and measures in so and so trend of the economy. RBI may request commercial banks not to give loans for unproductive purpose which does not add to economic growth but increases inflation.

7) Repo Rate and Reverse Repo Rate

Repo rate is the rate at which RBI lends to commercial banks generally against government securities. Reduction in Repo rate helps the commercial banks to get money at a cheaper rate and increase in Repo rate discourages the commercial banks to get money as the rate increases and becomes expensive. Reverse Repo rate is the rate at which RBI borrows money from the commercial banks. The increase in the Repo rate will increase

the cost of borrowing and lending of the banks which will discourage the public to borrow money and will encourage them to deposit. As the rates are high the availability of credit and demand decreases resulting to decrease in inflation. This increase in Repo Rate and Reverse Repo Rate is a symbol of tightening of the policy.

INFLATION

In economics, inflation is a rise in the general level of prices of goods and services in an economy over a period of time. When the general price level rises, each unit of currency buys fewer goods and services. Consequently, inflation also reflects erosion in the purchasing power of money – a loss of real value in the internal medium of exchange and unit of account within the economy. A chief measure of price inflation is the inflation rate, the annualized percentage change in a general price index (normally the Consumer Price Index) over time.

TYPES OF INFLATION

Inflation is of different types. It is generally classified on the following basis:

(1) ON THE BASIS OF RATE OF INFLATION

Creeping Inflation

Creeping inflation is a situation in which the rise in general price level is at a very slow rate over a period of time. Under creeping inflation, the price level rises up to a rate of 2 percent per annum. A mild inflation is generally considered a necessary condition of economic growth.

Walking Inflation

Walking inflation is a marked increase in the rate of inflation as compared to creeping inflation. The price rise is around 5 percent annually.

Running Inflation

Under running inflation, the price increase is about 8 to 10 percent per annum.

Galloping or Hyper Inflation

Galloping inflation is a full inflation. Keynes calls it as the final stage of inflation. It is a stage of inflation which starts after the level of full employment is reached. Here price level rises very rapidly within a short period.

(2) ON THE BASIS OF DEGREE OF CONTROL

Open Inflation

It is a stage when the rise in price level gets out of control. Milton Friedman describes it as, “inflationary process in which prices are permitted to rise without being suppressed by government price control and simple measures.

Suppressed Inflation

Under this type of inflation, the government makes efforts to check and control the rise in price level through price control and rationing. When the price level is suppressed by the above short term measures, it results in many evils such black marketing, hoarding, corruption and profiteering.

(3) INFLATION ON THE BASIS OF CAUSES

Demand Pull Inflation

Inflation caused by increase in aggregate demand, not matched by aggregate supply of goods, resulting in rise of general price level, is called Demand Pull Inflation. Demand pull inflation, to be simpler, occurs when the demand for goods and services in the country is more than their supply. The effective demand for goods increases due to many factors such as increase in money supply, increase in the demand for goods by the government, increase in the income of various factors of production etc. In short, the excessive increase in the money supply causes inflationary conditions. Demand pull inflation is generally characterized by shortage of goods and shortage of workers.

Cost Push Inflation

Cost push inflation occurs when the increasing cost of production pushes up the general price level. Cost pull inflation occurs when the economy is below full employment with prices rising even though there is no shortage of goods. Cost push inflation is the result of increase in wage costs unaccompanied by corresponding increase in productivity, rise in import prices of goods, depreciation in the external value of the currency, higher mark up etc.

Profit Induced Inflation

Profit inflation is in fact categorized under cost push inflation. When entrepreneurs, due to their monopoly position raise the profit margin on goods, it may cause profit push inflation.

Budgetary Inflation

When the government of a country covers the deficits in the budgets through bank borrowing .and creating new money (Deficit financing), the purchasing power of the community increases without a simultaneous increase in the production of goods. This leads to rise in the general price level.

Monetary Inflation

Milton Friedman is of the firm view that inflation is always and anywhere a monetary phenomenon. According to him, inflation is caused by a too rapid increase in the money supply and by nothing else.

Multi Casual Inflation

Inflation has a number of causes. It may be caused by increase in money supply, excessive wage demands, excess aggregate demand for goods, shortage of goods etc. The chief cause of inflation in one year may not be in the next year. Since inflation is multi casual, therefore, a variety of policy measures are needed to deal with it.

(4) ON THE BASIS OF EMPLOYMENT

Partial Inflation

According to J. M. Keynes, takes place when the general price level rises partly due to an increase in the cost of production of goods and partly due to rise in supply of money before the full employment stage is reached.

Full Inflation

Full inflation prevails when the economy has reached at level of full employment. Any increase in money supply beyond full employment level will result in the rise in price level without any increase in output and employment. It is also called as real inflation. As regards the causes, it is one of the key areas of disagreement among modern economist. However, two main explanations of inflation are given which are described in brief below:

(5) ANTICIPATED VERSUS UNANTICIPATED INFLATION

Anticipated inflation is the rate of inflation which majority of the individuals believes will occur. When the rate of inflation (say 6%) turns out to be the same (6%), we are then in a situation of fully anticipated profit. Unanticipated inflation is that which comes as surprise to majority of individuals. It can be higher or lower than the rate of anticipated inflation.

CAUSES OF INFLATION

A. Population on The Rise

In case the population is augmenting and so is the case with the supply of essential commodities proportionately at palatable prices, then that is called as growth. Issues arise only when the supply of essential commodities fail to meet the needed demand at agreeable prices. That is what exactly has been happening in India. Thus, an increasing trend in population would lead to inflation.

B. High Economic Growth

India is the 10th largest economy on this planet behind Japan, Germany, Brazil, China and the USA, etc. The economic growth has been heading to north each and every financial year in India, normally, projecting more than a 6% a year. Economic growth is what every productive person wishes for.

C. Lack of Agricultural Output

Poor performance in the agricultural and its allied activities continue to be a big worry for the Indian economy, too. This sector has been a worrying one, because it has been failing to meet the total domestic demand and or failing to generate anticipated GDP contributions. The share of this sector towards the GDP is a meagre one, which has been normally under 15% for the past few financial years. Here, arises one key question: why on earth the slowdown is on and on in the agricultural production? The following are the scientific reasons for that:

- Climate change.
- Usage of old tech and methods are on or underway.
- Lack of reliance on new tech.

- Lack economic planning and executions made by farmers and other concerned in the agriculture field, too.
- Lack of finance, etc.

There is a need to bolster the agricultural productivity in a bid to make sure food inflation is well under the control of the concerned governments. Please note: food inflation is an integral part of the general inflation.

D. Weak INR

Weak Indian Rupee is another cause for inflation here in India. She, imports more than exports, owing to a lot of monetary reasons which also contribute towards a fall in the value of the INR. The national currency plays a vital role in determining the final value of goods and services that have been imported. Since most currencies in the globe are subject to twist, the INR is also not spared. Thus, at the international market, in case the value of INR slides, the final costs would be higher indeed.

Causes for fall in the INR value are as under:

- Investors pull out their investments from the economy to invest in other economies due to economic and non-economic reasons. By such economic activity of investors, it leads to a fall in the demand for INR, which ultimately results in the fall of the INR's value, too.
- Political disturbances in the country also reduce the demand for the INR.
- Other economic issues such as a high rate of inflation also bring down the value of the INR.
- Stability and insurance of returns on investments assured in other parts of the global economy.
- Deliberate depreciation by the central bank, etc.

EFFECTS OF INFLATION

Negative Effect

High or unpredictable inflation rates are regarded as harmful to an overall economy. They add inefficiencies in the market, and make it difficult for companies to budget or plan long-term. Inflation can act as a drag on productivity as companies are forced to shift resources away from products and services in order to focus on profit and losses from currency inflation.

With high inflation, purchasing power is redistributed from those on fixed nominal incomes, such as some pensioners whose pensions are not indexed to the price level, towards those with variable incomes whose earnings may better keep pace with the inflation.

Cost-push inflation

High inflation can prompt employees to demand rapid wage increases, to keep up with consumer prices. In the cost-push theory of inflation, rising wages in turn can help fuel inflation. In the case of collective bargaining, wage growth will be set as a function of inflationary expectations, which will be higher when inflation is high. This can cause a wage spiral. In a sense, inflation begets further inflationary expectations, which beget further inflation.

Hoarding

People buy durable and/or non-perishable commodities and other goods as stores of wealth, to avoid the losses expected from the declining purchasing power of money, creating shortages of the hoarded goods.

Social unrest and revolts

Inflation can lead to massive demonstrations and revolutions. For example, inflation and in particular food inflation is considered as one of the main reasons that caused the 2010– 2011 Tunisian revolution and the 2011 Egyptian revolution, according to many observatory including Robert Zoellick president of the World Bank.

Hyperinflation

If inflation gets totally out of control (in the upward direction), it can grossly interfere with the normal workings of the economy, hurting its ability to supply goods. Hyperinflation can lead to the abandonment of the use of the country's currency, leading to the inefficiencies of barter.

Allocative efficiency

A change in the supply or demand for a good will normally cause its relative price to change, signalling to buyers and sellers that they should re-allocate resources in response to the new market conditions. But when prices are constantly changing due to inflation, price changes due to genuine relative price signals are difficult to distinguish from price changes due to general inflation, so agents are slow to respond to them. The result is a loss of allocative efficiency.

High opportunity cost

High inflation increases the opportunity cost of holding cash balances and can induce people to hold a greater portion of their assets in interest paying accounts.

Menu costs

With high inflation, firms must change their prices often in order to keep up with economy-wide changes. But often changing prices is itself a costly activity whether explicitly, as with the need to print new menus, or implicit.

Business cycles

According to the Austrian Business Cycle Theory, inflation sets off the business cycle. Austrian economists hold this to be the most damaging effect of inflation. According to Austrian theory, artificially low interest rates and the associated increase in the money supply lead to reckless, speculative borrowing, resulting in clusters of mal investments, which eventually have to be liquidated as they become unsustainable.

Positive Effects**Labour-market adjustments**

Nominal wages are slow to adjust downwards. This can lead to prolonged disequilibrium and high unemployment in the labour market. Since inflation allows real wages to fall even if nominal wages are kept constant, moderate inflation enables labour markets to reach equilibrium faster.

Room to maneuver

The primary tools for controlling the money supply are the ability to set the discount rate, the rate at which banks can borrow from the central bank, and open market operations, which are the central bank's interventions into the bonds market with the aim of affecting the nominal interest rate.

Mundell–Tobin effect

The Nobel laureate Robert Mundell noted that moderate inflation would induce savers to substitute lending for some money holding as a means to finance future spending. That substitution would cause market clearing real interest rates to fall. The lower real rate of interest would induce more borrowing to finance investment

Instability with deflation

Economist S.C. Tsai noted that once substantial deflation is expected, two important effects will appear; both a result of money holding substituting for lending as a vehicle for saving. The first was that continually falling prices and the resulting incentive to hoard money will cause instability resulting from the likely increasing fear, while money hoards grow in value, that the value of those hoards are at risk, as people realize that a movement to trade those money hoards for real goods and assets will quickly drive those prices up.

Financial market inefficiency with deflation

When savers have substituted money holding for lending on financial markets, the role of those markets in channelling savings into investment is undermined. With nominal interest rates driven to zero, or near zero, from the competition with a high return money asset, there would be no price mechanism in whatever is left of those markets. With financial markets effectively euthanized, the remaining goods and physical asset prices would move in perverse directions.

REVIEW OF LITERATURE

IMF (2010) found that monetary and fiscal policy stimulus measures played an important role in offsetting the impacts of exchange rate appreciation. In fact, in a number of cases, policy stimulus overshoot what was needed, as the deflationary effects of currency appreciation were over-estimated, and stimulus had to be withdrawn due to the development of inflationary pressures and asset bubbles. **Raghubendra Jha September (2006)** argued that the primary objective of Indian monetary policy, at least in the medium term, has to be the attainment of higher economic growth. Further the banking system has strong monopoly elements and the government owns overwhelming stake in the banking sectors. Further, as the financial sector liberalizes some major government owned mutual fund operations have had to be bailed out. **John (2003)** studied the causality between monetary aggregates and exchange rates. The paper employed a Vector Autoregressive (VAR) framework to find out as to which monetary aggregate explains the inflation in a better way. Even though no clear evidence is found as to which of the monetary aggregates best explains inflation, from the VAR model there is sufficient reason to believe that the broad money measure (M3) is better. It has also been observed that the explanatory power of these variables in explaining inflation is not high any more. **Gary (1995)** studied the inflation of Nigeria for the period between 1960 and 1993 by employing co-integration and error correction technique. The study

concluded that monetary expansion explained the large degree of inflationary process in Nigeria. Besides, devaluation and agro-climatic conditions were also important. **Sahadudhen I (2012)** studied the determinants of inflation of India on the quarterly data (1996 Q1 to 2009Q3) by employing the co-integration and Vector Error Correction model. It has been established that GDP and broad money have positive effects on inflation. However, inflation is negatively affected by exchange rate and interest rates. **Mosayed& Mohammad (2009)** examined the determinants of inflation in Iran for the data from 1971-2006. The study adopted Autoregressive and Distributed Lag (ARDL) model and concluded that money supply, exchange rate, gross domestic product, changes in domestic prices and foreign prices are positively contributing to the domestic prices in the Iran.

Callan and Chang (1999) assessed as to which indicators provide the most useful information about future inflationary trends. Employing a VAR framework in the empirical analysis, the paper concluded that while the broad money target had been de-emphasized, developments in the monetary aggregates remain an important indicator of future inflation. The exchange rate and import prices are also relevant, particularly for inflation in the manufacturing sector. **Domac& Carlos (1998)** investigated the behaviour and determinants of inflation in Albania. The results of Granger Causality tests indicated the M1 and the exchange rate have an important predictive content for almost the entire individual items of the CPI. The results of Co-integration and error correction technique confirmed that, in the long run, inflation is positively related to the real income. **Lim & Adedeji (2000)** examined the major determinants of inflation in Turkey for the period between 1970 and 1995. However, exchange rate exerts inverse effect on the domestic price levels in turkey

OBJECTIVE OF STUDY

1. To measure the degree of relationship between inflation and monetary policy.
2. To measure the effects of inflation on different sectors.
3. To analyze how theoretical concepts are applied in a practical manner.
4. To analyze the changing Govt. policies according to the changing inflation rate.

RESEARCH METHODOLOGY

This study is a descriptive study in nature. There are various statistical tools adopted for the research purpose like mean, median, mode, ratio analysis, cash flow analysis, fund flow analysis. For the present study, data has been collected from various sources like journals, secondary sources and websites. Under this study the inflation rate and monetary policy statement of 5 years (2008-2013) taken.

DATA INTERPRETATION & ANALYSIS

INFLATION RATE AND MONETARY POLICY STATEMENT 2012-13

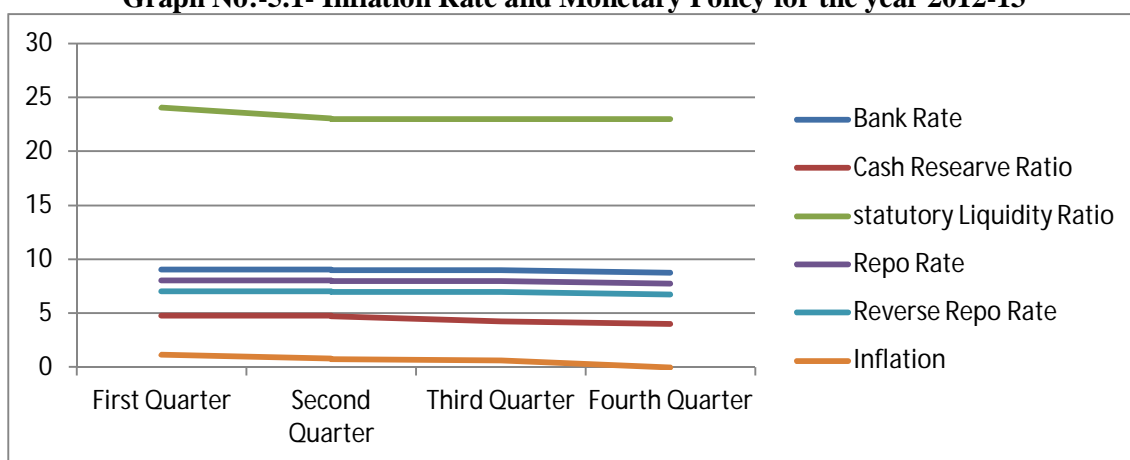
Table No:-4.1– Inflation Rate of India For The Period 2012-2013

| Basis | WPI | CPI-IW | CPI-AL | CPI-RL |
|------------------|----------------|----------------|----------------|----------------|
| Period | 2012-13 | 2012-13 | 2012-13 | 2012-13 |
| April | 7.5 | 10.22 | 7.84 | 8.01 |
| May | 7.55 | 10.16 | 7.77 | 8.11 |
| June | 7.58 | 10.05 | 8.03 | 8.54 |
| July | 7.52 | 9.84 | 8.61 | 8.94 |
| August | 8.01 | 10.31 | 9.18 | 9.34 |
| September | 8.07 | 9.14 | 9.43 | 9.93 |
| October | 7.32 | 9.6 | 9.85 | 9.84 |
| November | 7.24 | 9.55 | 10.31 | 10.47 |
| December | 7.18 | 11.17 | 11.33 | 11.31 |

| Monetary policy 2012-13 | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|---------------------------|---------------|----------------|---------------|----------------|
| Bank Rate | 9 | 9 | 9 | 8.75 |
| Cash Reserve Ratio | 4.75 | 4.75 | 4.25 | 4 |
| Statutory Liquidity Ratio | 24 | 23 | 23 | 23 |
| Repo Rate | 8 | 8 | 8 | 7.75 |
| Reverse Repo Rate | 7 | 7 | 7 | 6.75 |
| Inflation | 1.1267 | 0.78 | 0.61 | – |

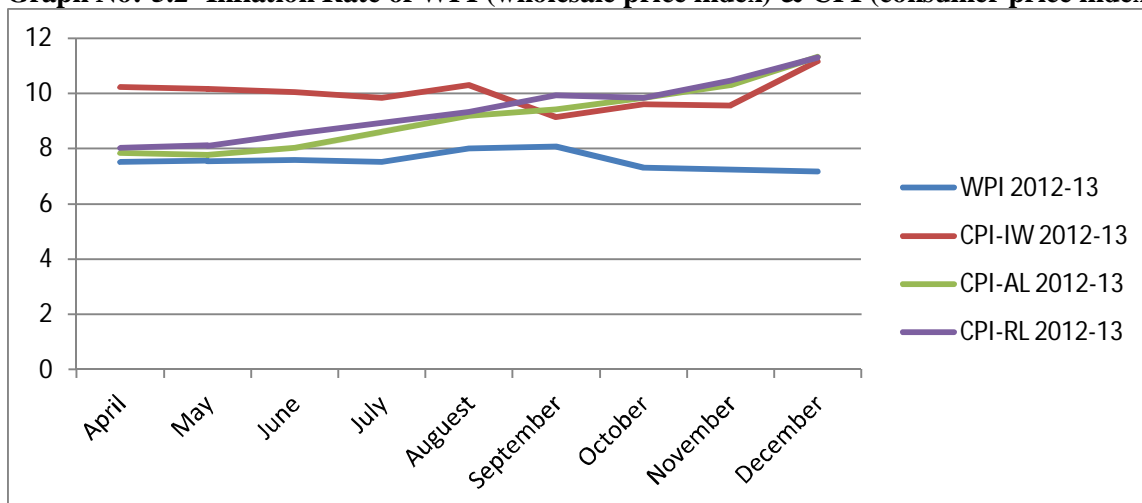
Source:-<http://www.rbi.org.in/scripts/NotificationUser.aspx>

Graph No:-5.1- Inflation Rate and Monetary Policy for the year 2012-13



GRAPH SHOWING INFLATION RATE OF DIFFERENT FACTORS FOR THE YEAR 2012-13

Graph No:-5.2- Inflation Rate of WPI (wholesale price index) & CPI (consumer price index)



These Graphs shown above is related to last year monetary policy and inflation rate of Indian economy. By analyzing the inflation rate and monetary policy factors we find out that the inflation rate in the year 2012-13 is on the decreasing rate from the 1st Quarter to 4th Quarter. There is a consistency in the inflation rate of the different factors in the 1st Quarter but with the coming changes in SLR ratio of the 2nd Quarter increase the inflation rate WPI, CPI-IW. This shows banks are not in the position to give maximum loan to the common public they have to kept high ratio of funds in their banks. In the 3rd Quarter there is changes came in CRR, it increase the inflation in CPI-AL and in CPI-RL that means govt. use a strict policy regarding agriculture and rural areas.

INFLATION RATE AND MONETARY POLICY STATEMENT 2011-12

TABLE NO:-4.3– INFLATION RATE of INDIA for the period 2011-2012

| Basis | WPI | CPI-IW | CPI-AL | CPI-RL |
|-----------|---------|---------|---------|---------|
| Period | 2011-12 | 2011-12 | 2011-12 | 2011-12 |
| April | 9.74 | 9.41 | 9.11 | 9.11 |
| May | 9.56 | 8.72 | 9.63 | 9.63 |
| June | 9.51 | 8.62 | 9.32 | 9.14 |
| July | 9.36 | 8.43 | 9.03 | 9.03 |
| August | 9.78 | 8.99 | 9.52 | 9.71 |
| September | 10 | 10.06 | 9.43 | 9.25 |
| October | 9.87 | 9.39 | 9.36 | 9.73 |
| November | 9.46 | 9.34 | 8.95 | 9.14 |
| December | 7.74 | 6.49 | 6.37 | 6.72 |
| January | 7.23 | 5.32 | 4.92 | 5.27 |
| February | 7.56 | 7.57 | 6.34 | 6.68 |
| March | 7.69 | 8.65 | 6.84 | 7.19 |

Source:-<http://indiabudget.nic.in/survey.asp>

INFLATION RATE AND MONETARY POLICY STATEMENT 2011-12

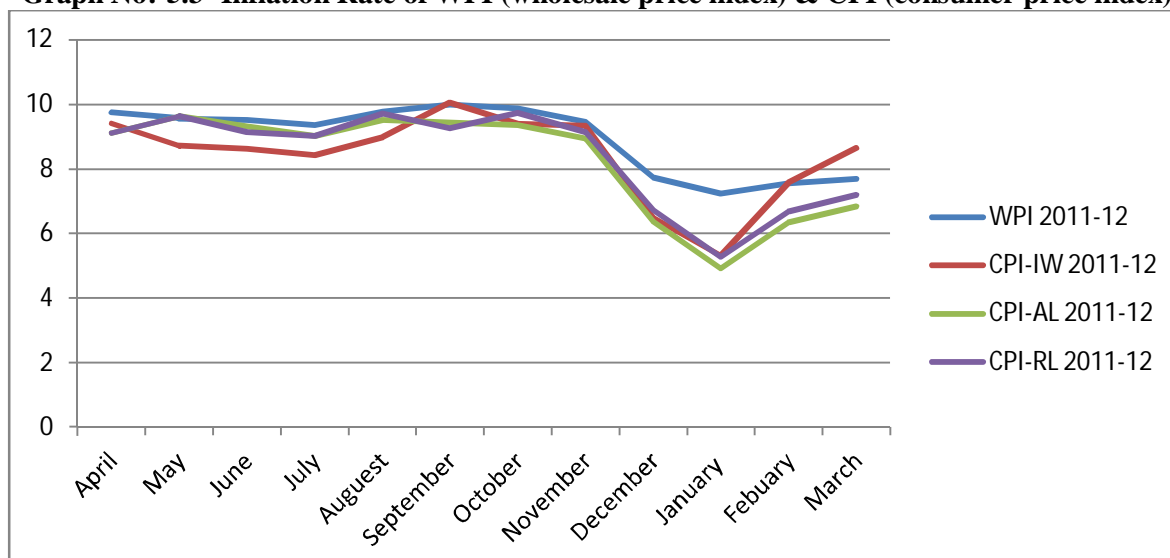
TABLE NO:-4.4– MONETATRY POLICY of INDIA for the period 2011-2012

| Monetary policy 2011-12 | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|---------------------------|---------------|----------------|---------------|----------------|
| Bank Rate | 6 | 6 | 6 | 6 |
| Cash Reserve Ratio | 6 | 6 | 6 | 5.5 |
| Statutory Liquidity Ratio | 24 | 24 | 24 | 24 |
| Repo Rate | 7.25 | 8 | 8.5 | 8.5 |
| Reverse Repo Rate | 6.25 | 7 | 7.5 | 7.5 |
| Inflation | 1.24 | 0.86 | 0.003 | 1.167 |

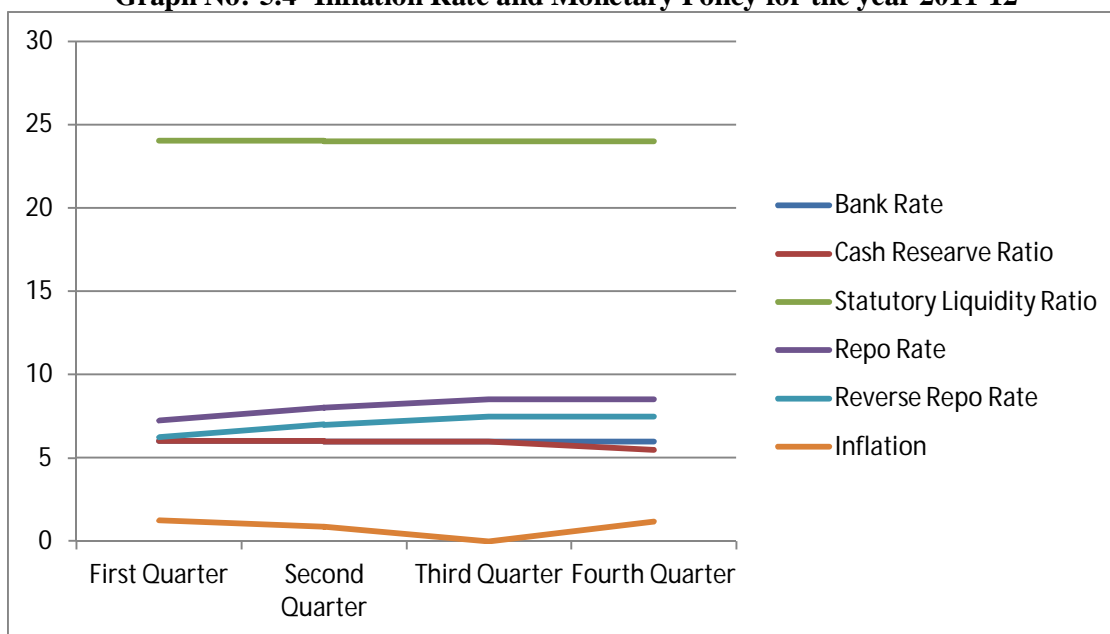
Source:-<http://www.rbi.org.in/scripts/NotificationUser.aspx>

GRAPH SHOWING INFLATION RATE OF DIFFERENT FACTORS FOR THE YEAR 2011-12

Graph No:-5.3- Inflation Rate of WPI (wholesale price index) & CPI (consumer price index)



Graph No:-5.4- Inflation Rate and Monetary Policy for the year 2011-12



INTERPRETATION

The Graph and Table of inflation and monetary policy of 2011-12 shows that the increasing rate of repo & reverse repo in 2nd quarter decrease the inflation rate. The increase in the Repo rate will increase the cost of borrowing and lending of the banks which will discourage the public to borrow money and will encourage them to deposit. As the rates are high the availability of credit and demand decreases resulting to decrease in inflation. In the 4th quarter by decreasing the CRR ratio peoples can get loan easily which increase the purchasing power of the peoples it results a high inflation rate.

INFLATION RATE AND MONETARY POLICY STATEMENT 2010-11

TABLE NO:-4.5– INFLATION RATE of INDIA for the period 2010-2011

| Basis | WPI | CPI-IW | CPI-AL | CPI-RL |
|-----------|---------|---------|---------|---------|
| Period | 2010-11 | 2010-11 | 2010-11 | 2010-11 |
| April | 10.88 | 13.33 | 14.96 | 14.96 |
| May | 10.48 | 13.91 | 13.98 | 13.68 |
| June | 10.25 | 13.73 | 13.02 | 13.02 |
| July | 9.98 | 11.25 | 11.02 | 11.24 |
| August | 8.87 | 9.88 | 9.65 | 9.66 |
| September | 8.98 | 9.82 | 9.13 | 9.34 |
| October | 9.08 | 9.7 | 8.43 | 8.45 |
| November | 8.2 | 8.33 | 7.14 | 6.95 |
| December | 9.45 | 9.47 | 7.99 | 8.01 |
| January | 9.47 | 9.3 | 8.67 | 8.69 |
| February | 9.54 | 8.82 | 8.55 | 8.55 |
| March | 9.68 | 8.82 | 9.14 | 8.96 |

Source:-<http://indiabudget.nic.in/survey.asp>

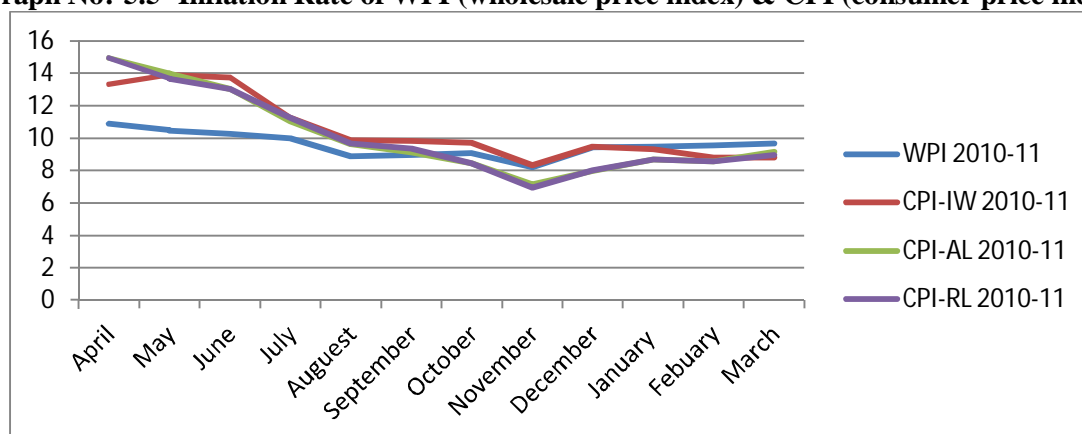
TABLE NO:-4.6– MONETATRY POLICY of INDIA for the period 2010-2011

| Monetary policy 2010-11 | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|---------------------------|---------------|----------------|---------------|----------------|
| Bank Rate | 6 | 6 | 6 | 6 |
| Cash Reserve Ratio | 6 | 6 | 6 | 6 |
| Statutory Liquidity Ratio | 24 | 24 | 24 | 24 |
| Repo Rate | 5.25 | 5.75 | 6.25 | 6.5 |
| Reverse Repo Rate | 3.75 | 4.5 | 5.25 | 5.5 |
| Inflation | 1.546 | 0.56 | 1.273 | -0.35 |

Source:-<http://www.rbi.org.in/scripts/NotificationUser.aspx>

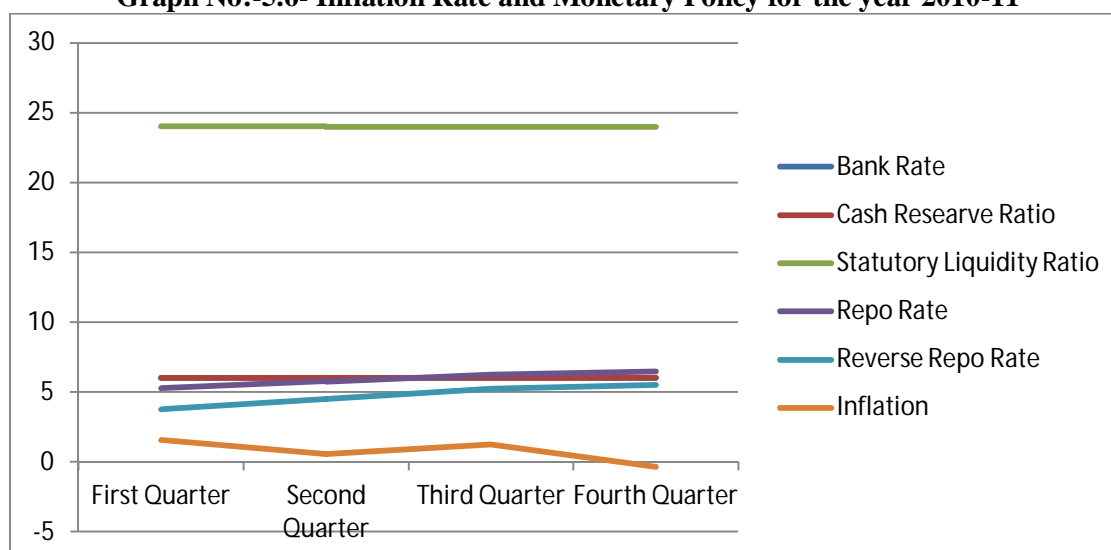
GRAPH SHOWING INFLATION RATE OF DIFFERENT FACTORS FOR THE YEAR 2010-11

Graph No:-5.5- Inflation Rate of WPI (wholesale price index) & CPI (consumer price index)



GRAPH SHOWING INFLATION RATE AND MONETARY POLICY FOR THE YEAR 2010-11

Graph No:-5.6- Inflation Rate and Monetary Policy for the year 2010-11



INTERPRETATION

By analysing 2010-11 inflation and monetary graphs we find out that in the second quarter due to change in the repo rate and reverse repo rate inflation rate is going to decrease in comparison to first quarter. It shows that RBI lends to commercial banks at high rate that's why commercial banks can't provide loans to the public at cheaper rate, they have a less purchasing power which decrease the inflation rate. It results a positive effect on the consumer product, industrial product, agriculture product and rural labour inflation rate. In the 2nd and 4th quarter inflation rate is fluctuate up & down but Govt. continue increase the repo and reverse repo rate which effect industrial workers in a positive way and agriculture labour in a negative way.

INFLATION RATE AND MONETARY POLICY STATEMENT 2009-10

TABLE NO:-4.7– INFLATION RATE of INDIA for the period 2009-2010

| Basis | WPI | CPI-IW | CPI-AL | CPI-RL |
|-----------|---------|---------|---------|---------|
| Period | 2009-10 | 2009-10 | 2009-10 | 2009-10 |
| April | 0.89 | 8.7 | 9.09 | 9.09 |
| May | 1.21 | 8.63 | 10.21 | 10.21 |
| June | -0.71 | 9.29 | 11.52 | 11.26 |
| July | -0.62 | 11.89 | 12.9 | 12.67 |
| August | 0.31 | 11.72 | 12.89 | 12.67 |
| September | 1.09 | 11.64 | 13.19 | 12.97 |
| October | 1.48 | 11.49 | 13.73 | 13.51 |
| November | 4.5 | 13.51 | 15.65 | 15.65 |
| December | 6.92 | 14.97 | 17.21 | 16.99 |
| January | 8.53 | 16.22 | 17.57 | 17.35 |
| February | 9.68 | 14.86 | 16.45 | 16.45 |
| March | 10.23 | 14.86 | 15.77 | 15.52 |

Source:-<http://indiabudget.nic.in/survey.asp>

Graph No:-5.7- Inflation Rate and Monetary Policy for the year 2009-10

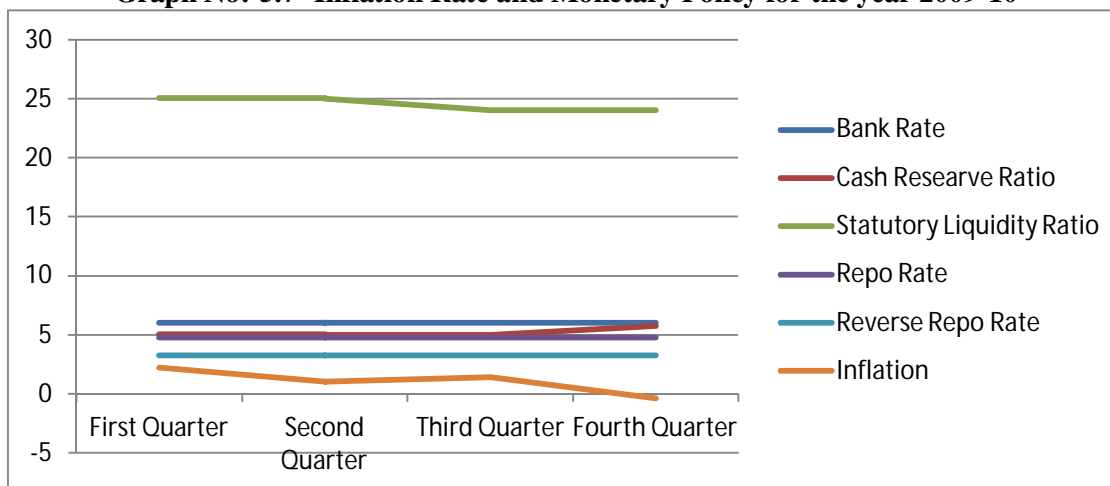


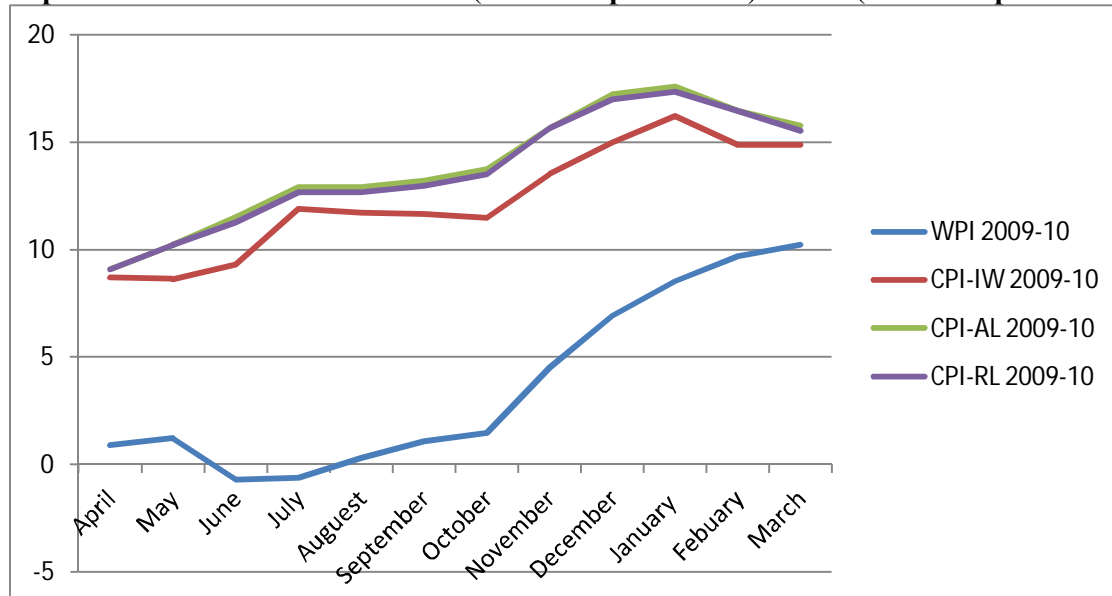
TABLE NO:-4.8– MONETATRY POLICY of INDIA for the period 2009-2010

| Monetary policy 2009-10 | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|---------------------------|---------------|----------------|---------------|----------------|
| Bank Rate | 6 | 6 | 6 | 6 |
| Cash Reserve Ratio | 5 | 5 | 5 | 5.75 |
| Statutory Liquidity Ratio | 25 | 25 | 24 | 24 |
| Repo Rate | 4.75 | 4.75 | 4.75 | 4.75 |
| Reverse Repo Rate | 3.25 | 3.25 | 3.25 | 3.25 |
| Inflation | 2.18 | 1.03 | 1.39 | -0.38 |

Source:-<http://www.rbi.org.in/scripts/NotificationUser.asp>

GRAPH SHOWING INFLATION RATE OF DIFFERENT FACTORS FOR THE YEAR 2009-10

Graph No:-5.8- Inflation Rate of WPI (wholesale price index) & CPI (consumer price index)



INTERPRETATION

In the year 2009-10 inflation rate is going to decrease from 1st quarter to 2nd quarter but there is no change in the bank rate, SLR, CRR, repo & reverse repo rate. But due to increasing inflation rate of different factors Govt. decides to decrease the SLR. Now financial institution has to maintain a certain quantity of liquid assets with the RBI for time and demand liabilities. It results a high inflation in consumer price index and wholesale price index that means now public can get loan at cheaper rate, which increase the purchasing power of customers. High purchasing power increases the prices of the products which affects the inflation rate.

INFLATION RATE AND MONETARY POLICY STATEMENT 2008-09

TABLE NO:-4.9- INFLATION RATE of INDIA for the period 2008-2009

| Basis | WPI | CPI-IW | CPI-AL | CPI-RL |
|-----------|---------|---------|---------|---------|
| Period | 2008-09 | 2008-09 | 2008-09 | 2008-09 |
| April | 8 | 7.8 | 8.9 | 8.6 |
| May | 8.9 | 7.8 | 9.1 | 8.8 |
| June | 11.8 | 7.7 | 8.8 | 8.8 |
| July | 12.4 | 8.3 | 9.4 | 9.4 |
| August | 12.8 | 9 | 10.3 | 10.3 |
| September | 12.3 | 9.8 | 11 | 11 |
| October | 11.1 | 10.5 | 11.1 | 11.1 |
| November | 8.5 | 10.5 | 11.1 | 11.1 |
| December | 6.2 | 9.7 | 11.1 | 11.1 |
| January | 4.9 | 10.4 | 11.6 | 11.4 |
| February | 3.5 | 9.6 | 10.8 | 10.8 |
| March | 1.2 | 8 | 9.5 | 9.7 |

Source:-<http://indiabudget.nic.in/survey.asp>

GRAPH SHOWING INFLATION RATE AND MONETARY POLICY FOR THE YEAR 2008-09

Graph No:-5.9- Inflation Rate and Monetary Policy for the year 2008-09

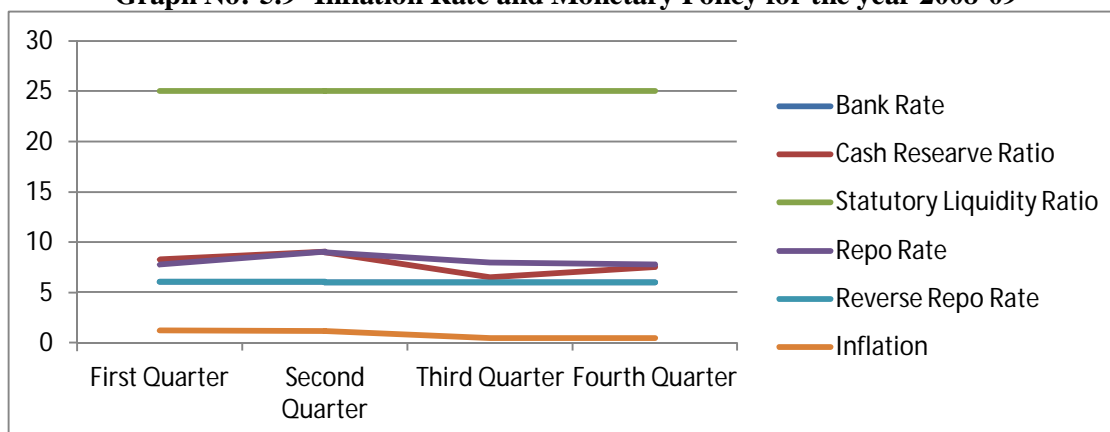
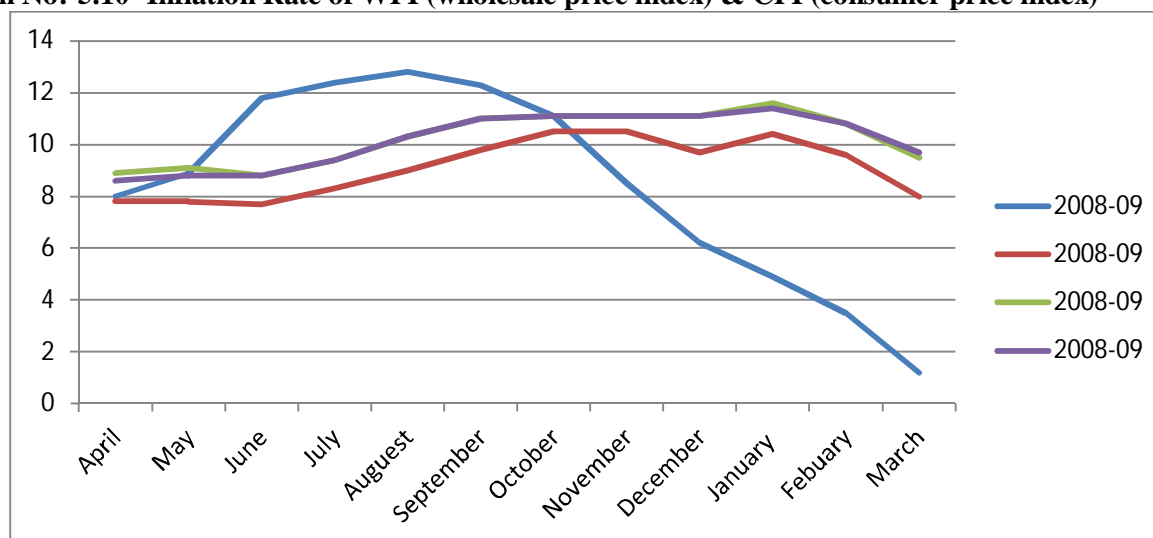


TABLE NO:-4.10- MONETATRY POLICY of INDIA for the period 2008-2009

| Monetary policy 2008-09 | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|---------------------------|---------------|----------------|---------------|----------------|
| Bank Rate | 6 | 6 | 6 | 6 |
| Cash Reserve Ratio | 8.25 | 9 | 6.5 | 7.5 |
| Statutory Liquidity Ratio | 25 | 25 | 25 | 25 |
| Repo Rate | 7.75 | 9 | 8 | 7.75 |
| Reverse Repo Rate | 6 | 6 | 6 | 6 |
| Inflation | 1.19 | 1.15 | 0.45 | 0.45 |

GRAPH SHOWING INFLATION RATE OF DIFFERENT FACTORS FOR THE YEAR 2008-09

Graph No:-5.10- Inflation Rate of WPI (wholesale price index) & CPI (consumer price index)



Source:-<http://www.rbi.org.in/scripts/NotificationUser.aspx>

INTERPRETATION

The graph no.5.9 shows the inflation rate, in 1st and 2nd quarter there is no change in the inflation rate but it continue decreasing in the 3rd and 4th quarter. It occurs due to change in the CRR and Repo rate. Changes in CRR means changes in certain percentage of bank deposits which banks are required to keep with RBI in the form of reserves or balances. Higher the CRR with the RBI lower will be the liquidity in the system and vice-versa. It mostly affects the inflation rate of WPI (wholesale price index). Because in the 3rd quarter Govt. decreases the Repo rate it results banks can provide loan to the industrialists at cheaper rate which decrease the cost of the products.

CONCLUSION AND RECOMMENDATION

The study is carried out with a clear purpose of getting the relationship between Inflation and Monetary Policy. Yes, there exist a relationship between Inflation and Monetary Policy of Indian economy. There is a direct relationship between inflation rate of different sector like; Wholesale price index, consumer price index of industrial workers, agriculture labor, rural labor and Monetary Policy factors. Government immediately takes a step to control the inflation in the economy.

1) An increasing or decreasing rate of monetary policy factors like:

- Bank Rate
- Statutory Liquidity Ratio
- Cash Reserve Ratio
- Repo Rate
- Reverse Repo Rate

Directly affects the inflation rate of industrial, rural and agricultural areas.

2) At last we can say that inflation and monetary policies are dependent variable, change in one factor forced the other one to change.

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REVIEWS ON PREPARATION PROCESS OF OPERATING BUDGET IN IRAN

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ABSTRACT

Traditional budgeting system in Iran has begun a new trend in recent years, which is known as an attempt to provide an operating budget. In this paper while presenting definition of the operating budget, discussed to investigate the measures taken in this field.

In the background is given to the inception of the budget formulation, its role in Iranian economy and advantages of operating budget in compared to traditional budget and according to the experts' view, have investigated how to realize operational budget.

Keywords: Operating budget, Ability, barriers, Evaluation, Technical factors, Environmental factors, Human Factors, Final cost.

INTRODUCTION

Introduction to budgets

Budgets are part of a company's long range planning system. While some portions of a long range plan are concerned with the organization in five to ten years, the budget is the short range portion of the plan. Most budgets are prepared for a twelve month period, sometimes on a rolling basis. A rolling budget is updated quarterly (or as often as management requires the data) by dropping the three months just ended and adding one quarter's data to the end of the remaining nine months already budgeted (see following figure). Rolling budgets require management to keep looking forward and to anticipate changes.

The master budget consists of all the individual budgets required to prepare budgeted financial statements. Although different textbooks group the budgets differently, the main components of a budget are operating budgets for revenues and expenses, capital expenditures budget, cash budget, and finally the budgeted financial statements, which include the income statement, balance sheet, and cash flow statement.

Introduction to operating budgets

Discussion about the operating budget began of the third program, which did not to stage of legislation. Because the implementation of operating budget, requires to new engineering of budget. Major talking about the operating budget is seen in the fourth program and emphasized on the allocation of financial resources based on this type of budgeting. Moreover operating budget entirely included in the national Service Management Act.

With studying on process of traditional budgeting and operational methods, will recommend some questions for radio and TV programs related to budget.

PROCESS OF EXECUTIVE BUDGET AND CREDITS ALLOCATION IN IRAN

According to rule 53 of the Constitution, all government receipts are reserved in the accounts of the central treasury and all payments made within funding approved law. Approved budget will notify to all executive agencies to implement by president. To implementation of the budget of the executive agency must be act on the basis of activity details and plans agreed with the agency's budget.

About the development projects which will take time more than one fiscal year, Executive agencies are required to supply all the credit in the amount of annual funding is in compliance with the plan. Also this method will be applicable in the development plans for the implementation of more than five-year.

Allocation method

The budget is determined by three months after the investigate institution in the Ministry of Economy and Finance. The first three months is advance payment and budget is depended on performance of previous period.

Definition of operating budget

An operating budget is a combination of known expenses, expected future costs, and forecasted income over the course of a year. Operating budgets are completed in advance of the accounting period, which is why they require estimated expenses and revenues.

Components

Operating budgets are focused on facilitating income. The first and perhaps most crucial component of the operating budget is the sales and collections budget. This is followed by the projected cost of goods sold budget, the inventory and purchasing budget, and the budget for operating expenses.

Content

Operating budgets are generally based on projected quarterly performance. Much of the challenge in formulating a valid operating budget is to learn from historical performance, and then factor in the probability of additional costs or market variables. An organization may decide to create more than one operating budget. As an example, it may be helpful to plan an appropriate budget for an unforeseen drop in revenue, as well as a budget for more positive scenario. The alternative views provide a game plan for more than one business environment and can assist in decision making.

ROLE OF OPERATING BUDGET IN IRAN

Budgeting system in Iran, which previously has been quite traditional. Traditional budget based on the assumption that such a stable environment, and centralized management of budgetary resources explained cost method in accordance with predetermined targets, the main purpose of this method is correct using of budget and funds. In this method is tried to allocate accurate of all credits, but the question of whether funds are used properly, still unanswered. But with the expansion of the annual budget of the national economy and the development of international economic relations, this focuses and old approach could not be effective, and modernization and transformation of the structures and approaches are necessary.

Eventually these changes lead to a contingency budget the time variable and range of exogenous variables such as oil and trade and transit, at the same time, budget behavior and appropriation or expenditure of resources will be affected and would not be waits for end of the fiscal year. In the case will be prevent of stagnation of capital and incomes such reserve account. Budgeting techniques in America is very old and does not meet the needs of a developing society. The operating budget in order to promote economic prosperity and productivity. The operating budget is in order to promote economic prosperity and productivity and it can be easily controlling and directing in accounting system based on the operating budget, productivity indicators appropriate to the goals of the Fourth Development Plan. Undoubtedly, this approach increases the effectiveness of the budgeting system and budgeting system will be far from traditional form based on the template of contingency budget.

THE FORMATION OF THE OPERATING BUDGET

In the operating budget, agencies must spend the following steps:

1 - Measurement of workload,

2. Calculate the cost of the activities in the coming year.

In the preparation of information is used from experts such as industrial engineers do the exact timing and the size of each part of project. These computation with respect to the effects of inflation and other environmental factors will be analysis and determine the cost of producing and delivering goods and services.

Due to accuracy of the computation and economic stability and curb inflation and interest rates reducing, budget deviations are reduced to minimum and projects are scheduled and will be delivered in accordance to the approved cost and therefore:

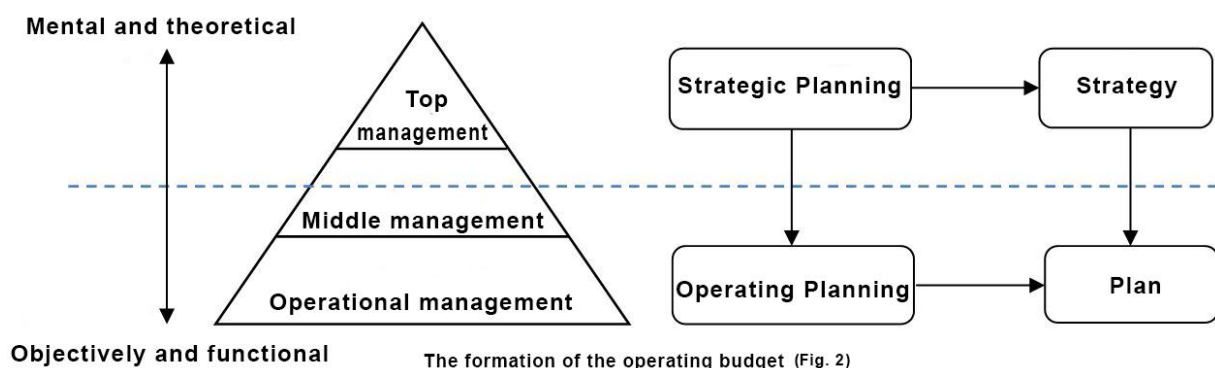
First, the employer consent of the contractor will be prevent of conflict in the future.

Second, defined tasks will be applicable to officials and increase the level of public satisfaction and welfare gains from this approach.

To implement above system, the following measures should be considered:

1. Plan be review, revise and finalize to achieving the goals.
2. In the framework of the tasks, determined activities, each offinalized programs..
3. The cost of each activity is calculated to achieve the target.
4. Establish a system of ongoing monitoring of the entire process.

Above action requires the establishment of a system of Product Costing executive with the aforementioned characteristics.



THE ADVANTAGES OF OPERATING BUDGET

Traditional budget is incomplete and ineffective. In this method, reassessment on costs or data and outputs are under consideration.

Current methods are only including the funds. The government should be responsible for allocating credit to its subsidiary bodies, and closely monitoring on their implementation. Savings, avoidance of parallel and improve the efficiency are the main advantages of the operating budget. In contrast to existing traditional methods, is considered operating budget, which focuses on outputs.

In this method, the cost of goods and services can be precisely measured. The government calculates the per capita cost of goods or services products, including their subsidiary organs. This method is similar to the accounting industry that determines the final price. Because only after determining the final price the state budget for next year will be determined. According to Dr. Karbassian, expert of budgeting, "If using operating budget, significantly decreases squandered state property". This method Pakistan has been taken not only in developed countries but also in developing societies such as Malaysia, India and Pakistan.

The most important advantage of operating budget is saving. In addition, clearing budget will facilitate the ability to prioritize of programs. Major part of the current budget deficit and uncertainty is due to the uncertainty of the final cost. Budget deficits, has been a factor to inflation in recent years.

Most serious effort in recent years is operationalize of annual budget as well as the operating budget and the structure of the organization. With the sort of bottom-up budgeting and their performance can give them credit. Further efforts is to increase the province's budget. Focus on decision is the most important achievements in this method.

Experts with emphasis on necessity of decentralization in resource allocation and current budget, believe: Service delivery and infrastructure makes goals more quickly and at lower cost. Empowerment of managers and organizations with the increased administrator privileges is essential and will reduce the possibility of abuse and wasting the resources. Transparency is another advantage of the operational budget and resource allocation should not be based on existing activities and inputs of organization. But knowledge and experience of the operating budget still is in the first steps and the number of operating budgets experts are low.

EXPERT'S DISAGREEMENT ON THE IMPLEMENTATION OF THE OPERATING BUDGET

To be operationalized of funding needs to infrastructure over the years and the thought of short-term result is wrong. According to Reza Motahari, Expert economy, "if economic conditions will not in crisis, operating budget 4 years will take time. Some experts say the operational budget process requires a 10 to 12 years.

In many developed countries after several years, have not yet achieved full operational budget and this issue will take time. The principle of ((how much and in what parts)) replaced by ((why this much money is going and what for?)).

Operating budget has been implemented in previous years and in the early years suffers from deficiencies of its implementation so need to contemplation and patience.

BARRIERS OF OPERATING BUDGET

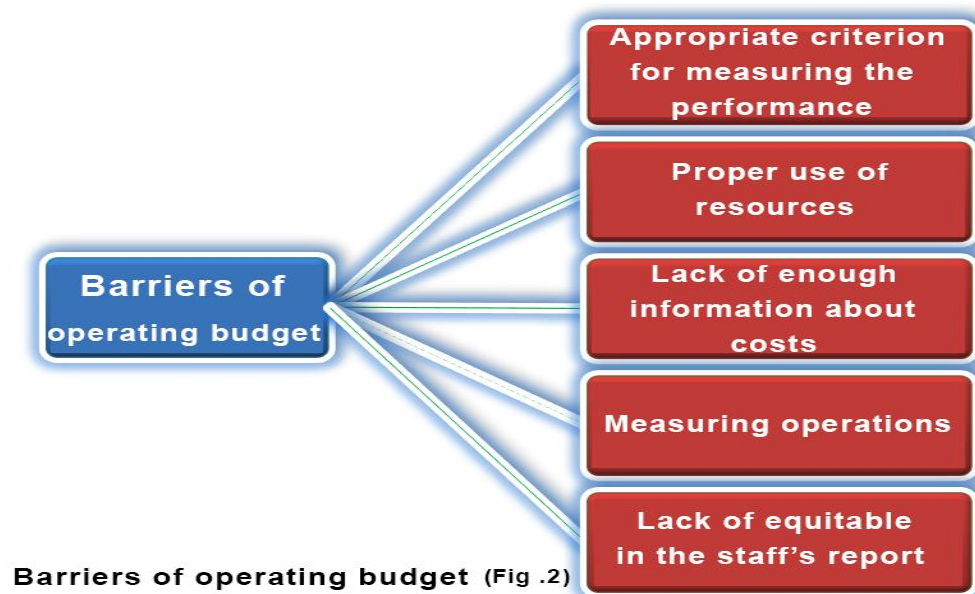
Major barriers in the way of the operating budget are classified into two categories:

1. The fundamental barrier to achieving the operational budget in developing countries is the executive agencies in these countries still have fundamental problems in calculating the final cost of goods and

services produced. How can expect this inefficient system can calculate the final cost of goods and services

2. The operating budget has many opponents in the executive body. Because any disciplinary plan is along with a lot of resistance.

Some other barriers of operating budget is described in the following figure (Fig .2)



CONCLUSION

The best method is to begin operationalize the budget of several Ministry, which specifically have production activities, Implementation of this planning for Ministry of Urban Development, which specifically has construction activity and could calculate the final cost of their activities is much easier than some institutions such as the Ministry of Justice which has service activities.

Ministry of Industry, Ministry of Transportation or municipalities may be easier to adopt with operating budget. These organizations must with pricing their activities, make it easy for other ministries or organizations, but do not forget primarily indexing in the current administrative system is a very hard.

But zero-based budget is another solution that can be useful in the implementation of operating budget. This method was implemented in 1973 for the first time in United States of America. Implementation of this method makes the modernization and transformation of the state.

Stages of implementation of this method are as follows:

1. Reorganization of the work unit,
2. The classification of each unit in the form of activities and programs,
3. Evaluation and grading of activities according to their priorities,
4. Selection and allocation of funds to the group of activities which proved their effectiveness.

In this method, after performing these steps some activities will be adjust and a new technique defined for users. This method has the advantage of flexibility.

Resistance of some managers who were not fruitful activity and decision taken to remove them, is one of the problems of zero-based budgeting.

This method is used for long-term plans and with the aid of the operating budget will be provided equity, allocating resources and facilities. Certainly in the public and private sector such managers are more successful who able to accomplish these main tasks:

Planning,

Organizing,

Coordinating,

Monitoring and control

Decision making

Operating budget and zero-based budgeting can be provide a useful criterion to planning, decision making and controlling the accuracy of operation.

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**TRAVEL FOR TREATMENT: A PERSPECTIVE TREND TOWARD OUTSOURCING ON
MEDICAL TOURISM IN INDIA**

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INTRODUCTION

In *The World Is Flat* author Thomas Freidman¹ suggests most of us have no idea of the breadth of economic globalization as it exists today. While we think of globalization in terms of manufacturing and some service industries, a surprise movement in outsourcing is medical treatment. "The rising costs of medical treatment here have fueled a medical tourism exodus," says David Boucher, an assistant vice president for Companion Global Healthcare Services Inc., a subsidiary of Blue Cross and Blue Shield of South Carolina

The phrase "medical tourism" is often used to describe individuals travelling for health care and paying out-of-pocket for elective medical procedures^{2,3}. Medical tourism can involve travel within the borders of the country inhabited by a particular patient⁴. However, the term usually refers to transnational travel organized for the purpose of receiving medical care⁵. "Medical tourism" sometimes refers to regional health-related travel across borders dividing one country from another

PATHWAY FOR DEVELOPMENT OF MEDICAL TOURISM IN INDIA

The high cost of medicine in the United States affects business growth as well. Marvin Cetron, president of Forecasting International, a business consulting company, in a speech at the University of Delaware said: "Virtually every entrepreneur I spoke with cited soaring and uncontrollable health costs in America as a reason to move factories abroad to countries where benefits were more limited, or nonexistent or where there was national health insurance."⁶ By several measures, health care spending continues to rise at the fastest rate in US history.

In 2007, health care spending was estimated at \$2.2 trillion with the expectation that it will rise by 6.70% through 2017, twice the rate of inflation. Total health care spending represented 16% of the gross domestic product (GDP). US health care spending is expected to increase at similar levels for the next decade.⁷ For the 46 million Americans without health insurance, for those with restrictive policies, and for those with preexisting conditions, medical tourism meets a critical need. A 50% to 80% savings in cost can be achieved by having surgery performed in foreign countries.

For the medical tourism industry to thrive, the international promotion of its services is necessary. Marketing materials, such as websites and brochures, inform potential patients about tourism opportunities, treatment options, and other key pieces of information^{8&9}. Medical tourism facilitators/brokers in patients' home countries, in destination nations, and in third-party countries further promote the practice. These agents often exclusively specialize in medical tourism and assist interested patients with selecting hospitals abroad, visa applications and other paperwork, making travel and tourism arrangements, and sometimes also with organizing follow-up care at home¹⁰

The expansion of the industry in India, Singapore, and Thailand, as well as other Asian nations, is a key part of national economic development and health sector planning. National governments in these countries take an active role in promoting their nations as destinations for foreign patients^{11&12}. Government support for medical tourism includes sponsorship of trade shows and other promotional events held abroad that are designed to attract patients and market 'world class' medical facilities. Although it is known that such events happen, to date researchers have not examined the messages they promote. Doing so is, however, important given the projected growth of this international industry¹³, and increasing research attention being paid to it by academics from across the social and health sciences.

In November, 2009 the first trade show promoting medical tourism to Canadians took place in Toronto, Ontario. This show, named India: Medical Tourism Destination 2009, was sponsored by the Indo-Canada Chamber of Commerce, the Government of India's Ministry of Tourism, and the Toronto-based Consulate General of India. The trade show was run by Surgical Tourism Canada Inc., a Canadian medical tourism facilitation/brokerage company. In the remainder of the article was focused on how medical tourism is being promoted to international patients and among several countries, how far India is sustaining in the competitions.

This analysis, thus, contributes to building a larger understanding of how the medical tourism industry operates, and in doing so provides useful insights for social and health science researchers interested in examining this

specific global health service practice. In the section that follows, an overview of the trade show also included and provides much needed context for the analysis. The next characterization was about the breadth of brochures, booklets, and flyers distributed to potential medical tourists and other attendees. Thematic content analysis of the messages and images contained within the promotional materials reveals an important disjuncture: while the low cost of procedures abroad is often cited as a primary motivation for patients' engagement in medical tourism. To analyze further more about this finding, it is necessary to consider four possible explanations for why such images and messages were not as prominently featured in the promotional materials circulated at the trade show as was expected on the basis of cost effective medical tourism strategies.

There were two main elements of the India: Medical Tourism Destination 2009 trade show. One was an exhibition with displays from companies. The second was a conference promoting medical travel to India. The exhibition was open to all attendees, while the conference was limited to registered participants. Within the exhibition area, booths marketed particular Indian health care facilities as well as medical tourism companies, airlines, and other businesses involved in international health-related travel.

Business exhibits typically included company representatives available to promote the benefits of traveling to India for medical care, business cards, brochures, posters and other promotional material, and trinkets such as refrigerator magnets and pens marked with brand names. Meanwhile, conference presentations fell into four categories: (1) patients who had traveled to India offering narratives (either in person or by video) describing the exemplary and timely care they had received; (2) medical tourism facilitators/brokers summarizing the roles their companies play in helping international patients arrange care in India and return home following treatment; (3) health care providers offering accounts of the merits of Indian health care and the treatments available at particular destination hospitals; and (4) descriptions of wait-times and rationing of health care resources within Canada and suggestions that Canadians can obtain timely, affordable, and competent treatment in India too.

The exhibition and accompanying presentations were seemingly designed to achieve numerous goals. Owners and employee representatives of medical tourism companies and destination hospitals presumably hoped the corporate exhibits would attract potential customers and generate business. Representatives of government agencies sought to use the gathering to promote India as a leading international health care destination. Overall, the event was also designed to attract favorable national news media coverage and ensure that Canadians learned of India's emerging status as a destination for international patients¹⁴

BACKGROUND

The study of medical tourism companies, because of their intermediary role in facilitating medical travel, is an important component of the turn toward more empirically-informed and socially situated studies of medical tourism. To date, researchers studying medical tourism companies have paid particular attention to medical tourism companies based in India. The text provides a detailed account of where defunct Indian medical tourism companies were based, the destination sites they marketed to clients, the health services they promoted, and what they advertised in addition to medical procedures. This topic was addressed by compiling, between 2000 and 2013, a database of medical tourism companies based in India. The database contains companies marketing health services at international health care facilities and functioning as medical tourism agencies. It does not include websites that simply provide information about medical tourism.

Once a database of medical tourism companies was established, content analysis of company websites was used to: 1) identify and document where in India particular medical tourism companies are based; 2) identify and summarize the destination countries to which these businesses indicate they send clients; 3) identify and record medical procedures, tests, and treatments marketed by these businesses; 4) identify and summarize the core marketing message of each of these companies; and 5) address whether medical tourism companies are involved in booking flights, arranging accommodations at hotels and resorts, and offering holidays at resorts, side trips, holiday excursions, visits to local landmarks and other activities often associated with the word, "tourism". The social science method of content analysis was used to address these five topics by analyzing websites of medical tourism companies.

Table 1 Showing major medical surgeries among the countries

| Country | Procedure (Cost in US \$) | | | |
|----------|---------------------------|-----------------|------------------|-----------|
| | Heart bypass | Hip replacement | Knee replacement | Face lift |
| India | 7000 | 7020 | 9200 | 4800 |
| USA | 133000 | 57000 | 53000 | 16000 |
| Thailand | 22000 | 12700 | 11500 | 5000 |

| | | | | |
|--------------------|-------|-------|-------|-------|
| Singapore | 16300 | 1200 | 9600 | 7500 |
| Malaysia | 12000 | 7500 | 12000 | 6400 |
| South Korea | 31700 | 10600 | 11800 | 6600 |
| Maxico | 27000 | 13900 | 14900 | 11300 |
| Costa Rica | 24100 | 11400 | 10700 | 4900 |
| UAE | 40900 | 46000 | 40200 | 0 |

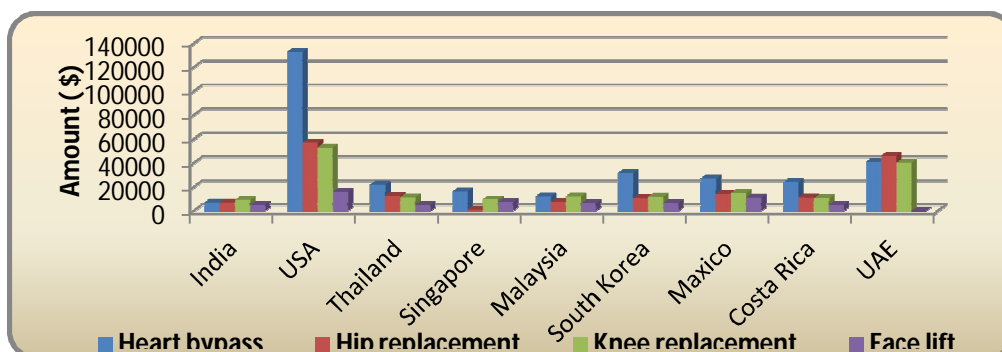


Table 2 Showing Top 10 states in Medical Tourism

| Top 10 State | Foreign Visit (in lakh) | % |
|----------------------|-------------------------|------|
| Maharashtra | 5.1 | 28.5 |
| Tamil Nadu | 2.8 | 15.7 |
| Delhi | 1.9 | 10.6 |
| Uttar Pradesh | 1.7 | 9.4 |
| Rajasthan | 1.3 | 7.2 |
| West Bengal | 1.2 | 6.7 |
| Kerala | 0.7 | 3.7 |
| Bihar | 0.6 | 3.6 |
| Himachal Pradesh | 0.5 | 2.5 |
| Goa | 0.4 | 2.5 |
| Total: Top 10 States | 16.1 | 90.3 |
| Others | 1.7 | 9.7 |
| Total | 17.9 | 100 |

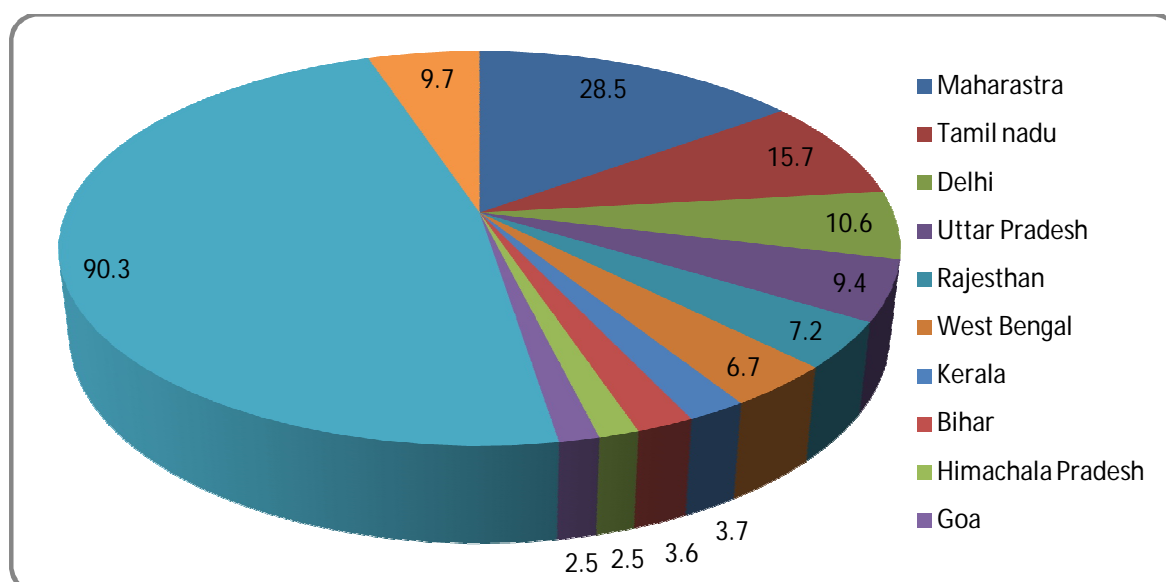


Table 3 Showing some other medical surgeries carried out by countries

| Surgery Procedure | USA | Costa Rica | India | Mexico | Singapore | Thailand |
|-------------------------|--------|------------|-------|--------|-----------|----------|
| Heart Bypass | 144000 | 25000 | 8500 | 520000 | 13500 | 24000 |
| angioplasty | 67000 | 13000 | 8500 | 16000 | 7500 | 7000 |
| Heart Valve replacement | 170000 | 30000 | 1200 | 33000 | 13500 | 22000 |
| hip replacement | 50000 | 12500 | 8000 | 13125 | 11100 | 14000 |
| Knee Replacement | 50000 | 11500 | 7000 | 10050 | 10800 | 12000 |
| Dental implants | 6000 | 1000 | 700 | 910 | 2900 | 3000 |
| Breast implants | 10000 | 3500 | 4500 | 8000 | 5400 | 3700 |

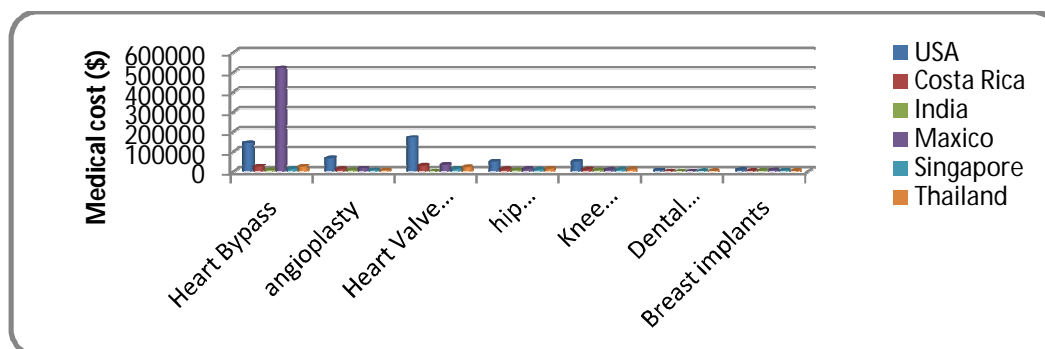
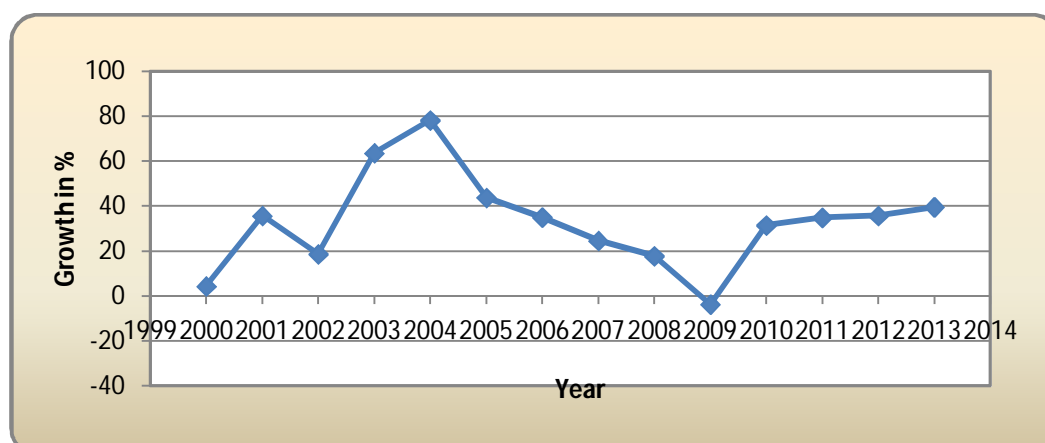


Table 4 Showing growth rate of medical tourism from 2000-2013

| Year | Value(Rm Million) | Growth (%) |
|------|-------------------|------------|
| 2000 | 33 | 4.4 |
| 2001 | 44 | 35.7 |
| 2002 | 36 | 18.7 |
| 2003 | 59 | 63.6 |
| 2004 | 106 | 78.2 |
| 2005 | 151 | 43.8 |
| 2006 | 204 | 35 |
| 2007 | 254 | 24.6 |
| 2008 | 299 | 17.8 |
| 2009 | 288 | -3.7 |
| 2010 | 378 | 31.5 |
| 2011 | 511 | 34.9 |
| 2012 | 587 | 36.8 |
| 2013 | 677 | 40.8 |



CONCLUSION

The present study aimed to investigate the impact of factors such as cost, lack of expertise, tourist attractions, legal and moral restrictions, and religious ethical issues determining the destination choices for treatment. The research results indicated that in addition to some general factors which motivate all groups of international medical tourists (price, distance, lack of expertise, tourist attractions), there are additional important factors which specifically influence patient's destination choices for various treatment or require that they travel to a qualified country to receive effective medical services.

Table 1. Shows the comparative cost charges for most expected medical services (Heart bypass surgery, Hip replacement, Knee replacement surgery and Face lift surgery) between different countries. Among them India placing first with 7000 \$ for Heart bypass surgery, 7020 \$ for Hip replacement, 9200 \$ for knee replacement surgery and 4800 \$ for Face lift surgery. Provided in table 2. Shows further medical expenditure like angioplasty (8200 \$), heart valve replacement (1200 \$), dental implants (700 \$) and breast implants (4500 \$) which are cheaper than the following countries like USA, Costa Rica, Mexico, Singapore and Thailand.

Table 2 shows the contributions of each state in India in order to improve the medical tourism. Among the several states, Maharashtra placed first in the numbers of foreign visitors (5.1 lakhs per year) which reflected as 28.5%. Tamil Nadu bears 2.8 lakhs visitors per year (15.7 %). New Delhi is in third place by holding 1.9 lakhs visitors per year with 10.6%.

According to table 4, huge growth rate (78.2%) been observed in the year of 2004. Due to natural calamities, political instability and terrorists threatening, there was a drop in the forthcoming years 2005 to 2009. Again there was an up regulation in the growth pattern from 2010 onwards to till last year.

Generally in parallel with increasing global mobility, health problems can spread more widely around the globe. Immigrants going from South to North may import diseases endemic to their home country. A Northern doctor may be expected to keep a possible 'tropical' disease in mind when an immigrant presents as a patient. In providing adequate care it is an advantage if the physician is also aware of the cultural differences that may apply to this doctor-patient encounter. In this respect students travelling abroad might be specifically encouraged to consider destinations where many of their own country's immigrants come from.

In some aspects of clinical care are becoming increasingly globalized. International conferences in specific medical domains continue to play an important role in keeping abreast of the state of the art in any medical profession. More recently, facilities have been developed for world-wide broadcasting of continuing medical education (CME) programmes and the performance of delicate clinical procedures under remote supervision from other parts of the world.

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PROFESSIONAL ETHICS OF TEACHERS

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Prof. George Herbert Palmer once rightly said, “ If Harvard does not pay me to teach, I would gladly pay Harvard for the privilege of teaching”. This should be the professional value of a good teacher. An Ideal teacher should work with a sense of dedication. Manu defined the teacher as an image of Brahma. What a great position to a teacher!

H.G. Wells says, “ The teacher is the real maker of history”.

According to Sir John Adams, “ The teacher is the maker of man”.

To follow professional value in its right perspective, a teacher must learn to teach, to influence and to show good example to others. He must follow a code of ethics and maintain high professional standards. The teachers' entire personality is a reflection on the minds of the students.

The teacher should take a pledge to follow the code of ethics by which he may bring credit to the entire institution.

A teacher should understand the student, be just courteous, promote spirit of enquiry, fellowship and joy in him.

Anne Sullivan, teacher of Helen Keller, the deaf and dumb lady who rose to the level of national and international significance, was honoured by Temple University, the Educational Institute of Scotland and Roosevelt Memorial Foundation for her tireless commitment to Helen Keller. A teacher is rewarded for the sake of his/her pupils.

A teacher is the pivot of education, around whom, the whole educational system revolves. He or she should be free from the bias of caste, creed and religion. His/her personality should be such that the student must treasure his/ her memory throughout their lives. He/ she should be an emblem of graces of elderliness. His/her gentle and sweet behaviour should win the hearts of students.

A teacher should know how to make his/her subject interesting. His/her logical development and explanation of the subject should be such that valuable secrets are being revealed.

The teaching should be thought provoking and value enhancing. His lecture should be a brain tonic. One should realise that young generation doesn't simply learn a prescribed subject from him. They learn that the art of thinking, manner of living, temperament, behaviour and social attitude.

Na should be familiar with the biographies of great people. He should carry the message and mission of those people to the students, so that young people can understand the ways of contributing to the growth of the nation. How many of the teachers know the lives of C.V. Raman, Vikram Sarabhai etc and how many of us have studied the works of Dr. A.P.J. Abdul Kalam, “Wings of Fire” and “ Ignited Minds”.

A teacher can shape the destiny of the nation, in a better way if he wants to do it. Love for wisdom should be inculcated. Today the students learn, because they need an occupation. Students should be taught to acquire knowledge without which nothing can be done properly. It helps them in removing the beast in him and elevates the best in him.

Our Higher Education sector is the third largest in the world after China and the USA. The recent London Times Higher Education supplement ranks Indian universities at 41st position.

Modern life has become self-vanity and disobedience. Every wants to command but none to obey that results in a chaotic society. Once Swami Vivekananda said, “ Learn to obey, and command will come by itself”. An individual must be humble and submissive.

Knowledge should be acquired through facts and principles. A teacher should see, whatever he teaches should be grasped in its true sense. The young student should be equipped with the discipline of austerity .

Thus in conclusion, it can be said that a teacher should not have the tendency of selfishness. Any good work, one does, should not claim any praise or benefit. To put in the words of Swami Vivekananda one must be a “Karma-Yogi”.

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ROBUST PROFIT IN INDIAN COMPANIES

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ABSTRACT

I define the relative importance of companies effects on corporate profitability in India for a ten year period and assess the difference balance between these effects as a regime of control and regulation, pre 1985, gave way to partial liberalization between 1985 and 1991 and to more decisive liberalization after 1991. We check the variance components, the differences between them and their changes with time. I find that firm effects are significant in all periods, when rent seeking opportunities proliferated, as well as when the scope for strategic decisions increased under competition brought about by institutional change. These effects become more over time. While the company's effect does statistically matter, in general, it is significantly large in the period after comprehensive liberalization, relative to other periods, suggesting that company choice also matters within competitive markets for firms to enjoy above average profitability.

Key words: firm and industry effects; institutional change; transition economy; profitability; Indian industry; liberalization

1. INTRODUCTION

In this article, we report the results of a study that examines the determinants of profitability of firms in India. Using a proprietary dataset on Indian firms, we evaluate the relative importance of firm versus industry effects in impacting the levels of profitability of a balanced panel of firms over a sixteen year period from 1980-81 to 1995-96. The overall period straddles the most important period in the recent history of the Indian economy, as the opening up of markets took place with the liberalization of industrial policies in 1991, and each period covers a unique phase in the contemporary history of India. Our analysis covers three well-defined institutional eras for contemporary India.

The issue of firms' profitability is important, and the search for superior profits is the primary objective of firms' management since relatively higher profits mean the availability of greater amounts of cash to invest for future growth. One view posits that industry effects matter the most in explaining profitability differences between firms. Firms are lucky to have gotten into a profitable industry by chance or politics. Once in then they take advantage of opportunities for exploiting market power.¹ An alternative school of thought posits that firm effects matter the most in explaining profitability differences between firms. Firms have idiosyncratic skills enabling them to become profitable. India is a large and important economy today, but little as yet is known about Indian firms' strategies and performance (Luce, 2006). On the other hand, institutional conditions have been extremely important in influencing industrial performance in India (Bradman, 1984; Jalan, 2005) and in extensively shaping the contours of firms' strategic decision making (Das, 2002; Haksar, 1993; Marathe, 1989; Mohan and Aggarwal, 1990). We take into account the prevalent institutional conditions by introducing institutions as a key profit impacting element.

In addition, there is the issue of method. Studies using time series data often assume that the various effects remain constant over time. This assumption is linked to the natural belief that institutions remain stable as they do in developed economies. We evaluate the validity of this assumption by incorporating a different method. Analyses in this branch of literature have involved the decomposition of the variance of business-unit profitability, using components of variance (COV) and nested ANOVA techniques, apportioning it into elements attributable to year, industry, firm, and business units. Conclusions are drawn based on the sizes of estimated firm and industry effects, but statistical inference is not carried out.

In the next section we review the existing literature briefly. Thereafter, we describe the Indian context and state our expectations for the periods studied. We follow the section with a data description. The section after that goes into details of the econometric procedures. This is followed by the description of the results and the findings. The final section contains a discussion and concludes the article.

2. LITERATURE

Commencing with the contributions of Schmalensee (1985) and Rumelt (1991) several researchers have studied the determinants of corporate profitability in the United States. Industry specific factors include the concentration level of an industry, consolidated versus fragmented industries, minimum capital requirements, an important entry barrier in some industries, or product differentiation, also an entry barrier. Firm specific characteristics include firm resources, capital, technology and human resources, marketing, management or

production skills, and strategies. For one school of thought, inter industry differences are the main sources of variance in performance, while firm specific characteristics are regarded as less important. For the other, the orientation of a firm's behavior towards making choices and firm characteristics, such as resources, capabilities and strategies, determine firm performance. Even in weak industries, stars consistently outperform the others, and in high-profit industries failures occur due to mistakes by firms.

Over two decades of research, based on US corporate data, consensus has emerged, that industry factors explain a relatively small proportion of the variations and a larger proportion of profit variations are attributable to firm or business specific characteristics. Macroeconomic factors, identified by time effects, and interaction between industry and time, representing different cyclical patterns in different industries, also contribute to profit variations significantly. Substantial remainder in variations cannot be attributed to any of these factors.

3. INSTITUTIONAL DETAILS AND HYPOTHESES

3.1 The Indian Context

Our analysis covers the sixteen-year period from 1980-81 to 1995-96. The period is divided into two equal phases of five years each and one of six years. Each phase is distinct in terms of its political economy and attention paid to institutional features of the economy during the time period. The first five-year phase, one of regulation and control, is from 1980-81 to 1984-85. The second five-year phase, one of partial liberalization, runs from 1985-86 to 1990-91. The third five-year phase, one of full liberalization, runs from 1991-92 to 1995-96. The year 1980 is associated with the commencement of attempts to liberalize the Indian economy. In 1980, Mrs. Indira Gandhi returned to office and commenced liberalization (Bhagwati, 1993). But severe political turmoil intervened, nothing much happened, the period remained one of regulation and control (Marathe, 1989), with severe policy distortions (Srinivasan, 2003), and she was assassinated in 1984. In 1985, Rajiv Gandhi took office as head of government and commenced industrial reform activities with a new slate, but very soon the government was involved in the 'Bofors' corruption scandal involving the purchase of artillery guns. In 1991, a new government took office, and one its first acts was to liberalize the economy, by removing past distortions, so as to promote economic growth (Das, 2002; Srinivasan, 2004).

3.2 Theoretical Importance of Institutional Context

Existing studies based on Western economies concentrate on economic factors as determining firm performance. Yet, even in Western societies the fundamental difference in comparative growth between different countries has been the differences in institutions (North and Thomas 1973; Parente and Prescott, 2002). In transition economies, such as India, and in other emerging markets, institutions have mattered more for economic performance (Amsden, 2001; Bradman, 2005; Easterly, 2002).

While countries may have access to the same stock of initial ideas about institutions, the way they are designed and implemented across countries can lead to policy distortions and barriers being put up that affect economic performance (Parente and Prescott, 2002). These institutions, and barriers if any, influence the level of investments in physical and human capital, technology and the organization of production within firms (Acemoglu, Johnson and Robinson, 2006). Since one of the primary functions of a firm is the acquisition of resources, and their organization into modules of productive skills, it is axiomatic that firm performance will be affected by institutional context.

Other than shaping the context for resource acquisition, institutions shape the power structure in an economy and the primary category of institutions are political institutions (Bradman, 2005). For example, with respect to the distribution of property rights, an important feature influencing capital productivity (de Soto, 2000), their allocation is a function of the institutional context. The institutional context alters the inalienability characteristics of property rights and impacts on capital productivity levels.

3.3 Hypotheses

We discuss how institutional characteristics relate to our periods and link shifts in institutional policy to the dynamics of firm competition, possible industry structure and profit impact. In India, the institutional framework till the mid 1980s is characterized as one of detailed administrative day-to-day direction (Marathe 1989), even though 'reforms by stealth' were attempted to set in motion some liberalization (Bhagwati, 1993). Controls over all facets of operations of firms, for example, on activities such as pricing and acquisition of raw materials, distribution of the final product, and allocation of foreign exchange within projects, remained all pervasive, not just control over strategic issues such as whether firms could enter certain sectors of industry (Weiner, 1986).

Government policy during a pre-liberalized regime dictates who can enter and compete in a given industry, thus serving as an industry barrier and leading us to expect that during such controlled periods industry effects

would be stronger and not weaker. By managing entry, firms would enter and secure a position in the industry rent chain. Government can also mandate that totally inexperienced firms enter a particular sector⁴ and even if industry rents are available these firms may not have the capacity to enjoy them. Additionally, capacity licensing policies can be such that demand shortfalls are chronic and price controls can operate in many industries (Mohan and Aggarwal, 1990; Srinivasan, 2004). These eradicate profit possibilities for firms present in industries with adequate demand. Presence within an industry may not be material for profits. Firms, by virtue of their capabilities, contribute to the resource base of industries and help define industry structure (McGahan, 2004). Yet, the way resources are distributed, incentives shaped and investments influenced, this can be infeasible. Control means markets and were supply options closed and so were.⁵ If on the production side, firms of inappropriate scale are allowed to operate the concept of minimum efficient scale is abandoned.

4. DATA AND EMPIRICAL ANALYSIS

Data Description

To test our hypotheses we use data drawn from the Reserve Bank of India (RBI) database on financial accounts of non-government public limited companies. The choice of the data is driven by two important factors. First, since the analysis spans sixteen years, it has been imperative to select a database with good and consistent coverage over this entire period.

The RBI database is an elaborate and consistent database on Indian companies maintained by the RBI since the financial year 1950–51 onwards, based on balance sheets, profit and loss accounts and annual reports of the companies. Aggregates based on these accounts inform policy and are used for compilation of national accounts. They are also used for estimating the growth and performance of the real sector of the economy. The data we use relate to companies that are public limited, according to the definitions of the Companies Act, 1956, and some of these may be listed on stock exchanges.

The Reserve Bank of India also collects similar data on private limited companies, as defined in the Companies Act, 1956, but these data are not released to outsiders. The overall data set comprises a pooled cross-section, where a different sample of companies is included each year. The data are widely perceived to have representative coverage of most sub-segments of the Indian corporate sector.⁹ It was important that the coverage be not only representative of the population in each year, but that it was consistent over the long period of time covered in the study. Second, it was necessary to use a database taking adequate care of changes in accounting norms over this period.

5. DISCUSSION AND CONCLUSIONS

5.1 Discussion

This research makes several points. First, in the analysis of profitability variations among firms, institutional factors have to be accounted for. In transition economies and emerging markets, it is important to understand the role of government policy in influencing the strength of the effects. We do so by separating out our data for Indian firms into three periods, each capturing a different institutional regime in Indian industry. The Indian economy went through two stages of liberalization in the 1980s and early 1990s. Hesitant and partial domestic reforms were instituted in 1985, but political difficulties intervened. Financial difficulties forced the administration into comprehensive reforms only in 1991. We have used this opportunity to assess the shifts in the relative balance of firm effects and industry effects across the two distinctly separate liberalization regimes that have unfolded in India, an economy now getting world attention.

We find evidence from Indian firms that liberalization significantly affects the relative importance of firm and industry effects in shaping the profitability of firms. Firm effects are always important, whether in a command and control regime, with potential benefits accruing from protectionism and political rent seeking, or in the fully liberated period where firm specific capabilities and efficiency are valued. This accords with the main findings for US firms. For the US, it has also been noted that firm effects dominate industry effects which dominate time effects.

We find this same pattern to be prevalent in India. We find that inter-temporally firm effects get stronger over time as the institutional forces enhance market contestability. As the market becomes more dominant in the resource allocation process, relative to the role of government, so does the role of managerial competence, which is implicitly one of the factors captured by the firm effects, become more important in explaining profit variations. By altering the distribution of resources, shaping the incentives of competitors, influencing the level of investments and the allocation of property rights, institutional changes alter firms' landscapes to achieve best outcomes. Firm effects become vital in managing the market economy as compared to managing the political economy.

With respect to the role of industry effects in India, while we find that they do not matter in our smaller balanced sample, in a broad-based sub-sampling procedure they do matter but not as much as the firm effects. In a restricted sample of firms and industries, the specific industry effects may have been dampened by the estimation process. Specific macro-economic factors related to these industries, as captured in the industry \times year interaction terms, will have been isolated leaving the residual industry effect to be immaterial. In the broad-based sub-sampling estimation, only firm, industry and time effects were included and the industry effects would include an element of industry-related macro-economic factors that we were capturing separately.

In the command and control and partial liberalization regimes, there were many industry-specific macro-economic policies implemented (Jalan, 2005) and the impact of these policies, captured within the industry effect, will have led to the industry effect mattering, as we found that they did. Of course, as the partial liberalization period has given way to one of total liberalization, or conditions of full market contestability, the industry effect has strengthened significantly over that of the previous period and we reiterate that this effect is possibly indicative of firms in India choosing the right industries and segments to enter, do business in and enjoy industry-specific economic returns. Also, while movements of the shares of firm effects and industry effects may not tell us anything about the changes in the absolute magnitudes of firm and industry variance components over the different stages of institutional change. Inference procedures help draw sharper conclusions about phenomena and whether they matter. The standard practice involves the decomposition of the variance of firm profitability, apportioning it into elements attributable to year, industry and firm effects. Conclusions are drawn based on the relative sizes of estimated firm effects and industry effects, most often generated within a random effects estimation framework. An evaluation of the significance of these statistics also requires attention.

Previous studies have used components of variance (COV) and nested ANOVA techniques, but statistical inference has not been attempted. There have been no attempts to test whether any of the variance components are statistically significant, if they matter, whether one component is significantly larger than another, and whether any of the components have changed significantly over time, or, if there is a dynamic trajectory in the way that a particular effect behaves. These are important considerations in the assessment of the dynamics of firms' profitability.

5. 2 Future Research Issues

There are a number of ways researchers can take this line of research forward to decompose profits in more detail. From a theoretical viewpoint of evaluating performance in transition economies, the capabilities required to manage the market economy are distinctly different compared to those required to manage the political economy. Particularly, when command and control processes constrain resource flows, and dilute the scope for strategic decisions in competition, firm level abilities may not matter. One might simply expect to see firms that have entered particularly profitable industries to have higher profit rates, and thereby industry effects will be seen to prevail. Conversely, managerial efforts at attending to procedures, and playing by the rules of the political game, can lead to firms doing well under the command and control regime. If so, such competencies can ensure that firm effects are also visible in analysis. We find that firm effects have been important in all phases of India's economy, yet as the environment has changed so will have the innate capabilities within firms. Follow-up research tracking the changes in specific capability investments within firms, and then evaluating their impacts on firm profits, will provide a much more micro-granular view on performance in one of the world's leading economies of the 21st century, and which is yet a context that is seriously under researched.

Patterns of performance changes noted in India can be generalised toward understanding performance change in other transition economies. In extending such research across countries, prior work has found that, on average, correlation between countries in average industry profitability is zero. Yet, as more countries liberalize their economies, and adopt similar institutional policies, industry profit rates across countries may converge, just as economic growth rates are expected to converge across countries. Whether such convergence has occurred or not is an important question at the heart of cross-country performance research, especially as countries classified as emerging economies, such as China, India, Malaysia, Thailand and Vietnam, become important players on the global economic stage. If industry profits do converge, then it is *prima-facie* evidence that institutional changes put through have had the expected outcomes. The results of such research will be important in the policy domain. There are dynamic aspects to performance analysis in a transition context. These aspects lead to several research questions. One might expect that market forces unleashed by liberalization will accelerate shakeout and profits will converge to the industry specific level of returns. This suggests that industry effects will eventually diminish. Industry effects become less important with liberalization, as a more competitive market emerges and a concentrated market structure disappears.

Thus, results observed from our data may not hold as we add more time-series data. Two questions emerge. First, do industry effects dissipate over time or do they stay similar across time periods? Second, if they do dissipate, what is the rate of decay? In other words, what is the lag length with which an industry effect may decay? As such, there is no theory to suggest the average lag length for an industry effect to become unobservable or insignificant. Addressing the questions will need theory development, particularly as countries, such as India, transform toward Western-style economies, catch up and then forge ahead. To examine the issue will also require time-series data.

5. 3 CONCLUSION

We use data for the period 1980-81 to 1995-96, to evaluate the impact of firm versus Industry effects in impacting the profitability, measured as return on assets, of firms in India's Manufacturing sector. Our aim has been to assess the relative importance of firm and industry Effects within a setting of institutional change, which Indian industry has experienced because of a transition from a regulated and controlled to a competitive regime over a decade and a half. In addition to the comparison of shares of variance components, we carry out hypotheses Tests to evaluate the significance of individual effects, the relative significance between different Effects, and inter temporal changes in individual effects between one policy regime and another.

We have found that firm effects are always significant and have dominated industry effects. Firm level abilities have mattered both when rent seeking proliferated, as well as when the scope for strategic decisions has increased within a competitive environment. The magnitude of firm effects monotonically increases with time. Monotonic increases in the industry effect over time are also noted. With comprehensive liberalization after 1991, industry effects have come to significantly matter, relative to previous periods, in influencing profits in India's manufacturing sector.

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HURTLE OF TELE-SERIALS

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ABSTRACT

One of the powerful electronic medium of communication is television. It has influence universally among the society. Tele-serials have become the core entertainment among most of the household. The bonding within the family members has reduced a lot in this serial era. Many people are able to live without food but not television serials. This shows the influence the serials has made in our country. The study aims in interviewing all family members of around fifty families and gathered their views regarding serials.

Key words: serials, family, environment

INTRODUCTION

The TV serials have enormous impact on the Indian society. There is at least one member in the family who watches serials. Serials have a greater impact mindset and the thinking capacity of the people, as it induces socialization indirectly among the people. Different channels telecast different serials across India. But in the race to gain high TRP nowadays TV serials induce changes in the conduct and behaviour in society.

Public votes decide the TRP of the serial. People should understand that serials are only for entertainment not a part of our life. Serials should not spoil the family environment, as few people apply the conspiracies in their personal life also. Now- a- days few serials are shoot very badly. It changes the mind set of youth. The television serials result in a hypnotic state among the youngsters. Watching television shifts our brain work from Left brain to Right side of the brain. Though right side of the brain does not analyse the incoming information, it is responsible for the emotional feelings. Thus, this makes us to feel that everything in TV as real and true. The right side of the brain releases few chemicals which makes us to feel good, which later reduces brain activity and its intelligence.

Watching TV not only affects brain activities but also health. This results in lack of concentration. Also the characters replicates on the younger ones, either good or bad character. Young people behave more violently and they become addict to TV. One can watch one or two serials just for entertainment but watching many is disgusting. It blocks the mind of youth and distracts them from their studies. TV serials are for entertainment but now a days serial makers don't bother about it that what they are showing in their shows. The serials are just glamorizing the wrong judgement, irrational and illogical thinking and acts

LITERATURE REVIEW

Serials typically follow main story arcs that span entire television seasons or even the full run of the series, which distinguishes them from traditional episodic television that relies on more stand-alone episodes. (Wikipedia, 2012). It consists of series of events having vivid, emotional, conflicting, or striking interest or results (Dictionary.com:2012).

Indian Drama originated and developed from storehouse of Sanskrit in India. Indian drama has given its incredible impact and limit to perfection (Mirsha, 2012). The impact of Indian dramas is so strong that it will take a good amount of time to take it off. It is not a matter of weeks or months but years. Moreover female spend a significant amount of time watching the serials (Morshed, 2012). The women who watch them while cooking food are badly affected by contemplating on them (Ruwandeepa, 2011). Some women have even reduced the number of dishes they cook in a hurry. They can pass a day without eating but they cannot avoid serials in a day (Shuvo, 2009). Mother's attention towards their kids has been lessened by spending a long time on watching the television which causes personality disorders in long term (Ruwandeepa, 2011).

Dr. Karthikeyan, an eminent psychologist from Chennai puts it, "The narrative style will always be the most entertaining as story telling has always been an integral part of Indian culture. And today in nuclear families, the TV serials have in a way substituted for the stories grandparents used to tell their grandchildren."

METHODOLOGY

The study is interview based. Around 50 families across Chennai were interviewed regarding their views on serials and the pros and cons of the serials. The findings are discussed.

FINDINGS AND DISCUSSION

The results obtained from the respondents across the city regarding the views about tele serials through interviews are discussed.

In order to attract viewers, to earn money and value (i.e. to increase TRP rates) channels are broadcasting many serials. Especially now-a-days many TV serials are full of conspiracy and negative roles. In fact many serials show that even though if we do many murders and illegal activities we can easily escape. This make few viewers in illegal activities like theft, thinking they can escape easily.

Watching serials influences mood fluctuations. People are involving themselves too much into the story. Their life starts revolving around the characters of hero, heroine and villain and this in turn induces in attitude changes towards fake emotions. Activities like drugs, alcohols, lust or violence is very common among serial heroes and heroines.

These activities are considered as so simple and they are constantly influence young minds to follow. Certain scenes make individuals forget their reality and they get into the unnatural world. Many people are unable to get out from it as their mind is immobilized and they love to stay in the unrealistic world.

The imagination capacity of the individuals is spoiled by the serials. They follow what is shown in the serials to express their love to someone. By seeing the couple in the serials youngsters expects same for their partners. And, of course whatever happens in the reel life cannot become real. This direct comparison results in disputes and emotional breakdown among the couples. In many cases it results in depression. That too in most serials the focus is on mother-in-law and daughter-in-law.

It triggers negative effects in reality. People start to compare themselves with the TV characters and spoil their real life. That too in the television serials ladies are shown as criminals, villains and mostly they do the negative roles. That too after getting married the woman faces lots of trouble, this may infact instill a negative thinking among youngsters regarding marriage.

Home-makers are influenced by serials a lot. These serials provoke wrong attitudes. Serials show how to split the families, kill people without any trace, pouring acid on people to show the vengeance. India is best known for their hospitality culture, but now in many homes, people start to feel uncomfortable when guests arrive during the prime time when the favorite serial is telecasted. The reel life characters have become their relatives and when a person dies in the serial then here the viewers start crying (which is in fact less when their own relatives pass away). This shows their involvement into the serial. Old people are affected the most. As their family is busy with their work, old people's one and only entertainment is TV serials.

They get more involved in it and it results in high blood pressure, heart problems. Some people become more emotional when they start watching an emotional scene. People become addicted to the serials that make them unable to concentrate in any chores during that time. They become like drug addicts, who cannot control without watching. A respondent infact told that her grandmother locked inside the room and did not eat the whole day, when her granddaughter refused to keep her favorite serial. Children learn tricks from the serial and start demanding all his rights conveniently forgetting his responsibilities. As they consider being stubborn can result in getting what they wish.

Many people compare their life with that of the serial telecasted. They link the day to day happenings and their involvement with the reel world become extensive. Based on the response from the interviews many people feel that they are able to learn the culture and tradition of the people. They are able to gain knowledge about each and every steps involved in organising the function. TV serials are far from reality. Dead man comes alive, condolence held for alive person etc, a lady has many relationship and men too has the same. Youngsters feel that they watch many serials which in fact help them to look at the different ways of dressing, the accessories used and the tradition followed.

Many people feel that television serials have brought divide and rule in their home. That is, each person in the family is watching different shows and so they have individual TV to watch their favourite programme. In fact, many families are not having dinner together. As it is the prime time for the high TRP serials people are more involved towards it. In some families, people feel happy when the power goes off because it gives them immense time to spend with their family. They are able to share their whole day happenings with their relatives.

Respondents feel that when the time of the serial comes, automatically their hands switch on the remote. During this period they feel that they forget all their troubles and problems, and they don't think about the problems troubling them. They feel that during that time they are in a different world.

There are many good effects in serials too. Many youngsters and children feel that now they are able to understand epic stories like Ramayana and Mahabharata.

CONCLUSION

A knife can be used to cut butter as well as to kill people. In the same way television also have both advantages and disadvantages. We cannot blame the channels for telecasting the serials. People should use it in the right way. We should not get involved into it, and should see it as a mode of entertainment. People are acting for money, it is their profession. But for us it is not so. It is just a minor part of life; we should use it only for entertainment. Children learn many things from serials. At their young age whatever they see will last in their mind. So, parents should not expose kids to television.

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COMPARISON OF PEERS OF E-COMMERCE INDUSTRY WITH REFERENCE TO AMAZON.IN AND FLIPKART.COM

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ABSTRACT

Introduction of e-commerce industry in India has seen a starting of new era in Indian market. It has provided new avenues for consumers in India by removing them from the clutches of physical retailers. Before the arrival of e-commerce industry in India, Indian market was confined to physical retailers who enjoyed certain monopoly in the absence of viable competitors. Introduction of e-commerce industry in India has seen a starting of new era in Indian market. It has provided new avenues for consumers in India by removing them from clutches of physical retailers.

Before the arrival of e-commerce industry in India, Indian market was confined to physical retailers who enjoyed certain monopoly in the absence of viable competitors.

However, e-commerce industry has succeeded overcoming the monopoly of physical retailers by offering customers quality products at cheap prices. E-commerce industry has allowed customers to explore various types of products without going to market, which also enable customers to save their precious time.

E-commerce industry has been evolving fast especially in urban areas due to various reasons like internet connectivity, better mechanism of delivery, higher standard of living etc. Sensing new opportunities with huge market which hasn't been explored yet, e-commerce players like Amazon, Flipkart etc. has recently made significant investment for the expansion of their business in India. In a growing e-commerce market in India, Flipkart, Amazon have come out as big players in Indian market.

Keywords: E-commerce, flipkart, amazon, products

INTRODUCTION

Flipkart since its inception in the year 2007, playing an important role in connecting more and more customers with e-commerce market. Flipkart has provided customers in to purchase various products ranging from pin to pen at a reasonable cost. Flipkart was founded by Sachin and Binny Bansal , both IITians in 2007. Initially Flipkart focused on targeting intellectual class of society by selling various kinds of books at an affordable cost.

However Flipkart now has expanded its business with mainly available range of products at a very cheap cost ie. Electronics, books, clothes etc. Flipkart has recently started selling health care products and home appliances which is the latest addition made in the range of products offered. Flipkart has been attracting various sections of society by providing them suitable

Payment options according to convenience of customers. With its thriving and ever increasing business , Flipkart currently enables nearly 15000 employees in earning their bread and butter. Focusing especially on urban customers, Flipkart has managed to extend their services in more than 150 cities in India. Flipkart has made a strong impact in Indian market not only through cheap products but other attractive services provided by it such as 30 days replacement guarantee, Flipkart mobile app along with Flipkart.

Another major e-commerce player who is making its presence felt in Indian market is Amazon. Amazon was founded by Jeff Bezos in America in 1994 as an e-commerce Co. with its head office in Seattle U.S.A..

He started its website by acquiring the name "Amazon" with dropping off its initial name "Cadabra". Amazon come like Flipkart started its e-commerce business as an online bookstore and later expanded its business by providing plethora of products such as DVDs,CDs,MP3 download software , videogames, toys etc.

Amazon, today has expanded its business significantly with starting of separate website for many countries like UK, Netherlands, Spain,Brazil,Italy ,Japan etc.

Amazon has recently started its website for India,. This endeavor has enabled Amazon in targeting customers across the world with the view of further expansion of its operations and exploration of new markets in different parts of the world. Amazon is planning to launch its website for countries like Poland, Sweden, Srilanka etc.

OBJECTIVE OF STUDY

Major reasons behind growing e-commerce industry is availability of quality products at a cheap price. So, my objective for research is on which models these major e-commerce players are operating, which allows them to offer quality products at cheap price.

HYPOTHESIS FOR STUDY

My hypothesis for the study will be flipkart has a better operating model as compared to the amazon.

RESEARCH METHODOLOGY

The data which I have collected is through secondary sources like website of economictimes, businessstandards, crisil.

DATA ANALYSIS AND INTERPRETATION

Financial and Revenue Position of Flipkart:

| Year | Source of Fund | Amount | Sales |
|-------------|---|----------------|-------------|
| 2008 | Founders contribution for making website to set up the business | ` 4,000,000 | - |
| 2009 | Funding from venture capital funds Acela India | US\$1 Million | 40 Million |
| | Tiger Global | US\$10 Million | 200 Million |
| 2011 June | Tiger Global | US\$20 Million | - |
| August 2012 | MIH (part of Naspers Group) and ICONIQ Capital | \$150 Million | 750 Million |
| 10/7/13 | Tiger Global, Naspers, Accel Partners and Iconic Capital | \$200 Million | |
| 2014 | On average, Flipkart sells nearly 10 products per minute | | 10 Billion |
| 2015 | Aiming at generating a revenue | | 50 Billion |

Source: www.economictimes.com

From the above table it is clear that flipchart's sales have increased from \$ 40 million to \$60 billion. It has increased in manifolds. It clearly shows that flipkart model is becoming popular in India. In the year 2008 flipkart had \$4 million investments and it has increased to the \$ 200 million in the year 2013 only. It shows that investors has strong belief in flipcharts e-commerce model.

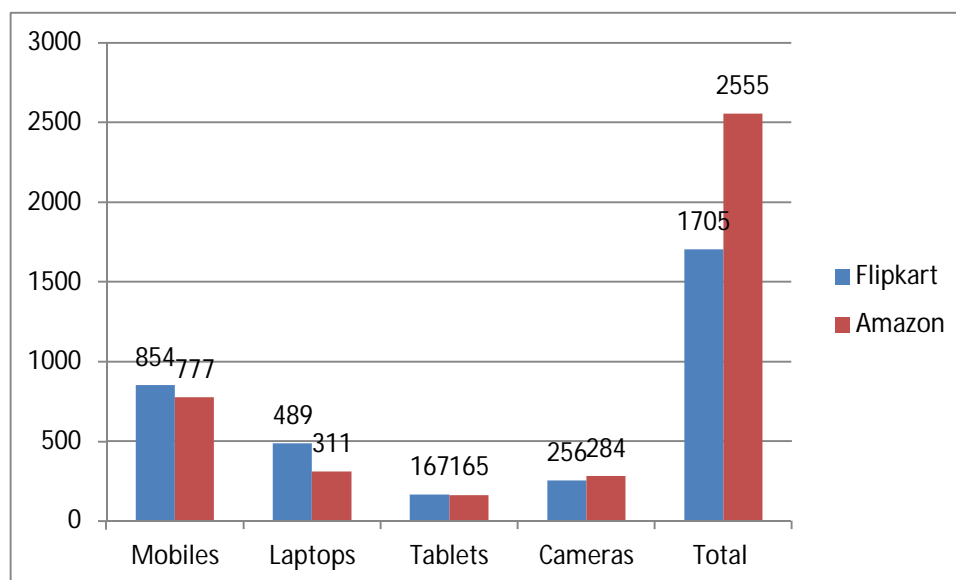
Indian Market Share (2014)

| Parameters of comparisons | Flipkart | Amazon |
|---------------------------|--|--|
| Sales | \$4 Billion in 2015 | Sales reached to figure of \$1 Billion in 2014 [Oct-Dec] and expects to get 30 per cent market share |
| Sellers | Expects to increase seller base to 50 K in 12 months | It has grown merchant base to 8500. |
| Warehouses | 6 warehouses, & it will grow this to 50 in the next three years | It will increase its warehouses count to 10 in the 2015 from 07. |
| Focus | The focus is now on Fashion and Lifestyle Business Base Model | The focus is on Electronics and Books |
| Exclusive Partnership | It had Sold 1 Million Motorola products in 5 months. It is now selling Xiaomi Phones | It has Launched a sales of a Samsung phone and Swipe's Slice tables in Nov,2014 |

Source: www.businessstrandard.com

From the above chart it is clear that flipkart has \$4 billion sales as compared to the \$1 billion sales of amazon. Flipkart is expected to increase seller base to 50000 whereas amazon is expected to increase seller base to 8500. Flipkart is expected to grow its number of warehouses to 50 whereas amazon is expected to increase base to 10. Flipkart is focusing on fashion and lifestyle business whereas amazon is focusing on electronics and books.

Products comparison



Source: www.economictimes.com

In the above chart I have tried to make comparison of product sales in some different categories of amazon and flipkart.

FINDINGS

Flipkart Model

In this model, e-commerce players control end to end value chain ie. Right from procurement to delivery is controlled by service provider. Flipkart works on this model.

Benefits

1. Scale of operation gives high bargaining power to Flipkart therefore cost is low.
2. High margin Business: Margin in this model is between 20-25%
3. Profitability of repeat business is high because objective of Flipkart is to increase customer satisfaction and reduce costs.

Drawbacks

1. Logistics : Logistics can either be beneficial or loss making but in current scenario logistic is a major factor in all e-commerce player though Flipkart manages around 65% of logistics operations but still it has to rely on logistics of suppliers and third party providers for its 35% of deliveries. The bigger problem of managing logistic is that it increases cost of operation in a huge manner if not managed properly and efficiently. In the long run if Flipkart able to manage logistics in a well manner then it can also become the biggest player in Indian e-commerce industry.
2. Limited product portfolios : Managing own warehouse or product inventory adds to the cost of operation because no company can create unlimited storage space. In this kind of situation company can provide limited product portfolio without scaling up warehouse capacity.

For any company it is difficult to manage the procurement , inventory and logistics .Even a small misjudgment or miscalculation can add to cost because in inventory lying unsold for long not only occupies space but it is also lost opportunity for the company.

3. High investments : Huge investments are required in such models in order to manage and control end to end value chain.

Amazon Model

Amazon has three distinct businesses, plus a slew of nascent enterprises and developing opportunities

Amazon Retail

Starting in books and then expanding into electrical and other goods, Amazon built an online retail business around three aims:

Best prices: Amazon products are generally offered at a discount, a steep discount in the case of books.

Unrivalled selection: Amazon often has the largest selection of goods in a particular category, especially books.

Convenience: Amazon focus on the customer and try make purchasing an enjoyable experience, offering:

- An attractive, easy to use customer interface
- Fast and reliable delivery
- Convenience return policy
- Purchase suggestions based on previous purchases

Amazon Marketplace

Amazon also offers a third-party selling platform, Amazon marketplace, that allows merchants to offer goods and services through an online shopping mall. Amazon charges a commission based on a formula involving the sale price of the item, a shipping credit, a referral fee of 6-25% of the sale price, a variable closing fee and a some fixed closing fee. This has now been augmented or replaced by four comparable services:

Sell on Amazon. Merchants pay Rs.499 per month, plus a commission varying as above, generally between 15% and 5% per item.

Amazon Webstore: More complete service. Merchants pay Rs.1200 per month plus 2% of sales.

Checkout by Amazon: Similar to PayPal and Google Checkouts, but needs to be integrated into shopping cart.

Fulfillment by Amazon: Allows merchants to use Amazon's advanced fulfillment technology.

Amazon Web Services

Amazon leveraged the technology it developed in retail to offer an increasing number of web services.

SUGGESTIONS

- Flipkart and amazon should try to make more marketing promotions which will help them to get more customers, which ultimately will increase their customer base.
- Flipkart and amazon should come up with the idea like loyalty points in which repeating customers will get some amount of discounts, which will help them to retain loyal customers with them.
- Flipkart and amazon should take customer surveys in which they will come to know in which particular area customer want which thing, this will help them to improve their services.
- Many of the Indian customers are afraid of losing their personal details while doing online transactions so Flipkart and amazon should provide secured networks for online transactions.
- On some products these e-commerce players don't offer cash on delivery. India is not that much e-banking prone country. So these e-commerce industry players should try to provide cash on delivery facility on most of its products.
- These e-commerce players majorly covers urban area due to easy distribution and saving in cost. They just don't cater to the rural area which contributes to the 70% of India's population. So these players should make some strategy to cater this geographical area also.

CONCLUSION

While concluding I would say that it is inevitable that e-commerce industry is going to grow at a rapid pace in India and it is going to pose a serious challenge to the retailers. But we must say e-commerce industry has tempted middle class in a bigger sense that reflects by the demand of branded products. If we compare the models of both players flipkart has edge over amazon. But there are new players who are coming to the e-commerce market. So, it is not going to be that easy that easy for the flipkart and amazon to sustain and grow though they

are the major players in the market. So, amazon and flipkart should always try to come up with new ideas to lure customers.

LIMITATION OF THE STUDY

I have gathered data through secondary sources due to the constraint of time. It would be of great use if some primary data could have been collected through interview method of some top officials of amazon.in.

SCOPE FOR FURTHER RESEARCH

If anybody wants do further research in this area he/she can compare business models of snapdeal with ebay or ebay with flipkart or ebay with amazon. This would give greater edge to the research.

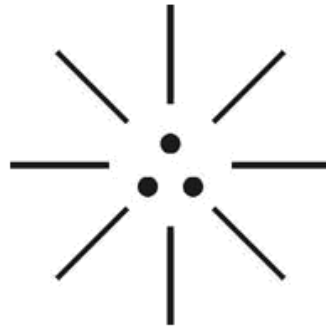
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YUGADI WISHES

M.Arulmani and V.R.Hema Latha

Heart-felt Yugadi wishes is hereby conveyed to all the citizens of India of Kannadikas, Telegu, Marathi, Konkani, Mauritius. Let the **“MOTHER NATURE”** brings all health and courage to every one of Indian Citizens & Global Nations. In Sanskrit **“YUGA”** means **“AGE”** and **“ADI”** means **“BEGINNING”**. **YUGADI** means **“BEGINNING OF NEW AGE”**. The Ancient New Year food special shall be called as **“KANJP”** (organic food).

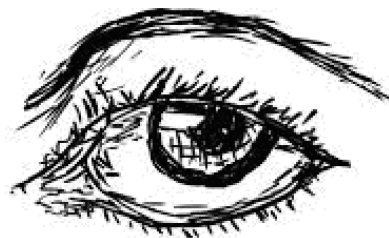
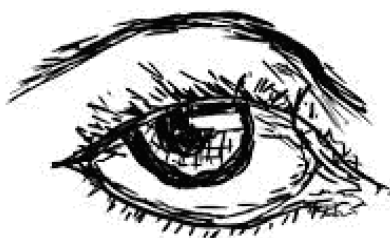
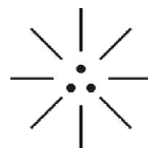


KANJI (Puthandu Puthumai)

- (i) Right dot is like HONEY (Like MOON)
- (ii) Left dot is like DARK RICE (Like EARTH)
- (iii) Center dot is like COCONUT (Like SUN)

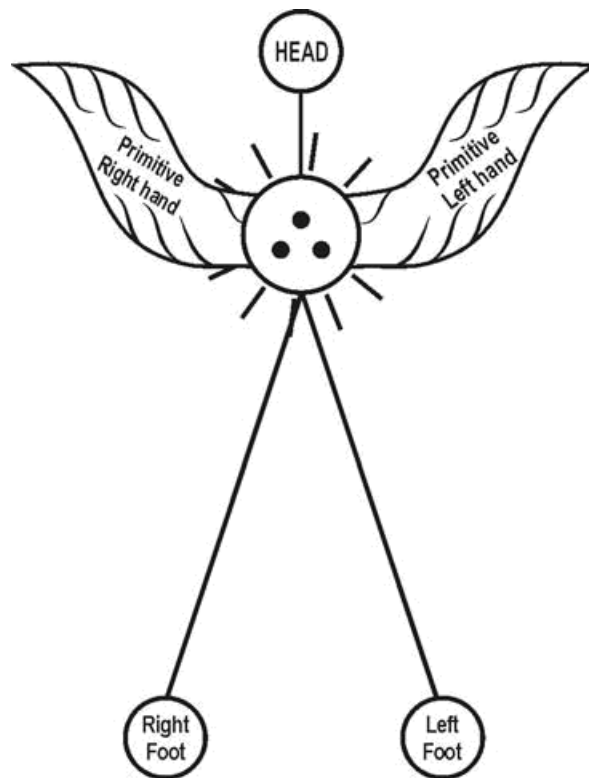
The etymology of word “Yugadi” probably derived from Proto Indo Europe route word **“OOKAM”**, **“ADI”**. **Ookam** shall mean **“CONFIDENCE”** and **”ADI”** shall mean beginning of **“NEW STEP”**. In ancient human culture Yugadi shall mean the new age when **“HUMAN ANCESTORS”** descended during dark age from **“MARS PLANET”** to **“EARTH PLANET”** (say **MARCH – APRIL**) 3,00,000 years ago. Human ancestors shall also be called as **“MAKKAL MUTHALVAR”**.

(i)



CHITHIRA (Mother of Confidence)

(ii)



CHITHIRAN
(Father of Confidence)

“Namaste to “MAKKAL MUTHALVAR” in the new age!...”

- By beloved children.

March 21, 2015

CONSTRUCTION OF LEARNING ENVIRONMENT SCALE FOR SECONDARY SCHOOL STUDENTS

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ABSTRACT

In the present day education system, the infusion of technology into teaching and learning has a remarkable influence on the instructional strategies of the educational institutions. The traditional teacher-centric method which has been going on for decades has now been modified and enhanced, owing to technology. In contrast to the traditional methods, in the modern learning environments, students play an active role in their learning process and determine how to reach their desired learning outcomes on their own. This student-centered approach empowers students to build up their knowledge and enables them to think critically, work in teams and solve problems collectively. Students are always enthusiastic and demonstrate positive attitudes towards the student-centered learning environment.

INTRODUCTION

Learning occupies a very important place in our life. Learning provides a key to the structure of the process by which an individual acquires knowledge attitudes and skills that are necessary to meet the demand of life. Learning is any relatively permanent change in an individual which results from experience. it is an active process. In learning is an interaction of the environment with the organism.

In the present context, our educational system cannot cope with the knowledge explosion occurring in the world. India being a developing country is still striving for giving secondary education to all its citizens. In spite of the implementation of new methods and ideas in the educational setup, the academic performance and achievement of the individuals are declining day by day. For improving academic performance of the individuals, educators must identify the factors affecting the achievement and performance of students and frame suggestions for overcoming the obstacles in the path of maximizing academic achievement. Learning Environment is an important factor which can affect ones academic performance and achievement because Learning Environment plays an important role in moulding the inherent potentials of an individual. The Learning Environment involves the home environment, school environment and social environment.

Home environment of the learner can influence the quality of learning. This include physical atmosphere of home such as study place, appropriate furniture, lighting ventilation, relationship among family members, Socioeconomic status of the parents and siblings, attitude of family members, motivation given by family members.

School environment is a crucial factor influencing learning process. This includes infrastructural facilities including convenient building, play ground, furniture etc. Approach of teachers, Discipline of the school, personal qualities of teachers.

Social environment includes parents, members of the family, other relations, friends, neighbors, teachers society at large. It also includes rules, regulations and traditions of the society. Academic success and failure depend on the combination of pupil, school subject, peers, teachers and parents. Students who are properly motivated and having good Learning Environment cane exhibit high achievement in academic areas.

The student-centered learning approach is constructivist in nature, it enables students to visualize a problem with multiple perspectives and allows them to participate in their own learning process. Students are now challenged to develop skills in problem-solving and to exercise analytical, critical and creative thinking in their work and are encouraged to learn more about their subjects. The role of the teacher now alters to being a facilitator and a consultant to the students, supporting them throughout their learning process, rather than just being a dictator in the entire process.

For teachers who wish to create a more student-centered environment, things are not always easy, since creating such an environment is an intensive process which requires a lot of consideration and knowledge. First of all, they need to come out of the practice of being the 'sage on the stage', and also the students who are not used to being active participants in their learning need a good deal of adjustment. Technology can help pave the way for both teachers and students, but it certainly requires a teacher who is adept at creating a course that raises the pedagogical benefits of that technology has towards helping students meet the desired learning outcomes. A roadmap needs to be followed for matching technological tools to learning outcomes, so that technology can be used to get students to interact with course content in an engaging and productive fashion.

Learning, Environment Questionnaire for the present study was constructed and standardized by the investigator in co-operation with the supervising teacher. By using this questionnaire the investigator intends to measure up to what extent the Learning Environment of higher secondary students affects their achievement.

Learning Environment refers to the background of the people which means his home environment, school environment and social environment. So the three components involved for the present study are home environment, school environment and social environment.

The Learning Environment Questionnaire consists of 70 statements related to 3 areas such as home, school and social environment. The statements in The Learning Environment Questionnaire are classified under the dimensions described below.

i) Home Environment

Primarily family living experiences play most crucial role in the development of harmonious personality in children. Parents should meet the legitimate needs of their child. The infant should feel secure and loved in his home. Parents should inculcate positive habits in their children. People and conducive environment should be provided in early childhood for the development of the child. The important factor which affects the adjustment is the attitudes of parents towards their children. Rejection and lack of affection may lead to mal adjustment in behaviour and thus affects their achievement level.

Example of Statements are given below

1. My parents helps me to keep my books and study materials in a proper place and in tact.

Yes

No

☐
☐

ii) School Environment

The school have great influence in the process of proper development of personality of children as they spend long hours in schools. Schools are in position to help in the development of children's potentialities by catering their needs. It should provide a feeling of security in each and every student irrespective of their religious or socio-economic conditions. It should provide conducive environment for learning free from fear, tension and frustration, democratic environment, enough infra structural facilities, teachers' role, freedom of expression, moral education etc. influence the proper development of physical, mental and spiritual abilities of children. Hence school environment plays one of the most important roles in the all round achievement of the child.

Example of statements are given below

1. Teachers are able to deal freely and frankly with the students

Yes No

☐
☐

iii) Social Environment

Everybody wants to be socially accepted by other persons. If a person obeys social norms, beliefs, and set values, we call him well adjusted but if we satisfy his needs by anti social means then he is called mal adjusted.

Example of statements are given below

1. I take part in various Quiz programmes conducted at clubs.

Yes

☐
☐

The questionnaire consists of both **positive** and **negative** statement

Positive statement

Myself and my siblings have a separate room at home for study

Yes No

☐
☐

Negative statement

As I do the house hold work, I am not able to spend more time in studies

Yes No

☐
☐

Validity

Content validity was done and opinions were experts of the field were sought. As per their directions,44 items were accepted, about 6 items were modified and 10 items were rejected and the final tool emerged with an item pool of 50 items.

Breakup of Number of Questions as per Learning Environment components

| Sl. No. | Learning Environment Components | Question Nos. | No. of Questions |
|---------|---------------------------------|--|------------------|
| 1 | Home Environment | 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 | 27 |
| 2 | School Environment | 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55 | 28 |
| 3 | Social Environment | 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70 | 15 |

3.3.1.4 Editing

All the questions were arranged in hierarchical order and a questionnaire was prepared with necessary instructions at the beginning. The draft of the questionnaire was administered to ten students of standard XI. For finding out whether there is ambiguity of the items, difficulty to follow the instruction and for estimating the time taken for it. On the basis of this the questionnaire was re-edited and draft of the questionnaire was prepared and got printed.

3.3.1.5 Mode of Responding

For each statement of the Learning Environment questionnaire two responses (Yes) and (No) are given in the questionnaire. The pupil have to put a (✓) mark on the box beside each question respective to their choices. There was a time limit of 40 minutes for completing the responses of the questionnaire.

Try out

Learning Environment questionnaire was tried out on a representative sample of 325 pupils of standard IX. In selecting the sample, care was taken to give representation to sex, locality, school management. The pupils were instructed to respond to all the items in the Learning Environment questionnaire.

Scoring procedure

In this questionnaire, each item of the test is scored as either one (1) or zero (0). For positive statement (1) score is allotted for marking responses **Yes** and (0) for marking response **No**. For the negative scores the system is reversed. The total score of the questionnaire is obtained by summing the scores of all the statements.

Item analysis

For item analyses the procedure suggested by Ebel (1991) was used. The total score of each respondent was calculated and the scored answer sheets were arranged in ascending order of total scores and first 27% low group and the last 27% high group were taken for item analysis. From the 2 groups the t-value was calculated to validate the items for the final study. The t value for all the seventy items were formed out and the items having t value 2.58 and above were selected for the final test.

The t value for each item was calculate using the formula

$$t = \frac{X_H - X_L}{\sqrt{\frac{S^2 H}{nH} + \frac{S^2 L}{nL}}}$$

Where

- XH = The mean scores on a given statement for the high group
 XL = mean scores on a given statement for the low group
 S² H = The variance of the distribution of responses of the high group to the statement
 S² L = The variance of the distribution of responses of the low group to the statement
 nH = The number of subjects in the high group
 nL = The number of subjects in the low group

The t value obtained for the 70 items are given in the table. A statement with t value greater than or equal to 2.58 was selected for the final scale. Thus the number of items in the final scale was reduced to 50 items.

t- value for the items of Learning Environment Questionnaire for Higher Secondary School students

| Qn.No | T _ Value | | Qn No | T _value | |
|-------|-----------|-----|-------|----------|-----|
| 1 | -0.181 | | 36 | 2.700 | *23 |
| 2 | 2.97 | *1 | 37 | 2.030 | |
| 3 | 2.435 | | 38 | 2.392 | |
| 4 | 2.158 | | 39 | 3.248 | *24 |
| 5 | 3.182 | *2 | 40 | 3.279 | *25 |
| 6 | 6.333 | *3 | 41 | 3.279 | *26 |
| 7 | 3.788 | *4 | 42 | 1.623 | |
| 8 | 3.978 | *5 | 43 | 1.01 | |
| 9 | 4.473 | *6 | 44 | 3.417 | *27 |
| 10 | 3.809 | *7 | 45 | 5.087 | *28 |
| 11 | 3.615 | *8 | 46 | 5.487 | *29 |
| 12 | 4.452 | *9 | 47 | 3.887 | *30 |
| 13 | 3.103 | *10 | 48 | 3.943 | *31 |
| 14 | 0 | | 49 | 3.669 | *32 |
| 15 | 1.341 | | 50 | 3.552 | *33 |
| 16 | 7.344 | *11 | 51 | 2.997 | *34 |
| 17 | 1.510 | | 52 | 4.022 | *35 |
| 18 | 0.655 | | 53 | 3.386 | *36 |
| 19 | 3.123 | *12 | 54 | 3.356 | *37 |
| 20 | 0.639 | | 55 | 3.363 | *38 |
| 21 | 4.117 | *13 | 56 | 4.695 | *39 |
| 22 | 4.285 | *14 | 57 | 4.618 | *40 |
| 23 | 0.990 | | 58 | 6.534 | *41 |
| 24 | 3.176 | *15 | 59 | 7.710 | |
| 25 | 4.123 | *16 | 60 | 2.568 | *42 |
| 26 | 3.809 | *17 | 61 | 2.047 | |
| 27 | 3.437 | *18 | 62 | 3.607 | *43 |
| 28 | 3.140 | *19 | 63 | 2.158 | |
| 29 | 2.269 | | 64 | 3.620 | *44 |
| 30 | 3.156 | *20 | 65 | 3.610 | *45 |

| | | | | | |
|----|-------|-----|----|-------|-----|
| 31 | 3.713 | *21 | 66 | 4.285 | *46 |
| 32 | 4.593 | *22 | 67 | 6.182 | *47 |
| 33 | 2.047 | | 68 | 7.445 | *48 |
| 34 | 1.261 | | 69 | 2.868 | *49 |
| 35 | 2.335 | | 70 | 3.378 | *50 |

3.3.1.9 Reliability

For the present study reliability was established by the split half method. 200 response sheets were selected at random and even and odd test items were separately scored. The two scores obtained were correlated to find out the reliability co-efficient 'r' for half the test was calculated using the formula.

$$\frac{N \sum XY - \sum X \sum Y}{\sqrt{N \sum X^2 - (\sum X)^2} \sqrt{N \sum Y^2 - (\sum Y)^2}}$$

Where;

X = Total score for one Variable

Y = Total score for other Variable

N = Number of students

From the reliability of the half test the correlation of the whole test was then estimated by the following Spearman Brown Prophecy formula

$$r_{11} = \frac{2 r_{1/2} 1 / 11}{1 + r_{1/2} 1 / 11}$$

Where;

r_{11} = reliability of coefficient of the whole test

$r_{1/2} 1 / 11$ = reliability coefficient of the half test.

Found experimentally

The reliability of the test was found to be 0.85. The tool is considered to be highly reliable.

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GENDER INEQUALITY IN INDIAN CONTEXT: MYTH OR FACT

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ABSTRACT

It is a fact that women have been the victims of inequality since long time in different fields in their life both physically and mentally. There are several causes of sexual as well as moral abuse which are very often highlighted by the media, and a lot of those also remain unnoticed. Although, such malpractices to women are not of recent origin, its trace is found in the history of ancient India. While identifying its key reasons, it is realized that the long run supremacy of male over female in all respect in the patriarchal society in India is highly responsible for arresting the empowerment of women. Consequently, they are being trafficked for sex, hacked at workplaces and tortured in family as well as society. The paper has attempted to find out the gender inequality in Indian context: myth or fact as an expression of socio-economic discrimination in Indian perspectives.

Research Methodology: The study is carried out based on existing research, and secondary data from various sources.

Key words: Inequality, women, Gender inequality, Sex Ratio, Awareness, Socio Economic Disabilities,

OBJECTIVES

The major objectives of this paper are stated below-

1. What is gender discrimination?
2. To know various legislation/ laws enacted in order to provide protection to women.
3. To find out Socio Economic Disparity
4. To understand different form of Gender inequality and crime against women in present society.
5. To provide some suggestions to overcome these issues: so that women may live freely, walk freely and talk freely.

INTRODUCTION

Equal????... From Their Origin

“Women are as essential as men for the continuation of human life and development of society. Any discrimination based on gender is a grave offense. Islam considers it a sin against the Creator and Lawgiver who made men and women equal participants in the human species”.

The first verse of a lengthy surah (chapter) of the Quran called “The Women” The Vedas glorified women as the mother, the creator, one who gives life and worshipped her as a ‘Devi’ or Goddess but centuries have passed, the plight of women is not likely to change yet. Time has helplessly watched women suffering in the form of discrimination, oppression, exploitation, degradation, aggression and humiliation. Though in progressing India, woman occupies a vital position and vulnerable role in each & every field but she has to compete/ fight to prove herself equal to man. Why her capability is not being accepted by the male dominating society yet? Why she is addressed as weaker section always in the name of eligibility and capability but always fair in the name of sex ?Why this duality is originated for women only? Why she should be recognized /valued as an object onl?. Why she is not an asset since birth? In the Population Census of 2011 it was revealed that the population ratio in India 2011 is 940 females per 1000 of males. This inequality is not only at population basis but is prevailed in all the levels and corners of the society.

1. What is Gender Inequality?

Gender inequality means disparity between men and women in different social, economic and political aspects. Gender inequalities refer to the obvious or hidden disparities among individuals based on sex. This problem is simply known as ‘gender bias’ or gender discrimination means gender stratification or drawing differences between a male and a female. In India, it is noticed, women were considered as an oppressed section of the society and they were neglected for centuries. In India, this problem is found both in rural and urban areas and spatially i.e. in offices, institutions, schools and in societies. According to Nobel laureate Prof. Amartya Sen, (2001) there are seven types of gender inequalities at present like mortality inequality, natality inequality, basic facilities inequality, special opportunity inequality, professional inequality, ownership inequality and household inequality.

2. Various legislations / laws enacted in order to provide protection to women

For this reason the Constitution of India has incorporated provisions (Article 15) to guarantee equality before law and equal protection of laws for all. Similarly, there shall be no discrimination against any citizen on the ground of sex. In addition, since independence, a number of laws have been enacted in order to provide protection to women. For example: The Dowry Prohibition Act 1961, The Equal Remuneration Act 1986, The Hindu Marriage Act 1956, The Hindu Succession Act 1956, The Muslim Women (Protection of Rights on Divorce) Act, 1986, The Commission of Sati (Prevention) Act 1987, Indecent Representation of Women (Prohibition) Act, 1986, Torture - both mental and physical (Sec. 498-A IPC) , the Protection of the Women from Domestic Violence Act 2005, etc. But the laws are hardly implemented in letters and spirit. Several legal reforms have taken place since independence in India, including on equal share of daughters to property. Yet gender equality with respect to succession or right to property remains elusive. The most significant factor in continued use of law to enforce patriarchal privilege is that men still control not only the legal process and the interpretation of laws, but also the subject matter and vantage point of law. It is well known that law is strictly restricted in its capacity to deliver gender justice, which in itself is contingent on the nature of law and its functioning. In this connection it is worthwhile to recall that the law itself is not a monolithic entity, which simply progresses or regresses. Historically, the development of law has been an uneven one. That is to say, more than not, what law promises on paper cannot carry through in reality. That is why law-as-legislation and law-in-practice are most of the time in contradiction with each other. To cite an example, the Indian constitution explicitly enshrines formal equality for women, but the lives and experiences of India women relentlessly continue to be characterized by substantive inequality, inequity and discrimination.

There are various forms of crime against women. Sometimes it is even before birth, some times in the Childhood, adulthood and other phases of life. In the Indian society, position of women is always perceived in relation to the man. This perception has given birth to various customs and practices. Women are facing problems in every sphere of life whether Political, social, educational, employment, access to health care or property rights. India is fast developing but women's condition in India continue to be discriminated. The declining sex ratio in India adequately portrays the discrimination shown towards women at the stage of birth. They are victims of crime directed specifically to them, rape, kidnapping and abduction, dowry-related crimes, molestation, sexual harassment, eve-teasing, etc. Women are being trafficked for sex, harassment at workplaces and tortured in family and society. Problem of Unemployment, Poverty, Economic Inequality, Gender discrimination, Lack of Proper Education etc. are the part and parcel of society and have affected mostly women only.

3. The problem of inequality in employment being one of the most pressing issues today

Despite the positive developments for women in India increased visibility in the public sphere, presence of women in the labour force across international borders and lower fertility rates--gender discrimination persists in India.

According to work participation rate for Indian men at 51.9 per cent is nearly double that of the female participation rate of 25.7 per cent, given India's social scene shows the weaker position of women within gender relations in society transmits into work spheres as well, where male bosses exercise superiority over female subordinates. The difficulty in accepting women as superiors or bosses as it challenges the traditionally acceptable gender relations is often witnessed in the biased behaviour of decision makers and employers during recruitment, promotion and so on (Stromquist ed., 1998; Divakaran, 1996; Duraisamy and Duraisamy, 1998).

women's labour productivity or efficiency levels being lower than that of men undertaking similar work, or that the physical/biological nutritional requirements for women being considered lower than that for men serve as a justification for relatively lower wage rates being assigned to women as compared to men (NCSEW, 1988; Papola and Sharma (eds.), 1999). These theoretical arguments available in the literature display inadequacies in their instructive potentials to understand wage determination processes in the Indian context, as well as women are perceived as secondary workers or supplementary earners.

The social upbringing and environment influences girls into aspiring for certain Stereotypical jobs and even a few of them who are free of such encumbrances face Constraints in pursuing employments viewed as being male-oriented (Dev, 2002). Gender discrimination continues to be an enormous problem within Indian society. Traditional patriarchal norms have relegated women to secondary status within the household and workplace. This drastically affects women's health, financial status, education, and political involvement. The Global Gender Gap Report 2013 released by non-profit organization, World Economic Forum ranks India at 101 among 136 countries. The report ranks countries by measuring the size of the gender inequality gap in four

areas — economic participation and opportunity, health and survival, educational attainment and political empowerment such notions are visible even though slow and gradual. Entries of women into activities, such as drivers, mechanics, pilots, policewomen, security personnel and so on are the some example of inequality.

Factors determining women's labour supply are not adequately explained by the individual oriented work, effort, leisure or even wage remuneration based considerations. In fact, in most cases labour supply decisions especially for women need to be seen from the household point of view, since women have the additional responsibility as domestic care givers (Tinker ed., 1990; Agrawal, 1993). Women's labour supply behaviour is distinct from that observed for male labour in terms of age of entry, inherent human capital attributes, marital status and social class position affecting their mobility in public spaces, fertility or reproduction and so on.

Despite the increasing work participation among women over time, far fewer women than men enter the labour market as workers and the age of entry among women is later than that noted for men. The reasons for such behaviour relate to the socially defined roles within the household and the gender division of labour. A substantial number of women enter the labour markets in their thirties, generally after completion of their reproductive roles of child bearing and rearing. The circumstances under which women and men offer their labour services differ due to their socially defined roles within the household and the family's relative levels of emphasis upon human capital investments for boys and girls based on their future expectations from them.

Since boys are brought up with the expectation that they will grow to become 'bread earners' and employed adults, investment on their educational and training pursuits are considered essential, while discounting the same for girls who are viewed as future 'homemakers' rather than paid workers in the labour markets (PROBE, 1999; Tilak, 2002). The educational levels of the labour force by sex reflect the high proportions of illiterate workers both in rural and urban areas.

4. Cultural beliefs and traditions that discriminate against women

May be officially discredited, but they continue to flourish at the grassroots levels. There is a massive and clinching evidence of gender bias in different walks of life. Even as the latest UNDP Report ranks India 119 in the Human Development Index, in the Gender Inequality Index, India ranks 122 at 0.748. "Women and children are the most disadvantaged sections of the population in terms of resources, access to healthcare, education, information and communication technology," "Female-male ratio of representation in parliament is a mere 0.1, female-male ratio of population with at least secondary education is 0.5." With respect to degree of, prevalence of gender bias India ranks 10th out of 128 countries of the world. The sense of insecurity, humiliation and helplessness always keep a woman tight-lipped. Our whole socialization is such that for any unsuccessful marriage which results in such violence or divorce, it is always the woman, who is held responsible.

Preference for a son- "The deepening of sex ratio imbalances can be largely attributed to a marked preference for a son in tandem with a rapid decline in fertility, as infant daughters may be subjected to maltreatment, neglect and abandonment, and new technologies allow sex selective biases against females. According to the most recent estimates, China and India account for nearly 80 per cent of all 'missing women' in the world."

Family relations in India are governed by personal laws. The three major religious communities are— Hindu, Muslim and Christian each have their separate personal laws. They, as said before, are governed by their respective personal laws in matters of marriage, divorce, succession, adoption, guardianship and maintenance. In the laws of all the communities, women have fewer rights than that of men in corresponding situations. It is really sad that women of the minority communities in India continue to have unequal legal rights and even the women of the majority community have yet to gain complete formal equality in all aspects of family life. This is basically the problem of gender inequality. However, inequality between men and women can take many different forms. Indeed, gender inequality is not one homogeneous phenomenon, but a collection of disparate and interlinked problems. The issue of gender inequality is one which has been publicly reverberating through society for decades.

5. Gender Inequality Related to the attitude of Society and Family

India is one of the fastest developing economy of the world but it remains weak socially because of its social disparities such as social disorganization, gender discrimination etc. Taking the historical archives into consideration, it becomes easy to note that gender inequality is greatly concentrated in Indian society in the face of political contribution, economical contribution, educational contribution etc. by women. There is a clear distinction between the roles of men and women in terms of expectations from the Indian society. A woman is expected to be confined to the domestic life where she has to nurture the offspring and take care of the older

members of the family. The family system in India is combined where more than one couple along with their offspring live in a same home. This makes the woman to play a role of a care taker of home. But seemingly, it has been noted that a woman is not even given with dichotomy to decide in the domestic affairs. This indicates the issue of reproduction (Agnes, 2001). With the advancement in technology, it has been noted that exploring the gender of fetus is no difficult anymore. Most of the Indian families make use of the ultrasound to find out the gender of the fetus. In case the reports would show the gender of the fetus to be female then it will be aborted there and then. This is because baby girls are considered as an onus on the family by men. In other words, it could be said that most of the people in India, despite becoming economically developing, consider birth of a female child as a bad luck. On the other hand, in case the fetus is found to be male then woman is given much more care and the baby is welcomed in the family with baby showers and celebrations. This is one of the biggest gender inequalities which can never allow India to become a fully developed country in the world (Agarwal, 2002).

However, it has been noticed in the contemporary age, women have excelled in terms of job employment and entrepreneurship but the percentage of these women is relatively lesser than those being beaten and confined to domestic chores. Considering the fact that many women rebelliously leave their homes and shift to the metropolitan cities by renting a room at a guest house (which is a common practice in India in since 2001), there is a backlash for job opportunities for these women. It is much easier to understand in the context of the dichotomy being practiced by the male-dominated society of India. If a woman is not allowed to give birth to a baby girl and that her domestic life is being dictated by men then it is more likely to note that these women will also have no share in the service sector or any field for employment (Ray, 2005).

Furthermore, it should be noted that the gender inequalities in India is greatly associated with the caste system. The religion and social structure of Indian society is relatively streamed which means that there are different communities within the society and religion which makes it even complicated to provide equal rights to each individual. The differences in the class system are mainly due to the caste system being followed in Indian society. The government has divided the states of India in such a way that the share of resources among these states varies by large. This means that different castes of a particular state have lesser access to the resources. This issue thus gets a higher concentration in the human rights provision. When it comes to share the resources, it becomes easier to note that allocation of resources among women and men becomes unequal (Rives & Yousefi, 1997).

The statistics have shown that women who work in the agricultural sector (seeding, harvesting etc.) in the rural areas have a share in the home budgetary earnings. Despite their share in the earnings, they are not given the share of resources. This is evident in the case of girls not being sent to school for acquiring education where boys are motivated to study and earn studies. In most of the cases, these boys are also sent to urban areas or abroad for getting higher degree education. In case of girls, this is totally impossible because the societal expectations from the female members of the family are to work domestically. It is a common perception in India that girls have to get married and transfer to another family for reproduction and maintaining family setup. Education as a resource is totally misallocated for females in India (Webber & Bezanson, 2008).

In addition to the resources of education being expelled from the female population of India, another aspect is the health care delivery for women. Many studies have been proposed to conclude the delivery of health care delivery to women in India. As per these studies, it can be said that women morbidity is relatively higher among women in comparison with men. It is mainly because they are exposed to a number of situations where they are more likely to develop a disease within their bodies. For instance, cases where female fetuses are aborted, these women are not provided effective health care as women after abortion becomes prone to get diseases. Another study noted that most of the Indian women get victim of asthma because of the smokes in the kitchen or burning up the bamboo for lighting purpose. This clearly noted that women are prone to become victim of any biological diseases in comparison with men (Planning Commission, 2007).

Another devastating fact to note here is, last, left, little, means women are given less and left food at last than those of the male members in the family. This puts women into the risk of undernourishment. This results in the weak bodies of women which can lead into miscarriages and death in the worst cases. According to the statistics, it was observed that female children are hospitalized less than male children. The major reason which is given to the parents of such female children is that they have been brought to the hospital at the early stage. The beds in the hospitals are more provided to the male children because they are considered as the bed runners of the family which makes it compulsory to provide health care delivery with positive outcome. Therefore, it will not be incorrect to state that female children are more likely to die of the diseases than those of male

children in the hospital. At some instances, it has been reported that parents do not undergo diagnostics process in case their female offspring has a probability of illness. This is because of the social fear they have in their minds. In simpler words, if it is known that a girl has some sort of disease of weakness for which she is being treated then she is considered less eligible for marriages in good and reputed families. Consequently, parents of girls do not report their daughter's illness in the hospital (Mathu, 2008).

As per surveys, it was also found out that women in the rural areas depend upon the home-based remedies because they believe that the attitude of the health care workers is unreasonable. The health care institutions which are on the panel of government have staffs which are not competent for providing health care. In this way, they lack the control or communication skills with the patient. This often results in unnecessary argument between the nurse and patient (Ruxton, 2004).

Additionally, gender inequality is quite common in India in terms of opportunity cost. Families which are not able to pay the bills of the private hospital will opt for a governmental health care institution where they have to wait for their turns which can take at least two to three days. For quicker treatment of the patients, families have to pay hefty amount for treatment. In such cases, females are often neglected and payment is done only for boys (Jasmine, 2007).

It should also be noted that in some cases women may be able to spend good earnings ratio at home. This means that the cash a woman earns is more likely to be consumed in the home expenditure. On the other hand, men may use their salaries on luxury such as cigarettes, tea etc. At some point, it is evident that husbands would not even share the details about their overall earnings with the women at home. Thus, this clearly gives an idea that men are irresponsible in many cases especially the poverty level of the society.

Participation in politics is another area which has noted a great deal of gender inequality in India. Female politicians who are able to take their place in the system are more likely to be from a family who is already involved in politics. Despite having the background of a politically involved family, these candidates get lesser votes from the population on the basis of question regarding their leadership. In India, it is considered that women cannot lead the country or any practical policies despite the contribution of women heroes in the call of independence (Ray, 2005).

6. Gender Inequality in Education

Women's education is extremely important intrinsically as it their human right and required for the flourishing of many of their capacities (Priya, 2009). Though women have made strides in various fields, still they lag behind men in terms of literacy rate. A major cause of this is lack of social awareness, social customs and rituals which do not let a woman to break free. According to Census 2011, India's literacy rate is 74.04 per cent. Literacy rate among Indian women is 65.46 pc, while for men it is 82.14 per cent. Pre-entry differentiation is visible from the subjects and professional courses women pursue, not so much due to their capabilities but more due to the socially accepted appropriateness of it. These compulsions affect the women and girls themselves, their parents, teachers, and other agents who have a role in their educational endeavours howsoever remote that may be. Vocational training instructors and policymakers often make provisions for girls to pursue the stereotypical skills that are influenced by their notions of what is 'meant' for women (Raju, 2004; Duraisamy and Duraisamy, 1999).

SUGGESTIONS

1. Establishment of laws and bringing practices in conformity thereto is necessarily a long drawn out process. The government, the legislature, the judiciary, the media and civil society has to perform their roles, each in their own areas of competence and in a concerted manner for the process to be speedy and effective. We need communities and individuals to be a part of this **change in mindsets, attitudes and beliefs**.
2. **Create healthy environment** for women and girls everywhere by supporting efforts to end gender inequality, bringing them to the centre of peace building, advancing their political participation and leadership and increasing their economic empowerment.
3. **Create awareness** everywhere about women to end discrimination against women and girl through the education and strong social, moral, and cultural values and make strong laws to punish victim immediately in Present Indian society.
4. **Women Education:** Education is one of the powerful tools in the liberation and the empowerment of women. It is the single utmost factor which can amazingly improve the position of women in any society. In Indian modern society it is very much essential to **all women get educated** to solve all women issues in any

society and circumstance. Only education will give them strength and societal status, in order to live with honour and pride. This will increase the women smooth living in modern society. Every woman has a fundamental right to be safe protesting injustice, if a woman is able to protest herself with the right and education, it should be remembered that the socio economic empowerment must be ensured by the nation to minimize the exploitation which can help to improve the status of women.

CONCLUSION

With the passage of time, changes have been taking place in everywhere in almost every field but to protect honour of women; several commissions have been set up from state to national level, even at global level. International Women Day is celebrated, a number of women organizations have been working for women freedom and empowerment. But all of those are external in nature as mentality is the product of society and culture. In the same family, a boy gets more liberty than a girl. Moreover, there is lack of security of girls in Indian society.

Though the status of women in India, both historically and socially, has been one of the respect and reverence, but the hard truth is that even today, they are struggling for their own identity, shouting for diffusion of their voices and fighting for their own esteem. Every day, they cross among the fears and fraught for individuality. Despite the constitutional guarantee of equality of sexes, rampant discrimination and exploitation of women in India continues. It is high time now that women should get a respectable and dignified position in the Indian society. Crimes against women should be made punishable. Upbringing of a person plays a very important role to shape his attitude towards woman. Every male child should be taught to respect females and treat them as equal. Indian men need to understand that women have dreams and aspirations just like them. To make their dreams come true, women should be treated equally. Thus "A society that is unable to respect, protect and nurture its women and children loses its moral moorings and runs adrift." (The Hindu- Opinion Sept, 15, 2012)

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A CRITICAL ANALYSIS ON ENTRY TAX: A BARRIER ON FREE TRADE IN INDIA

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ABSTRACT

Entry 52 List II of Seventh Schedule of the Constitution of India provides 'taxes on the entry of goods into a local area for consumption, use or sale therein. The tax levied under this entry is commonly known as Octroi duty. The Investigator has primarily tried to find the solutions of the question whether octroi duty levied by the States could be considered to be violative of the freedom of trade, commerce and intercourse guaranteed by Article 301 of the Constitution of India.

INTRODUCTION

The framers of the Constitution of India visualised for India a federal Constitution providing for a strong Central Government, strong enough not only to take care of its own responsibilities but to guide and coordinate the activities of the States also. The framers of the Constitution, on the one hand makes a clear demarcation of legislative subjects between the Union and the States adhering to the basic federal principle, on the other hand, it contains a large concurrent List, embodying a typical Indian set-up, in which, ultimately, the balance tilts in favour of the Union. From a strong Centre, the framers did not mean weak States, which were allowed, in normal times, to act independently in designated and by no means insignificant areas of government.¹ In the United States of America and in Australia the Constitution contains only the powers of the Federal Legislature. The remaining powers vested in the States. In the Constitution of Canada there are two Lists, the Union List and the State List. The Government of the India Act, 1935 classified all possible topics of legislation in three Lists. The Constitution of India have in this regard also, as in many others, adopted the 3- fold List system of the Government of India Act, 1935.²

List I of the Seventh Schedule called the Union List contains 100 Entries.³ These entries includes matters of national importance. List II of the Seventh Schedule called the State List contains 61 Entries,⁴ the List comprises of topic over which the State has exclusive power to legislate. List III of the Seventh Schedule is the Concurrent List, it comprises of 52 Entries.⁵ Both Union and the States are competent to make laws in relation to these Entries.

SCOPE OF LEGISLATIVE POWERS OF THE STATES ON OCTROI DUTY.

Article 245(1) in Part XI of the Constitution of India provides that the Legislature of a State shall make laws for the whole or any part of the State. The legislative power of the State Legislature is thus confined to the territory of the State.⁶

The distribution of the head provided in the Seventh Schedule of the Constitution of India is subject to Article 246. Article 246 provides the manner in which the legislative heads may be distributed among Parliament and the State Legislature. Article 246(3) provides that the State Legislature has exclusive power to make laws with respect to any of the matters enumerate in List II in the Seventh Schedule. It may be noted that the State Legislature in Article 246(2) is given concurrent power over subject matters provided in List III.

¹ Narender Kumar, Taxing Powers and Distribution of Revenue; A Study of Centre-State Financial Relations under Indian Constitution, First Published, 1987, Deep & Deep Publications, New Delhi, p.482

² Brij Kishore Sharma, Introduction to the Constitution of India, Sixth Edition, 2011, PHI Learning Private Limited, New Delhi, Pages 287, 288.

³ The last Entry is numbered as 97 but a close reading would reveal that Entries numbered as 2A, 92A, 92B and 92C has been added and Entry 33 has been omitted. Thus the total number of Entries is 100.

⁴ The last Entry is numbered 66. It should be noted that by the Seventh Amendment Entry 36 was omitted. After that by the 42th Amendment Entries 11, 19, 20 and 29 were omitted. Thus the total number of Entries is 61.

⁵ Originally the List had 47 Entries. By subsequent 5 Entries were added. They are 11A, 17A, 17B, 20A and 33A. The total number is 52.

⁶ Brij Kishore Sharma, Introduction to the Constitution of India, Six Edition, 2011, PHI Learning Private Limited, New Delhi, p.286.

Article 245, read with Article 246 of the Seventh Schedule to the Constitution of India, begins with the words "Subject to the provisions of this Constitution," which means that the powers granted to the Legislatures in those Articles are not Sovereign powers. Those powers are subject to the limitations provided by the Constitution. Article 301 which provides freedom of trade commerce and intercourse begins with the words "Subject to the others provisions of this Part" which means that this Article constitute a limitations on the legislative power of the State Legislature.

The power to levy taxes by the States is subject to the foregoing provisions. The States can not impose discriminatory taxes upon imported goods, because of the specific limitation in Article 304(a).⁷ Consequently no State may discriminate or give preference to one State over another in imposing taxes on goods going out of the State, either because of the specific limitation in Article 303(1)⁸ or by reason of the fact that such taxes may amount to unreasonable restriction on trade and commerce under Article 304(b).⁹

OCTROI DUTY

Entry 52 List II of Seventh Schedule of the Constitution of India provides 'taxes on the entry of goods into a local area for consumption, use or sale therein. The tax levied under this entry is commonly known as Octroi duty.¹⁰ The words 'consumption' and 'use' does not means that the goods must be destroyed or used up in the process.¹¹

The imposition of octroi duty in terms of Entry 52, List II of Seventh Schedule is violative of the freedom of trade, commerce and intercourse guaranteed by Article 301 of the Constitution of India, perhaps, such levy of the tax is compensatory in character. The yardsticks to be applied in determining the compensatory character of the octroi duty would be the same as applied by the Supreme Court of India in *Automobile Transport Limited*¹² and reiterated in *Jindal Stainless Limited*.¹³ The levy of Octroi duty will have to satisfy the principle of proportionality which implies that its quantum should be approximately equal to the benefit conferred on trade as a result of the tax. The Court observed,¹⁴ that the primary purpose of a taxing statute is the collection of revenue. On the other hand, regulation extends to administrative act which produce regulative effects on trade and commerce.

The Court has also observed¹⁵ that when the tax is imposed as a part of regulation or as part of regulatory measure, its basis shifts from the concept of "burden" to the concept of measurable or quantifiable benefit and then it becomes a "compensatory tax" and its payment is then not for revenue but as reimbursement or recompense to the service or facility provider. The burden is always on the State to prove that the payment of compensatory tax is a reimbursement or recompense for the quantifiable or measurable benefit provided or to be provided to its payers. A compensatory tax may incidentally bring in net revenue to the government but that

⁷ Legislature of a State may by law impose on goods imported from other States [or the Union territories] any tax to which similar goods manufactured or produced in that State are subject, so, however, as not to discriminate between goods so imported and goods so manufactured or produced.

⁸ No State Legislature shall have power to make any law giving, or authorising the giving of, any preference to one State over another, or making, or authorising the making of, any discrimination between one State and another, by virtue of any entry relating to trade and commerce in any of the Lists in the Seventh Schedule.

⁹ Legislature of a State may by law impose such reasonable restrictions on the freedom of trade, commerce or intercourse with or within that State as may be required in the public interest: Provided that no Bill or amendment for the purposes of clause (b) shall be introduced or moved in the Legislature of a State without the previous sanction of the President.

¹⁰ Narender Kumar, Taxing Powers and Distribution of Revenue; A Study of Centre-State Financial Relations under Indian Constitution, First Published, 1987, Deep & Deep Publications, New Delhi, p.206-207.

¹¹ Ibid/ for example, wheat imported into the municipal limits by flour mills for converting it into flour, is taxed under this Entry as conversion into flour by grinding involves an user of wheat. It is not essential that the flour shall be consumed in the State itself.

¹² *Automobile Transport Limited v. State of Rajasthan*, All India Reporters 1962 Supreme Court 1406, 1430.

¹³ *Jindal Stainless Limited v. State of Haryana*, All India Reporters 2006 Supreme Court 2550.

¹⁴ Ibid.

¹⁵ Ibid.

circumstance is not an essential ingredient of compensatory tax. It is clear that even if Entry 52, List II of Seventh Schedule does not specifically requires the State to spend the money collected in that local area, still any compensatory tax cannot be a device of revenue collection for the State and it has to necessarily provide some quantifiable or measurable benefit to its payers.

The Court¹⁶ has clearly elaborated the conceptual distinction between a compensatory tax and a fee. Despite the fact that principle of burden (capacity to pay) governs a tax, fee is governed by the principle of equivalence (exaction should approximate the benefit flowing from the exaction). The Supreme Court in *International Tourist Corporation v. State of Haryana*¹⁷ had stated that a compensatory tax need not approximate benefit as it would render it indistinguishable from a fee. The Court in *Jindal Steel Limited*¹⁸ has corrected this proposition and has considered that compensatory tax is a species of fee with the difference that a compensatory tax is levied on an individual as a member of class, while a fee is levied on an individual as such. *V. Niranjan*, in an insightful analysis of the decision of the Supreme Court in *Jindal Steel Limited*, has observed:¹⁹

“A fee is ‘compensatory’ if that particular fee improves the flow of trade, and if so, it will be outside the purview of Article 301. But that does not make it a compensatory tax, because a fee is not a tax in the first place. In other words, equivalence is a necessary but not sufficient condition for a levy to be considered a fee. A tax is generally not compensatory. However, that does not mean that a tax which is compensatory becomes a fee. It continues to be a compensatory tax, and is outside the purview of Article 301 for that reason. A fee, on the other hand, usually has elements of quid pro quo, but will not be ‘compensatory’ unless it improves trade.”

While a compensatory tax could be species of fee but conceptually they are very different from each other. First, a fee would be compensatory if it improves the flow of trade but that does not make it a compensatory tax. Second, a tax which is compensatory does not become a fee. The device of compensatory tax enables the State to override the freedom guaranteed under Article 301 of the Constitution. Hence when there is no bar to the entry of goods at the State border then the octroi duty cannot be termed as a tax on the movement of goods, but it cannot be extended to mean that no octroi duty could be levied when the goods pass through a local area within which they are not sold, used or consumed.²⁰

Any tax on goods within the State which directly impedes the trade, by being excessive in nature, and thus violates Article 301 of the Constitution can be saved by reference to Article 304(b) of the Constitution. Act invades freedom of trade it is necessary to enquire whether the State has proved that he restrictions imposed by it by way of taxation are reasonable and in public interest within the meaning of Article 304(b).²¹

CONCLUSION

With Globalisation, industries require larger markets and as a country cannot be developed, if it try and fragment every State and give liberty to them to levy octroi duty as per their whims and fancies. Further Central Government needs to ensure that it do not allow such controversies to rope in the proposed Goods and Service Tax (GST) scenario and make it clear while implementing Goods and Services Tax (GST) that states cannot levy any octroi duty on goods received within the State for consumption, use, or sale therein. In today’s world, Companies need clarity whether a particular levy is applicable or not so that they can accordingly decide on their end pricing to the consumer. Part XIII of the Constitution is replete with non-obstante clauses and the presence of exception upon exception²² in a series of Articles has often presented complex questions of

¹⁶Ibid.

¹⁷ (1981) 2 Supreme Court Cases 318.

¹⁸ *Jindal Stainless Ltd. v. State of Haryana*, All India Reporters 2006 Supreme Court 2550.

¹⁹ V.Niranjan, Interstate Trade and Commerce: The Doctrine of Proportionality Reaffirmed, Indian Journal of Constitutional Law, 2008, vol.2 p.201

²⁰ *Vijayalakshmi Rice Mill v. CTO*, All India Reporters 2006 Supreme Court 2987.

²¹ *Khyerbari Tea Company Limited v. State of Assam*, All India Reporters 1964 Supreme Court 925.

22. Freedom guaranteed under Part XIII is not absolute while Art. 301 grants freedom, Article 302 to 305 provide for restriction, which can be imposed by Union of India or States.

The makers of our Constitution while framing Article 301 did not follow the U.S. model. Following the Australian model, they introduced certain significant changes. They replaced the words “among the states” and “absolutely free” in section 92 of the Australian constitution by the words “throughout the territory of India”

interpretation before the Court. There are still several ambiguities in the interpretation of Part XIII which should be settled by the Supreme Court of India. As per the present situation the validity of Octroi duty depends on the nature of the levy i.e., Octroi duty is held valid if it is compensatory or regulatory in nature.

and “free” respectively in Art. 301. The freedom in Article 301 is not only confined to inter-state trade and commerce but also extends to intra-state trade & commerce. Further, it is made expressly subject to the other provisions of Part XIII. The following are the other provisions of Part XIII in Article 302-305.

Firstly, Parliament is empowered to impose such restrictions on the freedom of trade, commerce or intercourse between one state and another or within any part of the territory of India as may be necessary in the public interest. But this power is subject to the limitation that Parliament shall have no power to make any law with respect to trade and commerce which gives preference to one state over another, or discriminates between one state and another. But in exception, discrimination among the states is permissible in case of famine or scarcity of goods in any part of India.

Secondly, a state may by law impose on goods imported from other states any tax to which similar goods manufactured in that state are subject.

Thirdly, a state may by law impose restrictions on the freedom of trade, commerce or intercourse with or within the state in the public interest. But this power is restricted in two respects:- (i) a state Legislature cannot make a legislation with respect to trade and commerce which discriminates between the states, and (ii) a Bill imposing restrictions on trade, commerce or intercourse shall not be introduced in the Legislature of a state without the previous sanction of the President.

Fourthly, the restriction, if any, under the existing law shall operate unless the President directs otherwise.

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