PRAKARSHA

(Annual)

Journal of Management Education and Research

Vol. VIII JULY 2022

- Business Ethics
- E-Commerce
- Business Lab
- Development in Management Thought

CHAITANYA

(Deemed to be University)

(Approved u/s 3 of UGC Act, 1956 by MHRD, Government of India)

KISHANPURA, HANAMKONDA
WARANGAL - 506 001 Telangana State

h

PRAKARSHA

(Annual)

Journal of Management Education and Research

Department of Commerce & Business Management

CHAITANYA (Deemed to be University)

(Approved u/s 3 of UGC Act, 1956 by MHRD, Government of India)

Kishanpura, Hanamkonda, Warangal - 506 001
Telangana State, India

PRAKARSHA
Journal of Management Education and Research
(Annual)

(For Private circulation only)

Volume : VIII, July 2022

Copies can be had from:

Department of Commerce & Business Management
Chaitanya (Deemed to be Univerisity)
Kishanpura, Hanamkonda, Warangal-506 001
Telangana, India

Printed at
Ashoka Krishna Offset Printers
Warangal

ADVISORY BOARD

EDITORIAL BOARD

Dr. Ch. V. Purushotham Reddy

Founder & Chancellor
Chaitanya (Deemed to be University)
Kishanpura, Hanamkonda, Warangal

MESSAGE

Over the past three decades, Chaitanya Institutions have made steady and phenomenal progress in imparting quality education with several awards and accolades. Our vision is to take Chaitanya Deemed University (CDU) to greater heights with good digital governance and sound academic standards. Eventually, we want to make CDU a Center of Academic Excellence with creativity, productivity and accountability for knowledge society.

Our proposed Atal Chaitanya Incubation and Innovation Centre involves Engineering, Pharmacy, and other departments in thrust areas of farming, app development, manufacturing, etc. We are planning for BIRAC under Bio-Nest in collaboration with the University of Hyderabad involving the departments of Biotechnology, Microbiology, Biochemistry, Chemistry, Mathematics, Computer Science, Engineering Pharmacy, in thrust areas of agriculture, poultry, animal husbandry, food processing and value addition, biomedical engineering, etc. We were shortlisted for the DBT Skill Vigyan Program monitored by TSCOST. We have submitted the DBT Builder Program for financial assistance involving all the departments of science. We have also submitted proposals for CRG, Startup Grants and Matrix under SERB-DST. Departments of Engineering, Pharmacy, Computer Science, Commerce and Business Management have submitted Research Project Scheme (RPS) under AICTE Program. We have successfully conducted the second PhD Eligibility Test and have made admissions.

We have instituted the Chaitanyam to encourage high impact factor papers with original ideas and patent holders, and to promote serious and sustained academic work. Prof. M. Sunder Ram (from Maths), Dr. T. Narasimha Swamy and Prof. M. Ravindar (both from Chemistry), Dr. G. Kumara Swamy and Prof. V. Mallikarjun (both from Pharmacy) received Chaithanyam-2021 Awards (with a gold medal and a certificate). We hope these awards will create healthy competition promoting serious and sustained academic work on our campus.

Earn-While-You-Learn Program is our latest initiative. Interested PG first year students can register to work in the Softpath Company established at our university. The beginning salary is Rs. 12,000 per month and it goes up based on the merit and work of the candidates. Aspiring students can email their bio-data to placements@cdu.ac.in.

Faculty-wise research journals are planned under the guidance of our Vice-Chancellor. *Current English Review* (CER), edited by Prof. G. Damodar and Prof. M. Rajeshwar as Editors and Dr. D. Vidyanath as Assistant Editor, was launched in September 2021. It covers 18 critical and creative write-ups and reviews. We have applied for ISSN for the journal. *The Journal of Bioscientia* edited by Prof. BS Anuradha and Prof S. Jeevan Chandra was launched on January 26, 2022. *Cosmopolitan Journal of Innovations in Engineering and Technology,* edited by Prof. G. Shankar Lingam, and Dr. N. Sateesh Kumar and the latest issue of *Prakarsha, Journal of Management and Research* edited by Prof. P. Krishnamachary, Prof. Ch. Rajesham and Prof. P. Rajendar will be out shortly. *Journal of Pharmacy and Drug Research,* edited Dr K. Narasimha and Dr G. Kumara Swamy, is in the pipeline.

We have beyond classroom solutions. We want to go for futuristic solutions to facilitate our students to access our content anytime, anywhere, improve satisfaction and personalized learning outcomes, and give them the opportunity to learn with others. A Centre for Volunteerism as a step towards inclusiveness is being planned. All our M.Sc. students undertake Community Service and Project work as the part of the curriculum. They spend five days in rural areas, render community services and collect samples pertinent to agriculture, water, soil and community health. After thorough research, they submit the project reports to the departments concerned for evaluation. The paper/ poster presentation in the conferences is a part of the curriculum for the PG students.

There is commendable participation of our students in extracurricular activities. Martyrs Day was observed on March 23, 2021 in the Engineering Department with a skit in the open theater. We inculcate competitive spirit among students by recognizing the first five class-wise toppers. There are regular interactive sessions with students and class representatives. NSS Unit is for beyond classroom experience, service and social education under the leadership of Program Coordinator, Dr. D. Gopinath and Program Officer, Dr. Aravind. As part of *Azaadika Amrit Mahotsav,* our University is conducting nine events such as (a) GK Test using Google Forms / Zoho (b) Essay writing on "Freedom Struggle Movements"," (c) Elocution on "India's Progress in 75 Years" (d) Painting depicting "Pandemic Crisis" (e) Poetry on "Contemporary Issues" (f) Songs on "Patriotism" (g) Debate on "Our Progress in 75 years (For and Against) (h) Short Concept Videos on Social Issues (i) Poster Designing showcasing "India in 75 Years". Events commence online from July 19, 2021 onwards. Prizes with certificates will be given on 75th Independence Day. Responding to the call by the Centre, our NSS Unit conducted various events as part of *Azadika Amruth Mahostav. Samvidaan Diwas,* Vaccination Drive four times, Voter Awareness, International Yoga Day, National Youth Day were observed. Our NSS volunteers took part in *Swachh Bharat* activities at Kazipet, distributed 150 bed sheets to the homeless people and organized some awareness programs in villages.

Our Mechanical Engineering faculty, Dr. Srinivas Naik, Mr. Harish and Mr. Santhosh, have converted a petrol engine car into a battery operated eco-friendly electric car without gears. A motor of 48 volts, 700 watts and 500 rpm has been replaced with an engine of a Maruti 800 car. The weight of the engine was reduced by removing the gearboxes. The motor is connected to the drive shaft by a chain. The vehicle runs at a speed of 60 kmph. The car is economical and it costs just 20 paise per km. The conversion of the car costs two lakh rupees.

Coming to other innovations, a unique Chaitanya App was designed for teachers by Prof. G. Shankar Lingam and Mr. K. Praveen in 2020 for attendance, results, timetables and general information. Our mechanical branch staff members have designed a solar bike (see photo 4) and agri-cultivators. A cost-effective electronic bike has been designed by Mr. G. Sagar. A digital electronic clock was designed by Dr. Santhosh Reddy of ECE. The wing of ECE has also designed a Digital Display Board and devised Easy Vehicle Lifting Mechanism. The process of making transparent mementoes with a special material is in the pipeline.

We impart quality education by reviewing the impact of the existing programs and their relevance, restructuring of a few courses, consolidation of existing teaching programs, strengthening the learning process, strict adherence to the academic schedule, researching monitoring and assistance, encouraging national and international seminars, webinars, workshops, refresher courses, exhibitions, placement sessions, etc. Our pedagogy calls for hands-on experience, extensive laboratory and workshop exposure to link students to real world problems and situations. Students become industry-ready with good life and employability skills.

We have so far conducted 18 national and international webinars/ seminars on various topics. In addition to these, 60 standard online quizzes were conducted, and a hundred video lessons for YouTube Channel covering all branches were made available. All our 297 research scholars of two batches are enthusiastic to pursue their research seriously from the date of joining their research program due to our good research facilities, weekly / fortnightly Regular Review Meetings (RRMs) and monthly and yearly reports by the scholars. The snapshots of RRMs have to be uploaded to the Chaitanya Research Group as a proof. Within ten months of joining the Ph.D program, our 139 research scholars of the first batch published 54 Research Papers in refereed journals during 2020-21.

Chaitanya has created a benchmark in Upgradation of Knowledge Through Interaction (UKTI) sessions to update the skills of teachers of various subjects. We have so far conducted 45 sessions and are now producing video lessons, making them available online for the benefit of all. To update the skills of teachers of various subjects, a daily interactive session was launched on April 27, 2020. All senior teachers have conducted the sessions with impressive PPTs. The Faculty Induction Program *(Guru Dakshta)* is done at the beginning of academic year. FDPs and Workshops are conducted to update their skills. We have initiated these UKTI sessions for the staff through Whatsapp for focus, clarity and readability. These sessions have exposed the teachers to the use of ICT and online teaching tools for better instruction.

Our university has developed adequate infrastructural facilities for the already existing and newly introduced academic programs during the past 5 years. Our laboratories are very well equipped and not short of anything. The teachers are at liberty to go in for any equipment that is useful for their laboratories. The University is equipped with HPLC, IPR Spectrophotometer, U.V. Spectrophotometer, PCR, Fermenter, Gel documentation system etc. The purpose of these instruments is to familiarize the students with the latest equipment so that they are not at sea when they encounter such instruments in industries or research institutions later.

Our university has been rated as one of the most sought-after colleges for the students of this region with the result that there has been considerable pressure on student admissions for all the courses. In view of the large number of academic programs, courses and course combinations and ever-increasing intake, the college has to live up to the expectations of the parents. A lot of emphasis has been placed on teaching, learning and evaluation.

I congratulate the Editors-in-Chief, Prof. P. Krishnamachary and Prof. Ch. Rajesham and Editor, Prof. P. Rajender, Head, Department of Commerce and Business Management, on bringing out this research journal.

Prof. G. Damodar
Vice-Chancellor
Chaitanya (Deemed to be University)
Kishanpura, Hanamkonda, Warangal

MESSAGE

I am very much delighted to share that the Department of Commerce and Business Management is bringing out the latest issue of *PRAKARSHA, An Annual Peer Reviewed Journal of Commerce and Management* edited by Prof. P. Krishnama Chary, Prof. Ch. Rajesham and Prof. P. Rajendar. In addition to the above research journal, a novel research-oriented initiative called *Chaitanyam* was instituted at our university to encourage high impact factor papers with original ideas and patents and to promote serious and sustained academic work by the staff and research scholars. Universities are expected to undertake research related activities seriously and we understand them and implement them in the right earnest.

Ever since we got deemed to be university status in November 2019, we have been striving hard to take Chaitanya to greater heights. Our healthy practices so far include Academic Interphase Programs with TCS and IBM, good practices appreciated by AICTE, At-Home-Exam™ announcing the results on time, Best Paper and Patent Publication Awards, Beyond Classroom Solutions, *Vidyanjali,* a Centre for Volunteerism, unique Chaitanya App, Chaitanya At-Home-Library, Community Service and Rural Based Projects, Free-ships worth 1.10 crores last year, Implementation of some provisions of NEP 2020, Internationalization of Higher Education, eight Inventions and Innovations including the battery-operated car, the introduction of latest courses including Agriculture and Nursing, Life Skills, DBT Skill Vigyan Program, NCC as a General Generic Elective, Interactive Sessions as Deeksharambh, Regular Research Review Meetings with Ph.D. scholars, State-of-Art Labs, Study Tours of *Ek Bharat Shreshtha Bharath,* Sustainable Campus as SATAT, UKTI Sessions under Guru Dakshta, making video lessons available on YouTube, conducting online quizzes, Earn-While-You-Learn Schemes, University Social Responsibility Initiatives, encouraging patents, a proposal for Atal Chaitanya Incubation and Innovation Center, BIRAC under Bio-Nest in collaboration with University of Hyderabad, etc.

We have initiated a positive action to encourage research in post graduate courses project work is now included as a part of curriculum. Sectoral specializations like Tourism and Hospitality, Health Care Management for MBA, Net Programming, Multimedia Applications, Cloud Computing for MCA as in-house projects were introduced. Efforts are being made to have a much more and rigorous University-Industry nexus so that the batches of students get industrial experience along with academic programs by conducting meetings with the entrepreneurs in the region to impress upon the need to support the students' training programs in their establishments so that they and others can employ them after completion of their courses.

Ten PhD courses in the Faculty of Science, Commerce and Business Management (1) Biochemistry, (2) Bio-technology, (3) Chemistry, (4) Commerce & Business Management, (5) Computer Science, (6) English, (7) Mathematics, (8) Microbiology, (9) Physics, (10) Statistics; Five PhD courses in the Faculty of Engineering (1) CS & Engg (2) ECE (3) EEE (4) ME (5) CE; Seven Ph.D courses in the Faculty of Pharmacy (1) Pharmaceutics (2) Pharmaceutical Analysis (3) Pharmacology (4) Pharmacy Practice (5) Pharmaceutical Chemistry (6) Pharmacognosy (7) Phyto chemistry are offered at our university.

We have introduced the latest and emerging papers in subjects like Creativity and Innovation, Business Analytics, Business Informatics, Infrastructure Management, Data Base Management, Programming and Problem Solving Using Python, Ethical Hacking, E-Commerce, Web Programming, Immunology, Bioinformatics, Data Analysis, .Net Prog, Cryptography, Network Security, Software Testing, Artificial Intelligence, Research Methodology (in BBA), OOD in UML (in BCA), Heritage and Culture, Business Economics, Discrete Mathematics, Visual Data Base Application, CRBI (in B.Com.), Web Programming, Prog Concepts (Using C), Human Values and Ethics, Cell Biology, Genetics, Biodiversity, Plant Biotechnology, Animal Biotechnology, Enzymology, Concepts of Clinical Research, Advanced Programming in J2EE, Scripting Language, Mobile Application Development, ERP 7 Supply Chain Management, Design Patterns, Machine Language, Mobile Computing, Communicative English, Bacteriology, Virology, Cell Biology, Classical Mechanics, Programming in C & MAT Lab, Indian Constitution and Human Rights (in Int. M.Sc. Chemistry), Internet Technologies, Personality Development (in M.Sc. Courses), Nano Technology, Environmental Studies, Event Management (in BBA), Food & Beverage Mgt, Health Care Technology, Industrial Relations, Science and Civilization, Managerial Economics, Foreign Trade, Prog in C^{++}, MIS, Office Automation, Operation research (in BCA), Digital Marketing, etc.

We have introduced Open electives like Food Technology, Nanotechnology, Biosafety, IPR, Tourism and Hospitality Management, Health Care Management, Fundamentals of Electronics, E-commerce, Computer Applications and Airline Management. These courses can be taken up by all the students of post-graduation to have an insight of the different fields which might help them in enriching their career prospects. We started offering B.Sc. Agriculture from the current academic year. We have got permission to start B.Sc. Nursing Course next year. Currently, we have about 6000+ students who belong to 14+ countries including India.

All our M. Sc. students undertake Community Service and Project work as the part of the curriculum. They spend five days in rural areas, render community services and collect samples pertinent to agriculture, water, soil and community health. After thorough research, they submit the project reports to the departments concerned for evaluation. The paper/poster presentation in the conferences is a part of the curriculum for the PG students.

Our library is well-equipped to meet the ever-growing needs of the teachers and learners right from internet support to audio-visual services with N-List, IEEE Gogotal, ALM, Sage DELNET Membership providing online access to the staff and students. Latest books are acquired from time to time from all sources. Students have access to massive open online courses in MP3 format based on MHRD model MOOCS, Commonwealth Education Services, cec.nic.in for all lessons. As students do not have access to the physical library during Pandemic, a Digital Library called "Chaitanya At-Home-Library" was launched. It is a new initiative with all prescribed e-books made available with the efforts of the Faculty on our University Website and on Chaitanya App.

We are committed and dedicated to our vision and mission and constantly evolve ourselves to the future needs and impart education that makes the world a better place to live in. The pillar of our strength is innovative teaching and learning experiences offered by experienced faculty backed with high quality resources. We offer academic ambience, fruitful interaction and friendly support with excellent placements making life a celebration for every student. Our syllabus is skill-based and industry focused with contemporary curriculum, choice-based credit system (CBCS) and continuous assessment and grading pattern (CAGP). Social outreach programs, eco-friendly environment, diversified student community, education scholarships for deserving and meritorious students, internal quality assurance, enriching projects and internships, corporate linkages, global alumni network, learning management system, highly accomplished faculty members and levitating research culture are some of our salient features.

We always remember our core vision of empowering our future generations to be morally, ethically and intellectually strong with LOCF and following some provisions of National Education Policy 2020. To be with our university is an exciting and rewarding experience with opportunities for nurturing abilities, challenging cognizance and gaining competence.

EDITORIAL

PRAKARSHA, the Journal of Commerce and Management of Chaitanya (Deemed to be University) is a proud product of the scholarly research contribution of the senior teachers and research scholars of different universities which reflect their innovative ideas relating to various functional areas of management and thereby contributing to the addition of new knowledge to the existing body of knowledge of commerce and management. This issue covers 18 research papers spanning various paradigms of management field and tries to provide solutions to the challenges and issues that confront the business world.

Gergi Neerajana Sai Niveditha and **Dr. Mamilla Rajasekhar,** in their article entitled *"Technology Leapfrogging in Indian E-Commerce"* reveals that Amazon and Flipkart being the two giant role players in the markets are targeting its sellers and customers from Tier II and outside regions of India, while all other E-Commerce companies are paying attention on creating a strong toehold in Tier II and Tier III markets. The pandemic has given a major boost to India's e-commerce and it will be considered as a major turning point for the country's e-commerce ecosystem. The leapfrogging in e-technology is a current trend cannibalizing many existing small non-e-retailers across India.

Prof. P. Krishnamachary & Dr. K. Bhagyalakshmi, in their article *"Dividend Decision in Select Cement Companies - A Comparative Study"* emphasize that a major decision of financial management is the dividend decision in the sense that the firm has to choose between distributing the profits to the shareholders and ploughing them back into the business. The choice would obviously hinge on the effect of the decision on the maximization of shareholders' wealth. Dividend policy of the firm, thus, has its effect on both the log-term financing and the wealth of shareholders. The management of a firm, while evolving a dividend policy, must strike a proper balance between financing approach and wealth maximization approaches.

Prof. Badiuddin Ahmed & Ameena Begum, in their article entitled *"Green Entrepreneurship - A Step Towards Global Sustainable Development"* unfolds Green Entrepreneurship seeks to create and execute solutions to environmental concerns while promoting societal change to ensure that the environment is not harmed. Green Entrepreneurship aims to enhance the business ecosystems in which enterprises operate while promoting improvements in business practices that have an effect on the surrounding environment and society.

Prof. K. Raji Reddy, in his article entitled *"Supply Chain Finance - A Conceptual Study"* reveals that Supply Chain Finance (SCF) is a cash flow solution which helps businesses free up working capital trapped in global supply chains. It is treated as a much broader category of trade financing, encompassing all the financing opportunities across a supply chain. It is popular due to the convenience added to the sales activities. It adds protection to business transactions and promotes import and export activities globally.

Dr. Ch. SrikanthVarma and **Prof. Ch. Rajesham,** in their paper entitled *"Competency Mapping of Management Teachers - A Select Study"* focuses on the competencies of management teachers and highlights that the purpose of the management education is to prepare management students to face the emerging global corporate challenges and enhancing their competencies aiming at the teaching learning process strong resulting into development of employable professional management skills and ultimately transforming them into change agents.

Karlapudi Preethi and **Dr. Gaddam Naresh Reddy,** in their article entitled *"A Study on Effect of Technological Advancements on Accounting Education and Value Addition to firms"* attempts to examine the impact of technological advancements on accounting profession and education focused on the use of new technologies like Blockchain Technology, Artificial Intelligence and Bigdata Analytics in accounting profession, practice consequently, how accounting education will be affected and the need to adjust to these new technologies in an evaluative approach.

Prof. M. Yadagiri and **Kampally Shanker,** the article entitled *"The Emerging Dimensions of MUDRA Loan Disbursements"* stated that Pradhan Mantri Mudra Yojana is one of the schemes launched by Government of India in order to achieve the goal of financial inclusion. It focuses on providing reliable financial solutions to the economically underprivileged sections of the society. Paper also reveals that out of the 1.12 crore additional jobs that were created after availing loans under the Pradhan Mantri Mudra Yojana.

Dr. Ramesh Kumar Miryala and **Dr. Ravi Aluvala,** in their article *"Opportunities and Challenges of Digital Banking in India"* brings to light that the Digital Banking is mode of performing Banking transactions like deposit, withdrawal, loan processing and all other banking activities through digital mode. The types of financial transactions which a customer may transact through digital banking includes obtaining account balances, a list of the recent transactions, electronic bill payments and funds transfers between a customer's or another's accounts.

Prof. Rajender Katla and **Dr. Giri Prasad Madderla,** *"BlockchainViz-A-Viz Financial Inclusion - An Observation"* points out that approximately 2 billion individuals do still not have any financial accessand are underserved by the banking and financial services industry. Despite many financial institutions located in developed underdeveloped countries adoption of blockchain technology is still far away from the expectations due to the risks associated with the technology and complex regulatory norms adopted by the countries. The study attempts to understand the concept of financial inclusion, blockchain technology and several problems in financial inclusion and solutions.

Dr. K. Gangadhar and **Prof. P.Rajender,** in their article *"Crypto currency in India - An Overview"* ventilates that Crypto currency is an innovative concept of decentralized virtual currencyand has turned out to be a new avenue of investment instrument in India similar to gold. This paper focuses on understanding the significance, challenges and issues and the role of crypto currency in Indian economy.

Prof. I Anand Pawar, in his article entitled *"Strategic Leadership and its impact on Organizational Effectiveness"* expresses that effective strategic leadership contribute to improved organizational innovation in achieving long-term goals. Strategic leadership is expected to bring about successful turnarounds of ineffective organization into effective ones. It concludes that there is a significant relationship between the top management team characteristics and organizational effectiveness and strategic leadership has the potential for remarkable achievement, success and competitive advantage.

Dr. Ravi Akula and Dr. M. Anuradha Reddy, article entitled *"Farmers Satisfaction towards Rythu Bazar - A Study of Nalgonda Rythu Bazar."* discloses that the Rythu Bazars are facing lot of problems related to infrastructure, transportation, storage facilities, etc. It reveals that farmers are happy with provision of weighing scales, power supply, cash sales, and absence of middlemen and dissatisfied in respect of drinking water facility, non-availability of seeds at subsidized rates and lack of provision of training/imparting technical know-how.

Dr. S. Narasimha Chary, in his article titled *"Foreign Direct Investment in India - A Study"* unravels that the FDI helps to bring many benefits to host (developing) countries in the form of creating employment opportunities, growth of GDP, and higher living standards. The Indian Government Policy towards the Foreign Investment reforms has played a significant role in the performance of economic development from 1991.

Dr. D. Harikanth and **Dr. K. Thirupathi,** in their article entitled *"Corporate Social Responsibility and Social Impact Assessment for Sustainable Development - An Empirical Study"* projects that there is a growing need for alignment of Social Impact Assessment with Corporate Social Responsibility as the organizations cannot succeed in isolation but social progress is necessary for sustainable growth in the competitive world. The alignment of Social Impact Assessment (SIA) and Corporate Social Responsibility (CSR) programmes of companies need to focus on community initiatives at the local level which leads to sustainable development of the community and brings good image to the company.

Dr. S. Pratap, in his article entitled *"Human Capital Measurement: Techniques and Reports"* unleashes that Organizations that invest in human capital measurement systems have improved employee performance, retention, and enhanced corporate end results, led to a deep-rooted transformation of the role of HRD from being a cost creator to being a strategic partner of an organization.

Mr. K. Mahesh and **Prof. M. Sambaiah,** in their paper entitled *"Digital Payments in India - A Study"* illustrates that taking the world by storm and no other areas has witnessed such metamorphosis as payment and settlement systems, resulting in a myriad of digital options for the common man. Consumers now have a range of options to choose from when selecting a payment method to complete a transaction.

K. Preethi and **Prof T. Srinivasa Rao,** paper entitled *"Startup Innovations and Growth in India - Challenges and Opportunities"* discussesthat startup initiative includes simplification and handholding, Funding support and Incentives, Industry-Academia Partnership and incubation and discards restrictive States Government policies within this domain, such as License Raj, Land Permissions, Foreign Investment proposals, and Environmental Clearances. The study covers about the key initiatives of startup India, Frame work of startup India and ease of doing business, challenges and opportunities faced by startup India.

Dr. Aravinda Muddasani, in her article *"Determination of employee satisfaction in Indian Banking sector through QWL"* the paper examines how quality of work life ensures the satisfaction level of employees of Banking Sector. The factors such as Adequate income and Fair compensation, Safe and healthy working conditions, Opportunities to use and develop human capacity, Opportunity for career growth, Social integration in the work force improves Quality of Work Life and ensures satisfaction.

GUIDELINES FOR CONTRIBUTORS

All manuscripts should be typed in A4 size in double space on one side only in MS Word, and sent in original (hard copy).

The maximum size of the article may be restricted to 10 typed pages including tables, charts and references.

A declaration by the authors stating that the article is their original work and has neither been published nor submitted for publication elsewhere, should accompany the article.

All tables, charts and graphs should be typed on separate sheets. They should be numbered continuously in Roman numerals as referred to in the text.

All quotations, references etc. should be properly acknow-ledged indicating the author's name, title, publisher, year of publication and page number. They should be typed at the end of the text.

The article submitted for publication would be referred to a panel of experts by the publisher before accepting for publication. The decision of the expert panel shall be final.

PRAKARSHA Annual Publication.

The views expressed by contributors are subjective and from their personal investigations.

Either the college or the editor does not accept any responsibility.

PRAKARSHA is meant for 'private circulation' only.

- Editors

CONTENTS

TECHNOLOGY LEAPFROGGING IN INDIAN E-COMMERCE

Gergi Neerajana Sai Niveditha
Research Scholar, Department of Commerce, Sri Venkateswara University, Tirupati, A.P.
Prof. Mamilla Rajasekhar
Department of Commerce, Sri Venkateswara University Tirupati, A.P.

A boon to the modern business in India is e-commerce. It creates an archetype shift which influences marketers and customers as well. By virtue of its miraculous virtues, technology leapfrogging has become an inevitable force n the Indian context to compete with MNC brands with value addition in product access and customization. E-commerce is just an additional way in enhancing the accessible business practices. Technology leapfrogging refers to to the adoption of advanced or state-of-the-art technology in an application area where immediate prior technology has not been adopted.

Examples of technological change abound: electric cars versus hybrid cars versus gasoline cars, OLED TVs versus LCD TVs, streaming versus cable, music downloads versus CDs, laptops versus tablets, and app-enabled ridesharing versus taxicabs. Several incumbent firms have also stumbled or failed during disruptive change: Toyota, GM, HP, Nikon, Canon, Kodak, Sony, Nokia, Yellow Cabs, Comcast, and Sears.

In July 2020, Tesla became the world's most valuable automaker, surpassing Toyota in market value for the first time (Roberson 2020). But it was Toyota that in 1997 released the Prius, the world's first mass-produced hybrid electric vehicle.

E-commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. It is expected that digital technology is going to replace TV. One such digital technologies Metaverse is a digital world created using different technologies like Virtual Reality (VR), Augmented Reality (VR), and crypto currency, and the Internet.

Indian experience of leapfrogging:

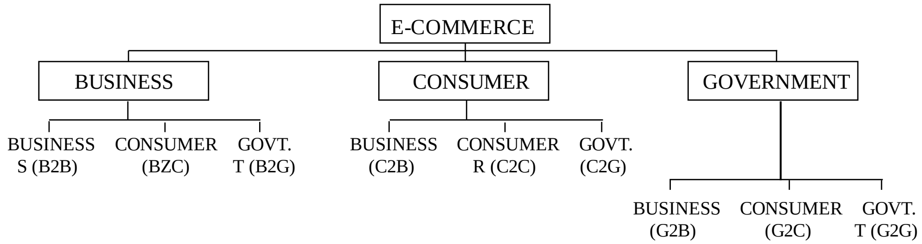
India's IT service industry has generated high-paying jobs and upgraded into higher value-added segments of the value chain. Another impressive indicator of India's success is its rising share of service exports in relation to total exports. China's manufacturing sector to total GDP has steadily increased, attaining 30 per cent by the 2000s and accounting for the sharp decrease in the agriculture sector's contribution to GDP. By contrast, the GDP of India's manufacturing sector has never exceeded 20 per cent, with its size remaining constant at around 15 per cent for over two decades. 31 before the manufacturing sector accounted for a significant share of the economy. Under Modi's leadership, India is trying to promote manufacturing as well. In this sense, India took a detour via leapfrogging; India bypassed the stage of manufacturing-led growth but leapfrogged into service-led growth and then returned to promote manufacturing. It should be noted that this service-led growth has been dominated by the three giants, Infosys, Tata Consultancy Services (TCS) and Wipro. These Indian firms have undergone the three stages of upgrading: body shopping, offshoring and global delivery model (GDM), which are similar to the manufacturing stages of OEM, ODM and OBM, respectively (Lee et al., 2014). Among these three giants, the case of Wipro is a model example of leapfrogging. This company was established as an agro-business company that produced and sold vegetable oil products (Hamm, 2007). With its entry into the personal computer era, Wipro engaged in assembling and selling personal computers as well. Shortly thereafter, the firm addressed its weak competitiveness against foreign products and switched to PC maintenance and repair service. The Y2K panic around the year 2000 brought a decisive boost to Wipro's business, turning the firm into a global IT service company listed in the New York Stock Exchange. Wipro's historical development illustrates the company's leapfrogging into IT service, bypassing the stage of IT manufacturing.

E-Commerce has every potential in curbing the traditional business limitations which led to its growth even during the times of Covid-19. The way business is performed in India has changed by the progression of e-commerce. With colossal escalation potential, India has become one of the flying e-commerce markets in the World. India has been one of the fastest growing e-commerce markets in the world for the last years with 624 million active internet users and 76.7% of active e-commerce penetration rate[1]. India's journey of e-commerce initiated with the introduction of Internet in 1995. The landscape of Indian e-commerce over the last decade has enhanced importance more than ever after the context of covid-19 start. Gigantic milestones have been achieved by India with incessant launch of B2B and B2C businesses through internet. India's first ever B2B e-commerce website has been launched by IndiaMart, which is the first journey milestone to Indian e-commerce industry.

E-commerce in India has its niche post the launch of IndiaMart in 1996, Flipkart and Myntra in 2007, Snapdeal in 2010, Amazon India in 2013, and the like launches during various years. India is expected to be one of the largest e-commerce markets in the coming few years which now amount to less than 5% of India's overall retail market. Online travel bookings made its own way which led to the development of another segment of e-commerce. Currently there are multiple segments where e-commerce is predominantly establishing its own business service hype like pharma, beauty, food including grocery, jewelry, furniture, apparel, consumer electronics, restaurant services, household products, travel, transportation, hospitality and so on and so forth. The revolutionary dimension to the e-commerce evolution was made with the entry of Amazon services in India. There have also been many vertical sellers of products and services focusing on selling online.

Nykaa has changed the game of beauty and personal products with its entry into the market in 2012 being women as its founder. Urban Company has established its saloon and spa services which is one of the most admired women service providers especially during covid-19. These companies have the benefit of massive popularity among consumers who also enjoy great brand loyalty. In nearly all segments till date, we have sector precise niche players. Every enormous uncharted market is being touched by almost every e-commerce company. Amazon and Flipkart being the two giant role players in the markets are targeting its sellers and customers from Tier II and outside regions of India. These giants are providing a helping hand to small retailers and rural artisans by paving a platform to sell their products across the world. Language flexibility of e-commerce websites is creating a scope for almost illiterate people helping them to access various products or services that they are intending to use by attracting their customers. The maximum volume of orders is being witnessed from Tier II and Tier III cities during the festive season sales.

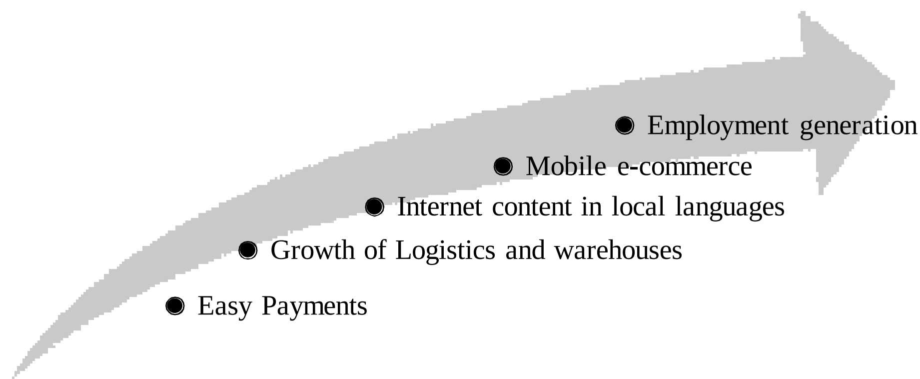
Models of E-commerce in India



Examples of e-commerce types

e-commerce model	Company	Deals in
B2B	Udaan	multi-vendor online marketplace
	IndiaMart	multi-vendor online marketplace
	Alibaba	multi-vendor online marketplace
	TradeIndia	multi-vendor online marketplace for small business
	ExportersIndia	multi-vendor online marketplace for domestic and foreign marketers
B2C	Amazon India	online marketplace for all categories like electronics, grocery, fashion, furniture, books, stationery, etc.
	Noon	online marketplace for all categories in Middle East countries
	Grofers India	online marketplace for groceries and kitchenware
	Flipkart	online marketplace for all categories like electronics, grocery, fashion, furniture, books, stationery, etc.
	Nykaa	online marketplace for beauty and personal care
	Urban Clap	online marketplace for professional services and blue-collar workers
	Byjus	online marketplace for educational content for students
B2G		business pay taxes, file reports, or sell goods and services to Govt. agencies infrastructure to weapon trading or military defense systems development
		establishing 5G technology in association with Reliance Jio
C2C	eBay	online marketplace for all categories like electronics, grocery, fashion, furniture, books, stationery, etc.
	Coutloot	online marketplace for all categories with bargaining possibility
	Quikr	online marketplace for renting spaces, pets, jobs etc.,
	Olx	online marketplace for renting activities including sales
C2B	Monster	marketplace for jobs
	Upwork	social media marketing, content writing
C2G		electricity bill, tuition fee loans, health insurance or taxes through the government website.
G2B		e-auctions, data centers, SaaS, PaaS or IaaS for e-government use.
G2C		tax refunds, registering land and vehicles, and providing information and services, registration for birth, marriage or death certificates, acquisition passport.
G2G		Govt. of India gives GST funds to state Govt. vis a vis. Govt. of India maintain relationships with US Govt and the like.

Factors driving e-commerce growth in India:



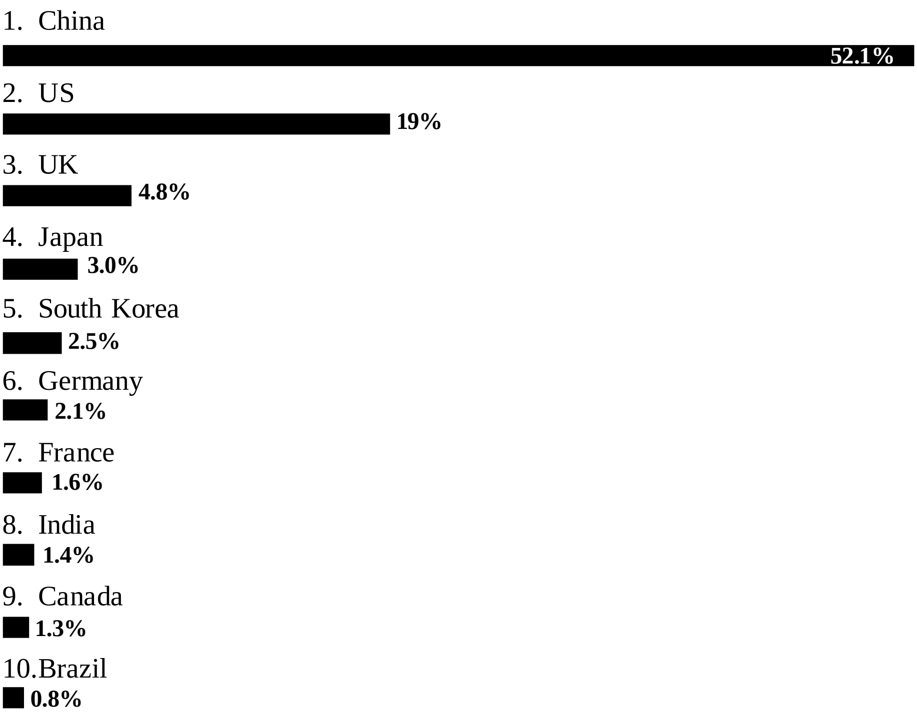
Statistics on what's India shopping online:

* Smartphone penetration has enabled consumers to go online and shop. However, the significant change in shopping behaviour is driven by convenience, 24 x 7 availability, multiple product choices, easy finance options, and lucrative online offers.

* In 2016, online retail constituted 1.5% of overall retail and it took three years to add another 1.5%. By 2019, online retail contributed almost ~3% to the overall retail. Whereas within just six months of 2020, the online retail contribution has increased by 4.5%. However, this number may see a slight dip by next year, as offline retail starts recovering in the coming months[2].

Top 10 Countries, Ranked by Retail E-commece Sales Share, 2021

% of total worldwide retail e-commece



Note: Includes productsor services ordered using the internet, regardless, of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services and drinking place slaes, gambling and other vice goods sales.
Source: eMarketers,, May 2021

* Smartphone penetration has enabled consumers to go online and shop. However, the significant change in shopping behaviour is driven by convenience, 24X7 availability, multiple product choices, easy finance options, and lucrative online offers.

* In 2016, online retail constituted 1.5% of overall retail and it took three years to add another 1.5%. By 2019, online retail contributed almost ~3% to the overall retail. Whereas within just six months of 2020, the online retail contribution has increased by 4.5%. However, this number may see a slight dip by next year, as offline retail starts recovering in the coming months[3].

* Before COVID-19 hit us, the e-commerce order volume saw a growth of ~20% while the GMV witnessed a surge of ~23%[4].

* Beauty & wellness is one sector that has witnessed an unprecedented order volume growth of ~130% as compared to the last year. This is more than six times the overall e-commerce growth. FMCG & agriculture and health & pharma are the emerging sectors with a growth of 55% and 38% respectively.

* These three are comparatively new sectors and have come to light in the last couple of years. While these sectors have showcased phenomenal growth, their combined contribution to the overall e-commerce order volume is just about ~10%. It's expected that these sectors will have a much faster order volume growth than the other categories as their product consumption cycle is comparatively much smaller, leading to faster customer repeat rate.

* The consumer electronics sector has given the maximum revenue contribution to the e-commerce sector of India. The average order value is much higher as compared to other categories. If we further breakdown the electronic segment, smart phones hold the maximum share, followed by television and white goods. The overall electronic segment saw a growth of 22% in the last year.

* The fashion & accessories sector is the most popular category with maximum share of order volumes in India. The segment saw a growth of over 26%. If we further breakdown the fashion segment, the footwear segment witnessed a 40% growth making it the fastest-growing category in the fashion & accessories sector.

E-commerce in the post covid-19 world:

The massive impact of the Novel Corona Virus in Wuhan in late December 2019, on every living organism in the world which spread across globe within a period of few months, every country had its own ups and downs with the conditions prevailing at that particular time continuing even till date. That part of the time is when every country including India had Lockdowns imposed with almost every activity being paused which was the need of the hour that time. Since then, people had to accept the reality and adapt themselves to the changed scenarios by rebooting themselves and economies as well. These of late, had impact on the rapid developments of e-commerce, during and post Covid-19 pandemic situations. E-commerce companies are paying attention on creating a strong toehold in Tier II and Tier III markets for gaining impetus across the country.

While the businesses have started operations, the world is still with fighting COVID-19 and the post-pandemic world is going to be very different from the previous years, especially for the e-commerce industry.

* There has been a drastic change in consumer behaviour, leading to more and more people opting to shop online.
* Unlock 1.0 began in June and the order volume for June was 17% higher as compared to pre-lockdown volume. This signifies those consumers are getting more inclined towards online shopping.
* Health and Pharma, FMCG & agriculture and electronic appliances (excluding smart phones) have been the fastest-growing categories, since e-commerce companies resumed operation on May 4th, 2020.
* The fear of Covid-19 with people practicing social distancing along with uncertainty about the availability of essential products at physical stores propelled consumers to shop online. The growth of electronic appliances can be attributed to the rising adoption of technology and increasing work from home.
* Brands with own website have recovered faster as compared to companies with presence only on the marketplace. However, marketplaces were able to fast-pace recovery with major sales in the month of June, but in the long term we believe that websites will continue to demonstrate similar growth as last year, as more brands begin to go direct to consumer.
* After e-commerce resumed operations post COVID-19, the return rate has seen a dip of ~10- 30% depending on the category. The reduced return can be attributed to the new safety norms, increasing demand for essential products, which are generally non-returnable. However, it will be interesting to see if the trend of lower returns continues in the long term.
* Post COVID-19, the percentage of self-shipped orders declined from 35% in Feb 2020 to 30% in Jun 2020. This can be attributed to brands trusting marketplace logistics due to better service levels and lower unpredictability during current uncertain times.
* As the COVID-19 situation improves across the country, we expect the brands will move towards the self-shipped orders due to higher share of D2C orders and better margins. We expect similar or faster growth in self-shipped orders in 2020-21 as we observed during 2019-20.

Online shoppers had a clear distinction between people who like to buy online due to convenience and people who prefer the experience of buying through brick-and-mortar stores prior to lockdown. After the lockdown was announced, the problem of limited availability and fear of getting infected created a new shift in consumer behavior and their buying patterns leading to a new wave of online consumers. Among other things, the pandemic has given a major boost to India's e-commerce and it will be considered as a major turning point for the country's e-commerce ecosystem.

Emerging product categories of e-commerce:

As more and more people opt to shop online, the massive increase in the overall number of online shoppers has led to cross-platform user growth. The users who were earlier using online shopping platforms for selected sectors are now shopping across multiple industries. Electronics and fashion have always been the two segments driving the overall e-commerce growth with almost 70% share. Within the last several months, the new sectors that have garnered consumer interest are the grocery and pharma sectors. There has been a dynamic change in consumer buying preferences in popular categories or segments such as fashion and electronics. The other categories, like gym equipment and cycle, have also seen exponential growth with people opting for workout from home.

Policy recommendations for leapfrogging can also be made for different types of firms with different levels of initial capabilities. We divide the firms in an economy into 'incumbents' and 'start-ups'. The former comprises three types of firms, namely leaders, followers and laggards, depending on their level of capabilities. Path-creating type leapfrogging is more likely to take place in start-ups because they have invested the least in existing modes of technologies or business models. In other words, diverse technologies associated with the 4IR (4th industrial revolution) can be a source for product innovations; process innovation, on the other hand, is more relevant for incumbents. Leader or follower type firms in emerging economies tend to have some experience with technology and absorptive capacity and are thus likely to be in a position to skip v one or several stages, while remaining aware of the risks associated with leapfrogging. Lastly, laggard firms should not attempt pre-mature leapfrogging but should first build some absorptive capacity in their niche area and upgrade by moving up the higher end of the GVC.

Policy recommendations for leapfrogging can also be made for different types of firms with different levels of initial capabilities. We divide the firms in an economy into 'incumbents' and 'start-ups'. The former comprises three types of firms, namely leaders, followers and laggards, depending on their level of capabilities. Path-creating type leapfrogging is more likely to take place in start-ups because they have invested the least in existing modes of technologies or business models. In other words, diverse technologies associated with the 4IR can be a source for product (or business model) innovations; process innovation, on the other hand, is more relevant for incumbents. Leader or follower type firms in emerging economies tend to have some experience with technology and absorptive capacity and are thus likely to be in a position to skip v one or several stages, while remaining aware of the risks associated with leapfrogging. Lastly, laggard firms should not attempt pre-mature leapfrogging but should first build some absorptive capacity in their niche area and upgrade by moving up the higher end of the GVC. Keywords: leapfrogging; window of opportunity; 4th industrial revolution; GVC; path-creating.

Indian experience of leapfrogging:

India's IT service industry has generated high-paying jobs and upgraded into higher value-added segments of the value chain. Another impressive indicator of India's success is its rising share of service exports in relation to total exports. China's manufacturing sector to total GDP has steadily increased, attaining 30 per cent by the 2000s and accounting for the sharp decrease in the agriculture sector's contribution to GDP. By contrast, the GDP of India's manufacturing sector has never exceeded 20 per cent, with its size remaining constant at around 15 per cent for over two decades. 31 before the manufacturing sector accounted for a significant share of the economy. Under Modi's leadership, India is trying to promote manufacturing as well. In this sense, India took a detour via leapfrogging; India bypassed the stage of manufacturing-led growth but leapfrogged into service led growth and then returned to promote manufacturing. It should be noted that this service-led growth has been dominated by the three giants, Infosys, Tata Consultancy Services (TCS) and Wipro. These Indian firms have undergone the three stages of upgrading: body shopping, off shoring and global delivery model (GDM), which are similar to the manufacturing stages of OEM, ODM and OBM, respectively (Lee et al., 2014). Among these three giants, the case of Wipro is a model example of leapfrogging. This company was established as an agro-business company that produced and sold vegetable oil products (Hamm, 2007). With its entry into the personal computer era, Wipro engaged in assembling and selling personal computers as well. Shortly thereafter, the firm addressed its weak competitiveness against foreign products and switched to PC maintenance and repair service. The Y2K panic around the year 2000 brought a decisive boost to Wipro's business, turning the firm into a global IT service company listed in the New York Stock Exchange. Wipro's historical development illustrates the company's leapfrogging into IT service, bypassing the stage of IT manufacturing.

Foot Notes:

1. https://www.statista.com/topics/2454/e-commerce-in-india/#dossierKeyfigures
2. https://redseer.com/newsletters/accelerated-digitization-in-india-internet-post-covid-part-2
3. https://redseer.com/newsletters/accelerated-digitization-in-india-internet-post-covid-part-2
4. Growth is adjusted to remove the effect of new merchant acquisitions in the year.

DIVIDEND DECISIONS IN SELECT CEMENT COMPANIES - A COMPARATIVE STUDY

Prof. P. Krishnamachary
Dean, Faculty of Commerce and Business Management
Chaitanya (Deemed to be University), Hanamkonda, T.S.
Dr. K. Bhagyalakshmi
Faculty Member, Dept. of Commerce and Business Management, Kakatiya University, Hanamkonda, T.S.

Introduction:

The Dividend Policy involves the choice between distributing the profit belonging to the shareholders and their retention by the firm. The selection would be influenced by the effect on the objective of financial management of mobilising shareholder's wealth. Dividends refer to that portion of a firm's net earnings which are paid out to the shareholders. Given the objective of financial management of maximising present values, the firm should be guided by the consideration as to which alternative use is consistent with the goal of wealth maximisation. That is, the firm would be well advised to use the net profits for paying dividends to the shareholders if the payment will lead to the maximisation of wealth of the owners. If not, the firm should rather retain them to finance investment programmes. The relationship between dividends and value of the firm should, therefore, be the decision criterion. Dividend policy of the firm, thus, has its effect on both the long-term financing and the wealth of shareholders. As a result, the firm's decision to pay dividends may be shaped by the following two possible viewpoints. Both the companies are giving importance to the future growth and for wealth maximization.

*** Financing Approach:**

When dividend decision is treated as a financing decision, the net earnings of the firm may be considered as a source of long-term funds. With this approach, dividends will be paid only when the firm does not have profitable investment opportunities. The firm grows at a faster rate when it accepts highly profitable investment projects. External equity could be raised to finance investment. But retained earnings are preferred because, unlike external equity, they do not involve any flotation costs. In addition, in India companies are required to pay dividend distribution tax on the distributed dividend. Thus, firms have more funds available to invest than what shareholders could invest if they received dividends. The dividends will be paid to shareholders when a firm cannot profitably reinvest earnings. With this approach, dividend decision is viewed merely as a residual decision.

*** Wealth Maximisation Approach:**

Conversely, when the capital markets are not perfect; the shareholders are not indifferent between dividends and retained earnings. Because of the market imperfections and uncertainty, shareholders may prefer near dividends to future dividends and capital gains. Thus, the payment of dividends may significantly affect the market price of the share. Higher dividends may increase the value of the shares and lower dividends may reduce the value. It is believed that, in order to maximise wealth under uncertainty, the firm must pay enough dividends to satisfy investors.

The management of a firm, while evolving a dividend policy, must strike a proper balance between the above-mentioned two approaches. When the firm increase the retained portion of net earnings, shareholders' current income in the form of dividends, decreases. But the use of retained earnings to finance profitable investments will increase the future earnings. On the other hand, when dividends are increased, shareholders' current income will increase, but the firm may have to forego some investment opportunities for want of funds and consequently, the future earnings may decrease. Management should develop a dividend policy, which divides the net earnings into dividends and retained earnings in an optimum way to achieve the objective of maximising the wealth of shareholders. The development of such policy will be greatly influenced by investment opportunities available to the firm and the value of dividends as against capital gains to the shareholders. The other possible aspects of the dividend policy relate to the stability of dividends, the constraints on paying dividends and the forms of dividend.

Stability of Dividends (Dividend Policies)

Stability of dividends is considered a desirable policy by the management of most companies in practice. Many surveys have shown that shareholders also seem generally to favour this policy and value stable dividends higher than the fluctuating ones. All other things being the same, the stable dividend policy may have a positive impact on the market price of the share. Stability of dividends also means regularity in paying some dividend annually, even though the amount of dividend may fluctuate over the years, and may not be related with earnings. There are three forms of such stability defined as under:

1. **Constant Dividend per Share or Dividend Rate:** In India, companies announce dividend as a percent of the paid-up capital per share. This can be converted into dividend per share. A number of companies in India follow the policy of paying a fixed rate on paid-up capital as dividend every year, irrespective of the fluctuations in the earnings.
2. **Constant Payout:** The ratio of dividend to earnings is known as payout ratio. Some companies may follow a policy of constant payout ratio i.e., paying a fixed percentage of net earnings every year. With this policy the amount of dividend will fluctuate in direct proportion to earnings.

3. **Constant Dividend per share plus Extra Dividend:** For companies with fluctuating earnings, the policy to pay a minimum dividend per share with a step-up feature is desirable. The small amount of dividend per share is fixed to reduce the possibility of ever missing a dividend payment. By paying extra dividend (a number of companies in India pay an interim dividend followed by a regular, final dividend) in periods of prosperity, an attempt is made to prevent investors from expecting that the dividend represents an increase in the established dividend amount.

Among the three forms of dividend, generally the first policy of paying dividend i.e. Constant Dividend per Share or Dividend Rate is mostly preferred. A firm pursuing a policy of stable dividend may command a higher price for its shares than a firm which varies dividend amount with cyclical fluctuations in the earnings.

Factors Affecting Dividend Policy:

The factors affecting the dividend policy of the companies consist of Nature of Company's Business, Repayment of Debts, Liquidity Position of company and its Funds Requirements, Age of the Company, Growth Rate of the Company, Timing of Investment Opportunities, Share Holder's Preferences, Dilution of Ownership, State of Capital Market, Access to Capital Market, State Regulation, General State of Economy etc.

Forms of Dividends

The usual practice is to pay dividends in cash. Other options are payment of the bonus shares (referred to as stock dividend in USA) and shares buyback.

* **Cash Dividend:** Companies mostly pay dividends in cash. A company should have enough cash in its bank account when cash dividends are declared.

* **Bonus Shares:** Issue of bonus shares is the distribution of shares at free of cost to the existing shareholders. In India, bonus shares are issued in addition to the cash dividend and not in lieu of cash dividend.

* **Buyback of Shares:** The buyback of shares is the repurchase of its own shares by a company.

Cement Industry in India:

The cement sector notably plays a critical role in the economic growth of the country and its journey towards conclusive growth. Cement is vital to the construction sector and all infrastructural projects. The construction sector alone constitutes 7 per cent of the country's gross domestic product (GDP). The industry occupies an important place in the Indian economy because of its strong linkages to other sectors such as construction, transportation, coal and power. India is the second largest producer of quality cement in the world. The cement industry in

India comprises 183 large cement plants and over 365 mini cement plants. Currently there are 40 players in the industry across the country.

Objectives of the Study:

1. To present the conceptual framework of the Dividend Policies.
2. To highlight the dividend policies of select cement companies.
3. To identify their approaches towards dividend decision.

Sources of Data and Methodology:

Sources of Data: The present study is based on secondary data. The sources of secondary data consist of Annual Reports, circulars, research periodicals, text books, news papers like Economic Times, websites and other published sources. The data have been collected from the above sources have been processed, analysed, interpreted and presented in the study for the five years period i.e. from 2015-16 to 2019-20.

Methodology: The following methodology has been adopted for conducting the study:

Aggregate financial variables relating to Dividend Policy of selected cement companies have been analysed for a period of five years i.e. from 2015-16 to 2019-20 with the help of statistical techniques like percentages, ratios, Averages, Standard Deviation (S.D) and Coefficient of Variation (C.V). The Dividend policies have been compared between two selected cement companies. Finally conclusions have been drawn based on the facts revealed by the study.

Size of Sample:

The Two cement companies in India have been selected as sample for the present study viz., ACC Limited and Ultra-tech Cement Ltd.

1. **ACC Limited:** ACC is a leading player in the Indian building materials space, with a pan-India operational and marketing presence. The company had been established in Mumbai, Maharashtra on 1 August 1936.ACC Limited (Formerly The Associated Cement Companies Limited) is one of the largest producers of cement in India. It is a subsidiary of the Holcim Group. On 1 September 2006, the name of The Associated Cement Companies Limited was changed to ACC Limited.
2. **UltraTech Cement Limited:** It is an Indian cement company founded in 1983 based in Mumbai, and a part of Aditya Birla Group. UltraTech is the largest manufacturer of grey cement, ready-mix concrete (RMC) and white cement in India with an installed capacity of 116.75 million tonnes per annum. It is the only company in the world to have a capacity of over 100 million tonnes in a single country, outside of China.

Analysis and Discussions:

1. Earnings Per Share (EPS):

The profitability of the shareholders' investment can also be measured in many other ways. One such measure is to calculate the earnings per share. The earnings per share (EPS) are calculated by dividing the profit after taxes by the total number of ordinary shares outstanding. EPS calculations made over the years indicate whether or not the firm's earnings power on per-share basis has changed over that period. EPS simply shows the profitability of the firm on a per-share basis; it does not reflect how much is paid as dividend and how much is retained in the business. But as a profitability index, it is a valuable and widely used ratio. Now the trends in the earnings per share (EPS) of the selected cement companies are analysed.

Table-1 presents the analysis of EPS of the two companies over the study period. Trend in EPS is consistently upward in the case of ACC Ltd and Ultra Tech Cement Ltd except minor fluctuations by the end of the study period. The EPS is highly increased from Rs. 79.25 in 2015-16 to Rs.189.15 in 2019-20 in the case of Ultra-tech Cement Ltd. compared to the ACC Ltd as it is increased from Rs.34 in 2015-16 to Rs. 75 in 2019-20 in the case of ACC Ltd. The highest EPS is found with Rs.189.15 in Ultra Tech during the year 2019-20. It is observed through the average analysis of EPS that, the better average EPS is generated by Ultra Tech with Rs.105.95 due to the very higher EPS in the last year. The standard deviation is 46.95 and with the co-efficient of variation as 44%.

TABLE-1
Earnings Per Share (EPS)

Year / Company	ACC Ltd.	Ultra Tech Cement Ltd.
2015-16	34	79.25
2016-17	49	95.74
2017-18	54	81.27
2018-19	72	84.33
2019-20	75	189.15
Avg.	**56.80**	**105.95**
S.D.	**16.96**	**46.95**
C.V.	**30**	**44**

(Source: Annual Reports)

2. Dividend Pay Out (DPO) Ratio:

Dividend payout ratio indicates the percentage of earnings distributed to shareholders in cash. Sustainability in the payment of dividend is one of the important demands from the shareholders of the company. The management always intends to create wealth to the shareholders, who are investing their hard earned money.

TABLE-2

Dividend Pay Out Ratio (DPO)

Year / Company	ACC Ltd.	Ultra Tech Cement Ltd.
2015-16	494	12.37
2016-17	53	9.92
2017-18	26	12.30
2018-19	19	14.40
2019-20	19	6.97
Avg.	**33.20**	**11.19**
S.D.	**16.56**	**2.84**
C.V.	**49.88**	**25.41**

(Source: Annual Reports)

Shareholders anticipated a regular and consistent dividend income as well as growth in the wealth. Finance executives face a challenge in satisfying multiple needs with limited resources.

Table-2 presents the data related to payout and retention ratios of the selected companies over the study period of 5 years. The payout ratio is comparatively highly decreased from 49% in 2015-16 to 19% in 2019-20 in ACC where as it is slightly varied over the study period and decreased from 12.37% in 2015-16 to 6.97% in 2019-20 in respect Ultra Tech. The average payout ratio is higher in ACC with 33.20% than Ultra Tech with 11.19%. The standard deviation is 16.56 with the co-efficient of variation as 49.88% and the standard deviation is 2.84 with the co-efficient of variation as 25.41% in ACC and Ultra Tech respectively.

3. Earnings Retention (ER) Ratio:

The dividend payout policy and retention policies are simultaneously important for the companies. In short term the companies may not face any problem of resources. But for the growth firms retention policy is utmost important one. Table-3 presents the data pertaining to ERR of two selected cement companies.

TABLE-3

Earnings Retention Ratio (ERR)

Year / Company	ACC Ltd.	Ultra Tech Cement Ltd.
2015-16	51	87.63
2016-17	47	90.08
2017-18	74	87.70
2018-19	81	85.60
2019-20	81	93.03
Avg.	**66.80**	**88.81**
S.D.	**16.56**	**2.84**
C.V.	**24.79**	**3.20**

(Source: Annual Reports)

In contrast to the payout ratio, retention of the earnings is comparatively higher in Ultra-tech and increased from 87.63 % in 2015-16to 93.03% in 2019-20. The retention ratio is more than 85% during the whole period and the highest ERR is registered with 93.03% during 2019-20 in Ultra Tech. In this way it has been following too conservative retention policy for the future growth and for the wealth maximization. The passive residual policy of the company will have a positive impact on the book value and market value of the equity shares of the company. The average ERR if also found higher in Ultra Tech with 88.91% with the Standard Deviation of 2.84 and Co-efficient of Variation as 3.2%. The retention ratio in ACC is comparatively low in the initial years but it is increased and reached 81% by the year 2019-20. The average ERR is found in ACC with66.80% with the Standard Deviation of 16.56 and Co-efficient of Variation as 24.79%. It is observed that both the companies have been giving importance to increase the ERR by the end of the study period.

4. Dividend Per Share (DPS) as a Percentage to Face Value:

The net profits after taxes belong to shareholders. But the income, which they really receive, is the amount of earnings distributed as cash dividends. Therefore, a large number of present and potential investors may be interested in DPS (Dividend Per Share), rather than EPS (Earnings Per Share). DPS is the earnings distributed to ordinary shareholders divided by the number of ordinary shares outstanding.

TABLE-4

Dividend Per Share (DPS)

Year/Company	ACC Ltd.		Ultra Tech Cement Ltd.	
	DPS (Rs.)	FV (Rs.)	DPS (Rs.)	FV (Rs.)
2015-16	17	10	9	10
2016-17	26	10	10	10
2017-18	14	10	10.5	10
2018-19	14	10	11.5	10
2019-20	14	10	13	10
Avg.	**17.00**		**10.80**	
S.D	**4.65**		**1.36**	
C.V	**27.35**		**12.60**	

(Source: Annual Reports)

The data presented in Table-4 explains the amount of dividend per share of the selected companies during the study period.ACC Ltd has shown highest DPS i.e., Rs. 26 in the year 2016-17 and it is decreased to Rs.14 in the next year. DPS is comparatively higher in ACC in all the five years than Ultra Tech.DPS to Face Value (FV) is constant as 140% (Rs.14) during the last 3 years of the study period in ACC. While the Ultra Tech has shown constant increase in DPS to FV as it is increased from 90% (Rs.9) in 2015-16 to 130% (Rs. 13) in 2019-20.The average dividend per share is comparatively higher @170% (Rs.17) is paid by ACC Ltd for the period. The S.D is 4.65 and the C.V of 27.35% in ACC. whereas the average dividend per share is lower with 108% (Rs.10.8) with the standard deviation of 1.36 and the C.V as 12.60% in Ultra Tech.

Conclusions:

1. The trend in EPS is consistently upward in the case of ACC Ltd and Ultra Tech Cement Ltd except minor fluctuations by the end of the study period. The EPS is comparatively higher in Ultra Tech.

2. The average analysis of EPS shows that the better EPS is generated by Ultra Tech with Rs.105.95 than ACC with Rs. 56.80 for the study period i.e. from 2015-16 to 2019-20 .

3. Both the companies have been showing declining trend in DPO ratio by the end of the study period. The DPO ratio is comparatively highly decreased from 49% in 2015-16 to 19% in 2019-20 in ACC.

4. The average D P Oratio is higher in ACC with 33.20% than Ultra Tech with 11.19% for the study period.
5. In contrast to the payout ratio, retention of the earnings is comparatively higher in Ultra-tech as it is more than 85% during the whole period and the highest ERR is registered with 93.03% during 2019-20. In this way it has been following too conservative retention policy for the future growth and for the wealth maximization.
6. The average ERR if also found higher in Ultra Tech with88.91%.
7. The trend of DPS has shown decrease in ACC ltd, while it has shown slight increase in Ultra Tech by the end of the study period.
8. DPS is comparatively higher in ACC as it is paying more dividends in all the five years than Ultra Tech.
9. The average dividend per share to face value is also comparatively higher @170% (Rs.17) is paid by ACC Ltd for the period.
10. The two cement companies are following the stable dividend policy as their DPO (Dividend Pay Out) ratio and DPS (Dividend Per Share) are declining by the end of the study period except minor fluctuations. Both the companies are giving importance to the future growth and for wealth maximization.

References:

1. Sur, Debasish, (2005). "Dividend Pay out Trends in the Post-Liberalisation Era: A Case Study of Colgate Palmolive India) Ltd.", *The Management Accountant,* Vol. 40, No.3, pp.201-206.
2. Hennessy, C., & Whited, T.(2005). Debt dynamics. *Journal of Finance,* 60, 1129-1165.
3. Azhagaiah, Rama chandran and Candasamy Gavoury, (2011). "The Impact of Capital Structure on Profitability with Special Reference to IT Industry in India". *Managing Global Transitions* 9 (4), pp. 371-392.
4. Das, P.K. (2006), "Dividend Practices in Selected Company - An Empirical Analysis", *The Management Accountant,* Vol. 41, No. 4, pp. 288-293
5. Mistry D S, (2010)." Determinants of Dividend Pay-out Ratio- A firm level study of major Gujarat Pharma Players", *BIFT's Journal of International Management & Research,* Vol. II, Issue No. 2, pp.52-71
6. Krishnamachary, Prof. P.,(1990).*"Investment Management in Public Enterprises (with special reference to selected undertakings), Readings in Public Enterprises",* Hyderabad, Vikas Publications,Volume IV.
7. James C. Van Horne, John Martin Wachowicz , (2005). *"Fundamentals of Financial Management",* Prentice Hall of India.
8. Prasanna Chandra,(2008).*"Financial Management",* Tata McGraw-Hill Education.

9. I.M. Pandey, (2009). *"Financial Management"*, Vikas Publishing House Pvt. Ltd.

10. Published Annual Reports of Ultra-Tech, The India, J.K., ACC and Ambuja Cement Companies for the period of 10 years i.e., from 2003-2013.

11. Websites:

www.indianjournaloffinance.co.in ,	*www.research-finance.com*
www.journals.elsevier.com,	*www.financeindia.org*
www.boj.or.jp,	*www.journals.elsevier.com*
www.ultratechcement.com,	*www.indiacements.co.in*
www.jkcement.com,	*www.acclimited.com*
www.ambujacement.com,	*economictimes.indiatimes.com*

GREEN ENTREPRENEURSHIP- A STEP TOWARDS GLOBAL SUSTAINABLE DEVELOPMENT

Prof. Badiuddin Ahmed
Department of Commerce and Management,
Maulana Azad National Urdu University, Hyderabad.
Ameena Begum
Research Scholar, Department of Commerce and Management,
Maulana Azad National Urdu University, Hyderabad.

Introduction:

The most pressing issues of present are environmental protection and the preservation of a clean environment for future generations. It is critical for the growth of Green Entrepreneurship that society's attitude toward environment and green production shifts and promotes it on a daily basis. This will inevitably bring with it the importance of key concerns such as energy and green conservation, recycling gaining prominence, increasing reusability, and economic development. Entrepreneurship is a rapidly expanding business sector. Recent environmental issues have resulted in ecological methods influencing entrepreneurial operations.

As environmental consciousness grows, so do the demands of society for environment friendly enterprises. The scarcity of natural resources, the rise in global population, and the decline in biodiversity all play a part in the emergence of ecological problems. While the inclination to consume more things harms the environment, many firms work to promote awareness about natural resource usage. The overarching goal of all of this is to secure long-term growth. Green Entrepreneurs are those who hold such a viewpoint. Green Entrepreneurs are distinguished from typical entrepreneurs by their desire to build a company model that is economically lucrative, ecologically sensitive, and produces social benefit.

Green businesses are extremely crucial for economic success. Green Business owners have the potential to generate a significant contribution to the creation of employment, poverty, and ecological degradation. Green Entrepreneurs assume a stronger role than that of other businesses in environmental aspects and environmental duties. Entrepreneurs support the sustainable future by offering products that are eco-friendly, as well as renewable technology assistance. Environmental protection is one of the world's most difficult challenges today. As a result, it's indeed vital to stimulate the development of Green Businesses.

The Green Entrepreneur

An organization cannot employ a technology to generate a renewable source of energy if it causes the company financial instability. We must establish the concept and status of the Green Businessman in addition to specifying the image and role of the Green Entrepreneur. The person in charge of overseeing the entire operation behind the scenes. A Green Entrepreneur is an individual an entrepreneurial venture that is ecological by nature, and all of the items and processes that arise from that company are also greener and sustainable and environment friendly from the beginning.

Features of Green Entrepreneurship

Green Entrepreneurs are distinguished by three characteristics. First and foremost, they are entrepreneurs who manage firms that require some risk, and they are always on the lookout for fresh business prospects that may be initiated and developed into profitable enterprises. Second, Green Entrepreneurs use environmentally friendly business methods and operate under the premise that their activities do not harm or have a neutral influence on the environment. Third, Green Entrepreneurs are environmentally mindful in their business because of their personal fundamental beliefs and motivation. Thus, Green Entrepreneurs may be seen as environmental issue solvers who simultaneously serve as social change agents in order to modify behaviours and consumer patterns in society.

Sustainable Development

Everything we buy is wrapped in plastics and polymers that do not degrade and will end up in landfills and pollutants or, worse, the seas long after the person who has used them is not existing. Companies must play a role in fixing these concerns. A sustainable business tries to create a balance in the economic, social, and environmental advantages of the firm as part of its fundamental business purpose. To be self-sustaining, a company must neither exploit its resources or its employees in order to raise profit margins. A sustainable company recognises that when it exhausts its resources faster than they can be replenished, it will be unable to exist indefinitely. Similarly, because it perceives itself as part of a bigger community, it ensures that its employees are treated fairly.

Sustainable Development and Green Entrepreneurship

Today's entrepreneurs and corporate firms are endeavoring to go beyond the concept of sustainable development. The purpose of long-term development is to maintain stability. We must assure that today's actions have no negative environmental impact and, where possible, revert to a previous phase where there was no danger.

The world, however, is transforming, and many individuals believe that sustainability is not anymore, the objective. On the contrary, they believe that all advancements and improvements should focus on changing practises and processes rather than resorting to old methods.

It does have the potential to create a powerful impact on Green Entrepreneurship. Still, it seems that businesses are still committed to the principle of sustainable development for green company at this moment. Only with measurable results will we be able to identify which technique is superior and also how Green Entrepreneurship can progress in the next years.

Similitude between Green Enterprise and Social Enterprise

A social enterprise is established with a purpose to generate money (and, on occasion, profits) in order to sustain socially beneficial operations. A social venture may or may not be for profit. At its essence, it is driven by the desire to create a better society and the environment.

It has determined that the best method to do this is to create revenue by producing and selling goods and services to fund its operations and activities. The major contrast between a social company and a green business is centred on why they exist instead of what they achieve.

"As an example, two enterprises that make construction material by crushing recycled glass were founded for quite different reasons. Business A notices the amount of glass going to the dump and chooses to look into solutions to remedy the problem. They investigated numerous applications for recycled glass, including turning it into new items such as vases, lighting, and jewellery, as well as crushing it for use as an aggregate in the building industry. After considering the various possibilities, Commercial A determines that breaking glass for buildings is the best business answer to this waste management problem."

"Conversely, Firm B arose as a result of the owners' desire to provide work for young jobless labourers in their community, and building a glass crushing business is a possible solution. Because of these incentive disparities, the two companies may make quite different strategic decisions. For example, if the demand for construction materials changes to the point where crushing glass for construction products is no longer viable, Business A may consider repurposing recycled glass into other products, whereas Business B may decide to discontinue recycling and crushing glass and seek other ways to employ labourers. In this case, Business A is primarily a green business, but Business B is primarily a social enterprise."

Green Entrepreneurs

Shagun Singh

Shagun Singh, the founder of Geeli Mitti, their Green Enterprise aims to educating people in the world on how to build and sustain cool and long-lasting houses from mud and bamboo. Shagun Singh was formerly a marketing executive and now she is reaching the highest levels to safeguard the environment and protect it for future generations. She mostly addresses villages for her initiative. Shagun Singh is an educator, guide, a helping hand and above all an environmentalist who is trying to make the most of her ideas and life's journey in educating people about the environment and spreading awareness about the same whilst touching lives and saving the planet.

Geeli Mitti farms, which is a division and a part of Geeli Mitti Foundation, also stands for sustainable environment by developing and constructing houses and other structures that are environment friendly and which adhere to natural way of life. All the buildings and structures that Geeli Mitti builds is made of lime, mud, cow dung and other bio degradable products. Sometimes trash is also used to make something that is valuable in nature.

The opportunity to disseminate information, assist people alter their life, and make a difference is the most important aspect of Shagun's quest.

> *"The earth-bag technique is very significant. It is especially useful in earthquake-prone locations. Many people are unaware that after the Nepal earthquake, just one structure remained standing while the rest crumbled. It was constructed using the earth-bag technique."*
>
> *— Shagun Singh*

Prerna Prasad

Prerna Prasad embraced entrepreneurship as a means of environmental protection. Prerna is the founder and Chief Executive Officer of Ecoplore. Ecoplore is a Green Business unit that motivates and encourages people in the most environment friendly manner and also promotes a way of living life with health. The IIM Calcutta innovation Park has named Ecoplore as one of the top smart 50 start-ups. The founder has also been awarded a scholarship from Silicon Valley- based investor Alicia Castilo Holley through the Women Get Funded initiative.

She has also spearheaded the environmental battle against the removal of 50,000 trees in South Delhi for NBCC and CPWD rehabilitation projects.

> *"Ecoplore is an environmental protection initiative. We encourage hotels that are at least 30% green inside their boundaries and are composed of non-concrete materials through our initiative. The goal is to preserve whatever peaceful environment we have left."*
>
> *— Prerna Prasad*

Antara Chatterjee's

Antara Chatterjee, a local has perceived the idea of her business while he was on vacation of volunteering tourists.

He is the Founder of Little Local, which aims at transforming the was people spend their time while on vacation by developing an idea of volunteering while they are on vacation

Community-based tourism offers a unique experience for visitors because it combines cultures and traditional rituals, and it creates a sense of belongingness. The journey is focused on community needs and environment protection, and also helps the community.

"I grew enamoured with the concept of combining travel, community impact, and one-of-a-kind experiences." *— Antara Chatterjee*

Sahar Mansoor

Sahar Mansoor is the founder and owner of the zero-waste start-up named Bare Necessities. The present Green Business aims to create an environment with zero-waste. They employ an approach where every product is fuelled by natural and such components which have no negative effect on health and no environmental hazards. All the products of the business re manufactured by the women of Karnataka. Encouragement of an environmentally responsible lifestyle, according to the young entrepreneur, is at the top of her priority list.

"In a broader sense, BN aspires to transform India's trash narrative." BN aspires to be a transdisciplinary hub and a home for product designers in the future." *— Sahar Mansoor*

Neerja Palisetty

Neerja is named as the waste fighter and she is also the founder and developer of Sutrakaar Creations. Sutrakaar Creations initiated the zero-waste idea and weaves artistically to safeguard the environment from unnecessary waste. Palisetty has released a study on creative, sustainable and environment friendly techniques to reuse paper. Sutrakaar is noted for its ingenuity and a different and unique business model of woven paper. It makes use of trash and waste paper like old newspaper etc., for weaving.

Palisetty graduated from MSU Baroda with a degree in clothing and textiles and a PG diploma in higher education from Nottingham Trent University in the United Kingdom. Sutrakaar's spinning of yarn provides a source of income for many women. It encourages sustainable livelihoods while also protecting the environment.

"Paper is thought to be fragile, yet once weaved, it is a sturdy and adaptable material with a wide range of applications."
—Neerja Palisetty

References:

1. https://scholar.google.co.in/scholar?q=green+entrepreneurship+ research+papers+ ideas&hl=en&as_sdt=0&as_vis=1&oi=scholart
2. https://www.academia.edu/Documents/in/Green_Entrepreneurship
3. https://www.eudevelopment.net/what-is-green-entrepreneurship-and-why-is-it-important/
4. http://gggi.org/site/assets/uploads/2019/04/GGGI-Guide-to-Green-Entrepreneurship-in-Kiribati-Chapter-2-What-is-Green-Entrepreneurship-1.pdf
5. https://ied.eu/blog/green-entrepreneurship-sustainable-development-for-business/
6. https://www.shethepeople.tv/news/five-eco-friendly-entrepreneurs-who-are-helping-our-environment/

7. https://www.researchgate.net/publication/327642972_Green_ Entrepreneur ship_A_Bibliometric_Study
8. https://ijmrtjournal.com/wp-content/uploads/2021/05/Green-Entrepreneurship-Article.pdf
9. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3284935
10. https://scholar.google.com/
11. https://search.ebscohost.com/
12. https://www.managementstudyguide.com/what-is-social-entrepreneurship-and-why-the-world-needs-more-social-entrepreneurs.html

SUPPLY CHAIN FINANCE - A CONCEPTUAL STUDY

Prof. K. Raji Reddy
Dean, Faculty of Commerce and Business Management
Kakatiya University, Warangal (T.S.)

Introduction:

Supply Chain Finance (SCF) is a term relating a set of technology-based solutions that aims to lower the financing costs and improve business efficiency for buyers and sellers linked in a sales transaction. SCF methodologies work by automating transactions and tracking invoice approval and settlement processes, from initiation to completion. Under this paradigm, buyers agree to approve their suppliers' invoices for financing by a bank or other outside financier--often referred to as "factors." SCF by providing short-term credit that optimizes working capital and provides liquidity to both parties, offers distinct advantages to all participants. While suppliers gain quicker access to money they are owed, buyers get more time to pay off their balances. On either side of the equation, the parties can use the cash on hand for other projects to keep their respective operations running smoothly.

Supply Chain Finance (also known as SCF, payables, reverse factoring and supplier finance), is a cash flow solution which helps businesses free up working capital trapped in global supply chains. Supply Chain Finance has recently been defined as a much broader category of trade financing, encompassing all the financing opportunities across a supply chain. Notwithstanding, the product is still very much seen from a narrower perspective, where its key feature is that it is buyer/debtor driven. In such a case, a buyer approaches its financial provider for the establishment of a receivables discounting line for its suppliers to use and discount the invoices they issued to that buyer.

The SCF is a solution designed to benefit both suppliers and buyers; suppliers get paid early and buyers can extend their payment terms. This solution allows businesses which import goods to unlock working capital as well as reduce the risk associated with buying goods in bulk and/or transporting them globally. SCF is generally defined as 'an arrangement whereby a buyer agrees to approve his suppliers' invoices for financing by a bank or other financier'.

Need for the Study:

The Supply Chain Finance is popular due to the convenience added to the sales activities. It adds protection to business transactions and promotes import & export activities globally. In other words, it is a win-win-win situation (3 parties, 3 winners). Supply chain finance (SCF) is an essential chapter of Supply Chain Management.

It connects buyers & sellers with financing institutions. As a result, it helps corporate to lower financing costs and improving efficiency. Most importantly, it unlocks working capital tied in the supply chain. Supply Chain Finance is a segment of Trade Finance. Hence, there is need to study the Supply Chain Finance in India.

Objective and Scope of the Paper:

To explain the concept and working procedure of Supply Chain Finance and the benefits of Supply Chain Finance and analyse Supply Chain Finance products.

Research Methodology:

The explanatory research method is used to give a new perspective on finance and investigative a phenomenon that had not been studied before or had not been well explained previously on Supply Chain Finance in Banks.

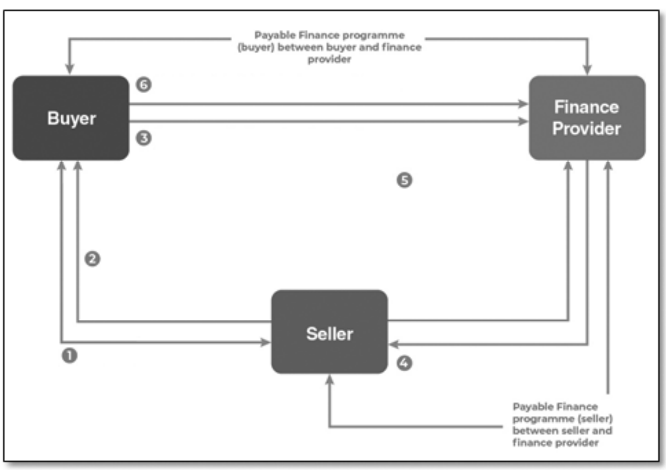
Supply Chain Finance Works

The multinational companies are highly likely to honour invoices from suppliers. That means the suppliers that work with them can get 100 percent of the value advanced from a lender, minus a small fee, once the buyer has approved the invoice for payment - because at this stage, the risk of non-payment is very low.

A breakdown of supply chain funding:

- The supplier issues an invoice to the buyer.
- The buyer confirms to the lender that the invoice has been approved for payment.
- The supplier gets the value straight away (minus a small fee) from SCF provider
- When payment is due, the buyer pays to the SCF provider

Figure-1
Supply Chain Finance Works



1. Buyer enters into a commercial arrangement with their seller(s) and places the orders.
2. Buyer receives invoice with payment details
3. Buyer approves invoices and provides related payment instructions to the finance provider
4. Finance provider makes available to the sellers the option to elect for early payment at a discounted value.
5. If the sellers chose for early payment, finance provider will pay the sellers the discounted value (i.e. invoice amount early payment fee to supply chain finance provider) against assignment of receivables to finance provider. If the seller do not elect for early payment, finance provider will pay the full value of the invoice at due date.
6. On the due date of the invoice, buyer pays into an finance provider account the total value of the invoice.

In this way, the supplier's cash flow is stabilized because they get paid within a few days, rather than waiting for the standard 'payment due' date (which could be as long as 120 days). Meanwhile, the buyer simultaneously benefits, because they have effectively extended their payment terms, but without negatively impacting their suppliers. This is because the payment delay is taken on by the lender - so the supplier gets paid within a few days, but the buyer's working capital is untouched until their extended payment terms are over.

Supply Chain Finance Benefits

SCF is a very efficient way to underpin the stability of a Buyer's supply chain and market reach vis-a-vis its suppliers, allowing it to benefit from better credit terms and streamlined invoice payment procedures (supply chain finance tends to be made available through online platforms). It is also very beneficial to suppliers, as it allows them to shorten their receivables cycle and therefore reinvest their operational cash-flow at a faster pace. The advantages also tend to include financing in better terms for both parties, as suppliers don't need to take out financing under their own credit lines and may benefit from their clients' access to credit at lower rates, and buyers may get credit from their suppliers at a lower cost than that of taking out a loan.

Benefits to Buyers / Importers

- Buyers can maintain a healthy balance sheet
- Buyers maintain a good relationship with suppliers
- Promotes competition/ diversity in suppliers
- Allows buyers to make purchases in bulk to save costs
- Buyers can work with complex end-to-end supply chains
- SCF doesn't disturb existing bank relationships or overdrafts

Benefits to suppliers/ exporters

- Suppliers can get paid earlier than their usual 30-day credit terms
- Little financial risk - insurance is sorted through a supply chain financier
- Doesn't cost the supplier any extra
- Allows supplier to have the cash flow to work on numerous deals simultaneously
- Helps provide liquidity and reduces financing costs

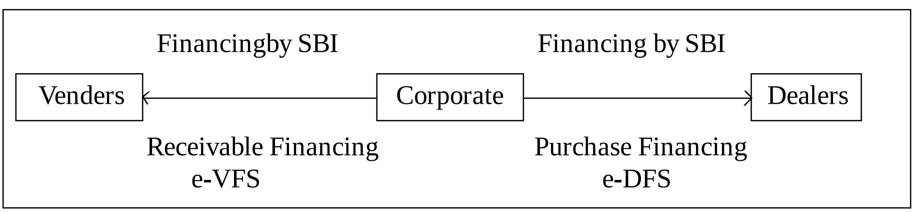
Supply Chain Finance in State Bank of India (SBI)

SBI has added a financial feature to its range of products that is supply chain finance for the benefit and convenience of its customers. Supply chain finance will add strength in financing supply chain partners with the help of SBI. SBI has launched an online platform for providing funding support to supply chain partners of renowned and established corporate enterprises. The benefits are associated with Offers hassle-free paperless online banking service, Customization as per business requirements is possible and Platform is integrated with Corporate Enterprise Resource Planning Software (ERP)/SAP.

State Bank of India introduces Supply Chain Finance by leveraging its state of the art technology for the convenience of the customers. SCF will strengthen the relationship of SBI with the Corporate World by financing their supply chain partners. Under Supply Chain Finance Unit we have established an online platform for financing the Supply Chain partners of various reputed Corporate.

Figure-2

SCF Online Platform



The Web based platform Provides convenient paperless banking, Ensures Real time online transfer of funds and MIS, Is fully customizable as per your business requirement and Is capable of being fully integrated with Corporate Enterprise Resource Planning Software (ERP)/SAP.

Types of Supply Chain Finance Products offered by SBI:

There are two types of Supply Chain Finance Products offered by SBI they are:

1. **Electronic Vendor Financing Scheme (e-VFS):** The buyers can easily upload the details of invoices raised by their respective vendors on SBI's online platform that results in instant credit to vendor account.

2. **Electronic Dealer Financing Scheme (e-DFS):** Sellers make online requests to SBI's online platform for debiting dealer's account by providing details of invoices raised on their respective dealers that results in immediate credit to corporate seller's account.

The Financing Vendors/Suppliers for their receivables from Corporate buyers which are Industry Majors (IMs). The Corporate buyers can upload the details of invoices raised by their Vendors on our Bank's online platform which results in instant credit to Vendor account.

The Financing Dealers for their purchases from Corporate Sellers. Corporate Sellers make online requests to our Bank's online platform for debiting dealer's account by providing details of invoices raised on their Dealers which results in immediate credit to Corporate seller's account.

All our product offerings under Channel Finance are designed to ensure efficient management of working capital cycle and sustained growth and profitability of business partners.

Figure-3

Benefits Accross the Supply Chain Finance

Buyer	Seller	Bank
Reduce the cost of goods purchased	Reduce the cost of capital through improved Days Sales Outstanding (DSO) and lower finance costs	Build stronger, collaborative relationships with customers
Reduce working capital requirements through improved Days Payable Outstanding (DPO)	General flexible, predictable cash flow	Enhance customer retention
Enjoy a more stable supply base	Gain access to low-cost finance rates	increase bottom line by supporting customers' entire supply chain from end to end

Summary

The Supply Chain Finance is a new method of providing financial services to both the parties of a transaction (buyer and seller) in a mutually benefited way and leading to benefit all the parties. The SCF is a better way of managing the short - term finances of buyer and seller. The SBI in India, a premier Indian Banks offering SCF through ERP Software and providing hassle free paperless on line banking services. The SCF has a great feature in the days to come, as it is a win-win-win strategy for all the three parties of supply chain i.e. buyer- seller and services provider (banks).

References:

1. Supply Chain Finance: An Introductory Guide
2. "Prime Minister announces Supply Chain Finance Scheme". *Prime Minister's Office, 10 Downing Street.* Retrieved 10 October 2013.
3. International Finance Corporation
4. World Supply Chain Finance Report 2021, https://bcrpub.com/world-supply-chain-finance-report-2021
5. Bruzelius, N., Flyvbjerg, B., & Rothengatter, W. (2002). Big decisions, big risks. Improving accountability in mega projects. Transport Policy, 9(2), 143-154. doi:10.1016/S0967-070X(02)00014-8
6. De Palma, A., Picard, N., & Andrieu, L. (2012). Risk in transport investments. Networks & Spatial Economics, 12(2), 187-204. doi:10.1007/s11067-009-9109-8
7. Doloi, H. (2012). Assessing stakeholders' influence on social performance of infrastructure projects. Facilities, 30(11), 531-550. doi:10.1108/026327712 11252351
8. Esty, B. C. (2002). An Overview of Project Finance- 2002 update. Harvard Business School Case No. 202-105, Boston MA.
9. Esty, B. C. (2004). Why Study Large Projects? An Introduction to Research on Project Finance. European Financial Management, Vol. 10, No. 2, 2004, 213-224.

COMPETENCY MAPPING OF MANAGEMENT TEACHERS - A STUDY IN TELANGANA STATE, INDIA

Dr. Ch. Srikanth Verma
University College of Commerce & Business Management,
Kakatiya University, Warangal, T.S.
Prof. Ch. Rajesham
Department of Commerce & Business Management
Chaitanya (Deemed to be University), Hanamkonda, T.S.

Introduction:

India is poised at a very significant moment in its economic history. If the Government, industry, academia and the people work together towards the common objective of taking the nation to greater heights, then nothing can stop the country from leading the world. The economic growth of a nation is directly depending upon the supply of educated manpower. In India, rate of industrialization has picked up which has resulted in great demand for managers in every sector of economy. Every year, India needs a huge reservoir of people who are trained for business and management and the demand is to last for years. The managerial talent has the power to drive the economy forward. But it is matter of concern regarding whether the demand is for what they have been taught.

As the business world is filled with challenges and risks, the purpose of management education is to prepare students thoroughly to face these challenges and take the risk by the horn. Unfortunately, regulatory body has focused more on granting approvals rather than improving the quality of management education in the country resulting into high proliferation and low quality of teaching-learning. The problem is further compounded by faculty shortage, poor quality of faculty, short term focus of the management education providers, poor governance, lower degree of accountability, indifference of the corporate and above all competencies of management aspirants in terms of undergoing rigor of professional education. In management education, quality has become a necessity.

Overview of Literature

Indian Business schools (B-Schools) need an urgent course correction so as to maintain their relevance in the society. Survival of these institutions will indeed depend on how proactive they are with regard to meeting the needs of the corporate houses in particular and society in general. Revitalization process of B - school should be strengthened by all the stakeholders especially the government and the corporate houses (Kumar and Jha, 2012). There is lack of clarity regarding the expected outcome of the management education programme, approach of the academicians, lack of involvement in the industry and bias towards conceptual learning are some of the factors hampering the effectiveness of the Indian management education (Reddy, 1996). The demand for engineers and managers is increasing in India and as well as throughout the globe; the real requirement will be met with if quality and employable graduates are produced mainly by the private institutes. This means that there is dire need of the Private College to cater this need but they need to maintain the desired quality and contribute in producing quality Engineers (Gosavi, 2013).

Good teachers are those: Who know their subject matter, are organized, spend the major part of class time on academic activities, structure learning experiences carefully, clearly present both directions and content information, maintain high student interest and engagement, ensure that students have sufficient time to practice skills, involve all students in discussions (not just volunteers), ask both higher and lower order questions as appropriate to objectives of the lesson, use adequate wait time, provide clear academic feedback, teach content at a level that ensures a high rate of success, vary student activities procedures, hold high expectation for students, are enthusiastic about teaching and their subject matter, have high record for students and treat them with respect, connect new learning to prior knowledge, develop rather than shallow knowledge, and build classroom-learning communities (Sadker and Sadker, 1997). There are twenty one teaching competencies in Indian situation which are grouped under the following major headings: Planning skills, Presentation skills, Managerial skills, Closure skills and Evaluation Skills (Passi and Lalitha, 1976).

The constraints faced by the teachers in fulfilling the academic demands were high. More opportunities need to be given to teachers to update their functional knowledge and skills (Sugumar, 2009). By the score obtained by science student teachers before and after simulation, it is found that there lies significant difference in pedagogical competency of science teachers. It indicates that simulation classes have positive impact on internship programme. Students become more competent pedagogically to teach science in internship programmes due to simulation classes (Panda, 2014). The PAKS (Personality, Ability, Knowledge, Skills) based competency model for the assessment of faculty members in academia. This model incorporated in any academic institution for the competency management, fruitful results would be obtained for the up gradation of faculty and the institution (Tripathi, 2010).

Research Gap

After going through the studies conducted earlier, it is found that very few researchers have conducted studies in the area of competency mapping of management teachers. With special reference to India, negligible research has been carried out on this topic. Thus, an attempt is made to research on competency mapping of teachers in management education.

Need and Significance of the Study

Teachers are the dynamic energy for the development and reconstruction of nation as they are building future citizens for the society. The place of teacher in current scenario of society is really crucial due to his/her pivotal role in social progress and in the transmission of wisdom, knowledge and experience of one generation to another. Teaching is often misrepresented as being a simple matter of presenting information to students. Such a view underestimates what is required of both students and teachers. In reality, teaching and learning are complex social and cognitive processes, and educational practice is the subject of thriving research literature.

Management education could become a diagnostic tool for business problems of the globalized world. It not only prepares students to meet the challenges of the changing times but also helps them in identifying and choosing a career to suit their knowledge, skills and attitudes. To make India an intellectual capital of the world, teachers have to create a dynamic environment, which can encourage superior quality management education. Here competency of management teachers assumes a lot of importance in today's context. In this backdrop, an attempt is made to map the competencies of teachers in management education.

Objective of the Study:

The objective of the study is to map the competencies of teacher in management education.

Scope of the Study

The study is concerned with the mapping of competencies of management education teachers. It covered all the ten districts in Telangana State, India. The areas which are covered are the existing competencies of management teachers, constraints faced by management teachers' in knowledge enhancement, skills required by management teachers and professional up gradation.

Materials and Methods

A descriptive research design is undertaken to meet the objective of the study.

Selection of Sample and Size

In Telangana state, there are seven state government universities which are offering management education. Further, apart from the Universities, many private and aided colleges which are affiliated to these universities are also offering management education. In Telangana, in fact in entire India, management education is monitored by the AICTE (All India Council for Technical Education). This apex body stipulates the cadre ratio and norms of eligibility for faculty positions. At present, the cadre ratio for a batch of 60 MBA graduates is one Professor, two Associate Professors and six Assistant Professors. Every management education college in India has to follow these rules. But, somehow, some colleges due to various constraints and lack of resources are unable to follow these guidelines. They are running the show with less than required faculty members. This made our task of getting the exact size of population (Management Faculty members) very difficult. Due to this limitation, we have made an attempt to cover all the universities in order to make the study more comprehensive in nature.

TABLE-1

Selection of Sample Size

S.No.	Name of the University	Districts Covered	Number of Respondents	Total Respondents
1.	Osmania University	Hyderabad & Rangareddy	37 26	63
2.	JNTU, Hyderabad	Hyderabad & Rangareddy	21 16	37
3.	Kakatiya University	Warangal & Khammam	21 13	34
4.	Mahatma Gandhi University	Nalgonda	31	31
5.	Palamuru University	Mahbubnagar	29	29
6.	Satavahana University	Karimnagar & Adilabad	11 15	26
7.	Telangana University	Nizambad & Medak	11 06	17
			Total	**237**

Source: Primary Data.

For this purpose, a sample of 300 management teachers working in the colleges under these seven universities is selected by using convenience sampling method. Sufficient precautions have been taken for accommodating the representation of respondents from every university and also from all the districts of Telangana state. A structured questionnaire prepared for eliciting responses related to the study was administered to them. However, only 237 faculty members responded properly to the questionnaire. So, the sample size is determined as 237. Table-1 presents the selection of sample.

Data Collection

The study is based on primary data. The primary data is collected by using schedule technique. A well structured schedule is designed using like Likert scale with five point scale. The Cronbach Alpha and confidence interval test is used to check the reliability of the questionnaire. Table-2 presents the reliability level of the questionnaire.

TABLE-2

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised	No. of Items
0.903	0.891	54

Source: Primary Data

Table-2 indicates that the score of Cronbach Alpha coefficient is .903 which is more than 0.7 (α=.903), which implies that the questionnaire is reliable. Further no statements are to be deleted as all have the Cronbach Alpha Score more than 0.7. The data collected is analysed and interpreted by using various statistical techniques such as averages and mean, standard deviation. The Secondary data is gathered from published materials in the form of books, journals, websites and reports relevant to the study.

Demographic Profile of the Respondents

As a part of research, demographic variables are studied. The demographic variables include gender, age, highest degree possessed, type of institution, designation and teaching experience. The demographic profile of the respondents presented in Table-3.

TABLE-3

Demographic Profile of the Respondents

Demographic Profile	Items	No. of	%
Gender	Male	156	66
	Female	81	34
Age	Below 25 years	13	6
	Between 26 to 35 years	80	34
	Between 36 to 45 years	65	27
	Above 45 years	79	33
Highest Degree Possessed	PhD	114	48
	M.Phil	42	18
	Post Graduation (P.G)	81	34
Type of Institution	University College	77	32
	Private College	129	55
	Autonomous College	31	13
Designation	Professor	56	24
	Associate Professor	93	39
	Assistant Professor	88	37
Teaching Experience	Below 5 years	18	8
	Between 6 to 10 years	111	47
	Between 11 to 15 years	84	35
	Above 15 years	24	10

Source: Primary Data

Table-3 presents demographics, it reveals that the out of 237 respondents, 156 were male (66%) and 81 were female (34%). The majority of respondents belongs to between 26 - 35 years age group and followed by above 45 years age group. Around 48% of the respondents possessed PhD as a highest degree and 34% possessed only P.G. Majority of the respondents (55%) were working in private institutions. Around 39% were working as associate professor, 37% were assistant professor and 24% are working as professors in various institutions. Further, majority of the respondents were having 6 to 15 years of teaching experience. These demographics indicate that the majority of the management teachers are working in private institutions with about 6 to 10 years teaching experience.

Competency Mapping of Management Teachers

Competency Mapping is the process of identifying specific skills, knowledge, abilities and behaviours required to operate effectively in a specific profession or position. Competency of teachers assumes a lot of importance in today's context. In India however competency development and mapping still remains an unexplored area. During the past decade, there has been a growing interest in learning and competency based system in various areas of education, training and professional development, especially in management education. The management teachers require a number of competencies such as; teaching competencies, educational competencies, motivational competencies, communication competencies, personal competencies and administrative and organizational competencies.

Results of Analysis and Discussion

For the study purpose, 48 statements have been developed with different competencies. They are grouped into six and presented in Table-4.

TABLE-4

Management Teachers Competencies

S.No.	Management Teacher Competencies	N	Mean	Std. Deviation
TEACHING COMPETENCIES				
TC1	Teacher's expertise in subject creates effective teaching and learning environment for students.	237	3.95	1.44
TC2	Teaching skills improve the student outcomes.	237	3.83	1.28
TC3	Teacher attitude influences the behavior of students.	237	3.62	1.26
TC4	Teachers' discipline changes the students' perceptions positively.	237	3.51	1.21
TC5	A Teacher should always update teaching methodology.	237	3.82	1.45
TC6	Teacher should spend some time to discuss about great personalities.	237	3.61	1.29
TC7	Teacher should have creativity in teaching.	237	3.86	1.37
TC8	Teacher should be flexible and adaptive in management education process.	237	3.32	1.29
TC9	Developing new models and theories helps gain more expertise.	237	3.55	1.32
TC10	Teacher should use various pedagogical methods for effective classroom delivery.	237	3.75	1.27
	Overall Opinion on Teaching Competencies	**237**	**3.69**	**0.82**

EDUCATIONAL COMPETENCIES				
EC1	Teacher should have mastery in both theoretical and practical knowledge.	237	3.59	1.29
EC2	Teacher should have additional qualifications to enhance the subject knowledge and confidence.	237	3.01	1.32
EC3	Teacher should acquire required additional qualification in the area in which he/she in teaching.	237	3.11	1.43
EC4	Teacher should involve in research work.	237	3.51	1.26
EC5	Teacher should update with technology related to teaching.	237	3.78	1.45
EC6	Teacher should have knowledge of curriculum design.	237	3.63	1.34
EC7	Teacher should attend Capacity Building or Faculty Development Programmes (FDP) regularly.	237	3.97	1.42
	Overall opinion on Educational Competencies	**237**	**3.76**	**1.11**
MOTIVATIONAL COMPETENCIES				
MC1	Teachers facing adverse circumstances successfully will motivate the students.	237	3.52	1.19
MC2	Teacher's habit of team building and leading will motivate students.	237	3.81	1.46
MC3	Teachers' hard work and commitment will motivate students.	237	3.77	1.61
MC4	Teacher should inspire the students with successful stories of entrepreneurs.	237	3.95	1.44
MC5	Teacher should encourage students to become entrepreneurs.	237	3.6	1.26
MC6	Teacher with strong positive regard for oneself and confidence will inspire students.	237	3.91	1.46
MC7	Encouraging and appreciating students for their good work will get positive result.	237	3.62	1.24
MC8	Teacher should encourage students to participate in classroom seminars, role plays and etc.	237	3.95	1.41
MC9	Teacher should encourage the students in his/her area of interest.	237	3.95	1.36
	Overall opinion on Motivational Competencies	**237**	**3.79**	**0.53**
COMMUNICATIONAL COMPETENCIES				
CC1	Teacher should know how to use and respond to language appropriately in class room.	237	3.66	1.09
CC2	Teacher should know how to recognise and repair communication breakdowns.	237	3.56	1.08
CC3	Teacher must have knowledge of verbal and non-verbal communication skills.	237	3.99	1.28
CC4	Teachers' communication should be as simple as possible and understandable to below average students.	237	4.1	1.36
CC5	Drama (storytelling and scenarios) can provide students a clear comprehension of subject or topic.	236	3.12	1.45
CC6	Teacher should allow students to express their opinion or doubts in the class room.	237	3.59	1.15
	Overall opinion on Communication Competencies	**237**	**3.93**	**0.67**
PERSONAL COMPETENCIES				
PC1	Teacher should possess morally and ethically strong personality.	237	3.9	1.4
PC2	Teacher should deal with students in a friendly, caring, helpful and considerate manner.	237	3.84	1.38
PC3	Teacher should listen as carefully, accurately and sensitively as possible.	237	3.55	1.28

PC4	Keeping him/her self calm in conflicting situations is one important characteristic of good teacher.	237	3.92	1.44
PC5	Teacher should possess adaptive working style or approach to meet the needs of a particular situation.	237	3.54	1.24
PC6	Teacher should establish and maintain friendly relations with the stakeholders of institute.	237	4.05	1.34
PC7	Teacher should be able to express his/her ideas with clarity and precision.	237	3.54	1.24
PC8	Teacher should be able to make decisions quickly and effectively.	237	3.58	1.17
PC9	Teacher should break down complex tasks into manageable parts and perform them systematically.	237	3.43	1.15
	Overall opinion on Personal Competencies	**237**	**3.84**	**0.63**
ADMINISTRATIVE AND ORGANISTAIONAL COMPETENCIES				
AOC1	Teacher should organise activities in a timely manner.	237	3.77	1.37
AOC2	Teacher should Make him/her self available to students even beyond classroom.	237	3.69	1.29
AOC3	Teacher should take responsibility and accountability for the activities conducted by him/her.	237	3.68	1.32
AOC4	Teacher should keep oneself aware of the practices followed by his/her institution as well as other Institutions.	237	3.62	1.27
AOC5	Teacher should be tolerant with people and processes.	237	3.9	1.34
AOC6	Teacher should develop and implement methods of appraisal.	237	3.76	1.33
AOC9	Teacher should constantly work to improve and reinforce performance of students by giving them continuous feedback.	237	3.76	1.36
	Overall opinion on Administrative and Organizational Competency	**237**	**3.59**	**0.91**

Source: Primary Data

The Table-4 presents the competencies of management teacher under six categories namely teaching, education, motivational, communication, personal and administrative and organizing competencies.

Teaching Competencies: The study reveals that respondents have agreed with all the statements with regard teaching competencies with an overall mean of 3.69. With regard to statement 'Teacher should be flexible and adaptive in management education process' respondents did not have express any strong opinion with a mean of 3.32.

Education Competencies: The study reveals that the respondents have agreed with regard to educational competencies with an overall mean of 3.76. It indicates that these competencies are must to continue in management education. With regard to statements related to additional qualifications, respondents were indecisive with mean of 3.01 and 3.11.

Motivational Competencies: This study reveals that competencies like student motivation, team building, hard work, nurturing towards entrepreneurship, positive attitude, classroom participation etc. of a management teachers will make student productive and effective. The same has proved with an overall mean of 3.79.

Communication Competencies: Study evidences that competencies like appropriate use of language, how to repair communication breakdowns, verbal and non-verbal communication skills etc. will help to become a good management teacher. The same has proved from the study with an overall mean of 3.93 from the respondents.

Personal Competencies: Personal competencies like morally and ethically strong, friendly nature, calm going, adoptive working style, clarity in activities etc. will keep management teacher at high level. The study revealed the same with a high overall mean of 3.84.

Administrative and Organization Competencies: A management teacher should exhibit administrative and organizational competencies like organizing activities timely make him/her self available, accountability, awareness about policies and practices of the institution. The study revealed the same with an overall mean of 3.59 from the respondents.

Conclusion of the Study

The major objective of the study was to map the competencies of teacher in management education. The study was identified 48 competencies and grouped into six competencies namely teaching, educational, motivational, communication, personal and administrative & organisational competencies. The study reveals that the respondents have agreed with regard to six competencies with an overall mean between 3.93 and 3.59. Management teacher should be flexible and adaptive in management education process and should have competencies like student motivation, team building, hard work, nurturing towards entrepreneurship, positive attitude, classroom participation etc. of a management teachers will make student productive and effective. Management teacher have appropriate use of language, how to repair communication breakdowns, verbal and non-verbal communication skills etc. will help to become a good management teacher. The personal competencies like morally and ethically strong, friendly nature, calm going, adoptive working style, clarity in activities etc. will keep management teacher at high level. A management teacher should exhibit administrative and organizational competencies like organizing activities timely make him/herself available, accountability, awareness about policies and practices of the institution. The study indicates that these competencies are a must for management teacher for effective teaching, attractive learning management learning process in classrooms' and these competences of management teachers' can improve the employability skills of students.

Limitations of the Study:

- The study is limited to indentifying the management teacher competencies.
- The study is limited only to the select management educations institutions across Telangana State, India.
- The study was carried out in a limited time fame and taking the help of responses of management teachers.

- The study variables have been considered under that particular time frame only and hence cannot be generalized to other academic disciplines or institutions.

References

1. Gosavi, V.P., (2013). Threat of Vacant Sets in Engineering College: Reasons and Remedies, *American International Journal of Research in Humanities, Arts and Social Sciences,* 2(1), 75-80.
2. Kumar, M & Jha, S. (2012). Revitalizing Management Education in India: Strategic Approach, *Journal of Management & Public Policy,* 3 (2), 5-17.
3. Passi B.R. & Lalitha M.S., (1976). *Microteaching, Skill-Based Approach. India,* Ahemedabad: Sahitya Mudranalaya,
4. Panda, S., (2014). Enriching Pedagogical Competency of Science Teachers through Simulation Class in Pre ServiceTeacher Education: An Action Research in College of Teacher Education. *IOSR Journal of Research & Method in Education,* 4(3), 25-29.
5. Reddy, C.M., (1996). *Management Education in India*, Indian Institute of Management, Bangalore.
6. Sadker, P. M & Sadker D.M., (1997). *Teachers School and Society.* New York, NY: McGraw-Hill.
7. Sugmar, V.R., (2009). *Competency Mapping of Teachers in Tertiary Education,* Anna University, Online Submission.
8. Thripathi, P. Ranjan, J & Pandeya, T (2010). PAKS: A Competency based model for Academic Institutions. *International Journal of Innovation, Management and Technology,* 1 (2), 214-219.

A STUDY ON EFFECT OFTECHNOLOGICAL ADVANCEMENTS ON ACCOUNTING EDUCATION AND VALUE ADDITION TO FIRMS

Karlapudi Preethi
Research Scholar, University College of Commerce & Business Management
Osmania University, Hyderabad, T.S.

Dr. Gaddam Naresh Reddy
Associate Professor of Commerce, University College of Commerce & Business Management
Osmania University, Hyderabad, T.S.

1. Introduction:

Accounting which is known as the language of business measures economic activities of organizations and communicate the same to related stakeholders, such as creditors, employees, corporate managers, creditors, consumers etc. Recent technological developments have introduced dramatic changes to the practice of many traditional professions, including accounting. The accounting profession is predicted to further experience a significant change, due to such advancements. Accounting Practices will be automated and people in related positions might lose jobs, therefore, accounting graduates need to be educated for different tasks and positions.

A successful accounting curriculum should include new technical skills, knowledge, and competence of the industry. Moreover, it must be responsive to technological developments in the industry in a timely manner. The accounting curriculum has been criticized for being resilient to changes and for being focused more on acquiring technical accounting knowledge rather than the technological in-demand skills. As the use of digital technologies in industries increased, to meet technology needs of students, a number of universities globally are speeding up the pace in integrating technology into the curriculum. The use of Blockchain technology (BT), Artificial Intelligence (AI) and Bigdata Analytics (BDA) in the accounting and auditing profession is increasing rapidly. The current paper discusses and presents the application of these technologies in accounting profession and emphasises that these technologies should be integrated into the accounting curriculum to help in rapid adoption of these technologies.

2. Background:

The background of technological aspects is presented as follows:

2.1 Blockchain Technology (BT):

A business runs on information and it is better if it is received faster. Blockchain is an immutable ledger that assists the process of recording business transactions, and tracking assets. Anything that has a value can be tracked and traded in the blockchain network. There it is less risky and less costly. It is ideal for disseminating information as it provides ready and fully transparent information stored on an immutable ledger that can only be accessed by authorised members.

2.2 Artificial Intelligence (AI):

The term artificial intelligence has become popular now though it was used in 1956. This is because of the increased data volumes, storage, advanced algorithms and more. AI is a field that combines datasets with computer science to enable problem-solving. It contains sub-fields like machine learning which makes predictions based on input data.

2.3 Bigdata Analytics (BDA):

It is a process of analysing or examining huge data to disclose hidden information like market trends, customer preferences, hidden patterns, correlations etc that can assist the organisation in making business decisions.It is a form of advanced analytics, that involves complex applications such as statistical algorithms, predictive models to make data-driven decisions that provide organization benefits such as effective marketing, customer personalization, improved efficiency, competitive advantage over rivals.

3. Need for The Study:

Due to the advent of new technologies such as AI, BDA, BCT, and other emerging technologies, the accounting profession has gone through substantial changes. Employers are looking for accountants who possess technical knowledge and competencies and are capable of adapting to complex business models and transactions, along with their basic accounting knowledge. This concept highlights the need for accountants to be knowledgeable in various technology trends related with accounting profession. Therefore, in view of information technologies used in the job market, accounting programs should be taught in a different way. This paper studies the use of these technologies in accounting profession and explains the need for their inclusion into the curriculum.

4. Review of Literature:

The important studies reviewed on this topic are presented as follows:

Joshua G. Coyne; Peter L. McMickle This study emphasised that blockchain has enabled the successful creation of decentralized digital currency networks and has prompted further investigation into the usefulness of blockchains in other business settings. This study shows that blockchain becoming a secure alternative to accounting ledger is infeasible. Their study identified various defects hindering implementation of the blockchain as a financial reporting tool. This paper concludes that, the security benefits of the blockchainare not fully available or reliable in an accounting setting.

Deshmukh, A. This study covered fundamental topics such as accounting software, XBRL (Extensible Business Reporting Language), and EDI and provided a foundation for digital accounting. This study highlighted the effects of the Internet and ERP on accounting and classified the effects and presented for each accounting cycle, along with a comprehensive discussion of online controls. This study provided a conceptual approach to handling the latest developments at the intersection of the accounting and IT fields.

Pan, G., and P. S. Seow The study stated that the universality of information technology (IT) in businesses has altered the nature and economies of accounting activities. The emergence of cloud computing, extendible Business Reporting Language, and business analytics in recent years have transformed the way companies report financial performance and make business decisions. Consequently, there is a huge increase in demand for advanced IT skills among accounting professionals.

5. Research Gap:

The increase of technical and data analysis skills has grabbed attention from accounting firms and is vital in accounting education courses. The purpose of this research paper is to present, and discuss the use of AI and blockchain technology in the accounting field and argues that inclusion of recent technologies in curriculum improves efficiency and brings value-added benefits to organizations. Though, studies have been conducted about use of technologies in accounting profession, not enough studies have been conducted to propose the mandatory inclusion of these technologies in the accounting curriculum.

6. Objectives of the Study:

The important objectives formed for this study are as follows

1. To present and discuss the applications of Blockchain Technology, Artificial Intelligence and Big data Analytics in accounting profession.
2. To study the relationship between changing accounting profession due to technological advancements and accounting education and curriculum.
3. To study the impact of students' knowledge in new technologies on Value-added benefits to firms.

7. Hypotheses:

The objectives are tested with the help of following hypotheses:

1. H_{01}: There is no significant relationship between changing accounting profession due to technological advancements and accounting education and curriculum.

2. H_{02}: There is no significant impact of students' knowledge in new technologies on Value-added benefits to firms.

8. Research Methodology:

The research methodology used in the study is presented as follows:

Data Type: Both primary and secondary data is used to conduct the study.

Sources of Data: Primary data is collected through a structured questionnaire and secondary data from published reports, journals and magazines.

Sample size: A sample of 45 respondents' is used to perform the study.

Sampling Method: Snowball sampling method is employed to select the sample respondents.

Research Tools: SPSS software is used to test the reliability of scale and to test the hypotheses. Cronbach's alpha is used to test the reliability and Spearman's rank correlation and ordinary Logistic regression is used to test the hypotheses.

9. Application of technologies accounting profession

The application of technologies in accounting profession is presented as follows:

9.1 BT and the Accounting Profession:

The introduction of BT started to change the landscape of accounting profession. Some viewed it as a game changer. Others considered BT, the fifth pillar of the IT revolution, after mainframes, personal computers, the internet, and social media. BT is used in accounting and auditing in the following ways:

1. It is safe from manipulation, which is its main advantage over a traditional database for accounting as a transaction ledger.
2. It can be used to securely store accounting data, to instantly share data with users, and to increase the verifiability of business data.
3. Data Analytics is also incorporated with BT to discover irregularities and other useful information.
4. BCT improves the efficiency of transactions that require multiple validations.
5. The source of data to support the auditing business while ensuring the unique sources of accounting data.
6. It improves the authenticity and reliability of audit data, significantly reducing the risk of data being attacked by the audited unit.
7. The timestamp feature increases the difficulty to tampering the data and provides a stable audit trail for the development of the auditing business

8. BCT enables auditors to write audit algorithms and audit business processing rules, laying a solid foundation for the automation of audit.

9.2 BDA and the Accounting Profession:

The advent of Big Data has also affected the accounting profession. By using Bigdata analytics, data can be processed electronically to enable decision-making.

1. Companies are employing Big Data to assist them in better understanding the market, the industry, and their standing in social media, as well as to identify challenges and opportunities that can create value.
2. Through the use of sophisticated Big Data and time series models, millions of transactions can be searched to spot patterns and detect abnormalities and irregularities.
3. Deep learning software is used to perform a content analysis audit of social media postings to detect potential litigation risk, business risk, internal control risk, or even risk of management fraud.
4. Recent studies indicated that internal auditors are seeking to verify the effectiveness and accuracy of information through the use of data analytics techniques. Similarly, external auditors are concerned with BA as they relate to verification of the veracity of the financial statements.
5. Bigdata Analyticsaids the identification of meaningful patterns and correlations among variables in complex, structured and unstructured, historical, and potential future data sets for the purposes of predicting future events.

9.3 AI and the Accounting Profession:

The application of AI in business operations has affected various tasks in accounting and auditing profession. Currently, the use of AI technologies in the auditing process is at initial stage, where monotonous audit tasks, such as internal control testing, can be done with the help of AI technologies. For instance, counting inventory which has traditionally been the work of humans is now the domain of robots. Previous research studies reported the use of drones for internal and external auditing. However, AI is broad and only some aspects are relevant to the accounting profession.

Demographic Analysis:

Amongst the 45 respondents, 58% were male, while 42% were female. This shows a satisfactory gender distribution enabling the researcher to obtain a balanced opinion between male and female respondents. 60% of respondents belonged to the age group of 20-30, 13% to 30-40, 13% to 40-50 and13%were above 50 years.

Reliability Analysis:

Reliability analysis is conducted to know the internal consistency between items measuring a single variable. The questionnaire has a total of 22 questions. Questions measuring a single variable are grouped together as one scale and reliability of each scale is assessed. 4 items to know if technological advancements are affecting accounting education and accounting profession are grouped, Cronbach's alpha for which is 0.889indicating high internal consistency. 4 items to find out the drawbacks of current curriculum of Under-Graduation and Post-Graduation, 4 items to know if the respondents support revision of curriculum, 5 items to know if inclusion of new technologies into curriculum helps accounting students and 5 items to find out if students with new technical skills bring value-added benefits to organizations they work for.

TABLE-1

Reliability Statistics

Name of the Variable	No. of Items	Cronbach's Alpha
Technological advancements are affecting accounting education and accounting profession.	4	0.889
Drawbacks in current curriculum of Under-Graduation and Post-Graduation.	4	0.897
Revision of Curriculum.	4	0.882
Inclusion of new technologies into curriculum helps accounting students.	5	0.955
Students with new technical skills bring value-added benefits to organizations.	5	0.962

Source: Compiled from Primary Data

The Cronbach's alpha value for the above scales is 0.897, 0.882, 0.955, and 0.962 respectively. It indicates high reliability and internal consistency scale.

Result Analysis:

This study is aimed to study the relationship between changing accounting profession due to technological advancements and accounting education and curriculum and to study the impact of students' knowledge in new technologies on Value-added benefits to firms. The relevant hypotheses were tested as followed:

H_{01}: There is no significant relationship between changing accounting profession due to technological advancements and accounting education and curriculum.

The p-value of spearman's correlation is 0.000 which is less than ≤ 0.01 therefore, null hypothesis is rejected concluding that there is a significant relationship between changing accounting profession due to technological advancements and accounting education and curriculum.

TABLE-2

Spearman's Rank Correlation

			A	B
Spearman's rho	A	Correlation Coefficient	1	.792
		Sig. (2-tailed)	–	0
		N	45	45
	B	Correlation Coefficient	.792	1
		Sig. (2-tailed)	0	–
		N	45	45

A- Technological Advancements affecting Accounting Profession.

B- Changing accounting profession due to technological advancements effect accounting education and curriculum

Correlation is significant at the 0.01 level (2-tailed).

Source: Compiled from primary data

The value of the spearman correlation coefficient (r) is 0.792which explains the higher positive correlation, significant at the 0.01 level (two-tailed). It is concluded that changing accounting profession due to technological advancements is positively associated with Accounting Education and curriculum at Under-Graduation and Post-Graduation level.

The second hypothesis is tested using correlation and ordinal logistic regression analysis and is presented as follows

H_{02}: There is no significant impact of students' knowledge in new technologies on Value-added benefits to organisation.

TABLE-3

Spearman's Rank Correlation

			Students' knowledgein new technologies	Value added benefits to the firms
Spearman's rho	Students' knowledgein new technologies	Correlation Coefficient	1	.785
		Sig. (2-tailed)	–	0
		N	45	45
	Value added benefits to the firms	Correlation Coefficient	.785	1
		Sig. (2-tailed)	0	–
		N	45	45

Correlation is significant at the 0.01 level (2-tailed).

Source: Compiled from primary data

The p-value of spearman's correlation is 0.000 which is less than ≤ 0.01 therefore; null hypothesis is rejected concluding that there is a significant relationship between students' knowledge in new technologies and value-added benefits to organizations. The value of the spearman correlation coefficient (r) is 0.785 which explains the higher positive correlation, significant at the 0.01 level (two-tailed). This explains that students' knowledge in new technologies is highly related to value-added benefits to organization.

Ordinal Logistic Regression Analysis:

Ordinal logistic Regression analysis is conducted to study the impact of students' knowledge in new technologies on value addition to firms. The results are presented as follows:

TABLE-4

Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Intercept Only	94.414			
Final	40.394	54.019	2	0

Source: Compiled from primary data

The p-value of less than 0.001 shows that the model is a very good fits the data. A p-value of <0.001, would lead us to conclude that at least one of the regression coefficients in the model is not equal to zero.

TABLE-5

Goodness-of-Fit

	Chi-Square	Df	Sig.
Pearson	44.915	37	0.174
Deviance	28.197	37	0.851

Source: Compiled from primary data

The Pearson and deviance test's significant value are 0.174 and 0.851 which are greater than an alpha value of 0.05 indicating our model to be a good fit.

TABLE-6

Test of Parallel Lines

Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Null Hypothesis	40.394			
General	30.912	9.483	4	0.069

Source: Compiled from primary data

This tests the assumption of proportional odds and we want it to be greater than 0.05. This is the case here (p-value = 0.069). The main assumption of the ordinal regression is checked.

TABLE-7

Parameter Estimates

		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	Value-addition to firms = 1	5.816	1.672	12.1	1	0	2.54	9.093
	Value-addition to firms = 3	9.938	2.162	21.12	1	0	5.7	14.176
	Value-addition to firms = 4	13.31	2.539	27.49	1	0	8.335	18.286
Location	A	1.403	0.553	6.428	1	0.01	0.318	2.487
	B	1.587	0.607	6.846	1	0.01	0.398	2.776

A- Students analyze large data sets and taxation questions faster.
B. Students find behavioral patterns and build analytical models to find opportunities
Source: Compiled from primary data

The most interesting aspect is the locations. We have a statistically significant result for students analyse large data sets and taxation questions faster (p-value = 0.011). We also have a statistically significant result for variable students find behavioural patterns and build analytical models to find opportunities (p-value= 0.009). Both are significant at 0.05 levels. The value of the first and second variable's coefficient is positive (1.403and 1.587 respectively), which suggests that students' skill to analyse large data sets and taxation questions and skills to find behavioural patterns and build analytical models increase positively impact value-addition to organizations.

10. Suggestions:

1. An Introductory course on the overview of the recent technologies should be included in the accounting curriculum at Under-Graduation and Post-Graduation level.
2. Students should be taught on how to use Big Data, Data Analytics and AI toolsin the performance measurements and improvement of financial reporting of organisations with the help of mandating project work and internship at Under-Graduation and Post-Graduation level.
3. Initially accounting teachers should be trained on the recent accounting technologies with the help of training programs offered by the respective universities in the country.

11. Conclusion:

Changes in business environment are inevitable due to advancements in technologies and globalization. So, businesses are now redesigning the way they operate and conduct business in order to gain an edge and competitive advantage in the market. To develop such practices, businesses are looking for employees with certain skill-based competencies. This constant change in the business environment poses challenges to higher education institutions to produce graduates with such knowledge and skills. In previous literature, the accounting curriculum has been criticized for being resilient to change. However, the present research found that accounting profession is rapidly responding to technological advancements and this imbalance between current skills and in-demand skills will have unfavourable outcomes on the quality of accounting graduates. If this scenario continues in the future, there is risk of unemployment of accounting graduates because businesses might choose to hire IT graduates with technical skills. This study found that there is a need to revise the accounting curriculum to incorporate recent technologies like Blockchain Technology, Bigdata Analytics, Artificial Intelligence, etc, in view of changing business environment due to technological advancements at the national and global level.

12. References:

1. Alden, M. E., D. M. Bryan, B. J. Lessley, and A. Tripathy. 2012. Detection of financial statement fraud using evolutionary algorithms. *Journal of Emerging Technologies in Accounting* 9 (1): 71-94. https://doi.org/10.2308/jeta-50390
2. Aldhizer, G. R. III. 2015. Small firm audit partner hiring crisis: A role play for critical thinking and negotiation skills. *Issues in Accounting Education* 30 (4): 275-296. https:/ /doi.org/10.2308/iace-51117
3. Coyne, J. G., and P. L. Mc Mickle. 2017. Can blockchains serve an accounting purpose? *Journal of Emerging Technologies in Accounting* 14 (2): 101-111. https://doi.org/ 10.2308/jeta-51910
4. Deshmukh, A. 2006. Digital Accounting: The Effects of the Internet and ERP on Accounting. Hershey, PA: IGI Global.
5. Fowler, D., M. Lazo, J. Turner, and J. Hohenstein. 2015. Facilitating program, faculty, and student transformation: A framework for curriculum redesign. *Journal of Transformative Learning* 3 (1): 59-73.
6. Kokina, J., R. Mancha, and D. Pachamanova. 2017. Blockchain: Emergent industry adoption and implications for accounting. *Journal of Emerging Technologies in Accounting* 14 (2): 91-100. https://doi.org/10.2308/jeta-51911
7. Lattuca, L. R., and J. S. Stark. 2009. *Shaping the College Curriculum: Academic Plans in Context*, 2nd edition. San Francisco, CA: Jossey-Bass.
8. Lau, D. C. M. 2001. Analysing the curriculum development process: Three models. Pedagogy, Culture & Society 9 (1): 29-44. https:// doi.org/10.1080/14681360100200107
9. Pan, G., and P. S. Seow. 2016. Preparing accounting graduates for digital revolution: A critical review of information technology competencies and skills development. *Journal of Education for Business* 91 (3): 166-175. https://doi.org/10.1080/08832323.2016. 1145622
10. Qasim and Kharbat Blockchain Technology, Business Data Analytics, and Artificial Intelligence: Use in the Accounting Profession and Ideas for Inclusion into the Accounting Curriculum Journal of Emerging Technologies in Accounting Volume 17, Number 1, 2020.

THE EMERGING DIMENSIONS OF MUDRA LOAN DISBURSEMENTS

Prof. M. Yadagiri
Dean, Faculty of Commerce, Telangana University, Nizamabad, T.S.
Kampally Shanker
Research Scholar, Department of Commerce, Telangana University, Nizamabad, T.S.

Introduction

Micro Units Development & Refinance Agency Ltd. (MUDRA) is a financial institution set up by Government of India for development and refinancing of micro units enterprises. It was announced by the Hon'ble Finance Minister while presenting the Union Budget for FY 2016. MUDRA has created its initial schemes which have been named as 'Shishu', 'Kishor' and 'Tarun' to signify the stage of development and funding needs of the beneficiary Micro Entrepreneur and also to provide a reference point for the next phase of growth to look forward to. Shishu scheme covering loans upto Rs.50,000/-, Kishor scheme covering loans above Rs.50,000/ and up to Rs. 5 Lakh and Tarun scheme covering loans above Rs.5 Lakh to Rs.10 Lakh.The purpose of MUDRA is to provide funding to the non-corporate small business sector through various Last Mile Financial Institutions like Banks, NBFCs and MFIs.MUDRA would be responsible for refinancing all last mile financiers such as Non-Banking Finance Companies, Micro Finance Institutions, Societies, Trusts, Companies, Small Finance Banks and Regional Rural Banks which are in the business of lending to micro and small business entities engaged in manufacturing, trading and services activities as well as Agri-allied activities. MUDRA would also partner with State/Regional level financial intermediaries to provide finance to Last Mile Financier of small/micro business enterprises.

The Institution-wise targets were assigned by the Govt. of India; the same were further sub-allocated state wise by the respective lending institutions based on their network and potential to lend. Generally, the state level performance of various schemes is being monitored by the respective State Level Bankers' Committees (SLBCs) of the States. State Level Bankers' Committee came into existence under Lead Bank Scheme as per RBI guidelines. It is an inter-institutional forum at state level ensuring coordination between Government and Banks on matters pertaining to banking development and implementation of Government schemes. State Level Bankers' Committee facilitates effective implementation of development programmes in the areas of poverty alleviation, employment to unemployed youth, providing banking outlet in unbanked areas, training financial literacy etc. State

Level Bankers' Committee coordinates with the State Government in implementation of various Government guidelines especially in respect of priority sector lending and financial inclusion.

Research Methodology

In this study it is decided to analyze the performance of MUDRA loan in different states of India with a view to know which state has been received more amount of sanctions and disbursements of loans. There are three Mudra loan schemes namely Shishu, Kishor and Tarun has been analyzed. The period under consideration is for the five years starting from 2015-16 to 2019-20. The base year has been taken as 2015-16 and the performance of the loan scheme has been analyzed by taking the value of year 2015-16 as base. The data has been analyzed on the basis of disbursement of amount under these three loan schemes in the period of Five years. The data has been obtained from the official website of MUDRA.

Objectives of the Study

In this study an attempt is made to analyze the state wise disbursements of MUDRA loans. The principal objectives of the study are as follows:

1. To examine the pattern of the disbursements of loan under Shishu, Kishor and Tarun Schemes.
2. To analyze the changes of state wisetotal disbursementsof MUDRA loans.
3. To study thestate wise progress of loan disbursements for women under MUDRA

State wise Disbursements under Shishu Scheme

Under this scheme the beneficiaries will get the financial assistance up to Rs. 50,000 from the various Banks and Financial Institutions as per the guidelines of the Government by fulfilling the required norms. The State Governments are showing more interest for disbursement of loan amount under Shishu scheme to the rural and semi urban entrepreneurs to create the self-employment opportunities according to their skills. The data related to the State wise Disbursement of loans under Shishu scheme in the Table-1.

TABLE-1

State wise Disbursements under Shishu Scheme

(Rs. in Crore)

S. No.	State	2015-16	2016-17	2017-18	2018-19	2019-20	Growth Rate
1	AndamanandNicobarIslands	64.54 (0.10)	2.60 (0.00)	5.15 (0.01)	6.19 (0.00)	1.13 (0.00)	**-98.25**
2	AndhraPradesh	1312.12 (2.12)	964.68 (1.15)	1187.66 (1.14)	983.13 (0.70)	1377.77 (0.85)	**5.00**
3	ArunachalPradesh	8.18 (0.01)	13.16 (0.02)	23.14 (0.02)	42.28 (0.03)	57.03 (0.04)	**597.19**
4	Assam	759.22 (1.22)	3593.18 (4.28)	4311.15 (4.14)	6331.27 (4.53)	4797.85 (2.95)	**531.94**
5	Bihar	4113.70 (6.63)	8225.89 (9.81)	9646.78 (9.26)	14372.71 (10.29)	18074.91 (11.10)	**339.38**
6	Chandigarh	32.41 (0.05)	24.64 (0.03)	29.08 (0.03)	49.24 (0.04)	41.47 (0.03)	**27.95**
7	Chhattisgarh	1178.78 (1.90)	1749.77 (2.09)	1938.40 (1.86)	2670.54 (1.91)	3148.10 (1.93)	**167.06**
8	DadraandNagar Haveli	1.65 (0.00)	7.41 (0.01)	7.69 (0.01)	5.09 (0.00)	6.53 (0.00)	**295.76**
9	DamanandDiu	1.16 (0.00)	0.51 (0.00)	0.78 (0.00)	0.57 (0.00)	0.62 (0.00)	**-46.55**
10	Delhi	692.90 (1.12)	406.96 (0.49)	450.08 (0.43)	1765.28 (1.26)	1177.93 (0.72)	**70.00**
11	Goa	89.83 (0.14)	71.99 (0.09)	84.42 (0.08)	92.50 (0.07)	77.27 (0.05)	**-13.98**
12	Gujarat	2171.87 (3.50)	2426.52 (2.89)	3506.40 (3.36)	3811.02 (2.73)	5361.65 (3.29)	**146.87**
13	Haryana	1371.96 (2.21)	1460.35 (1.74)	1757.46 (1.69)	2552.51 (1.83)	2964.97 (1.82)	**116.11**
14	HimachalPradesh	103.17 (0.17)	99.35 (0.12)	112.39 (0.11)	135.15 (0.10)	127.10 (0.08)	**23.19**
15	JammuandKashmir	62.32 (0.10)	72.14 (0.09)	67.74 (0.06)	60.90 (0.04)	84.45 (0.05)	**35.51**
16	Jharkhand	1515.15 (2.44)	2129.45 (2.54)	2498.51 (2.40)	3412.09 (2.44)	4380.98 (2.69)	**189.14**
17	Karnataka	9071.71 (14.63)	8166.92 (9.74)	10351.83 (9.93)	13428.73 (9.62)	14019.42 (8.61)	**54.54**
18	Kerala	1414.08 (2.28)	1782.74 (2.13)	3167.46 (3.04)	5163.23 (3.70)	5603.75 (3.44)	**296.28**
19	Lakshadweep	1.04 (0.00)	0.80 (0.00)	1.62 (0.00)	0.86 (0.00)	1.15 (0.00)	**10.58**
20	MadhyaPradesh	4610.76 (7.43)	5433.54 (6.48)	7011.07 (6.73)	7725.30 (5.53)	9130.35 (5.61)	**98.02**
21	Maharashtra	6616.11 (10.67)	6909.40 (8.24)	7980.26 (7.66)	10052.07 (7.20)	12114.28 (7.44)	**83.10**

22	Manipur	35.41 (0.06)	58.22 (0.07)	80.88 (0.08)	170.30 (0.12)	200.56 (0.12)	**466.39**
23	Meghalaya	40.24 (0.06)	60.04 (0.07)	70.48 (0.07)	87.68 (0.06)	93.76 (0.06)	**133.00**
24	Mizoram	19.44 (0.03)	15.46 (0.02)	25.64 (0.02)	26.19 (0.02)	62.83 (0.04)	**223.20**
25	Nagaland	10.32 (0.02)	25.08 (0.03)	38.57 (0.04)	37.20 (0.03)	41.19 (0.03)	**299.13**
26	Odisha	3753.86 (6.05)	5187.48 (6.18)	7278.07 (6.98)	10304.72 (7.38)	9998.52 (6.14)	**166.35**
27	Pondicherry	145.52 (0.23)	303.97 (0.36)	370.04 (0.36)	436.57 (0.31)	379.60 (0.23)	**160.86**
28	Punjab	1231.47 (1.99)	1492.23 (1.78)	1880.28 (1.80)	2708.64 (1.94)	3319.21 (2.04)	**169.53**
29	Rajasthan	2004.32 (3.23)	2380.44 (2.84)	3629.75 (3.48)	6104.65 (4.37)	8155.91 (5.01)	**306.92**
30	Sikkim	12.10 (0.02)	51.66 (0.06)	41.99 (0.04)	61.96 (0.04)	36.67 (0.02)	**203.06**
31	TamilNadu	8231.68 (13.27)	10897.54 (12.99)	13237.23 (12.70)	18597.62 (13.32)	21216.35 (13.03)	**157.74**
32	Telangana	588.37 (0.95)	867.42 (1.03)	1523.82 (1.46)	2231.33 (1.60)	3707.55 (2.28)	**530.14**
33	Tripura	136.83 (0.22)	719.12 (0.86)	1046.92 (1.00)	1210.69 (0.87)	1151.37 (0.71)	**741.46**
34	UttarPradesh	5849.68 (9.43)	6756.77 (8.05)	8396.56 (8.06)	9954.05 (7.13)	13802.30 (8.48)	**135.95**
35	Uttarakhand	688.99 (1.11)	622.27 (0.74)	559.58 (0.54)	618.09 (0.44)	740.77 (0.45)	**7.52**
36	WestBengal	4086.80 (6.59)	10912.17 (13.01)	11909.15 (11.43)	14441.19 (10.34)	17357.91 (10.66)	**324.73**
Total Disbursement		**62027.69 (100)**	**83891.88 (100)**	**104228.05 (100)**	**139651.55 (100)**	**162813.21 (100)**	**162.48**

Source: Compiled from MUDRA Annual Reports.
Note: Figures in bracket represents per cent to total.

The data reveals that almost all the big states disbursed the huge amount of loans to the beneficiaries under the Shishu scheme. Among all the states Tamil Nadu, Karnataka, Bihar, West Bengal, Uttar Pradesh, Odisha, Madhya Pradesh, Gujarat, Rajasthan and Assam are placed at top in the period of the study. During the last Five Years of the study the top 10 States are ranked as follows:

Rank	2015-16	2016-17	2017-18	2018-19	2019-20
1	Karnataka	West Bengal	Tamil Nadu	Tamil Nadu	Tamil Nadu
2	Tamil Nadu	Tamil Nadu	West Bengal	West Bengal	Bihar
3	Maharashtra	Bihar	Karnataka	Bihar	Karnataka
4	Uttar Pradesh	Karnataka	Bihar	Karnataka	Uttar Pradesh
5	MadhyaPradesh	Maharashtra	Uttar Pradesh	Odisha	Maharashtra
6	Bihar	Uttar Pradesh	Maharashtra	Maharashtra	Odisha
7	West Bengal	MadhyaPradesh	Odisha	Uttar Pradesh	MadhyaPradesh
8	Odisha	Odisha	MadhyaPradesh	MadhyaPradesh	Rajasthan
9	Gujarat	Assam	Assam	Assam	Kerala
10	Rajasthan	Gujarat	Gujarat	Kerala	Gujarat

It is noticed that in the beginning year the Karnataka State topped with the disbursement ofRs.9071.71 Crore followed by Tamil Nadu with Rs.8231.68 Crore, Maharashtra with Rs. 6616.11 Crore, Uttar Pradesh with Rs. 5849.68 Crore, Madhya Pradesh with Rs. 4610.76 Crore, Bihar Rs.4113.70 Crore, West Bengal with Rs.4086.80 Crore, Odisha with Rs. 3753.86 Crore, Gujarat with Rs.2171.87 Crore and Rajasthan with Rs. 2004.32 Crore. Similarly in the last year of the study period i.e., 2019-20 Tamil Nadu stood at top rank with the disbursement of Rs.21216.35 Crore followed by Bihar with Rs.18074.91 Crore, Karnataka with Rs.14019.42 Crore, Uttar Pradesh with Rs.13802.30 Crore, Maharashtra with Rs.12114.28 Crore, Odisha with Rs.99989.52 Crore, Madhya Pradesh with Rs.9130.35 Crore, Rajasthan with Rs.8155.91 Crore, Kerala with Rs.5603.75 Crore and Gujarat with Rs. 5361.65 Crore. Among all the states and Union Territories Tamil Nadu stood at second position in the year 2015-16 and 2016-17 then after in the year 2017-18 it reached to the First position and maintained the same up to 2019-20.

It is clearly observed that no state has maintained a constant position in the disbursement of loan amount under Shishu Scheme during the entire period of the study. It may be caused by various policy issues of the concerned state governments. All the states which have shown the tremendous growth in disbursement of Shishu loan in the period of five years 2015-16 to 2019-20 are Tripura, Assam, Dadra& Nagar Haveli, Sikkim, West Bengal, Nagaland, Pondicherry, Bihar, Manipur and Arunachal Pradesh. Whereas the states which have not shown substantial growth in disbursement of Shishu loan are Uttarakhand, Goa, Lakshadweep, Daman & Diu and Andhra Pradesh.However, the total amount of disbursement of Shishu loan abnormally increased year after year from Rs.62027.69 Crore in the year 2015-16 to Rs.162813.21 Crore in the year 2019-20 with a remarkable growth rate of 162.48.

State wise Disbursements under Kishor Scheme

Kishore scheme is intended to extend the financial assistance to the entrepreneurs Rs. 50,000 to 5 Lakh. Under this scheme most of the beneficiaries are started number of Micro and Small entrepreneurs with the support of their individual skills in the rural and semi urban areas. All the State Governments and Union Territories are encouraging the youth to start the different types of manufacturing and service units by creating the employment opportunities at their level. The States and Union Territories have been formulating the guidelines as per the Central Government and RBI. The formulated norms and instructions are communicatedto the banks and financial institutions for quick disbursement of loans from time to time. For the analysis, the relevant data of State wise disbursement of loans under Kishor scheme is presented in the Table-2.

TABLE-2

State wise Disbursements under Kishor Scheme

(Rs. in Crore)

S. No.	State	2015-16	2016-17	2017-18	2018-19	2019-2020	Growth Rate
1	AndamanandNicobarIslands	100.65 (0.25)	30.76 (0.06)	36.73 (0.04)	28.47 (0.03)	25.26 (0.03)	**-74.90**
2	AndhraPradesh	3151.60 (7.67)	3314.29 (6.49)	6566.76 (7.89)	6283.82 (6.29)	4333.55 (4.74)	**37.50**
3	ArunachalPradesh	27.44 (0.07)	28.12 (0.06)	32.91 (0.04)	28.77 (0.03)	35.02 (0.04)	**27.62**
4	Assam	614.57 (1.50)	725.46 (1.42)	1583.47 (1.90)	2550.20 (2.55)	1766.81 (1.93)	**187.49**
5	Bihar	2227.77 (5.42)	1944.19 (3.81)	3690.52 (4.44)	5855.55 (5.86)	5159.17 (5.64)	**131.59**
6	Chandigarh	74.89 (0.18)	80.56 (0.16)	219.72 (0.26)	170.36 (0.17)	153.17 (0.17)	**104.53**
7	Chhattisgarh	512.08 (1.25)	714.85 (1.40)	1316.49 (1.58)	1545.02 (1.55)	1676.15 (1.83)	**227.32**
8	Dadraand NagarHaveli	7.24 (0.02)	4.40 (0.01)	13.41 (0.02)	17.05 (0.02)	14.24 (0.02)	**96.69**
9	DamanandDiu	4.54 (0.01)	4.22 (0.01)	10.15 (0.01)	6.43 (0.01)	6.05 (0.01)	**33.26**
10	Delhi	1002.95 (2.44)	1550.65 (3.04)	1684.47 (2.02)	1672.33 (1.67)	1364.85 (1.49)	**36.08**
11	Goa	155.73 (0.38)	156.33 (0.31)	209.43 (0.25)	183.87 (0.18)	185.98 (0.20)	**19.42**
12	Gujarat	1851.50 (4.51)	2727.28 (5.34)	4336.13 (5.21)	4764.70 (4.77)	4096.8 (4.48)	**121.27**
13	Haryana	847.43 (2.06)	992.33 (1.94)	2023.27 (2.43)	2388.31 (2.39)	2352.87 (2.57)	**177.65**
14	Himachal Pradesh	492.60 (1.20)	599.24 (1.17)	939.15 (1.13)	1057.23 (1.06)	1011.68 (1.11)	**105.38**
15	Jammu and Kashmir	738.18 (1.80)	1114.22 (2.18)	1678.84 (2.02)	2118.37 (2.12)	2275.08 (2.49)	**208.20**
16	Jharkhand	780.69 (1.90)	1006.65 (1.97)	1598.00 (1.92)	1911.70 (1.91)	1836.38 (2.01)	**135.23**
17	Karnataka	4744.94 (11.55)	5402.85 (10.58)	7177.23 (8.63)	9764.81 (9.78)	9850.88 (10.77)	**107.61**
18	Kerala	2194.29 (5.34)	3007.96 (5.89)	3971.94 (4.77)	4176.70 (4.18)	4640.97 (5.08)	**111.50**
19	Lakshadweep	3.06 (0.01)	2.51 (0.00)	7.72 (0.01)	3.54 (0.00)	3.68 (0.00)	**20.26**
20	Madhya Pradesh	1653.63 (4.03)	2543.23 (4.98)	4130.88 (4.97)	4967.13 (4.97)	5173.28 (5.66)	**212.84**
21	Maharashtra	3461.97 (8.43)	4947.01 (9.69)	7343.40 (8.83)	8287.28 (8.30)	7268.66 (7.95)	**109.96**
22	Manipur	58.66 (0.14)	47.18 (0.09)	71.47 (0.09)	106.46 (0.11)	104.74 (0.11)	**78.55**
23	Meghalaya	74.20 (0.18)	68.52 (0.13)	80.55 (0.10)	91.82 (0.09)	77.60 (0.08)	**4.58**
24	Mizoram	35.24 (0.09)	53.16 (0.10)	97.23 (0.12)	144.46 (0.14)	109.67 (0.12)	**211.21**
25	Nagaland	36.75 (0.0)	39.26 (0.08)	44.25 (0.05)	65.84 (0.07)	59.40 (0.06)	**61.63**

26	Odisha	977.75 (2.38)	1376.17 (2.70)	2302.14 (2.77)	2974.14 (2.98)	3211.33 (3.51)	**228.44**
27	Pondicherry	121.58 (0.30)	118.85 (0.23)	311.10 (0.37)	427.73 (0.43)	234.45 (0.26)	**92.84**
28	Punjab	994.68 (2.42)	1370.16 (2.68)	2325.78 (2.80)	2703.52 (2.71)	2543.24 (2.78)	**155.68**
29	Rajasthan	1504.66 (3.66)	3291.10 (6.45)	5350.55 (6.43)	5578.50 (5.59)	5339.93 (5.84)	**254.90**
30	Sikkim	24.82 (0.06)	24.91 (0.05)	40.29 (0.05)	64.99 (0.07)	64.76 (0.07)	**160.92**
31	Tamil Nadu	4282.07 (10.43)	4258.53 (8.34)	7176.10 (8.63)	8710.56 (8.72)	7771.78 (8.50)	**81.50**
32	Telangana	2014.98 (4.91)	1651.17 (3.23)	2668.37 (3.21)	2969.32 (2.97)	2693.94 (2.95)	**33.70**
33	Tripura	141.05 (0.34)	166.65 (0.33)	330.41 (0.40)	508.63 (0.51)	292.44 (0.32)	**107.33**
34	Uttar Pradesh	3325.18 (8.10)	4388.28 (8.59)	7171.13 (8.62)	8318.56 (8.33)	8806.14 (9.63)	**164.83**
35	Uttarakhand	632.07 (1.54)	735.81 (1.44)	1101.81 (1.32)	1213.62 (1.22)	1062.47 (1.18)	**68.09**
36	West Bengal	2201.84 (5.34)	2576.24 (5.05)	5555.31 (6.67)	8208.19 (8.22)	5824.68 (6.37)	**164.54**
Total Disbursement		**41073.28 (100)**	**51063.12 (100)**	**83197.09 (100)**	**99868.00 (100)**	**91427.07 (100)**	**122.60**

Source: Compiled from MUDRA Annual Reports.
Note: Figures in bracket represents per cent to total.

The data of the above table reveals that almost all the big states disbursed the huge amount of loans to the beneficiaries up to Rs.5 Lakh under the Kishor scheme. Among all the States Karnataka, Maharashtra, Tamil Nadu, Uttar Pradesh, Andhra Pradesh, West Bengal, Rajasthan, Kerala, Gujarat, Bihar and Madhya Pradesh are placed at top position in the disbursement of loan amount to the beneficiaries of Kishore scheme in the period of the study. During the last Five Years of the study the top 10 States are ranked as follows:

Rank	2015-16	2016-17	2017-18	2018-19	2019-20
1	Karnataka	Karnataka	Maharashtra	Karnataka	Karnataka
2	Tamil Nadu	Maharashtra	Karnataka	Tamil Nadu	Uttar Pradesh
3	Maharashtra	Uttar Pradesh	Uttar Pradesh	Uttar Pradesh	Tamil Nadu
4	Uttar Pradesh	Tamil Nadu	Andhra Pradesh	Maharashtra	Maharashtra
5	Andhra Pradesh	Andhra Pradesh	West Bengal	West Bengal	West Bengal
6	Bihar	Rajasthan	Rajasthan	Andhra Pradesh	Rajasthan
7	Kerala and West Bengal	Kerala	Gujarat	Bihar	Madhya Pradesh
8	Gujarat	Gujarat	Madhya Pradesh	Madhya Pradesh	Bihar
9	Madhya Pradesh	West Bengal	Kerala	Gujarat	Kerala
10	Rajasthan	Madhya Pradesh	Bihar	Kerala	Andhra Pradesh

It is observed that Karnataka is topped the First Position to disburse the loan amount under Kishor scheme in the entire period except 2017-18. The disbursements of the Karnataka State are highest in the year 2015-16 and 2016-17 with Rs.4744.94 Crore and Rs.5402.85 Crore respectively, similarly in the year 2018-19 and

2019-20 also sanctioned huge amount of loans with Rs. 9764.81 Crore and Rs.9850.88 Crore. In the year 2017-18 Maharashtra stood First Position in the disbursement of loan with Rs.7343.40 Crore.

In the year 2015-16 after Karnataka Tamil Nadu stood at second position with Rs.4282.07 Crore followed by Maharashtra with Rs.3461.97 Crore, Uttar Pradesh Rs.3325.18 Crore, Andhra Pradesh with Rs.3151.60 Crore, Bihar with Rs.2227.77 Crore, Kerala with Rs.2194.29 Crore, Gujarat with Rs.1851.50 Crore, Madhya Pradesh with Rs.1653.63 Crore and Rajasthan with Rs.1504.66 Crore. If we focus on the last year of the study period i.e., 2019-20 Karnataka played a significant role by disbursing enormous amount of loan with Rs.9850.88 Crore followed by Uttar Pradesh with Rs.8806.14 Crore, Tamil Nadu with Rs.7771.78 Crore, Maharashtra with Rs.7268.66 Crore, West Bengal with Rs.5824.68 Crore, Rajasthan with Rs.5339.93 Crore, Madhya Pradesh with Rs.5173.28 Crore, Bihar with Rs.5159.17 Crore, Kerala with Rs.4640.97 Crore and Andhra Pradesh with Rs.4333.55 Crore.

It can be concluded that no state continue the same position in the disbursement of loan under Kishor scheme during the period under review. But Karnataka, Maharashtra, Tamil Nadu and Uttar Pradesh states ranks are slightly up and down to their nearest position when compared with their preceding years. The states which have shown the incredible growth in disbursement of Kishor loan in the period of five years 2015-16 to 2019-20 are Assam, Bihar, Chandigarh, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Kerala etc. where as the states which have not shown significant growth in disbursement of Kishor loan are Daman & Diu, Dadra& Nagar Haveli, Andaman and Nicobar Islands etc. However, there was a marvelous increase in the total disbursement of loans under Kishor scheme from Rs.41073.28 Crore in the year 2015-16 to Rs. 99868.00 Crore in the 2018-19. There was a slight decline of disbursement of loans to Rs.91427.07 Crore in the year 2019-20. This may be caused by the Covid-19 severity in the country. Though there was a significant growth recorded at 122.60 in the study period from 2015-16 to 2019-20.

State wise Disbursements under Tarun Scheme

Among all the three schemes of MUDRA, the beneficiaries will get maximum amount of financial assistance to the extent of Rs.5 Lakh to Rs.10 Lakh under Tarun scheme. Under this scheme the entrepreneurs prefer to establish middle scale enterprises in both the rural and urban areas. All the State Governments and Union Territories prepared the required norms and necessary measures for speedy disbursements of loan amount under this scheme. The relevant datapresented in the Table-3.

TABLE-2

State wise Disbursements under Kishor Scheme

(Rs. in Crore)

S. No.	State	2015-16	2016-17	2017-18	2018-19	2019-2020	Growth Rate
1	Andamanand Nicobar Islands	47.59 (0.16)	44.98 (0.11)	58.38 (0.10)	55.10 (0.08)	46.73 (0.06)	**-1.81**
2	Andhra Pradesh	1327.07 (4.45)	1452.82 (3.60)	2459.67 (4.17)	3402.31 (4.71)	4379.39 (5.80)	**230.00**
3	Arunachal Pradesh	36.00 (0.12)	37.40 (0.10)	47.22 (0.08)	43.11 (0.06)	58.51 (0.08)	**62.53**
4	Assam	354.67 (1.19)	505.91 (1.25)	675.70 (1.15)	916.86 (1.27)	1006.94 (1.33)	**183.91**
5	Bihar	924.44 (3.10)	1415.55 (3.51)	2059.40 (3.49)	2840.06 (3.93)	3112.90 (4.12)	**236.73**
6	Chandigarh	97.22 (0.33)	116.05 (0.29)	160.35 (0.27)	192.83 (0.27)	195.52 (0.26)	**101.11**
7	Chhattisgarh	465.28 (1.56)	745.24 (1.85)	1246.59 (2.11)	1351.79 (1.87)	1867.44 (2.47)	**301.36**
8	Dadraand Nagar Haveli	12.38 (0.04)	10.80 (0.03)	15.21 (0.03)	21.76 (0.03)	22.02 (0.03)	**77.87**
9	Damanand Diu	6.32 (0.02)	7.34 (0.02)	11.63 (0.02)	10.09 (0.01)	15.69 (0.02)	**148.26**
10	Delhi	1162.12 (3.89)	1742.90 (4.32)	2222.80 (3.77)	2196.22 (3.04)	2526.54 (3.35)	**117.41**
11	Goa	130.48 (0.44)	144.45 (0.36)	190.60 (0.32)	200.87 (0.28)	217.22 (0.29)	**66.48**
12	Gujarat	1886.65 (6.32)	2538.27 (6.29)	3359.99 (5.69)	4407.84 (6.10)	4071.28 (5.39)	**115.79**
13	Haryana	933.23 (3.13)	1244.91 (3.08)	1964.31 (3.33)	2340.71 (3.24)	2305.40 (3.05)	**147.03**
14	Himachal Pradesh	369.93 (1.24)	515.43 (1.28)	749.90 (1.27)	999.82 (1.38)	1087.55 (1.44)	**193.99**
15	Jammu and Kashmir	351.65 (1.18)	477.15 (1.18)	768.26 (1.30)	1141.69 (1.58)	1285.63 (1.70)	**265.60**
16	Jharkhand	549.82 (1.84)	772.90 (1.92)	1136.54 (1.93)	1376.44 (1.90)	1549.73 (2.05)	**181.86**
17	Karnataka	2652.78 (8.89)	3720.93 (9.22)	4971.61 (8.42)	6151.90 (8.51)	5834.40 (7.73)	**119.94**
18	Kerala	1119.01 (3.75)	1349.75 (3.34)	2143.16 (3.63)	2627.18 (3.63)	2679.40 (3.55)	**139.44**
19	Lakshadweep	1.25 (0.00)	1.20 (0.00)	2.20 (0.00)	1.26 (0.00)	1.33 (0.00)	**6.40**
20	Madhya Pradesh	1504.90 (5.04)	2215.14 (5.49)	3215.57 (5.45)	4099.90 (5.67)	4274.41 (5.66)	**184.03**
21	Maharashtra	3294.34 (11.03)	5120.34 (12.69)	6942.55 (11.76)	7402.64 (10.24)	8015.16 (10.62)	**143.30**
22	Manipur	25.96 (0.09)	37.07 (0.09)	48.33 (0.08)	67.45 (0.09)	88.13 (0.12)	**239.48**
23	Meghalaya	47.97 (0.16)	57.17 (0.14)	61.01 (0.10)	83.85 (0.12)	95.09 (0.13)	**98.23**

24	Mizoram	23.10 (0.08)	21.70 (0.05)	30.02 (0.05)	45.21 (0.06)	63.59 (0.08)	**175.28**
25	Nagaland	29.47 (0.10)	39.49 (0.10)	41.79 (0.07)	48.54 (0.07)	69.25 (0.09)	**134.98**
26	Odisha	704.65 (2.36)	1037.03 (2.57)	1535.67 (2.60)	2005.77 (2.77)	1948.37 (2.58)	**176.50**
27	Pondicherry	64.81 (0.22)	62.66 (0.16)	200.63 (0.34)	358.29 (0.50)	142.78 (0.19)	**120.31**
28	Punjab	1258.34 (4.22)	1649.88 (4.09)	2318.06 (3.93)	2563.38 (3.55)	2743.29 (3.63)	**118.01**
29	Rajasthan	1739.30 (5.83)	3151.76 (7.81)	4523.46 (7.67)	5324.21 (7.36)	5870.25 (7.78)	**237.51**
30	Sikkim	17.69 (0.06)	19.97 (0.05)	30.37 (0.05)	75.42 (0.10)	70.24 (0.09)	**297.06**
31	Tamil Nadu	2983.11 (10.00)	2600.32 (6.44)	4567.59 (7.74)	6499.70 (8.99)	5637.89 (7.47)	**88.99**
32	Telangana	1090.99 (3.65)	1261.90 (3.13)	2238.61 (3.79)	2460.24 (3.40)	2585.34 (3.43)	**136.97**
33	Tripura	59.38 (0.20)	82.78 (0.21)	83.27 (0.14)	107.16 (0.15)	111.50 (0.18)	**87.77**
34	Uttar Pradesh	2706.07 (9.06)	3608.53 (8.94)	5606.77 (9.50)	6616.31 (9.15)	7192.93 (9.53)	**165.81**
35	Uttarakhand	424.02 (1.42)	555.79 (1.38)	818.69 (1.39)	1013.03 (1.40)	1027.17 (1.36)	**142.25**
36	West Bengal	1451.77 (4.83)	1991.62 (4.91)	2506.30 (4.26)	3242.91 (4.49)	3275.71 (4.34)	**125.64**
Total Disbursement		**29853.76 (100)**	**40357.13 (100)**	**59012.25 (100)**	**72291.84 (100)**	**75474.75 (100)**	**152.81**

Source: Compiled from MUDRA Annual Reports.
Note: Figures in bracket represents per cent to total.

The analysis of the data of the above Table-3 indicate that all the big states are taking appropriate measures for disbursement of huge amount of loan in the entire period of the study. Almost all the big states disbursements are increased year after year continuously. Maharashtra is topped in the disbursement of loans in all the years from 2015-16 to 2019-20 with a growth rate of 143.30. The top ten States which have been disbursing more amount of loan in each year are ranked as follows:

Rank	2015-16	2016-17	2017-18	2018-19	2019-20
1	Maharashtra	Maharashtra	Maharashtra	Maharashtra	Maharashtra
2	Tamil Nadu	Karnataka	Uttar Pradesh	Uttar Pradesh	Uttar Pradesh
3	Uttar Pradesh	Uttar Pradesh	Karnataka	Tamil Nadu	Rajasthan
4	Karnataka	Rajasthan	Tamil Nadu	Karnataka	Karnataka
5	Gujarat	Tamil Nadu	Gujarat	Rajasthan	Tamil Nadu
6	Madhya Pradesh	Gujarat	Madhya Pradesh	Gujarat	Andhra Pradesh
7	Rajasthan	Madhya Pradesh	West Bengal	Madhya Pradesh	Madhya Pradesh
8	West Bengal	West Bengal	Punjab	West Bengal	Gujarat
9	Andhra Pradesh	Delhi	Telangana	Kerala	West Bengal
10	Punjab	Punjab	Delhi	Punjab	Bihar

In the year 2015-16 after Maharashtra, Tamil Nadu stood at second position with an amount of Rs.2983.11 Crore followed by Uttar Pradesh with Rs.2706.07 Crore, Karnataka with Rs.2652.78 Crore, Gujarat with Rs. 1886.65 Crore, Madhya Pradesh with Rs.1504.90 Crore, Rajasthan with Rs.1739.30 Crore, West Bengal with Rs.1451.77 Crore, Andhra Pradesh with Rs.1327.07 Crore and Kerala with Rs.1119.01 Crore. Almost the similar trend was continued with slight up and downs during the period review. In the year 2019-20 Uttar Pradesh raised to the second position with Rs.7192.93 Crore after Maharashtra with Rs.8015.16 Crore followed by Rajasthan with Rs.5870.25 Crore, Karnataka with Rs.5834.40 Crore, Andhra Pradesh with Rs.4379.39 Crore, Tamil Nadu with Rs.5637.89 Crore, Madhya Pradesh with Rs.4272.41 Crore, Gujarat with Rs.4071.28 Crore, West Bengal with Rs.3275.71 Crore and Bihar with Rs.3112.90 Crore.

The states which have shown the fabulous growth in disbursement of Tarun loan in the period of five years 2015-16 to 2019-20 are West Bengal, Tripura, Tamil Nadu, Pondicherry, Odisha, Manipur, Mizoram, Maharashtra, Uttar Pradesh, etc. whereas the states which have shown comparatively slower growth trends in disbursement of Tarun loan are Andaman & Nicobar Island, Chandigarh, Andhra Pradesh, etc.It is further identified that the total disbursement of loans under Tarun scheme increased with the stunning amounts in every year from Rs.29853.76 Crore in the year 2015-16 to Rs.75474.75 Crore in the year 2019-20 with a premier growth rate of 152.81 in the entire period of the study.

State wise Total Disbursement

The total disbursement refers the disbursements related to all the three schemes of MUDRA. The effectiveness of the MUDRA can be identified only on the basis of disbursements under Shishu, Kishor and Tarun schemes. Thus it is appropriate to analyze the state wise total disbursements of loans. The relevant data related to state wise total disbursements is presented in Table-4.

TABLE-4

State wise Disbursements under Kishor Scheme

(Rs. in Crore)

S. No.	State	2015-16	2016-17	2017-18	2018-19	2019-20	Growth Rate
1	AndamanandNi cobarIslands	212.78 (0.16)	78.34 (0.04)	100.26 (0.04)	89.76 (0.03)	73.12 (0.02)	**-65.64**
2	AndhraPradesh	5790.79 (4.36)	5731.8 (3.27)	10214.10 (4.14)	10669.25 (3.42)	10090.71 (3.06)	**74.25**
3	ArunachalPrade sh	71.62 (0.05)	78.67 (0.04)	103.27 (0.04)	114.16 (0.04)	150.56 (0.05)	**110.22**
4	Assam	1728.46 (1.30)	4824.54 (2.75)	6570.32 (2.67)	9798.33 (3.14)	7571.60 (2.20)	**338.05**
5	Bihar	7265.91 (5.46)	11585.63 (6.61)	15396.75 (6.25)	23068.32 (7.40)	26346.98 (8.00)	**262.61**
6	Chandigarh	204.52 (0.15)	221.26 (0.13)	409.15 (0.17)	412.43 (0.13)	390.16 (0.12)	**90.77**
7	Chhattisgarh	2156.14 (1.62)	3209.86 (1.83)	4501.48 (1.83)	5567.35 (1.79)	6691.69 (2.03)	**210.36**
8	DadraandNagar Haveli	21.27 (0.02)	22.61 (0.01)	36.30 (0.01)	43.91 (0.01)	42.78 (0.01)	**101.13**
9	DamanandDiu	12.02 (0.01)	12.08 (0.01)	22.56 (0.01)	17.09 (0.01)	22.37 (0.01)	**86.11**
10	Delhi	2857.97 (2.15)	3700.51 (2.11)	4357.35 (1.77)	5633.83 (1.81)	5069.32 (1.54)	**77.37**
11	Goa	376.04 (0.28)	372.78 (0.21)	484.45 (0.20)	477.24 (0.15)	480.46 (0.15)	**27.77**
12	Gujarat	5910.02 (4.45)	7692.07 (4.39)	11202.52 (4.55)	12983.56 (4.16)	13529.73 (4.10)	**128.92**
13	Haryana	3152.62 (2.37)	3697.59 (2.11)	5745.03 (2.33)	7281.53 (2.34)	7623.25 (2.31)	**141.81**
14	HimachalPrades h	965.70 (0.73)	1214.02 (0.69)	1801.44 (0.73)	2192.20 (0.70)	2226.32 (0.68)	**130.54**
15	JammuandKash mir	1152.15 (0.87)	1663.51 (0.95)	2514.84 (1.02)	3320.97 (1.07)	3645.16 (1.11)	**216.34**
16	Jharkhand	2845.66 (2.14)	3908.99 (2.23)	5233.05 (2.12)	6700.23 (2.15)	7767.09 (2.36)	**172.95**
17	Karnataka	16469.43 (12.39)	17290.70 (9.86)	22500.67 (9.13)	29345.44 (9.41)	29704.70 (9.01)	**80.36**
18	Kerala	4727.38 (3.56)	6140.44 (3.50)	9282.57 (3.77)	11967.11 (3.84)	12924.12 (3.92)	**173.39**
19	Lakshadweep	5.35 (0.00)	4.51 (0.00)	11.53 (0.00)	5.66 (0.00)	6.15 (0.00)	**14.95**
20	MadhyaPradesh	7769.29 (5.84)	10191.91 (5.81)	14357.52 (5.83)	16792.33 (5.39)	18578.04 (5.63)	**139.12**
21	Maharashtra	13372.42 (10.06)	16976.76 (9.68)	22266.20 (9.04)	25741.99 (8.26)	27398.10 (8.31)	**104.89**

22	Manipur	120.03 (0.09)	142.47 (0.08)	200.68 (0.08)	344.22 (0.11)	393.43 (0.12)	**227.78**
23	Meghalaya	162.41 (0.12)	185.74 (0.11)	212.04 (0.09)	263.36 (0.08)	266.45 (0.08)	**64.06**
24	Mizoram	77.78 (0.06)	90.31 (0.05)	152.90 (0.06)	215.86 (0.07)	236.09 (0.07)	**203.54**
25	Nagaland	76.54 (0.06)	103.83 (0.06)	124.61 (0.05)	151.57 (0.05)	169.84 (0.05)	**121.90**
26	Odisha	5436.26 (0.25)	7600.68 (4.34)	11115.88 (4.51)	15284.62 (4.90)	15158.22 (4.60)	**178.84**
27	Pondicherry	331.91 (0.25)	485.49 (0.28)	881.77 (0.36)	1222.59 (0.39)	756.84 (0.23)	**128.03**
28	Punjab	3484.49 (2.62)	4512.28 (2.57)	6524.12 (2.65)	7975.54 (2.56)	8605.75 (2.61)	**146.97**
29	Rajasthan	5248.28 (3.95)	8823.30 (5.03)	13503.76 (5.48)	17007.35 (5.45)	19366.09 (5.87)	**269.00**
30	Sikkim	54.61 (0.04)	96.54 (0.06)	112.65 (0.05)	202.38 (0.06)	171.67 (0.05)	**214.36**
31	TamilNadu	15496.86 (11.66)	17756.39 (10.13)	24980.92 (10.14)	33807.87 (10.84)	34626.02 (10.50)	**123.44**
32	Telangana	3694.34 (2.78)	3780.49 (2.16)	6430.81 (2.61)	7660.88 (2.46)	8986.82 (2.73)	**143.26**
33	Tripura	337.26 (0.25)	968.55 (0.56)	1460.60 (0.59)	1826.48 (0.59)	1555.30 (0.47)	**361.16**
34	UttarPradesh	11880.93 (8.94))	14753.59 (8.42)	21174.46 (8.57)	24888.92 (7.98)	29801.37 (9.04)	**150.83**
35	Uttarakhand	1745.08 (1.31)	1913.88 (1.09)	2480.09 (1.01)	2844.74 (0.91)	2830.41 (0.84)	**62.19**
36	WestBengal	7740.41 (5.81)	15480.03 (8.83)	19970.76 (8.10)	25892.29 (8.30)	26458.31 (8.02)	**241.82**
Total Disbursement		**132954.73 (100)**	**175312.13 (100)**	**246437.40 (100)**	**311811.38 (100)**	**329715.03 (100)**	**147.99**

Source: Compiled from MUDRA Annual Reports.
Note: Figures in bracket represents per cent to total.

It is noticed that all the big states have made maximum efforts to disburse the MUDRA loans under Shishu, Kishor and Tarun schemes as per the central government directions. Karnataka, Tamil Nadu, Maharashtra, Uttar Pradesh, West Bengal, Madhya Pradesh, Bihar, Rajasthan, Gujarat, Odisha and Andhra Pradesh stood at top level in a row during the period of the study. On the basis of quantity of the disbursement of loans under all the three schemes the top most states are ranked as follows:

Rank	2015-16	2016-17	2017-18	2018-19	2019-20
1	Karnataka	Tamil Nadu	Tamil Nadu	Tamil Nadu	Tamil Nadu
2	Tamil Nadu	Karnataka	Karnataka	Karnataka	Uttar Pradesh
3	Maharashtra	Maharashtra	Maharashtra	West Bengal	Karnataka
4	Uttar Pradesh	West Bengal	Uttar Pradesh	Maharashtra	Maharashtra
5	Madhya Pradesh	Uttar Pradesh	West Bengal	Uttar Pradesh	West Bengal
6	Bihar	Bihar	Bihar	Bihar	Bihar
7	Gujarat	Madhya Pradesh	Madhya Pradesh	Rajasthan	Rajasthan
8	Andhra Pradesh	Rajasthan	Rajasthan	Madhya Pradesh	Madhya Pradesh
9	Rajasthan	Gujarat	Gujarat	Odisha	Odisha
10	Kerala	Odisha	Odisha	Gujarat	Gujarat

As per the above ranks it is found that the Tamil Nadu state is at top position from the year 2016-17 to 2019-20. In the year 2015-16 Karnataka placed in the first rank with the total disbursement of Rs.16469.43 Crore followed by Tamil Nadu with Rs.15496.86 Crore, Maharashtra with Rs.13372.42 Crore, Uttar Pradesh with Rs.11880.93 Crore, Madhya Pradesh with Rs.7769.29 Crore, West Bengal with Rs.7740.41 Crore, Gujarat with Rs.5910.02 Crore, Andhra Pradesh with Rs.5790.79 Crore, Rajasthan with Rs.5248.28 Crore and Kerala with Rs.4727.38 Crore. The same trend was continued in all the years with a negligible change in their ranking of the concerned states.

In the year 2019-20 Tamil Nadu mounted at first rank with the total disbursement of Rs.34626.02 Crore followed by Uttar Pradesh with Rs.29801.37 Crore, Karnataka with Rs.29704.70 Crore, Maharashtra with Rs.27398.10 Crore, West Bengal with Rs.26458.31 Crore, Bihar with Rs.26346.98 Crore, Rajasthan with Rs.19366.09 Crore, Madhya Pradesh with Rs.18578.04 Crore, Odisha with Rs.15158.22 Crore and Gujarat with Rs.13529.73 Crore. It is surprised thatBihar has maintained continuously its 6th Rank all the five years period of study.

The states which have shown the magnificent growth in disbursement of all the three schemes loan amount in the period of five years 2015-16 to 2019-20 are Assam with 338.05, Tripura with 361.16, Rajasthan with 269.00, Bihar with 262.61, West Bengal with 241.82, Manipur 227.78, Jammu and Kashmir 216.34, Sikkim with 214.36, Chhattisgarh with 210.36, Mizoram with 203.54, etc., on the other hand the states which have shown comparatively slower growth trends in the disbursement of all schemes of MUDRA are Lakshadweep with 14.95, Goa with 27.77, Uttarakhand with 62.19, Meghalaya with 64.06, Andhra Pradesh 74.25, Delhi with 77.37, Karnataka with 80.36, etc., whereasAndaman and Nicobar Islands shows a Negative growth rate of 65.64. It is also witnessed that the total disbursements under all the three schemes abnormally increased continuously in every year from 2015-16 with Rs.132954.73 Crore to 329715.03 Crore in the year 2019-20 with a significant growth rate of 147.99.

State wise Loan Disbursementsfor Women under MUDRA

One of the first steps towards women empowerment is ensuring that they have enough financial stability. Empowering women is empowering the nation, and countries across the globe emphasize its importance, more than ever. Multiple initiatives are on the rounds and the issues businesswomen face are highly addressed and brought into the limelight to have them sorted. The government of India has brought forth Schemes for Women, to help put the word out in the public. Such schemes help women meet the monetary requirements of setting up a business or being self-employed. With the Government Schemes for Women, women now have the right to equal business opportunities and stand firm to their opinions and aspirations, more than ever. For women empowerment, Indian Government has taken various steps, specifically motivated towards entrepreneurs under MUDRA schemes of Shishu, Kishor and Tarun. The Government has informed all Banks, and NBFC, MFIs to reduce interest by 25 basis points while allocating MUDRA loans for women. Hence, women entrepreneurs can pay less interest and avail of other benefits under MUDRA schemes. Thus, it is proposed to examine the State wise loans extended to women under all the schemes of MUDRA from the date of its inception. According to Union Minister of State for Finance & Corporate Affairs, as on 31.01.2020, over 15 crore loans have been disbursed to women borrowers, since inception of the MUDRA, amounting to Rs. 4.78 lakh Crore. He also expressed that the loans are extended to eligible borrowers for manufacturing, processing, trading, services and activities allied to agriculture, which help in creating income generating activities and employment.

The Government is more interested to provide business loan for women since the MUDRA women loan scheme has launched. In fact, this is the reason out of four MUDRA loan applicants three are women. To get relief small business owners have reduced the Shishu MUDRA loan interest rate for women by 2 per cent. It is expected that 3 Crore people will get the benefit of interest rate deduction. The Table-5 present the data of State-wise details of number of loan accounts and amount disbursed to women borrowers under MUDRA as on 31.01.2020.

TABLE-4

State wise Loan Disbursement extended to Women under MUDRA

S. No.	State Name	No of A/Cs	Disbursed Amount (Rs. in crore)
1	Andaman and Nicobar Islands	6,209 (0.00)	94.80 (0.02)
2	Andhra Pradesh	911,061 (0.58)	8,117.19 (1.70)
3	Arunachal Pradesh	3,108 (0.00)	65.19 (0.01)
4	Assam	3,937,730 (2.50)	14,092.94 (2.95)
5	Bihar	15,907,522 (10.10)	44,879.70 (9.40)
6	Chandigarh	32,817 (0.02)	211.29 (0.04)
7	Chhattisgarh	2,931,745 (1.86)	8,072.00 (1.69)
8	Dadra and Nagar Haveli	7,700 (0.00)	41.66 (0.01)
9	Daman and Diu	940 (0.00)	10.28 (0.00)
10	Delhi	1,387,743 (0.88)	5,416.00 (1.13)
11	Goa	85,130 (0.05)	513.45 (0.11)
12	Gujarat	4,200,265 (2.67)	15,089.51 (3.16)

13	Haryana	2,824,351 (1.79)	9,205.95 (1.93)
14	Himachal Pradesh	180,397 (0.11)	1,213.27 (0.25)
15	Jammu and Kashmir	104,107 (0.07)	1,646.15 (0.35)
16	Jharkhand	4,357,407 (2.77)	11,723.94 (2.45)
17	Karnataka	16,169,488 (10.26)	47,714.04 (9.99)
18	Kerala	5,404,999 (3.43)	17,034.01 (3.57)
19	Lakshadweep	780 (0.00)	5.07 (0.00)
20	Madhya Pradesh	10,207,355 (6.48)	28,562.52 (5.98)
21	Maharashtra	14,469,135 (9.18)	42,076.62 (8.81)
22	Manipur	84,946 (0.05)	383.16 (0.08)
23	Meghalaya	69,073 (0.04)	354.15 (0.07)
24	Mizoram	26,698 (0.02)	252.17 (0.05)
25	Nagaland	36,133 (0.02)	229.10 (0.05)
26	Odisha	12,396,132 (7.87)	30,323.00 (6.35)
27	Pondicherry	513,319 (0.33)	2,070.08 (0.43)
28	Punjab	2,375,467 (1.51)	7,905.27 (1.66)
29	Rajasthan	5,697,856 (3.62)	17,296.08 (3.62)
30	Sikkim	31,265 (0.02)	170.48 (0.04)
31	Tamil Nadu	19,042,556 (12.09)	58,227.47 (12.19)
32	Telangana	1,651,780 (1.05)	7,681.44 (1.61)
33	Tripura	978,491 (0.62)	3,509.11 (0.73)
34	Uttar Pradesh	12,384,212 (7.86)	34,912.02 (7.31)
35	Uttarakhand	954,528 (0.61)	3,334.26 (0.70)
36	West Bengal	18,176,571 (11.54)	55,232.19 (11.56)
	TOTAL	**157,549,016 (100)**	**477,665.56 (100)**

Source - Data reported by Member Lending Institution (MLIs) on Mudra Portal.
Note: Figures in bracket represents per cent to total.

With the special initiation of the Indian Government, the women entrepreneurs have been opened MUDRA loan accounts with the authorized Banks and Financial Institutions in all the states and union territories. All the Banks and Financial Institutions have women loan accounts under MUDRA as much as 157,549,016 and disbursed Rs.477665.56 Crore at the end of January, 2020.Tamil Nadu statestood in top position with 12.09 per cent of accounts and 12.19 per cent of loan disbursements followed by West Bengal with 11.54 per cent of accounts and 11.56 per cent of loan disbursement, Karnataka with 10.26 per cent of accounts and 9.99 per cent of loan disbursement, Bihar with 10.10 per cent of accounts and 9.40 per cent of loan disbursement, Maharashtra with 9.18 per cent of accounts and 8.81 per cent of loan disbursement, Odisha with 7.87 per cent of accounts and 6.35 per cent of loan disbursement, Uttar Pradesh with 7.86 per cent of accounts and 7.31 per cent of loan disbursement, Madhya Pradesh with 6.48 per cent of accounts and 5.98 per cent of loan disbursement, Rajasthan with 3.62 per cent of accounts and loan disbursement and Kerala with 3.43 per cent of accounts and 3.57 per cent of loan disbursement.

Thus it can be concluded that the Tamil Nadu state's women receive the most number of loans under Mudra Yojana for women and also received the highest loan amount Rs 58,000 Crore. West Bengal, Karnataka and Bihar are the other top states where women received maximum loans under MUDRA Loan for women. Agriculture, services and trading are the three biggest sectors where women availed MUDRA loans.It is clearly indicating that all other states and union territories have shown insignificant share in the number of accounts and disbursement of loan amount for women entrepreneurs. Despite only 14 per cent of entrepreneurs being women, maximum loans under the MUDRA scheme have been allocated to women entrepreneurs. During the period from 2015-16 to 2019-20, 70per cent of all loans under the MUDRA scheme were given to women entrepreneurs. This shows the massive change which MUDRA loan for women has brought in. Fifteen Crore loans to women, amounting to Rs 4.78 lakh Crore have been distributed to women entrepreneurs as of 2019-20, under the MUDRA scheme.

Conclusion:

MUDRA is a step in the right direction to achieve financial inclusion, increase employment and also increase the number of self-employed people through MSMEs. The MSMEs are concentrating more in rural areas for manufacturing activities. The majority of the MSMEs units are creating more and more employment opportunities to the rural youth than the urban youth. It is noticed that all the big states have made maximum efforts to disburse the MUDRA loans under Shishu, Kishor and Tarun schemes as per the central government directions. Karnataka, Tamil Nadu, Maharashtra, Uttar Pradesh, West Bengal, Madhya Pradesh, Bihar, Rajasthan, Gujarat, Odisha and Andhra Pradesh stood at top level in a row during the period of the study. It is observed that the Tamil Nadu state's women receive the most number of loans under Mudra Yojana for women and also received the highest loan amount Rs 58,000 Crore. West Bengal, Karnataka and Bihar are the other top states where women received maximum loans under MUDRA Loan for women.

References:

1. Sandanshive V.R. (2019). An Analysis of Financial Performances of MUDRA Yojana. International Journal of Management, Technology and Engineering, Vol.9, Issue 1, pp: 1203-1210, ISSN (O): 2249-7455.
2. Shahid M. &Itrshad M. (2016). A Descriptive Study on PradhanMantri Mudra Yojna.
3. I.Venakatesh&Lavanya R. (2017). Performance of MUDRA Bank: A Study on Financial Assistance to MSME Sector.
4. M. Malhotra,Y. Chen, A. Criscuolo, Q. Fan, I.I. Hamel, Y. Savchenko. Expanding Access to Finance: Good Practices and Policies for Micro, Small and Medium Enterprises. Washington DC: World Bank Institute, 2007; 1-122.
5. R. Rupa (2017). Progress of MUDRA with the special reference of Tamil Nadu.
6. Verma S. Chandra (2015). Mudra Bank to "Fund Small Business".
7. Agarwal M. &Dwivedi R. (2017). PradhanMantriYojna: A Critical Review. Parikalpana- KIIT Journal of Management, Vol.13, Issue 2, pp: 97-106.
8. T. Tambunan. SME Development, Economic Growth and Government Intervention in a Developing Economy: The Indonesian Story. Journal of International Entrepreneurship, 2008; 6(4), 147-167.
9. Ibrahim P.A. (2018). An Empirical Study on the Role of MUDRA Yojana in Financing Micro Enterprises. Indian Journal of Economics and Development, Vol.6, Issue 10, pp: 1-11.
10. Khadar A. & Rahim A. (2018). A Study on Roles and Responsibility of the MUDRA Yojana and its impact assessment. International Journal for Research Trends and Innovation, Vol.3, Issue 9, pp: 131-135, ISSN (O): 2456-3315.

OPPORTUNITIES AND CHALLENGES OF DIGITAL BANKING IN INDIA

Dr. Ramesh Kumar Miryala
Assistant Professor, Department of Business Management, Mahatma Gandhi University, Nalgonda, T.S.
Dr. Ravi Aluvala
Associate Professor, Department of Business Management, Mahatma Gandhi University, Nalgonda, T.S.

I. INTRODUCTION

The digital transformation of banking constitutes one of the greatest advances in recent years. At an international level, the digitalization of all processes is unstoppable, including the application of state-of-the-art technologies and the implementation of software to optimize their operations.

The digital transformation of banking is, first and foremost, an obligatory step in the financial system. Other institutions such as entertainment, communications, and even sport have been able to adapt to the technological era. Banking should not be the exception.

This is why such essential alternatives as Open Banking have emerged. Its implementation, in which banks share their information with third parties, is of great help in the development of APIs that facilitate the lives of customers and also allow financial institutions to grow. For this to happen, however, it is important to understand that there are challenges that must be met. The first is to accept that the digital transformation of banking is a system-wide process and not just a business alternative.

II. LITERATURE REVIEW

Kesharwani and Singh Bisht (2012) in their paper entitled "The Impact of Trust and Perceived Risk on Internet Banking Adoption in India", concluded that perceived risk has a negative impact on behavioral intention of internet banking and trust has a negative impact on perceived risk. Sharma, H (2012) in his study on perspective of bankers? on e-banking attempted to highlight the difficulties encountered by bankers in using e-banking. Alipour and Salehi (2010), in their study entitled "E-Banking in Emerging Economy: Empirical Evidence of Iran", focused mainly on advantages of e-banking. The results of this study show that e-banking serves several advantages to the Iranian banking sector, however, the study also shows that the Iranian customers have not enough knowledge regarding e-banking which is rendered by the banking sector in Iran. Pooja, M (2010), in his work "Experience in Internet Banking and Performance of Banks", sought to examine the impact of Internet banking on banks' performance. The study tried to analyze that whether, the banks offering Internet banking for a relatively long time have outperformed those who recently began to offer it. Lin et al. (2011), in their paper "Banking on the Internet: Does Internet Banking Really Improve Bank Performance?" explained that Internet banking represents an important innovation in the banking industry, yet its empirical analysis that how it affects the bank performance remains rare. Sumra et al. (2011), in their work entitled "The Impact of E-Banking on the Profitability of Banks: A study of Pakistani Banks", analyzed twelve banks across Pakistan. Uppal, R K (2011), in his study "Internet Banking in India: Emerging Risks and New Dimensions ", explored the strength of Internet banking in Indian banking industry. The paper concluded that the private sector banks are on the top in providing the I-banking services to their customers and have high profitability as compared to other bank groups under study except foreign banks. Adewuyi, I D (2011), in his paper explained the concept of information technology, the meaning of electronic banking, origin of e-banking , areas of information and communication technology deployed by banks, guidelines on e- banking , reasons for automation of banking operation, challenges of regulations on e- banking in Nigeria and the way forward. Bhasin, T M (2001), concentrated on the impact of IT on banking sector in his paper. According to the study, IT has transformed the repetitive and overlapping systems and procedures into a simple single key pressing technology resulting in speed, accuracy and efficiency of conducting business and enabling them to enter into the new activities. Janki, B (2002), analyzed in his research paper that how technology is affecting the employees? productivity in the banking sector. The study shows that there is need to use technology in banking sector particularly in India for improvement in operating efficiency and customer services..Avasthi and Sharma (2001), have analyzed in their study entitled "Information Technology in Banking: Challenges for the Regulations" that advances in technology are set to change the face of banking business. Technology has transformed the delivery channels in retail banking. It has also impacted the markets of banks. The study also explored the challenges that banking industry and its regulator face.Worku, G (2009), in his paper examined the practices, opportunities and challenges of e-banking services. Low level of infrastructural development, lack of suitable legal and regulatory framework, high rates of illiteracy, frequent power interruption and security issues are the main challenges for developing e-banking in Ethiopia. and Ghaneh (2009), in their study on ranking of e-banking challenges identified that for managers of banks; privacy, security and customers? trust and for customers; reputation of bank, regulations and laws and easy accessibility were seen as the main challenges for the development of e-banking.

III. OBJECTIVES

To discuss the issues and challenges associated with Digital banking in recent times.

IV. METHODOLOGY

The study is based on secondary data from the earlier studies and the selected websites and online journals on digital banking.

V. DISCUSSSION

A. OPPORTUNITIES

1. The Internet of Things (IoT)

Comprised of physical devices that can collect and exchange data, the internet of things (IoT) includes everything from connected cars to smart appliances - with the number of these devices is growing exponentially. Such connections can lead to delivery of financial information and insights wherever, whenever and however people need it. The always on, always connected world can bring financial management to every corner of people's lives, but it also brings with it new considerations for how information is accessed and secured.

Securing transactions across the internet of things will require a multi-layered approach that includes securing the device and apps on the device, and creating layers of security beyond the device - such as in the cloud. The internet of things will have implications for delivery of a seamless, 24/7 banking experience, and as it matures, will influence authentication and sending of secure customer information.

2. Open API Banking

The explosion of internet connected devices highlights how quickly features and functions are coming to market - and the need to move quickly to securely and reliably meet consumer demand. There's an evolution in financial services software development, and integration that enables faster, less disruptive modular updates, which facilitates more nimble delivery of innovations.

For innovation from outside the bank's IT department, there's a movement toward application program interfaces (APIs) that enable integration with third-party services. These are private, more secure versions of the public APIs that enable connections between internet-based services, but give banking providers more control over how customer information is accessed and used. This idea will continue to gain steam as banks look to scale innovation through credible, approved third parties.

3. Fintech Partnerships

Both of these previous trends are at play when thinking about fintech partnerships. The prevailing idea has been that fintech and traditional financial services were at odds. However, rather than going directly to banking consumers, more fintech firms are looking at banks as their partners, and vice versa.

In areas like budgeting, payments and wealth management, innovators are creating apps that solve specific problems people have with their finances. Helping bring those innovations to scale is one of the reasons firms like Fiserv have partnered with fintech accelerators that match nimble startups with traditional financial institutions.

Partnerships like these help make innovations work within existing industry infrastructure and regulations. Even when they don't result in direct partnerships or products, these collaborations are successful as banks are eager to tap the IT talent and creativity that fintech providers bring to the equation.

4. Faster Integrated Payments

Mobile capabilities and other technological advances are changing the payment process and fueling consumer demand for real-time payments. The Federal Reserve's faster payments initiative is one example of the industry efforts focused on enabling safer, more efficient and faster payments - capabilities more and more consumers are clamoring for. Momentum continues to build for faster money movement and a more integrated payments experience that brings together capabilities like bill pay, person-to-person payments and external transfers. In addition, look for more consumers to ask for contextual, anticipatory guidance within the payment experience.

B. CHALLENGES:

Traditional banking habits: Most of the US adults participate in online banking, on the other hand, there are still some people who don't use online banking. A majority of such people are well versed in traditional banking. Such resistance to change is typically due to a lack of trust in the online system or the incompetence to operate online portals. And this is why banks are influencing people to adopt online banking. Banks can simply prove the benefits of online banking and disadvantages of traditional banking to their customers.

Security and fraud instances: This is one of the most significant challenges for banks promoting online banking. In traditional banking, robbers break into the banks to steal money, whereas in online banking hackers can break into customer's details and illegally transfer money. The extension of e-commerce provides a chance for fraudsters to misuse payment networks and steal sensitive information.

Cross-border transactions: The implementation of cross-border transaction plays a vital role in the global trade and is one of the remarkable success factors of online banking. Historically cross-border payments have been slow, incompetent, and expensive because most of the banks still use traditional infrastructure including national banking infrastructure, which results in non-uniform development and software platforms that confuse cross-border transaction. To overcome these challenges, new technologies including blockchain have been promising to enable smooth cross-border transactions.

V. CONCLUSION

The digital transformation has changed how we live and work - and how we bank. Moving money in real time and paying bills on a Smartphone were unheard of not that long ago, yet are now commonplace (and expected). We are likely just on the edge of an era of rapid change. Online banking has many benefits. Two of the most important are speed and convenience. People who participate in online banking can access their accounts, view their statements, make transactions, pay bills, and more, all from their homes, or on the go. However, despite theggoogle

benefits of online banking, there is also a number of distinct issues and challenges in the online banking sector. These are highly significant both for banks that offer online banking, but also for their customers, who depend on the banks to operate effectively.

References

1. Adewuyi,I.D.(2011): "Electronic Bankingin Nigeria: Challenges of the Regulatory Authorities and the Way Forward", *International Journal of Economic Development Researchand Investment,* Vol.2,No.1, pp:149-156.
2. Alipour, M. and Salehi, M. (2010): "E-Banking in Emerging Economy: Empirical Evidence of Iran", *International Journal of Economics and Finance,* Vol.2, No.1, pp: 201-209.
3. Avasthi,G.P.and Sharma,M.(2001): "Information Technology in Banking: Challenges for the Regulations", *Journal of Social and Management Science*, Vol.29, No.4, pp: 343-357.
4. Bhasin, T. M. (2001): "E-Commerce in Indian Banking", *IBA Bulletin*, Vol.24, No.4, pp: 43-57.
5. Janki,B.(2002):"UnleashingEmployeeProductivity; A need for a Paradigm Shift", *Indian Banking Association Bulletin,* Vol.24, No.3, pp:7-9.
6. Kesharwani, A. and Singh Bisht, SH. (2012): "The Impact of Trustand Perceived Riskon Internet Banking Adoption in India", *International Journal of Bank Marketing,* Vol.30, No.4, pp:303-322.
7. Khorshid, S. and Ghane, H. (2009):

BLOCKCHAIN VIZ-A-VIZFINANCIAL INCLUSION – AN OBSERVATION

Prof. Rajender Katla
University College of Commerce and Business Management, Kakatiya University, Warangal
Dr. Giri Prasad Madderla
Assistant Professor, Department of Commerce and Business Management,
University Arts and Science College, Kakatiya University, Hanamkonda, T.S.

1.0. Introduction

Blockchain technology, or distributed ledger technology, refers to a protocol that allows peer- to-peer transfer of financial assets over the Internet. Today, trusted entities are responsible for verifying and validating transactions online. The disruptive component of blockchain technology is that its core functionality depends on the creation of an immutable ledger of all activity across peer-to-peer transactions. This has the potential to make the world a more transparent, efficient, and frictionless place. The potential benefits of the technology have been recognized by global institutions and regulators. It can address some of the obstacles to providing affordable and usable financial access, such as account opening, account usability, and costs incurred to a financial institution. Despite these incentives to employ blockchain, the widespread adoption of this technology has been slow due to the perceived associated risks. The blockchain has played a role in accelerating financial inclusion by providing more access and improving the usability of financial services.

Realizing the importance of blockchain and virtual currencies, many governments and regulators are proactive in searching for a way to regulate and facilitate the growth of the financial industry. However, because of the complex nature of the technology and risks associated with it, each regulator has different opinions and approaches for the issues identified as risks. While some central banks have chosen to be less responsive to the technology, others have been more direct in working with financial institutions to regulate the space. Despite different approaches, both financial institutions using blockchain and the financial institutions using non-blockchain technology payment process must comply with money laundering; know your customer (KYC), and consumer protection regulations.

When regulatory bodies regulate blockchain and virtual currencies like bitcoin, it may benefit the regulators to engage with financial institutions early and be part of the innovation process as blockchain can play a significant role in accelerating financial inclusion and thus empowering and transforming the lives of billions. The blockchain used properly can lower costs, reduce risk, and enhance financial innovation. Blockchain technology allows financial innovators to provide specific solutions to the regional problems faced by the unbanked, allowing them to develop custom-made solutions to an enormous and complex global problem.

As per World Bank Report (Global Findex), estimated that there are about 2 billion individuals who do not have access to financial services these individuals are commonly referred to as the "unbanked," and they live in a cash-based environment. The majority of the unbanked come from Africa, Asia, Latin America, and the Middle East, where forty per cent live on less than USD$5 a day. In addition, there is a segment of adults who have limited or non-transactional access to financial services; these are under banked. When this group is added to the unbanked, the total number of individuals who need accessible financial services rises to 3.5 billion people worldwide, nearly half of the population of the world. This alarming figure is one of the many indicators that poverty is widespread all over the globe.

According to the Global Financial Development Report, financial inclusion is defined as "the proportion of individuals and firms that use financial services."Financial inclusion is important because it is positively correlated with economic growth and enables the poor to improve their lives. The poor do not have access to many fundamental financial services most people take for granted, and they have a desperate need for these services. Without access to financial services, the unbanked and under banked must find other semi-formal or informal means to facilitate their transactions, such as check cashing or money-order stores that charge high transaction fees and take up the user's time. For example, many billers refuse cash payments and require checks; however, without bank access, the poor must pay a fee to convert their cash to a check. The process leaves them with less money than the actual payment amounts. To make matters worse, financial service access not only costs more for the poor but also takes more time. In areas like rural India, the commute to access a financial service can be as long as eight hours. The cost of poverty is real, and the extra fees and time make surmounting the barriers to financial empowerment unrealistic.

The World Bank has identified this issue as one of their priorities through the Universal Financial Access (UFA) by 2020 initiative. Below is a graph of the 15 countries that have been identified as a priority for the UFA.

TABLE-1

Unbanked Population of 15 Countries

Sl.No.	Country	The population of the world's Unbanked (%)
1	India	30.43
2	China	17.13
3	Indonesia	8.27
4	Pakistan	7.68
5	Bangladesh	5.47
6	Nigeria	3.99
7	Mexico	3.84
8	Egypt	3.55
9	Brazil	3.55
10	Vietnam	3.55
11	Philippines	3.25
12	Ethiopia	3.10
13	Myanmar	2.22
14	DRC	2.22
15	Turkey	1.77

Source: World Bank UFA Ranking-2020

The degree and detail of the problems vary from country to country. This variety makes the problem more complicated and highlights that there is no universal solution. However, the common barriers that every region faces include lack of access to financial services or lack of ease of use of financial services. A financial transaction that is highly valued by the unbanked and underbanked is money transfer, whether within a country (i.e., internal payments) or across national borders (i.e., cross-border payments).

In a World Bank report, the overall cross-border payment amount to developing countries was estimated at USD$401 billion. For money transfers within countries, the total would be several times this amount. The available options for money transfers for the unbanked and underbanked come with three costs: relatively higher fees, long settlement times, and low usage. The poor of the world need assistance with cross-border and internal payments, and multiple successful initiatives(e.g., mobile money/UPI) have contributed to increased financial inclusion for this population. This is good news; however, we must not be complacent because there is still a long journey ahead to improve financial inclusion with the majority of the poorest communities in developing economies lacking proper access. Despite these innovations being provided access, they are not necessarily being used.

For example, in 2015,411 million mobile money accounts were registered globally but only 32 per cent of these accounts are active. Active users are defined as those who have made a potentially chargeable transaction in the last 90 days. This gap highlights the limitations of mobile money. Because of its lack of interoperability, individuals are limited to transferring money to those who are using the same Mobile network operator (MNO) within a specific country. This limitation opens a window to develop a solution that is tailored to the needs and behaviour of the unbanked and underbanked and will improve their lives. One technology that financial innovators have used to maximize this window of opportunity is blockchain. During COVID-19 Pandemic, the technology has grown its presence enormously which is a positive vibe towards financial inclusion.

More than 10 crore individuals nearly 8 per cent of the population reportedly invested in Crypto, with a total investment of more than Rs.75,000 crores. Keeping in view in the budget speech Hon'ble Finance Minister Smt. Nirmala Sitharaman stated that there has been a phenomenal increase in transactions in "virtual digital assets" would not only cover the standard crypto assets such as Bitcoin or Ethereum and the emerging market of Non-Fungible Tokens (NFTs), which kept the provision of handling any such regulators of Crypto and blockchain that might emerge in future. The massive surge of crypto currencies coupled with the increasing popularity of blockchain technology has not prompted many countries to usher in their CBFCs.

Some nations, including Sweden, Singapore and China have already introduced Central Bank Digital Currency (CBDC) for their own centrally regulated digital currency. In the recent budget speech, our finance minister announced the government's proposal to introduce an RBI- backed digital currency in the current financial year. CBDCs are essentially fiat currencies issued in virtual or electronic form. While CDFCs, on the strength of being another monetary policy tool of a central bank, may promote financial inclusion through lowering the cost of financial transactions and preventing corruption and money laundering, the RBI needs to consider the economic implication, especially on the retail segment.

This study is an attempt to identify several problems in financial inclusion and solution offered by blockchain technology with suggestible regulatory frameworks with an open window for virtual currencies or bitcoin.

How Blockchain Can Help with Financial Inclusion

There are several obstacles in providing financial access to the unbanked and increasing usage of financial services by the underbanked. We are going to explore three specific problems that Financial Institutions using blockchain technology are solving.

Problem 1: **Opening an account:** It is costly and challenging for those without a bank account to open one. There are travel and opportunity costs in going to a bank branch. Individuals also need to provide identification documents and an initial deposit.

Solution Individuals do not need to travel to a financial institution to open an account or deposit cash. They can open an account on their phone thus avoiding the travel costs to set the account up. They are also able to deposit money into the account via several third-party agents. This makes it easier to get money into the system. At present few banks are using virtual KYC where the customer can submit and clear his/her KYC using mobile and internet.

Problem 2: **Usability of an account:** The challenge is not just in opening the account but in everyday usability. Current obstacles for bank accounts are high transactional costs for making payments, minimum payment sizes, and settlement times. Making payments via the national payment system often takes several days, and there are fees involved. The recipient of a payment is not likely to release the services/goods until they are satisfied that they have received the funds.

Solution One of the differences between the current payment infrastructure and blockchain is that blockchain can transfer value in a nearly instantaneous manner. (Transfer takes about 10 minutes, which is slow compared to the payment systems of developed economies but faster than those of developing economies.)Transfer fees are applied as a percentage of the transfer's value rather than a fixed rate, and the transfer requires no minimum payment amounts. Low rates, no minimums, and fast value transfers make blockchain useful for unbanked people to complete payment transactions.

Problem 3. Costs to the Financial Institution (FI) for providing financial services: All FIs will have some fixed and some variable costs. Many existing FIs have branches and are reliant on staff to interact with customers as well as perform back-office functions such as compliance (KYC/AML). They also incur costs for using their country's national payment system and correspondent banks accounts for cross-border payments. The fees for using the existing payment system are often charged at a flat rate per individual transaction, thus a large number of small payments will be an increased cost for the financial institution.

Solution Payments via a blockchain do not need to go through the national payment the system and there is no requirement for physical branches. FIs can offer more services digitally and thus will not require as much client-facing staff. Agent networks and alternative methods (i.e., cardless ATM services) can be used to add or withdraw funds. The cost to transfer funds via the blockchain is a percentage of the value transferred and thus makes smaller payments more feasible.

As mentioned above, FIs have been using blockchain technology for cross-border and internal payments to overcome their customer's obstacles to financial access. They're doing this by utilizing bitcoin as a vehicle currency.

Key Takeaways from Using Blockchain

- **Cost Savings:** The global average cost of remittance as of December 2019 is 7.4 per cent. On average, FIs that use blockchain technology have lower costs for cross-border payments compared to traditional payment methods. The global average cost of remittance is calculated on sending USD 200 or its equivalent. It covers all the methods of remittance. FIs that use blockchain will not always be the cheapest but on average they are cheaper than conventional financial institutions.
- **Reduced Risk:** FIs using blockchain have comprehensive KYC and AML processes. All of the FIs have an MTO license and are required to perform screening and checks. They are required to have the same regulatory compliance as FIs that are not using blockchain so they should have the same money laundering and terrorist financing risks. FIs using blockchain have a reduced settlement risk compared to traditional FIs because the foreign exchange can be processed in near real-time. For FIs using SWIFT or correspondent bank networks, the foreign exchange transaction can take several days which increases the settlement risk. Goldman Sachs recognized blockchain's distributed ledger technology as a means to solve this risk and has filed a patent to use blockchain technology for foreign exchange settlement.
- **Versatility Helps Usability:** FIs using blockchain technology are not constrained by their systems. Mobile money providers operate on a closed network which requires the existing payment network to transfer funds between mobile money operators. The versatility of blockchain's decentralized network allows FIs to transfer funds across different centralized payment systems. FIs that use blockchain do not view banks as competitors. Instead, they look to collaborate with partners to serve customers. Building trust and cooperation with banks and MNOs is an essential part of that process. They position themselves as an additional financial channel to reach customers, not as a business out to disrupt the traditional financial system. Banks can benefit from these partnerships because they can increase their customer base and generate revenue on their existing infrastructure.

Risks and Challenges of Blockchain Technology

As blockchain has advantages and risks, financial regulators are committed to developing financial compliance standards to prevent money laundering, international crime financing, and customer fraud. Governments in various countries are looking at how to best regulate this technology. However, as the possible applications of blockchain increase, regulators are more focused on making policies on blockchain applications like bitcoin rather than the blockchain technology itself. These are current issues that are being considered by regulatory bodies across the globe. The following are some regulatory concerns with blockchain technology.

- Anti-Money Laundering and Counter-Terrorism Financing: Similar to existing Money Services Businesses (MSB), FIs using blockchain to provide cross-border and internal payments are regulated under the Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) directives. There are fears that virtual currencies could be used to finance illicit activity due to their various levels of pseudonymity, anonymity, and transnational reach.
- Consumer Protection: Existing centralized payment systems have measures in place to protect consumers, and any new system should exercise the same measures. Hacking is a major concern that regulators have tried to address in past years. Many central banks and national regulators have issued a series of warnings to consumers to be cautious about any transaction they make on virtual currency platforms. Other regulators try to solve the issue by requiring businesses to meet certain criteria to gain a business license. However, this approach might also create more burdens for startups and prevent them from launching a business.
- Know-Your-Customers: To prevent money laundering and terrorism financing activities, and to protect the consumer from fraudulent transactions, regulators' demand follows the KYC approach. Businesses are required to ask for the identity of their customers before allowing those people to use their platforms.
- There is no parity between CBDCs and privately issued currencies. More importantly, the central bank needs to regulate the currency like the proposed digital rupee be a substitute to the uncontrolled decentralized crypto assets such as Bitcoin or digital coin to the investors.
- Global concern with unregulated crypto is that the decentralized nature of crypto assets makes it prone to money laundering, claiming ransom ware, and the supply of money for several terrorist activities.
- The biggest risk is crypto security and counterfeiting which must be prevented.

Conclusion

The regulators should understand that blockchain helps people get access to financial services, increases their usage of financial services, and lowers risk, benefiting the system. Given the ever-changing nature of blockchain, regulators should apply a principle-based approach to encourage industry growth. In the past, local regulators have been able to rely on global institutions for regulatory policy guidance. Blockchain's disruptive nature, however, complicates the development of blanket regulatory guidance since blockchain's effects vary from country to country. Individual countries should perform a specific cost-benefit analysis that incorporates the impact of financial inclusion. Furthermore, regulatory uncertainty and various jurisdictions' regulatory approaches make it challenging for firms looking to use blockchain to improve marginalized populations' financial inclusion. Firms must navigate a complex regulatory environment, which makes planning difficult and may result in more compliance costs stemming from the approaches of different regional regulatory agencies. These firms have great potential to reach the unbanked and thereby promote growth and prosperity. Regulators should explore flexible, principle-based approaches that keep pace with the ever-changing technology and give firms more certainty in their operations.

References:

1. Accessed on March 1, 2017. http://www.gatesfoundation.org/What-We-Do/Global-Development/Financial-Services-for-the-Poor
2. Kendall, Jake. "The main facts and figures about financial inclusion around the world." world economic Forum. May 19, 2015. Accessed January 12, 2017.https://www.weforum.org/agenda/2015/05/the-main-facts-and-figures-about- financial-inclusion around-the-world/.
3. Chaia, Alberto, Tony Goland, and Robert Schiff. "Counting the world's unbanked. "McKinsey & Company. 2009 http://www.mckinsey.com/industries/financial-services/ourinsights/counting-the-worlds-unbanked
4. Realini, Carol and Karl Mehta. "Financial Inclusion at the Bottom of the Pyramid." Friesen Press. 2005. p.2
5. "Global Financial Development Report 2014: Financial Inclusion." World Bank Ground. 2014. Accessed March 1,2017.http://siteresources.worldbank.org/EXTGLOBALFINREPORT/Resources/88160 96-1361888425203/906208013 64927957721/GFDR-2014_Complete_Report.pdf
6. "Applying blockchain in securitization: opportunities for reinvention." Structured Finance IndustryGroup and Chamber of Digital Commercehttps://digitalchamber.org/assets/sfig-blockchain-report.pdf
7. Accessed on March 1, 2017. https://blockchain.info/charts/estimated-transaction-volumeusd ? times pan=all & days Average String=7
8. Krugman, Paul. "Vehicle Currencies and the Structure of International Exchange." National Bureau of Economic Research. April 1979. Accessed on March 1, 2017.http://www.nber.org/papers/w0333.pdf
9. BIS Triennial Central Bank Survey September 2016
10. "User Agreement" Coins.ph. January 10, 2017. Accessed on March 17, 2017. https://coins.ph/user-agreement

CRYPTO CURRENCY IN INDIA – AN OVERVIEW

Dr. K. Gangadhar
Assistant Professor, Department of Commerce, Telangana University, Nizamabad, T.S.
Prof. P. Rajender
Head, Department of Commerce and Business Management
Chaitanya (Deemed to be University), Hanamkonda, T.S.

Introduction:

A crypto is a collection of binary data which is designed to work as a medium of exchange. A crypto currency is a tradable digital asset or digital form of money, built on block chain technology that only exists online. Crypto currencies use encryption to authenticate and protect transactions. There are currently over a thousand different crypto currencies in the world, and many see them as the key to a fairer future economy. Individual coin ownership record are stored in a ledger, which is a computerized database using strong cryptography to secure transaction records, to control the creation of additional coins, and to verify the transfer of coin ownership. Crypto currencies are generally fiat currencies, as they are not backed by or convertible into a commodity. Some crypto schemes use validates to maintain the crypto currency. In a proof of stake model, owners put up their tokens as collateral. In return they get authority over the token in proportion to the amount they stake. Generally, these token stackers get additional ownership in the token over time via network fees, newly tokens or other such reward mechanisms.

Crypto currency does not exist in physical form like paper money and is typically not issued by a central authority. Crypto currencies typically use decentralized control as opposed to a Central Bank Digital Currency. When a crypto currency is minted or created prior to issuance or issued by a single issuer, it is generally considered centralized. When implemented with decentralized control, each crypto currency works through distributed ledger technology, typically a block chain that serves as a public financial transaction database.

Historical Background:

In 1983, the American cryptographer David Chum conceived an anonymous cryptographic electronic money called e-cash. Later, in 1995, he implemented it through Digital cash, an early form of cryptographic electronic payments which required user software in order to withdraw notes from a bank and designate specific encrypted keys before it can be sent to a recipient. This allowed the digital currency to be untraceable by the issuing bank, the government, or any third party.

In 1996, the National Security Agency published a paper entitled How to Make a Mint: the Cryptography of Anonymous Electronic Cash, describing a Crypto currency system, first publishing it in an MIT mailing list and later in 1997.

In 1998, Wei Dai published a description of "b-money", characterized as an anonymous, distributed electronic cash system. Shortly thereafter, Nick Szabo described bit gold. Like bit coin and other crypto currencies that would follow it, bit gold (not to be confused with the later gold-based exchange, Bit Gold) was described as an electronic currency system which required users to complete a proof of work function with solutions being cryptographically put together and published.

In 2009, the first decentralized crypto currency, bit coin, was created by presumably pseudonymous developer Satoshi Nakamoto. It used SHA-256, a cryptographic hash function, in its proof-of-work scheme. In April 2011, Name coin was created as an attempt at forming a decentralized DNS, which would make internet censorship very difficult. Soon after, in October 2011, Lit coin was released. It used script as its hash function instead of SHA-256. Another notable crypto currency, Peer coin, used a proof-of-work/proof-of-stake hybrid.

On 6 August 2014, the UK announced its Treasury had commissioned a study of crypto currencies, and what role, if any, they could play in the UK economy. The study was also to report on whether regulation should be considered. Its final report was published in 2018 and it issued a consultation on crypto assets and stable coins in January 2021.

In June 2021, El Salvador became the first country to accept Bit coin as legal tender, after the Legislative Assembly had voted 62-22 to pass a bill submitted by President Nayib Bukele classifying the crypto currency as such.

In August 2021, Cuba followed with Resolution 215 to accept Bit coin as legal tender, which will circumvent U.S. sanctions.

In September 2021, the government of China, the single largest market for crypto currency, declared all crypto currency transactions illegal, completing a crackdown on crypto currency that had previously banned the operation of intermediaries and miners within China.

Statement of the Problem:

The world has transforming in to cash less transactions through innovating and making transactions by digital money. One of the tremendous innovation in money that is crypto currency it is digital money, not regulated by any authority and central bank, universal currency, at the same time there are some challenges and issues associated with this new currency hence many countries step back from its implementation among those India is one of the country prohibited using and mining crypto currency. But as per the order of Supreme Court now trading through crypto currency is no more illegal in India. Thus, it is an important need to understand about the crypto currency trading in India and its role in Indian economy.

Objectives of the Study:

The objectives of this study are as follows:

- To study the significance of the crypto currency
- To identify the challenges & issues related to the crypto currency
- To examine the role of crypto currency in India.

Significance of the Crypto Currency:

The global economy is inevitably moving towards a digital eco-system. Crypto currency is the newest and most promising addition to the digital payment sector. It facilitates for investment, money transfer and everything is going paperless. A crypto currency is a medium of exchange like normal currencies, but designed for the purpose of exchanging digital information. Crypto currency is defined as a decentralized digital or virtual currency that uses cryptography for security making it difficult to counterfeit. Since it is not issued by a central authority, governments can't take it away from the holders. Over the last couple of years, digital currency has been rapidly gaining the public recognition. Its significance can be identified as follows;

- **Fraud-proof:** When crypto currency is created, all confirmed transactions are stored in a public ledger. All identities of coin owners are encrypted to ensure the legitimacy of record keeping. Because the currency is decentralized. Neither government nor bank has any control over it.
- **Identity Theft:** The ledger ensures that all transactions between "digital wallets" can calculate an accurate balance. All transactions are checked to make sure that the coins used are owned by the current spender. This public ledger is also referred to as a "transaction block chain". Block chain technology ensures secure digital transactions through encryption and "smart contracts" that make the entity virtually unshakable and void of fraud. With security like this, block chain technology is poised to impact nearly every segment of our lives.
- **Instant Settlement:** Block chain is the reason why crypto currency has any value. Ease of use is the reason why crypto currency is in high demand. All you need is a smart device, an internet connection and instantly you become your own bank making payments and money transfers.
- **Accessible:** There are over two billion people with access to the internet who don't have rights to use to traditional exchange systems. These individuals are clued-in for the crypto currency market.

Recently, major banking institutions and technology companies such as Intel, Barclays or Wal-Mart have invested their time and money into the promise of crypto currencies like Bit coin and Ethereal. This has led to countries with weakening currencies to adopt digital currency to take the place of traditional notes that have depreciated. Some of these early adopter countries include Brazil, Colombia, Turkey and Venezuela. Wealthy countries are also exploring adopting crypto currency as legal tender. According to a report by Bloomberg, the central banks of Japan, European Union and Holland are currently conducting research projects and trials on effective use of digital currencies.

Challenges & Issues:

The form of crypto currencies is not free from some financial problems and security concerns. The analysed several studies and crypto currency platforms and also observed some crypto currency selling forums in order to explore challenges and issues that are exist in such virtual phenomenon. The following are the main challenges and issues related to crypto currency:

Challenges of Crypto Currency:

- **Security threats:** Hackers and malicious users can create as much as they want from virtual currency if they break the system and know the method of virtual currency creations. This will lead to the ability to create fake virtual currency or steal virtual currency by just changing the accounts balances. For example, selling in-game virtual items and virtual currency is against World of War craft (WoW) game policies. Therefore, many users log into Wow gold selling websites to buy virtual gold in order to pay for virtual items that they need. Many of Wow gold selling websites are not reliable and they are vulnerable to hacking and many users are complaining about paying real money for nothing or for fake virtual currency.
- **Collapse concerns in crypto currency systems:** Unlimited issuing of virtual currency in the variety virtual communities will lead to economic problems since its issuing is not based on the demand and supply. It is possible for some providers such as Second Life to issue unlimited Linden Dollars and increase their virtual items prices in order to gain more real revenues. On the other hand, it will suffer from inflation and economic issues leading to collapse in the virtual currency system.
- **Impact on real monetary systems:** Since some virtual currency systems are connected with real world monetary systems, they may affect the demands and supply facilities of real-world money. The demand and supply fluctuation will effect on the real monetary systems.
- **Gold farming risks:** Gold farming term is very popular in China and other developing countries. Gold farmers are players who play in social games such as World of War craft in order to gain gold, which is virtual currency of the

game, and then sell it for real money. The targeted buyers are the players who do not have enough time to play and compete for gaining virtual currency. In fact, huge cash flow is generated from gold farming process and it is not controlled and regulated. This will increase fraud and financial risks where virtual currency is exchanged with real money in unreliable environment.

- **Fluctuation in virtual currency value:** According to Chow and Guo study, it is observed that when the popularity of a virtual community drops, the value of its virtual currency will be devalued. For example, users who own 1000 units of virtual currency can buy from variety of 100 items. In case the provider of that virtual currency drops, users can only buy from 10 items with their 1000 units since dropping will be reflected in fewer goods and services especially in closed virtual communities.
- **Money laundering:** Money laundering is one risk that is very likely to rise with the use of virtual currency especially with platforms that enable users to exchange virtual currency with real money. In practical case occurred in Korea in 2008, the police arrested a group of 14 persons for laundering $38 million obtained from selling virtual currency. The group converted the amount of $38 million, which is generated by gold farming, from Korea to a paper company in China as payments for purchases.
- **Unknown identity risks:** Since creating an account in most of virtual currency platforms such as social games and social networks is not authenticated, financial transactions cannot be monitored very well. Gamers and users can create more than one account with unknown identities and use them for illegal transactions. There is no way to recognize the source of creating or cashing out the virtual currencies. This leads to inability to track the transactions in case of money laundering suspicion. Moreover, unknown identity will enable criminals to get paid with virtual currency for their crimes.
- **Black market for crypto currency:** The financial position of some social games such as Second Life and World of Warcraft are mature enough to create black market for buying and selling their virtual currency. The increasing popularity of virtual currency in online environment has led to a thriving black market for trading virtual currency with real money. By observing several social games' forums, some fraud cases have been raised and discussed between users. For example, when a gamer decides to quit from a game, he/she may want to sell the owned virtual currency by offering them in the game's forums. The way of receiving the payments is risky since many malicious users may not complete the payment or they dispute after paying. In this case, they will get their money back plus the virtual currency.

Issues related to Crypto Currency:

- Value of Bit coin: As the name itself suggests, crypto currencies like Bit coin are designed to function as a medium of exchange using the cryptography technology, i.e. these crypto currencies are not issued by any country, are not backed by any asset/sovereign guarantee and it's highly difficult to confine the flow of these crypto currencies within a particular geography.

- **Loss of monetary sovereignty:** The students of economics will be very well aware of the role central banks like RBI play in determining the money flow within the economy. Using monetary policy tools, RBI controls the ebb and flow of money in the Indian economy with the objective of achieving a balance between economic growth and inflation. If a crypto currency like bit coin has to become a significant medium of exchange in the country, it will be highly difficult for RBI to use monetary policy tools to manage money supply resulting in loss of monetary sovereignty by India. This is a concern shared by all the major economies of the world including India.
- **Flow of funds from one country to another:** In addition, the easy in/outflow of crypto currency across borders makes crypto currencies 'hot money' and even if those are accepted as crypto assets, RBI is apprehensive about such hot money leaving the shores of India in times of economic crisis.
- **Money laundering & terror financing:** The pseudo-anonymity and censorship-resistant features of crypto currencies make them much easier to be used for money laundering/counter-terrorist financing making crypto currencies a favourite among fugitives and charlatans. Though there are tools to track such nefarious activities, the lack of trained manpower in law enforcement, among regulators and in government agencies makes it easier for the bureaucracy to ban the crypto currencies altogether than to monitor the activities across block chains.
- **Tax evasion:** Tax evasion by using crypto transactions is another major concern of the government. It has the potential to facilitate illegal activity broadly including tax evasion. It offers investors a way to shield income from tax authorities. In that way, it could lead to a tax gap, thus causing loss to the government.
- **Absence of Well-Defined Laws:** For any new technology to be put forward for mass adoption, regulatory vetting and development of industry standards are imperative. As block chains distributed ledger technology is still in a developing stage, regulators worldwide are studying the implication of the technology. While countries like the US and Japan have been on the front foot for developing a regulatory framework, there is no crisp framework to look up to today.
- **Lack of Clarity about Ownership and Jurisdictions:** Distributed technology relies on the notion that there is no way to pinpoint the Ledger's actual location. Therefore, transactions executed on a block chain tend to offer greater privacy as compared to traditional platforms. There is, however, a complex jurisdictional issue involved if one wishes to take advantage of this feature. A crypto

transaction may be governed by conflicting legal frameworks if the two parties, i.e., block chain nodes, are located in different jurisdictions. Due to the Ledger's lack of a physical location, the "residence country" for crypto currency software cannot be determined. Additionally, since block chains can be transnational, it is challenging to determine the relevant laws and jurisdictions in international disputes. Thus due to block chain's cross-border appeal, any national regulator faces a daunting task in enforcing laws among its users, transactions, or projects.

- **No Fixed Classification of Crypto Currencies:** In terms of how the countries intend to treat crypto, no official stance has been taken. Amongst the various classifications are asset, currency, commodity, etc. An unverified report states that the Indian Govt. might classify crypto currency as an asset class. However, there has been no clear indication from the Indian government confirming the same. This further leads to the issue of the taxation of crypto currencies.
- **Data Theft:** Crypto currencies are also susceptible to data theft and financial fraud, which are pressing legal concerns. Due to gaps in block chain system code and its inherent ability to keep its user anonymous, many users, particularly those disenfranchised or involved in illegal pursuits, have embraced crypto currency as a method for financing their illicit activities.
- **Investor's Concerns:** Several developed countries such as the United Kingdom, Japan, Canada, and the United States have legalized crypto currencies like Bitcoin since February 2020. Although the IRS has considered some crypto currencies legal, a transaction's legal validity across nations remains in question. Unlike gold or silver, crypto currency values are not determined by any centralized authority and are not backed by any tangible assets. Their value depends entirely on how others appraise them. Due to the lack of centralized regulation, investors may have few legal options for a dispute over their crypto transactions.

Role of Crypto Currency in India:

Increased crypto currency adoption is improving financial inclusion. In a country like India, where many people are underserved by traditional financial institutions or unable to access their services, crypto finance enables them to make financial transactions quickly, cheaply and without judgment. Moreover, crypto currencies open up a new asset class for consumers to grow their wealth, as a form of investment. India's rising Internet usage and digital landscape has resulted in the popularity of crypto currencies growing in tandem among the masses. According to a recent report by block chain data platform Chainalysis, India ranks second in the world in terms of crypto currency adoption. As per various estimates, around 15 million Indians have invested in crypto-related assets to date, with a recent survey by consulting firm Kantar noting that a sixth of urban Indian residents own crypto currency. Crypto investments in the country grew more than seven-fold from $923 million to nearly $6.6 billion between April 2020 and May 2021. These developments, along with increasing rural Internet penetration, are improving financial access in the country.

A recent PWC report says it is highly probable that the future of money in India will be a mix of centralized, decentralized, account-based and token-based models. This would take the form of Central Bank Digital Currencies, stable coins, and crypto currencies co-existing alongside traditional digital and physical currencies. Embracing cryptocurrencies will not only support India's financial inclusion goal, but also lower the cost of processing transactions, make the world less dependent on cash, and increase the mobility of money across the globe. For more than a decade, India has consistently been among the world's largest recipients of remittances. As remittances often involve high fees and long waiting times for fund transfers, their operating model has a key implication for developing countries like India. With their aforementioned benefits, crypto currencies offer a viable solution to make global remittances cheaper and faster.

In the recent budget presentation, the finance minister proposed a 30 per cent tax on income from virtual digital assets, such as crypto currencies and non-fungible tokens. Noting that there had been a phenomenal increase in transactions in virtual digital assets. The magnitude and frequency of these transactions had it imperative to provide for a specific tax regime. This proposal supports the RBI decision to introduce the digital currency in the near future. Among the tremendous price swings in the crypto market, the central government is set to introduce a bill to regulate crypto assets and crypto currencies in India which will help to prohibit all private crypto currencies.

CONCLUSION:

Crypto currency offers a new, effective and attractive model of payment methods that can boost companies and operators revenues. It also provides alternative method of payment, apart from real money, that enables users to make financial activities such as buying, selling, transferring and exchanging easily. Although crypto currency platforms open many channels for digital financial transactions and provide a new form of currency with different mechanisms and methods, they are not controlled and regulated as they deserved. The research analysed crypto currency platforms and extracted many concerns and challenges that put such financial system under the risk. The lack of legislations is considered as the main concern in crypto currency systems.

Moreover, the confidence and trust rate of using crypto currency is noticeably high as it can be seen in several cases that have been stated in this paper besides the survey results. However, users have not realized the full picture of using crypto currency. In fact, many crypto currency forms do not deserve that much of trust yet. Many concerns, challenges and issues are existing in many crypto currency platforms and they are clearly outlined in the above sections of this paper. Until crypto currency is being well regulated and controlled, users need to take extra precautions of using such virtual money.

The future of Crypto currency concept is promising, revealing more opportunities to bring positive changes and progress to e-Business and e-Payment sectors. With the rapid progress and improve of technology, crypto currency will not stop progressing. More and more vendors are accepting payment with different types of crypto currency and many people are now more aware of potentials and opportunities that CC can offer. New forms of virtual currency have also been emerged and spread around the world recently.

References:

1. W. Dai, "b-money," http://www.weidai.com/bmoney.txt, 1998.
2. H. Massias, X.S. Avila, and J.-J. Quisquater, "Design of a secure time stamping service with minimal trust requirements," In 20th Symposium on Information Theory in the Benelux, May 1999.
3. S. Haber, W.S. Stornetta, "How to time-stamp a digital document," In Journal of Cryptology, Vol 3, No. 2, pages 99-111, 1991.
4. D. Bayer, S. Haber, W.S. Stornetta, "Improving the efficiency and reliability of digital time-stamping, "In Sequences II: Methods in Communication, Security and Computer Science, pages 329-334, 1993.
5. S. Haber, W.S. Sternest, "Secure names for bit-strings," In Proceedings of the 4th ACM Conference on Computer and Communications Security, pages 28-35, April 1997.
6. Back, "Hash cash - a denial of service counter-measure,"
7. R.C. Merkle, "Protocols for public key cryptosystems," In Proc. 1980 Symposium on Security and Privacy, IEEE Computer Society, pages 122-133, April 1980.
8. W. Feller, "An introduction to probability theory and its applications," 1957.
9. https://www.coingecko.com/en/price_charts/bitcoin/inr
10. Available fromhttps://www.bis.org/cpmi/publ/d137.pdf
11. Available fromhttps://www.bis.org/review/r180323a.htm
12. Available fromhttps://www.bis.org/speeches/sp180206.htm
13. Available from https://www.imf.org/external/pubs/ft/fandd/2018/06/ pdf/fd0618.pdf
14. Available from https://www.livemint.com/Opinion/qIXLJ3abfggcJfY lL8REYO/ Challenges-inregulatingcryptocurrencies.html
15. Bech, M. and Garratt, R., Central bank crypto currencies. BIS Quarterly Review, September, pp 55-70, 2017.
16. Lotz, S. and Vasselin, F. (2019), a new monetarist model of fiat and e-money. Econ Inq, 57: 498-514. doi:10.1111/ecin.12714

STRATEGIC LEADERSHIP AND ITS IMPACT ON RGANIZATIONAL EFFECTIVENESS

Prof. I. Anand Pawar
Dean, Faculty of Commerce & Head, Department of Business Management
Dr. B. R. Ambedkar Open University, Hyderabad, T.S.

INTRODUCTION

The business environment today has become increasingly complex. It can be made easy and convert into competitive advantage when organizations have effective leadership performing with distinction and providing admirable leadership. When top management team (TMT) putting leadership back into strategy referred to as strategic leadership. An effective leader must be a man with vision who can think and plan ahead and also has the persuasion to carry along all the people. In a dynamic organization where the roles and relationships are basically interdependent competent leaders leading the organization with values, attitudes, needs and expectations can increase the organizational effectiveness. Leadership is the activity of influencing people to strive willingly towards group objectives. The basic responsibility of a manager in any organization is to get the work done with and through people. So leaders attempt to influence the behaviour of other, which we call attempted leadership. The success of managers is measured by the output or productivity of the group they lead. Leaders are unsuccessful and ineffective when they have a short lived influence over the behaviour of others. In order to achieve organizational effectiveness, they must always try to be both impulsive and effective to have long lived influence for leading others towards productivity and developing the organization as a whole. The most watchable issue here is that the strategic leaders must understand their abilities and their influence on others.

This has initiated the demand for collaboration and teamwork in all parts of the organisation (Montgomery, 2008). Success today comes from using the collective knowledge and richness of diverse perspectives. Consequently there has been a conscious movement towards execution of teams and have been the bloodstream for moving organisations into the future. The emerging trends and learning experience from lean organizations, focussing on use of technology, increasing pace and complexity of work have turned the managerial focus from individuals to team work for achieving effectiveness in organizations. If leader responds favourably to the subordinates' desire for growth, actual growth happens, and subordinates involvement increases the level of performance leading to success. For emerging organizations under the new business paradigm, the modern leaders need to be effective at leading teams, not individuals. The leadership in organisations should therefore understand the dynamics of teams and how to unleash the optimal potential of each member in the team to achieve their collective goal. It is therefore essential for leaders to know the importance of moving beyond individual goals and accountability towards the collective team's goals in order to achieve maximum performance.

Understanding leadership at this level provides a sound foundation and to enable leaders to recognize what needs to be done - specifically by them – to design and create a better future for their organisations. This approach allows that personal changes which may need to be made to enhance leadership effectiveness are the result of conscious, willing choice which is the optimal guarantee for the sustainability of those changes and hence the sustainability of effective strategic leadership is possible to transform (Schoeman, 2007). Translating and communicating the vision and strategy to all employees (and encouraging them to make it part of their daily activities) is a crucial skill of an effective leadership in the new environment. For that, leaders should spend a significant chunk of time for interacting with their employees. In this way they will get people to comprehend their organisation's objectives; what is in it for them and why they have to do to achieve it, explaining the context within which each employee operates (Senge, 1997). Organisations will be substitute if individuals, who value their work, are provided the freedom to actualise their full potential by emphasising the importance of teams headed by competent leaders (Jaques, 1989).

From competent leaders, the prominent expectation is that leaders need to act as change agents and are expected to bring about successful turnarounds of ineffective organization into effective ones. Once the organization becomes effective, the expectation is that leader would act in a way that the values that brought about the effectiveness of the organization become instilled in it in a way that they would last and be shared by their members much after the departure of the leader. Successful leaders manage planned change to bring about a turnaround in organizational effectiveness, especially in the context of India, through a unique blend of nurture, task orientation and team participation. Ultimately leading for change and organizational effectiveness becomes easy for those leaders who adhere to flexibility, innovative thinking, adaptation to any technological development, always seeking risk and striving for overall development of the organization.

ROLE OF STRATEGIC LEADERSHIP

Strategic leadership means that leadership in the organisation should focus on the future, to create excitement, as well as for what is happening today. A primary goal of a strategic leader is to gain a better understanding of the business conditions, the environment and other aspects that identify the challenges of the future. The underlying philosophy of strategic leadership is that every top management team characteristics and process in leadership has the potential for remarkable achievement. Strategic leadership is a process by which top management team in the organization are to: (i) acquire to have knowledge and capabilities of various internal and external factors associated with their present and future roles which certainly be taken as serious as for as organizational effectiveness is concerned; (ii) develop their internal potential for self and organizational excellence and (iii) they are the people who have to develop an organizational culture where networking relationships, teamwork and collaboration among the different levels to bring units strong, contributing to organizational growth and individual well-being.

The role of strategic leadership focuses on the way towards top-level leaders has an impact on organizational performance through their leadership. One of the seminal works in strategic leadership illustrates the importance of strategic leadership by asserting that organizations are a reflection of their top leader (Hambrick & Mason, 1984). Subsequent research has found that strategic leadership associated with numerous positive organizational outcomes. The central point of upper echelon theory is that because leaders operate at a strategic level, organizations are reflections of the cognition and values of their top managers. The specific knowledge, experience, values, and preferences of top managers will influence their assessment of the external environment, and ultimately the choices they make about organizational strategy. Therefore, over time, the organization comes to reflect the top leader.

Organizational effectiveness is the core concern of all corporate companies. Over the years there have been many different models of effectiveness along with the criteria for measuring organizational effectiveness. Any business unit which is individually ineffective in terms of cooperation with the rest of the organization is doomed to die. Cameron (1986) pointed out that organizational effectiveness is the proficiency of the organization at having access to the essential resources. However, McCann (2004) noted it as the criterion of the organization's successful fulfilment of their purposes through core strategies. It is possible by the organizations of those having learned strategic leadership.

LITERATURE REVIEW

Since the mid-1980's a growing body of leadership research has focused on strategic leadership, in contrast to managerial and visionary leadership. It focused on how top management makes decisions in the short term that guarantees the long-term viability of the organisation. The best performing organisations are consciously strategic in their leadership planning. These top leaders also have the ability to align organizational resources in an effective way directly to the business strategy (House & Aditya, 1997). Leadership is continuous learning and development. For learning interventions to be effective, tremendous amount of efforts is required in aligning all aspects of the organization into a sustainable model (Krishnan, 2009). This design of strategic leadership is therefore an integrated group and their approach that build an organisation's capacity for change and ability to perform. To develop and maintain this capacity, four critical elements need to be integrated together: the commitment to the organisation's purpose, the makeup of the top management team, the capabilities and motivation of people throughout the organisation and a sequence of well-chosen strategic initiatives that can take the organisation forward (Wheeler, McFarland & Kleiner, 2008).

Anees Ullah (2013) in her study it was observed that the impact of leadership behaviours on organizational performance in the case company called D&R Cambric Communication. The research also described the performance of the organizations in service sector because of the good leadership qualities. The leadership theories and different behaviours of leadership were discussed in the beginning of the research. Both the qualitative and quantitative research method was used and an empirical study was conducted by sending a questionnaire to 29 respondents out of a total 54 employees in the company. The results driven from the research showed that there is a strong impact of leadership behaviours on organizational performance. The behaviour of the CEO of the D&R Cambric Communication with the employees of the company was one of the major reasons for the company's success. For this study leadership behaviour in the context of group leading play greater role in enhancing team efforts, commitment and success (Ajay & Lina, 2009). Leadership success depends on several factors and organization climate and again it depends upon various factors. Leaders play an important role in the development of organizational climate because leader's total commitment is common prescription for success of organizational climate. Hence, leaders need to maintain disciplines attention to create climate and influence climate. Since the leadership is the capacity of human community to create its future (Arpan Kumar, 2007).

A doctoral work by Jacob Jacobus Serfontein (2010) on strategic leadership literature revealed a research gap that the impact of strategic leadership on the operational strategy and performance of business organisations in South Africa. In that study, operational strategy included was strategic orientation as well as the operational excellence of the organisation. In that study 118 valid responses were received with a response rate of 59 percent out of 200 CEOs. The findings of the study indicated that strategic leadership is directly and indirectly positively associated with operational strategy and organisational performance. It is positively associated with strategy orientation as well as operational excellence of business organisations in South Africa. Furthermore, strategic leadership can also be related to return on assets (ROA) and earnings per share (EPS). Self reported performance is also associated with higher organisational performance.

Sasi Kumar (2008) studied the relationship between transactional leadership and organizational development in the context of the changing and dynamic environment. The study suggested that a visionary leadership who can expect the unexpected to travel through the untravelled routs only can take the organization on the development path. Ranjan Acharya (2008) examined the how Wipro has gone about its leadership development more as an integrated organizational development intervention, with a special example of building a global mindset among its leaders. Leaders need to be coached specifically for certain skills and mentored by other successful leaders. Developing leaders takes time and patience but in the long-run, it is worth the investment.

As a strategic leader, it is the responsibility to ensure that the organization is moving towards desired direction. For this executives and top level managers must have the practical insight necessary to address competitive business challenges. In addition, the course provides students with a personal leadership profile that illustrates their strengths and potential limitations. Participative exercises assist emerging executives with practical and effective methods of gaining organizational credibility and avoiding common errors in strategic leadership. Hambrick, & Mason (1984) the organization as a reflection of its top managers' strategic leadership, which is leadership of the top management consisting of CEO and the other members of the top management team (TMT) makes significant contribution in achieving business success. Other studies on; Leadership style by Bass & Avolio, (1997); Rapid changes in economic, technological, social and political environment by Khandwalla, (1976); organizational citizenship behaviour by Podsaoff & others, (1990).

The literature reviewed in this study drive at a point that high performance strategic leadership practices will help the organisations to enhance their performance while competing in changing environments. All the constructs of strategic leadership and self reported organisational performance measured and found a strong, positive statistically significant relationship.

SIGNIFICANCE OF THE STUDY

Leaders can improve the performance of an organization by influencing the performance determinants. One form of influence is the use of specific leadership behaviors in interactions with subordinates, peers, and outsiders. A second form of influence involves decisions about management programs and systems, and organizational structure. A third form of influence involves decisions about the competitive strategy for the organization. The three forms of influence must be used consonance organizational effectiveness (Jesse Newton & Josh Davis, 2014). When it's clear to employees that they're (top management) helping others through their work, their intrinsic motivation rapidly expands. Further, large number of studies however has been done involving managers and employees in the middle and lower management. Studies involving responses from CEOs and the top management team members have not been covered by earlier studies. Hence, this study is an attempt to bridge the research gap on the subject.

OBJECTIVES AND HYPOTHESES OF THES TUDY

The objectives of the study are:

1. To examine the role of external and internal factors of business from strategic leadership perspectives;
2. To study the relationship between the top management team characteristics and the organizational effectiveness; and
3. To find out the relationship between the top management team process and the organizational effectiveness.

HYPOTHESES (H_0)

1. There is no relationship between the top management team characteristics and the organizational effectiveness;
2. There is no relationship between the top management team process and the organizational effectiveness.

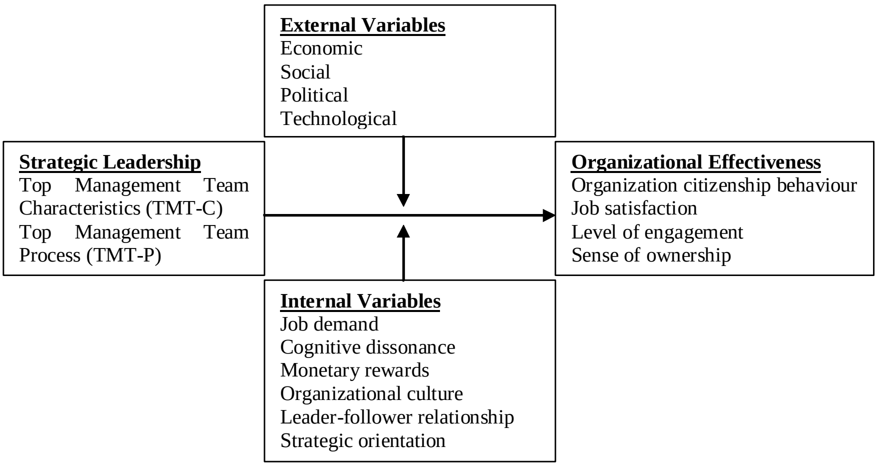
RESEARCH DESIGN

The research framework used in this study is shown in the following figure-1. The dependent variable is organization effectiveness in terms of (i) organization citizenship behaviour; (ii) level of Job satisfaction; (iii) level of engagement and (iv) sense of ownership in the organization. The strategic leadership is the independent variable and it has been studies from the perspectives of TMT characteristics and the TMT process. In this study dependent variable is organizational effectiveness in terms of organization citizenship behaviour, job satisfaction, level of engagement and sense of ownership. Strategic Leadership is the independent variable and it has been studies on the basis of top management team characteristics and the top management team process. External variables in this study are rapid changes in the economic, social, political and technological environment. On the other hand, internal variables taken in this study are extent of job demand, level of cognitive dissonance, organizational culture, monetary rewards, leader-follower relationship and strategic orientation.

Organizational citizenship behaviour (OCBs) are pro-social, voluntary and discretionary behaviours towards others, making suggestions for improvement and mentoring subordinates without any direct reward for the same. Job satisfaction is an emotional state generated by an appraisal of one’s job experience. Nancy R. Lockwood (2007) identified the levels of employee engagement are basically three. They are (i) Engaged employee’s work with passion and feel a profound connection to their company. They drive innovation and move the organization forward. (ii) Not engaged employees are essentially “checked out.” They are sleepwalking through their work day, putting time—not energy or passion—into their work. (iii) Actively disengaged employees are not just unhappy at work: they are busy acting out their unhappiness. Every day, in the modern corporate environment, where time spent at one company has shortened drastically, it is becoming increasingly important to inculcate a sense of ownership amongst employees to retain talent which finds out how employees can be made to feel a sense of attachment to what they do may be dealt with strategic leadership.

Figure-1

Research Framework



METHODOLOGY

This study is based on both primary and secondary sources of data. Secondary data has been gathered from the existing literature review and published data. For primary data a structured questionnaire has been used to collect the information from a sample of 66 respondents (6 CEOs and 60 other top management team members) from 6 companies from each industry consisting of (i) Automobile, (ii) Cement (iii) Engineering, (iv) Fast Moving Consumer Goods, (v) Information Technology and (vi) Pharmaceutical Industry were analyzed with the help of't' test. Further, to find out the correlation among the under variables was carried out to examine interrelationship among variables, regression analysis on each study variable controlling the independent variables. Statistical software SPSS 15.0 was used for calculation of collected primary data in order to ensure the validity.

RESULTS AND DISCUSSION

The data was analyzed with the help of SPSS and the hypothesis testing was done based on two statistical tests as mentioned above. Top Management Team Characteristics include: age, experience, existence of the company, educational level, socio-economic background, Career moves, and value base and leadership style. Top Management Team Process include: behavioural integration, team interaction, emotional conflict, task conflict, group cohesion and delegation of authority among the team. From the summary of results, it is observed that the first hypothesis has been rejected and it is found that there is a relationship between the top management team characteristics and the organizational effectiveness as it is seen from sub hypotheses 1 to 4. On the other hand second hypothesis is accepted in other words not found to have correlation and it was hold good. Hence, it is concluded that there is no relationship between the top management team process and the organizational effectiveness as it clearly seen in case of sub hypotheses 5 to 8 respectively.

TABLE-1

Summary of Result

Sl.No.	Hypotheses	Results
1.	There is no relationship between the top management team characteristics and the organization citizenship behaviour;	Hypothesis Rejected
2.	There is no relationship between the top management team characteristics and the job satisfaction;	Hypothesis Rejected
3.	There is no relationship between the top management team characteristics and the level of engagement;	Hypothesis Rejected
4.	There is no relationship between the top management team characteristics and the sense of ownership.	Hypothesis Rejected
5.	There is no relationship between the top management team process and organization citizenship behaviour;	Hypothesis Accepted
6.	There is no relationship between the top management team process and the job satisfaction;	Hypothesis Accepted
7.	There is no relationship between the top management team process and the level of engagement;	Hypothesis Accepted
8.	There is no relationship between the top management team process and the sense of ownership.	Hypothesis Accepted

IMPLICATIONS

This study indicates that the results of the top management team characteristics do not have correlation with organizational effectiveness. However, top management team characteristics process was found to have correlation with organizational effectiveness. It is found that the level of job satisfaction, ownership, engagement and organization citizenship behaviour can be raised by improving the group processes within the top management team. If the TMT processes are effective, then even adverse changes in the external factors cannot impact the organization effectiveness and the top management team will be able to rally the employees in dealing with the challenges. For organizational effectiveness, there should be empowered culture. Nature of leader-follower relationship was also found to be the effect of TMT process. For this, leader should have socialized nature of relationship with follower that can be achieved by constant dialogue and healthy discussion between leader and followers on goals and means to achieve them.

Strategic leadership team should ensure job satisfaction and organizational commitment towards individual and organizational effectiveness at workplace. It is possible by focussing overall attitude to work individually and collectively. Organizational effectiveness and performance should measure in terms of performance through better interpersonal and group dynamics such as trust and cohesiveness. OCBs should able to provide organizational context to create positive work attitudes. Strategic leadership should ensure habit of organizational commitment among the middle and lower levels of management which is a direct measure of turnover intentions than satisfaction as it reflects the context to which an employee shares the organization values and goals, wanting to continue membership of the organization and willingness to work hard for it.

It is further indicated that the job satisfaction among employees by itself doesn't predict productivity. It is only when job satisfaction is paired with psychological well-being at work that productivity is high. Psychological well-being at work includes a sense of ownership in one's job and a feeling of accomplishment. One of the easiest ways of supporting employees' sense of ownership is to give them ownership of their job. Giving employee's job ownership can mean putting employees in charge of how they do their job. Another way of giving employees ownership is to share information about the company- where it is headed and future challenges and objectives. It is also felt that, when people feel they are part of the bigger picture, they feel more valued and respected. There is more meaning to their job when they know where and how their work contributes to a better result for the organization and customers. Technology enabled TMT for sustainable organizational development is the need of the hour. Changing profile of training and development programmes are needed when they are measured by impact learning framework. Resonant leadership styles should be focussed on for achieving results and enable people to develop their emotional intelligence competencies, create resonance in terms and organizations and build a compassionate, results-oriented culture in the organization.

SUMMARY

This study concludes that the leadership and its impact on organizational excellence is possible only when the organizations have to have CEOs and top management team like (i) visionary leadership; (ii) leadership behaviour; (iii) operational strategy; (iv) leadership development and (v) organizational credibility. Effective strategic leadership by top executives requires a consistent and appropriate combination of these different ways of influencing the performance determinants. Ultimately, organisations that are high performing and yielding above average returns are the indications of having headed by strategic leadership. A successful leader may get people to do their task because of his/her position but only an effective leader mentors and creates leaders out of their staff. They lead their staff towards productivity and developing their own leadership skills. Strategic leaders are successful, but ineffective when they have a short-run influence over the behaviour of others. They must try to be both successful and effective to have long-term influence for leading others towards productivity and developing the organization as a whole is referred to as organizational effectiveness.

References

1. Ajay Nangalia & Lina Nangalia (2009). Executive Coaching: An Emerging Learning & Development Approach for Leadership. *NHRD Network Journal.* Vol.2 (4), pp.65-69.
2. Anees Ullah Karamat (2013). Impact of Leadership on Organizational Performance: A Case Study of D&R Cambric Communication. Unpublished Doctoral Thesis submitted to University of Applied Science.
3. Arpan Kumar, (2007). Organizational Climate through Leadership. HRD News Letter. Vol.23 (3), pp.20-21.
4. Bass B.M., & Avolio, B.J (1997). Full Range of leadership development: Manual Factor Leadership Questionnaire. Palo Alto, CA, Mind Garden.
5. Cameron, K. (1986). A study of organizational effectiveness and its predictors. Management Science, 32(1), 87-112. http://dx.doi.org/10.1287/mnsc.32.1.87
6. Hambrick, C.D, & Mason P.A (1984). Upper Echelons: The Organization as a Reflection of its Top Managers. *Academy of Management Review.* Vol.9, pp.193-206.
7. Henry, E. A. (2011). Is the influence of organizational culture on organizational effectiveness universal? Unpublished PhD theses. University of Mississippi.
8. House, R.J., & Aditya, R. (1997). The social scientific study of leadership: *Journal of Management,* Vol. 23: pp.409-474.
9. Jacob Jacobus Serfontein (2010). The impact of strategic leadership on the operational strategy and performance of business organizations in South Africa. Unpublished Doctoral Thesis, University of Stellen Bosch, South Africa.
10. Jacques, E. (1989). Requisite organisation. Arlington, VA: Cason Hall.
11. Jesse Newton & Josh Davis, (2014). Three Secrets of Organizational Effectiveness. *Strategy and Business Magazine.* Issue 76, pp.1-4.
12. Khandwalla, P.N (1976). Some Top Management Styles, their context and performance. Organization and Administrative Sciences. Vol.74, pp. 21-52.
13. Krishnan, S.V.C (2009). Learning and leadership at Satyam. *NHRD Network Journal.* Vol.2 (4), 79-84.
14. McCann, J. (2004). Organizational [e]ffectiveness: Changing concepts for changing Environments. Human Resource Planning, 27(1).
15. Montgomery, C.A (2008). Putting Leadership back into strategy. Harvard Business Review, 86(1), pp. 54-60.
16. Nancy R. Lockwood (2007). Leveraging Employee Engagement for Competitive Advantage: HR's Strategic Role. SHRM Research, Quarterly. Pp. 1-11.
17. Podsaoff, P.M Mackenzie, S.B., Moorman, R.H., & Fetter, R (1990). Transformational Leadership behaviour and their effects on followers trust in leader, satisfaction and organizational citizenship behaviours. Leadership Quarterly. Vol.1, pp. 107-142.

FARMERS SATISFACTION TOWARDS RYTHU BAZAR – A STUDY OF NALGONDA RYTHU BAZAR

Dr. Ravi Akula
Head, Department of Commerce, Mahatma Gandhi University, Nalgonda, T.S.
Dr. M. Anuradha Reddy
Head, Department of Commerce, Palamuru University, Mahabubnagar, T.S.

Introduction:

The Rythu Bazars were established in the year 1999. The concept of Rythu Bazar was developed to facilitate direct marketing between consumers and farmers. There are 36 Rythu Bazars are working in Telangana with temporary/semi-permanent structures being funded by Agricultural Market Committees. No service charges and no market fees are levied in Rythu Bazars. The unique feature of Rythu Bazars is vegetable growers/farmers committee decides the selling price in Rythu Bazars. To strengthen the system and for proper maintenance of Rythu Bazars, the district administration is entrusted with the responsibility of establishing and functioning of Rythu Bazars under the direct supervision and control of Joint Collectors. Chief Executive Officer, Rythu Bazars, coordinate at State level.

Objectives of Rythu Bazars are:

- To benefit both the consumers by providing fresh vegetables at reasonable price and ensuring remunerative prices to the farmers.
- Facilitate prompt realization of sale proceeds to farmers without any deductions.
- To protect the consumers from manipulative practices. Curb malpractices in weighments - provide vegetables with correct weighments to consumers.
- Removal of intermediaries (brokers) and Provide direct interface between farmers and consumers - simply nothing but eliminating intermediaries in trade.
- To aid the local administration and arranging all operations related to vegetable at one place.

Review of Literature

Dastagiri, Kumar and Diana (2009), in their research work titled "Innovative Models in Horticulture Marketing in India" have made an attempt to know the different avenues to market the horticultural produce, available marketing institutions, their functions and mandates, to trace different marketing models, appropriate strategies and policies to enhance the marketability of horticultural produce. Rythu Bazaar, Apni Mandi, Uzhavar Sandhai, etc., are the marketing avenues found in the study.

The study suggested eliminating middlemen and establishing connectivity with producers (farmers) and consumers directly, which will benefit both by reduced price and increased profit.

With an objective of studying the role of Rythu Bazars in Urbanization, Veni (2009) has conducted a survey by administering a structured questionnaire. The objective of this study was to examine whether the farmers are realizing remunerative prices or not. Another objective was to study the direct interface between producers (farmers) and consumers by eliminating middlemen. The study finds that Rythu Bazaar is monitored by the estate officer with the help of supervisory personnel. Officials weigh the scales to curb manipulative and restricted malpractices. They also ensure that there are no disputes among farmers and consumers.

Subhendu Dey (2012) in his research paper entitled "Rythu Bazaar: A Study of the Supply Chain of the Farmers' Markets of Andhra Pradesh" has proposed a supply chain model which can help in removing the inefficiencies in the present system. He emphasized on the transportation facilities, storage facilities, home delivery facilities to those who could not come to Rythu bazaars and information system.

In a research paper entitled "Rythu Bazaars - The Alternative Marketing Channel" by Subhendu (2013) emphasized on the origin of the concept of Rythu Bazaar, its way of functioning, challenges and limitations and the way forward. In the study it was found that Rythu Bazars are found as an alternative channel for selling their produce directly to the consumers by eliminating middlemen and providing a platform for direct interaction between farmers and consumers.

Chandak and Leua (2014) in their research work titled "Mechanism of Rythu Bazaar and its Impact on Farmers and Consumers" have made an attempt to know the prevailing mechanism of Rythu Bazaar and the impact of Rythu Bazaars on farmers and consumers. They have collected primary data by administering a structured questionnaire among the farmers and consumers (two different questionnaires). Few observations made by them during the study are: (a) majority of the farmers visiting the market are small farmers with less quantity of vegetable and fruits (b) illiterate and are highly dissatisfied with the cost incurred in getting the produce to Rythu Bazaar. (c) Farmers are not satisfied with the method of space allocation (d) provision of weighing scales is not satisfactory (e) problems such as non- availability of drinking water, and poor sanitisation services and storage facility. (f) Lack of involvement of farmers in price fixation.

Objectives of the Study

Nalgonda Rythu Bazar (new) is located near Nalgonda Nalgonda Agriculture Market was started in the month of October, 2017. It is fulfilling the marketing needs of farmers of Nalgonda, Thipparthi, Kanagal, Narketpally, Chityal, Kattangur, Gurrampode and Munugode mandals. The basic objective of the study is to examine the satisfaction levels of the farmers who are selling their produce at Rythu Bazar Nalgonda.

Methodology

The present study is basically explorative in nature. The present study uses both primary and secondary data. Primary data has been collected by administering a schedule among the farmers. In addition to the schedule, in depth interactions also held with farmers to know perceptions. Secondary data has been collected from the government reports, newspapers and through the website of the Rythu Bazar. Sample consisting of 100 farmers has been selected by convenience sampling method. The collected data has been analyzed by using appropriate tools.

Data Analysis

TABLE-1

Profile of the Respondents

Item	Description	No.	%
Gender	Male	35	35
	Female	65	65
	Total	100	100
Age	18 – 25	11	11
	26 – 40	38	38
	41 – 60	42	42
	61 - 80	9	9
	Total	100	100
Income	Up to 60000	47	47
	60001 – 100000	49	49
	100001 – 150000	2	2
	150001 – 200000	1	1
	Above 200000	1	1
	Total	100	100

Source: Primary Data

From the above table, (table -1) the details of the respondents in terms of gender, age and income levels can be found. On the basis of gender, 35 respondents are male and remaining 65 are female (It can be concluded that male farmers are not showing interest to stay in Rythu Bazar to sell their produce. This may be due to agricultural work at fields and other reasons. With regard to age of the respondents; 11 are between the age of 18 and 25 years, 38 are aged between 26 and 40 years, 42 are between the age of 41 and 60 and finally nine respondents are aged between 61 and 80 years. According to income, 47 respondents income is less than Rs. 60,000, Respondents with income between Rs. 60,001 and 1,00,000 are 49. Two farmers income is between Rs. 1,00,001 and 1,50,000, one farmer income falls between Rs. 1,50,001 and 2,00,000 and one farmer's income is above Rs. 2,00,000.

TABLE-2

Responses of the Formers

	H.S$	S@	N#	D&	H.D*
I am satisfied with the location of Rythu Bazar	7	18	10	30	35
I am satisfied with the transportation system provided to bring my procedure to the bazaar	32	60	2	5	1
I am satisfied with the method of allotment of stalls	37	42	8	10	3
I am satisfied with the provisions of weighing scales	89	7	0	1	3
I am satisfied with the provisions of power supply	95	4	0	1	0
I am satisfied with the provisions of bathrooms and toilet facilities	15	28	21	24	12
I am satisfied with the provision of sweeping facility	34	31	20	10	5
I am satisfied with the provision of drinking water	0	0	1	0	99
I am satisfied with the provision of storage facility	34	58	2	3	3
I am satisfied with the seed supply at subsidized rates	0	1	0	0	99
I am satisfied with the provision of advisory service provided for all our operational requirements	4	82	12	1	1
I am satisfied with the supervisory service provided for checking prices	21	46	21	8	4
I am satisfied with the supervisory services provided for curbing malpractices in weighing	90	8	1	1	0
I am satisfied with the supervisory services provided for checking the basic facilities of the bazaar	23	58	15	2	2
I am satisfied with the supervisory services provided for avoid entry of middlemen	93	6	1	0	0
I am satisfied with the overall system of price fixation	80	17	2	1	0
I am satisfied with the help extended by the estate officer and participating farmers for price fixation	83	14	1	2	0
I am satisfied with my current earnings	9	28	22	25	16
I receive remunerative prices for my procedure	19	28	20	22	11
I am satisfied with the immediate cash that I receive after sales	94	4	2	0	0
I am satisfied with my business in the absence of middle men	94	5	1	0	0
I am satisfied with the change in my living standards since operating in Rythu Bazar	9	19	20	27	25
I get all the technical know-how from the experts app	0	0	0	1	99

Source: Primary Data

(H.S$: Highly Satisfied, S@:Satisfied, N#: Neutral, D&: Dissatisfied, H.D: Highly Dissatisfied)*

Findings

- From the above table (table-2) it is clear that the farmers (respondents) are highly dissatisfied in respect of provision of drinking water. Drinking water is a basic requirement for both the producers (sellers) and consumers (buyers). In the study, 99 respondents which constitute 99% of the respondents expressed their high dissatisfaction.
- With regard to providing seeds at subsidized rates also whopping 99% of the respondents are highly dissatisfied. To encourage the farmers in increasing vegetable and fruit produce, it is inevitable to offer the seeds at subsidized rate to help the farmers and to increase the economic condition. This also helps in reducing the imports of vegetable and fruits from other states.
- Similarly 99% of the respondents are highly dissatisfied in respect of providing technical know-how from the experts. As many changes are happening in cultivation of vegetables and fruits, it is essential to train the farmers to adopt new and innovative methods of cultivation. By following the training or experts advice farmers can increase the yield as well as the quality of produce. Increase in yield (Quantity) and quality will result in increased price and revenue of the farmer.
- As far as the location of the Rythu Bazar is concerned, 35 respondents expressed their high dissatisfaction and 30 respondents shared their dissatisfaction. Hence, a total of 65% of the respondents are not satisfied with regard to location. This may be due to insufficient space, lack of parking place, narrow roads and non-availability of local transport facilities from bus station to Rythu bazar.
- 98% of the respondents (94% highly satisfied and 4% satisfied) have expressed their satisfaction regarding the cash sales. This indicates that there is no need to extend credit facility. In general, farmers used to sell their produce to middlemen on credit basis before establishment of Rythu Bazars. Immediate receipt of cash will facilitate the farmers to satisfy their needs and to discharge their responsibilities like timely payment of wages, purchase of implements, seeds, fertilizers, pesticides etc. otherwise, farmers used to be in debt trap to meet their payment obligations.
- Similarly, 99% of the respondents (94 % highly satisfied and 5% satisfied) are happy because of the absence of middlemen. Absence middlemen will result in reduced price (profit/commission of middlemen is excluded). The benefit of reduced price can be shared by both the farmer and consumer. In addition, in the absence of middlemen, consumers can get fresh produce directly from the farmers. 99% of the respondents have expressed their satisfaction with regard to the measures taken by the estate officer in restricting the entry of middlemen.
- 99% of the respondents expressed their satisfaction with regard to provision of power supply. Power supply is a pre-requisite to store the vegetable and

fruits and keep them afresh. To maintain the hygiene work ambience and to get relaxed (fans, air coolers in the summer) power supply is must.

- Majority of the respondents have expressed their satisfaction in respect of price fixation, involvement in price fixation and provision of weighing scales.

Suggestions

- Non-availability of drinking water is a major issue and cause of high dissatisfaction among the respondents. Hence, government has to initiate measures to arrange safe drinking water facility for both farmers as well as consumers. This can also be done by arranging a municipal drinking water tap connection. Alternatively, can search for a donor/charitable trusts like Raju Vegesna foundation/ any other corporates under CSR initiative.
- From the study, it is evident that majority farmers are dissatisfied due to non-availability seeds at subsidized rates. It is suggested to arrange the seeds to farmers at subsidized rates. This can be materialized by entering into Memorandum of Understanding (MoU) with seed companies and also by establishing links with Agricultural/Horticultural Research Institutes and Universities.
- Majority farmers are dissatisfied in respect of technical know-how and expert advisory services. As many changes are taking place in vegetable/fruits cultivation. It is essential to train the farmers. Programmes like Polam Badi (Agri-Scholl) may be planned in which the scientists can share their expertise. Increased knowledge and acquisition of new methods of cultivation will definitely result in reduced cost and increased revenue of the farmers. Agricultural officers/Horticultural officers can take up the responsibility in this regard.

Conclusion

To conclude, though the objectives of setting up the Rythu Bazaar were very noble, but the outcome falls far away from the expectations of the farmers and the consumers. However, though the Rythu Bazaars are facing lot of problems, these problems can be easily overcome by active initiatives of the government. More importantly, acting up on the farmers' suggestions is vital for Rythu Bazaar as basically Rythu Bazaars are set up for the benefit of the farmers. Government can step in and set up required infrastructural facilities.

References:

1. Chandak, Keerthi and Leua, Dr. Alpesh, "A Study on Mechanism of Rythu Bazar and its impact on Farmers and Consumers" ASPEE Agri Business Management, Department of Agriculture, 2014.

2. Dastagiri, M.B., Kumar, B. Ganesh, Diana S, "Innovative models in Horticulture Marketing in India", National Centre for Agriculture Economics and Policy Research, New Delhi, 2009.

3. Dey, Subhendu, "Rythu Bazar - The Alternative Marketing Channel", Agricultures Network, Magazine 2013.

4. Krishna, Veni S.P. "Role of Rythu Bazar in Urbanization - A Case Study of Hyderabad" Published by A K Vasudevachary, 2009.

5. www.tsmarketing.in

6. https://www.thehindu.com/news/national/telangana/rythu-bazar-continues-to-look-untouched/article24187444.ece

FOREIGN DIRECT INVESTMENT IN INDIA – A STUDY

Dr. S. Narasimha Chary
Associate Professor, Department of Commerce and Business Management
Kakatiya University, Warangal, T.S.

Introduction

The developing countries may have a low level of savings, limited entrepreneurs, an unskilled labour force, lack of technical knowledge to exploit their natural resources for economic development. The majority of developing countries may suffer from a low level of productivity, income, and capital accumulation. In such conditions, it might seek the assistance of countries which countries are economically developed in terms of labour skills, technology, entrepreneurship, investment, and savings. This assistance from developed countries might flow in the form of investments. There the Foreign Direct Investment (FDI) concept developed in World.

India has always invited foreign investments with certain restrictions. The Indian Government Policy towards the Foreign Investment reforms has played a significant role in the performance of economic development from 1991. The reforms have been involved in opening up the economy to developed countries for investment for making it more competitive and empowering the Indian states to take responsibility for economic management thereby developing a kind of competition among them for attracting foreign investment.

For the development and growth of a developing country like India need capital flows are required to develop the industries and almost all the developing countries require to attract more and more capital flows. This is only possible by attracting Foreign Direct Investments. The developing countries are realized assigning a significant role to the private sector has become the required of the hour. From the year the 1980s, the capital flows to the developing countries have been started gaining impetus, and by the end of the 1980s, there had been shown enormous growth in the volume of capital flows from developed countries to developing countries.

Need for the Study

Foreign Direct Investment (FDI) is playing the most significant role in building better economic development in India. The FDI always transfers the technological know-how and develops high laity management skills. The FDI also helps to bring many benefits to host (developing) countries in the form of creating employment opportunities, growth of GDP, and higher living standards. Indian market is one of the top developing economies of the world. Five years back, it was analysed as part of the delicate, but it no longer. From 2014, it has been analysed as one of the top foreign destinations in the World with important growth in attracting Foreign Direct Investments. The journey of attracting foreign direct investments started in India with a 1991 new economic policy. This new industrial revolution determined by frontier technologies, robotization, and digital advancements have made investments and products faster than before. This is offered vast opportunities for economic development and sustainable development. Hence, there is a need to study the Foreign Direct Investment Inflow to India.

Objective of the Study

The main objective of the paper is toevaluate the aggregate analysis of foreign direct investment equity Inflows to India study the FDI impact on the economic and growth of employment opportunities.

Scope and Methodology

This study confines foreign direct investment equity inflow to India. Foreign direct investments inflow to India for the growth of economic and growth of employment opportunities. This study is mainly based on secondary data. Which is collected from the published sources of Books, Journals, annual reports of various sectors, reports of the Department for Promotion of Industry and Internal Trade (DPIIT), Government of India, and World Invest Reports are used for this study. This study analyzed the last twenty-one years' data i.e., from the financial year 2000-01 to 2021-22.

Aggregate Analysis of FDI Equity Inflow

There are two kinds of equity FDI inflows are invited by India which are Foreign Investment promotion Board and Equity Capital of Unincorporated Bodies. There is a need to study the equity inflows in India. The relevant data were collected and tabulated in Table-1.

TABLE-1

Trends of FDI Equity Inflow

(US $ millions)

Financial Years	Equity Inflow	
	FIPB Route/RBI's Automatic Route/Acquisition Route	Equity Capital of Unincorporated bodies
2020-21	59,636	1,452
2019-20	49,977	1,757
2018-19	44,366	689
2017-18	44,857	664
2016-17	43,478	1,223
2015-16	40,004	1,111
2014-15	30,933	978
2013-14	24,299	975
2012-13	21,825	1,059
2011-12	34,833	1,022
2010-11	21,376	874
2009-10	25,606	1,540
2008-09	31,364	702
2007-08	24,573	2,291
2006-07	15,585	896
2005-06	5,540	435
2004-05	3,250	528
2003-04	2,197	32
2002-03	2,574	190
2001-02	3,904	191
2000-01	2,339	61
Total	5,50,080	19,005

Source: Annual Reports of DPIIT - 2000-2021.

The data in Table 1 presents the last twenty-one years i.e., from the financial year 2000-01 to the financial year 2020-21. There are 2,339 US $ million is Foreign Investment promotion Board/ RBI's Automatic Route/Acquisition Route recorded in the financial year 2000-21 and it has increased to 59,636 US $ millions during the financial year 2020-21. From the financial year 2000-01 to 2005-06, it showed very little growth in the equity follows of Foreign Investment Promotion Board/ RBI's Automatic Route/Acquisition Route. In the financial year 2006-07, suddenly this increased to thrice the amount i.e., 15,585 US $ million recorded. The highest equity flow recorded in the financial year 2020-21.

It is observed that 61 US $ million are Equity Capital of Unincorporated bodies recorded in the financial year 2000-01 and it has increased to 1,452 US $ million during the financial year 2020-21. The highest Equity Capital of Unincorporated bodies recorded (2,291 US $ million) in the financial year 2007-18. Therefore, it is observed that the Foreign Investment Promotion Board/ RBI's Automatic Route/ Acquisition Route and Equity Capital of Unincorporated bodies equity flows are significantly increasing year on year in India.

FDI Impact on Employment in India

The unemployment rate in India before 1991 was very high; it indicates a huge difference between the supply and demand for labor. As a result, labor was available sufficiently and relatively cheap in supply. The globalization and elimination of Trade restrictions gave a chance for the entry of foreign companies to expand their business in the Indian market and it was with -win premise for the countries. In this connection, there is a need to study the unequal distribution of FDI inclusions in all the sectors in India. The relevant data collected and Tabulated in Table-2.

TABLE-2

Sectorial Contribution to Employment in India

Financial Years	Primary Sector	Secondary Sector	Tertiary Sector
	(in % of Total Employment)		
2019-20	43.21	24.89	31.89
2018-19	43.86	24.68	31.45
2017-18	44.52	24.97	31.00
2016-17	45.12	24.28	30.58
2015-16	45.55	24.33	30.01
2014-15	46.07	27.38	29.54
2013-14	46.59	24.35	29.04
2012-13	47.00	24.35	28.64
2011-12	48.96	23.52	27.51
2010-11	51.05	22.37	26.56

Source: World Bank Database Reports - 2010-2020.

The data in Table 2 indicates that the last ten years i.e., from the financial year 2010-11 to 2019-20 and the around 40 percent of employment growth in the primary sector, 25 percent in the secondary sector and around 30 percent in Tertiary sector in India. The impression of Foreign Direct Investment on employment rate is irregular due to huge investment in start-up projects which ultimately not able to generate employment and there is a cause for the negative effect of Foreign Direct Investment on employment is the high-income inequalities in India. It is also indicated that the Indian software industry is attracting huge Foreign Direct Investments from various countries and this sector only generates maximum employment opportunities.

Further, there is a need to study the Foreign Direct Investment inflows which affect Gross Domestic Product and employment to population ratio. The relevant data collected and tabulated in Table-3.

TABLE-3

FDI Inflow Percent of GD and Employment - Popilation Ratio

Financial Years	**FDI inflow (% of GDP)**	**Employment to Population Ratio (in IOL Estimated)**
2019-20	01.76	50.67
2018-19	01.56	50.78
2017-18	01.51	50.60
2016-17	01.94	50.71
2015-16	02.09	50.75
2014-15	01.70	50.79
2013-14	01.52	50.78
2012-13	01.31	50.84
2011-12	02.00	51.81
2010-11	01.64	52.79

Source: World Bank Database Reports - 2010-2020.

The above data in Table - 3 reveals that the last ten years Foreign Direct Investment inflow inform of GDP growth and percentage and employment to population ratio in India from the financial year 2010-11 to 2019-20. The data indicates that the 02.65 percent of GDP recorded in the financial year 2010-11 and is decreased to 01.76 percent of FDI inflow GDP in India and around 50 percent of employment-population rate recorded from the last ten years. It is observed that the GDP growth rate was raised to 41.49 times during the last ten years and the employment rate was increased to 295.8 lakhs employees in the financial year 2011-12from 277.9 lakhs in the financial year 2000-01. It is clearly indicating that the employment growth rate was only 0.49 percent during the same period. Therefore, it indicates that the employment by FDI is not much responsive during the last ten financial years.

FDI Equity Inflow in India

FDI inflows play an important role in contributing towards the development of the Indian economy and the higher FDI inflow directly correlated with creating employment opportunities in the country it also improves productivity with the quality processes and increases supply chain network to meet global quality standards. Hence, there is a need to study the Foreign Direct Investment inflows to India in the financial year 2020-21 by leading investing country. As per the FDI inflows to India from the top ten countries are Singapore, United States, Mauritius, United Arab Emirates, Cayman Islands, Netherlands, United Kingdom, Japan, Germany and Cyprus. The relevant data was collected and tabulated in Table-4.

TABLE-4

Foreign Direct Investment Equity Inflows to India

S.No	Countries	FDI investment in Billion Indian Rupees
1	Singapore	17.42
2	United States	13.82
3	Mauritius	05.64
4	United Arab Emirates	04.20
5	Cayman Island	02.80
6	Netherlands	02.79
7	United Kingdom	02.04
8	Japan	01.95
9	Germany	0.67
10	Cyprus	0.39

Source: World Investment Report - 2021.

The data in Table 4 indicates that Singapore had the highest FDI equity inflow to India, which is accounted for 17 billion followed by 13.82 billion from the United States. Singapore is the leading source of Foreign Direct Investment into India for the past three consecutive financial years and it is accounting for more than 30 percent of total FDI inflows. It can observe that the higher equity inflows could be attributed to the Government's efforts in creating ease of business with relaxed Foreign Direct Investment norms. The Singapore country FDI inflows are investing in the computer software and hardware sector in India.

Findings of the Study

1. The journey of attracting foreign direct investments started in India with a 1991 new economic policy. This new industrial revolution determined by frontier technologies, robotization, and digital advancements have made investments and products faster than before. From 2014, it has been analysed as one of the top foreign destinations in the World with important growth in attracting Foreign Direct Investments.

2. There are 2,339 US $ million is Foreign Investment promotion Board/ RBI's Automatic Route/Acquisition Route recorded in the financial year 2000-21 and it has increased to 59,636 US $ millions during the financial year 2020-21. It is observed that 61 US $ million are Equity Capital of Unincorporated bodies recorded in the financial year 2000-01 and it has increased to 1,452 US $ million during the financial year 2020-21 Therefore, it is concluded that the Foreign Investment Promotion Board/ RBI's Automatic Route/Acquisition

Route and Equity Capital of Unincorporated bodies equity flows are significantly increasing year on year in India.

3. From the financial year 2010-11 to 2019-20 and the around 40 percent of employment growth in the primary sector, 25 percent in the secondary sector and around 30 percent in Tertiary sector in India. The impression of Foreign Direct Investment on employment rate is irregular due to huge investment in start-up projects which ultimately not able to generate employment and there is a cause for the negative effect of Foreign Direct Investment on employment is the high-income inequalities in India. It is also indicated that the Indian software industry is attracting huge Foreign Direct Investments from various countries and this sector only generates maximum employment opportunities.
4. Singapore is the leading source of Foreign Direct Investment into India for the past three consecutive financial years and it is accounting for more than 30 percent of total FDI inflows.

References

1. Aykut, D., & Sayek, S. (2007), 'The role of the sectoral composition of foreign direct investment on growth', International Economics and Foreign Trade Politics, 2(3), 33-64.
2. Aggrawal, S., Singla, A., Aggrawal, R. (2012). Foreign direct investment in India. International Journal of Computational Engineering & Management, 15 (5), 93-105.
3. Chakraborty, Chandana and Peter Nunnenk amp (2008), 'Economic Reforms, FDI, and Economic Growth in India', World Development, Vol.36, No.7, pp.1192-1212.
4. Chryssochoidis, Miller, and Klegg (1997), 'Five Different Types of Foreign Direct Investment', www.quncy.com
5. Dandage & Phalatankar, 'Recent Trends in Commerce & Management.', held at G.A. College Sangli. 2012.
6. Dr. Neetu Prakash, (2004), 'Foreign Direct Investment in India', The Journal of Management Accountant, Volume 39, No. 4. April 2004.
7. Dr. Bipul Kumar Das (2020), 'FDI Inflows in India', International Journal of and Political Weekly, Vol. 40, No. 14, pp. 1459- 1469.
8. Mehla, Sunita and J.P.Singh (2017), 'Foreign Direct Investment In India- A Retrospection', Indian Management Studies Journal, Vol. 11, No. 1, pp. 81-103.
9. Mousumi Duttarav, Amitava Krishn Dutt, and Kajal Mukhopadhyaya (2003), 'The Relation between Foreign Direct Investment and Growth: Causality and Mechanisms", Indian Journal of Economics, Volume LXXXII, No. 330, January 2003.
10. Prusty, Sadanand (2006), 'FDI Inflows and Domestic Investment in India', The ICFAI Journal of Applied Finance, Vol. 12, No. 2, pp. 31-40.
11. R.B. Teli, A critical analysis of foreign direct investment inflows in India, Social and Behavioral Sciences 133 (2014) 447 - 455.
12. Rao, Venkateshwar (1996), 'Role of Foreign Direct Investment in Indian Economic Development, A Comparative Study of Foreign Direct Investment (FDI) in China and India, pp. 82-90, Edited by Satyanarayan, Himalaya Publishing House, New Delhi.

CORPORATE SOCIAL RESPONSIBILITY AND SOCIAL IMPACT ASSESSMENT FOR SUSTAINABLE DEVELOPMENT - AN EMPIRICAL STUDY

Dr. D. Harikanth
Head, Department of Commerce, Satavahana University, Karimnagar, T.S.
Dr. K. Thirupathi
Asst. Professor, Department of Commerce, Satavahana University, Karimnagar, T.S.

Introduction:

The companies in India have changed their style of functioning in the field of corporate social responsibility and industrial welfare has been put to practice since decades. The concept of CSR has been regarded as detrimental to a company's profitability, to being considered as somehow benefiting the company as a whole, at least in the long run. The companies have 'remodelled' themselves as good corporate by implementing CSR projects based on the local need. There is some risk in designing the CSR activities as the corporate policies are to be aligned with the local needs as they differ from place to place and region to the region. Before implementing the CSR activities, focus on Need Assessment Survey (NAS) and after implementation, Social Impact Assessment (SIA) is to be made.

Need for the Present Study:

Social impact assessment would help to determine the extent to which the community has been benefitted from the CSR - CD activities implemented in the areas like education, health and improving the economic status of the communities, thereby providing an understanding of the effectiveness of the existing programmes / activities. It would therefore propose the changes that need to be undertaken thereafter. The present study is done by taking into considerations social impact assessment and corporate social responsibility for sustainable development in the public sector undertakings existing in Karimnagar region of Telangana State, India.

Objectives of the Study

- To prepare a comprehensive model for configuring Social Impact Assessment and Corporate Social Responsibility for sustainable development.
- To determine the impact of the CSR-CD activity on the social / cultural / economic conditions of the people in communities.
- To assess the changes in the quality of life among village communities through project interventions.

Methodology of the Study:

Survey Method

A survey is one of the best known and most popular methods of assessing a community's strengths and weaknesses. Surveys can be simple, targeting only a small group of community stakeholders, or complex, sampling large segments of a population. An effective community survey can reveal a wealth of useful and easily quantifiable information and is a good option for many projects. Careful planning is one of the most important aspects of a successful survey. The design of most surveys begins with a statement of purpose, or why the survey is being conducted. This has helped our research team to determine what types of questions to ask, how the survey should be administered, and who should be asked to take it. In general, it's best to keep a survey short, with easy-to-understand questions.

Primary and Secondary Data

The Survey method has been adopted to collect the data from the respondents like people in the village who are affected with the company's establishment and expansion for utilising the natural resources like coal, limestone and water. The other group of respondents are the employees involved in implementation of corporate social responsibility activities.

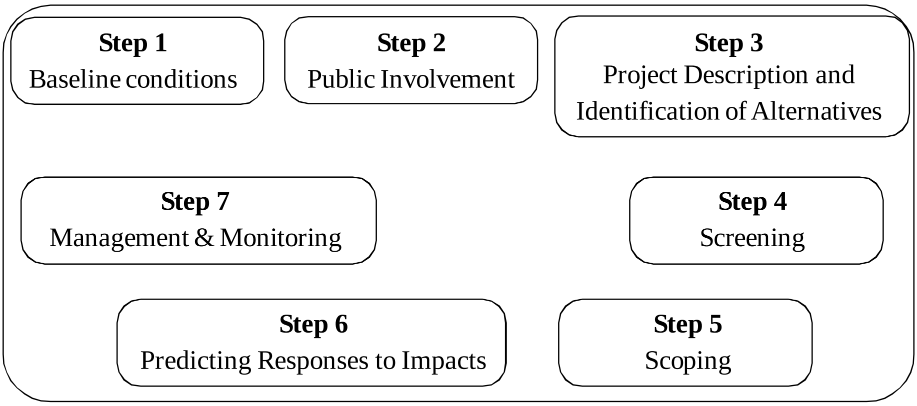
What is Social Impact Assessment ?

Social Impact Assessment includes the processes of analysing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions.

Social Impact Assessment alerts the planners as to the likely benefits and costs of a proposed project, which may be social and/or economic. The knowledge of these likely impacts in advance can help decision-makers in deciding whether the project should proceed, or proceed with some changes, or dropped completely. The most useful outcome of a SIA is to develop mitigation plans to overcome the potential negative impacts on individuals and communities. The term social impact is used for the impact of a corporation on society on the economic, environmental and social dimension. Whereas environmental accounting methods have been embraced by academic analysis and a wide range of corporations (Burritt and Saka 2006, Schaltegger 2002), the landscape of social impact methods has yet to be categorized. The purpose that the categorization performed in this paper serves is twofold. Firstly, it allows for the analysis of status quo of the social impact methods for corporate social responsibility (CSR). Secondly, it aids the CSR manager in the navigation through the wide range of existing tools. Analogous to financial accounting methods, environmental and social accounting methods aim to measure the impact of corporate activities on society. Such social and environmental impacts are often not expressed by the market, do not have a market value and are therefore often ignored by corporations (Elkington 1999, Schaltegger and Burritt 2000, Lamberton 2005). However, accounting methods provide crucial information for managerial decision-making (accounting for decision-making) and for internal and external reporting (accounting for control) (Zimmerman 2009).

Social Impact Assessment Process in India

Social Impact Assessment helps to make project responsive to social development concerns. Development initiatives informed by social assessment alleviate poverty, enhance inclusion and building ownership while minimizing the compensation for adverse social impacts on the vulnerable and the poor.



The Social Impact Assessment would begin with baseline conditions identification of the target area of the companies by involving the local people for evolving a suitable policy. The alternatives are to be identified without affecting people and their lives. If it becomes necessary, the alternatives are to be screened and scoping is to be done to minimize the risk. The companies have to predict the responses of impacts and help the people by providing suitable alternatives. Finally the relevant and acceptable policies have to implemented and monitored continuously by convincing the target area people.

What is Corporate Social Responsibility?

Corporate social responsibility is a concept that has become quite familiar in the world-of-business today. The present-day conception of corporate social responsibility (CSR) implies that companies voluntarily integrate social and environmental concerns in their operations and interaction with stakeholders. CSR involves applying the concept of sustainable development to the corporate world. Companies that respect and listen to their stakeholders must naturally be concerned by their growth and profitability, but they must also be aware of the economic, environmental, social and societal impacts of their activities. Today, CSR in India has gone beyond merely 'charity and donations' and is approached in a more organized fashion. It has become an integral part of the corporate strategy (Das

Gupta 2010). Now a day's companies have become more transparent in their balance sheet. They are incorporating their corporate social responsibility initiative in their annual report. Companies have CSR teams that devise specific policies, strategies and goals for their CSR programs and set aside budgets to support them. Companies in India have quite been proactive in taking up CSR initiatives and integrating them in their business processes. The CSR has three basic principles:

- Accountability
- Transparency
- Sustainability

The relevance of CSR within an organization CSR is not only relevant because of a changing policy environment but also because of its ability to meet business objectives. Undertaking CSR initiatives and being socially the following:

- Strengthening relationships with stakeholders
- Enabling continuous improvement and encouraging innovation
- Attracting the best industry talent as a socially responsible company
- Additional motivation to employees
- Risk mitigation because of an effective corporate governance framework
- Enhanced ability to manage stakeholder expectations engaged in CSR are revisiting their strategies and expanding inclusivity in growth.

There are about 100 companies which are focusing more on Corporate Social Responsibility activities and among them top ten companies are listed below:

Sl. No.	Name of the Company	Rank
1.	Godrej Consumer Products Ltd.	1
2.	Infosys Ltd.	2
3.	Wipro Ltd.	3
4.	Tata Chemicals Ltd.	4
5.	ITC Ltd.	5
6.	Jubilant Life Sciences Ltd.	6
7.	Grasim Industries Ltd.	7
8.	Vedanta Ltd.	8
9.	Tata Power Company Ltd.	9
10.	JSW Steel Ltd.	10

https://www.futurescape.in/india-top-companies-for-sustainability-and-csr-2021

Identified Issues

The survey has been made in the target area of the study in Karimnagar region of Telangana State, India by administering the questionnaire to the respondents with the sample of 300 in 6 villages and identified the impacting issues due to establishment and expansion of the companies. The issues are :

- Basic issue of community cohesion
- Disintegration of social support activities in the villages
- Disruption of women's economic activities are collapsed
- Loss of religious sites and other cultural property
- Loss of agricultural lands, tress, wells and houses
- Loss of access to common property resources
- Loss of small business units and employment opportunities
- School buildings, hospitals, roads, street lights and health standards

Challenges to CSR Initiatives

1. A gap in involvement of community in CSR activities

In implementation of CSR activities, communities who are the intended beneficiaries of a CSR program show less interest which will affect their participation and contribution. And very little efforts are being made to spread CSR within the local communities and in still confidence in the people. The situation is further aggravated by inadequate communication between the organization and the community at the grassroots level.

2. Build the capacities of people involved in CSR activities

The employees involved in the CSR activities are not adequately trained and equipped to operate efficiently and effectively as there is serious dearth of trained and efficient organizations that can seriously compromises efforts to scale CSR initiatives and consequently limits the scope and outcome of a company's CSR initiatives.

3. Issues of information sharing with communities

The perceived lack of transparency has a negative impact on the process of trust building between companies and local communities, which is key to the success of any CSR initiative. The gap has been found between the companies and communities in sharing the information related to CSR activities.

4. Lack of confidence and consensus

There is a lack of consensus amongst local agencies regarding CSR project needs and priorities. This results in lack of consensus often results in duplication of activities by corporate houses in their areas of their intervention. The consequence results in unhealthy competitiveness spirit among local implementing agencies, which goes against the necessity to have rather than building collaborative approaches on important issues. This factor limits organization's abilities to undertake impact assessment of their initiatives from time to time.

Strategies for Aligning Social Impact Assessment and Corporate Social Responsibility Activities

Align the Vision
Align and articulate clear focus areas for the organisation and the desired Impact the CSR initiative envisions to have with internal and external stakeholders.

⇩

Focus on the Outputs
Build systems and processes to focus on key outputs. Establish processes for goal setting with implementation partners, regular reviews and on ground monitoring.

⇩

Measure Standard Indicators
Measure Impact through standard measurable indicators such as attendance of student and pass percentages. Analyze these outcomes over the programme spread and time to identify trends and set actionable goals for the future.

⇩

Measure Specific Indicators
Focus on understanding the key outputs and outcomes that result in impact. Work with the implementation partners to build effective systems to identify key strategic areas and gaps to focus on

⇩

Broaden the focus of Impact
Focus on Impact beyond learning outcomes to take a holistic approach including life skills and future readiness, career orientation and leadership skills. Build on the strong foundation of assessment to measure and steer these key indicators.

Conclusion:

In sustainable development Corporate Social Responsibility and Social Impact Assessment would share foundation value. SIA is a tool tools used to identify the environmental, social and economic impacts of a project prior to decision-making in Indian context. When proper alignment of Corporate Social Responsibility and Social Impact Assessment is done, it leads to effective implementation of CSR projects in the target areas of the organisations more specifically; it would help the society to the larger extent by using the strategies of alignment.

References

1. Burritt RL and Saka C 2006, 'Environmental management accounting applications and eco-efficiency: Case studies from Japan', Journal of Cleaner Production, vol. 14, pp. 1262-1275.
2. Das Gupta A (ed) (2010) Ethics, Business and Society (Sage, Singapore).
3. Elkington J 1999, Cannibal with forks, the triple bottom line of 21st century business, Capstone, Oxford.
4. Lamberton G 2005, Sustainability accounting--a brief history and conceptual framework, Accounting Forum, vol. 29, no.1, pp. 7-26.
5. Schaltegger S and Burritt R 2000, Contemporary environmental accounting, issues, concepts and practice, Greenleaf Publishing, Sheffield.
6. Zimmerman JL 2009, Accounting For Decision Making And Control, McGraw-Hill Education, New York.

HUMAN CAPITAL MEASSUREMENT: TECHNIQUES AND REPORTS

Dr. S. Pratap
Professor of Commerce and Business Management
Chaitanya (Deemed to be University), Hanamkonda, T.S.

INTRODUCTION

Human capital refers to the "knowledge, information, ideas, skills, and health of individuals" (Becker 2002). ... In the current economic environment and business scenario of globalization, privatization and liberalization, a company's market value depends less on tangible assets and relies more on intangibles resources such as technology, and principally people, the 'Human Capital'. The most challenging of all assets to quantify and control is Human Capital - defined as individual value in an economic sense, and the way it is transformed into the company's collective competence. A company's Human Capital assets is the collective sum of the attributes, life experience, knowledge, inventiveness, energy and enthusiasm that its people choose to invest in their work. Today, a matchless competitive advantage in the marketplace and a massive premium mount up for those organizations that have built up a greater facility for managing human capital. For, example, the sustained superior performance of best practice companies like Marriott, Borg-Warner, Merck, etc., has been accredited to their excellent human capital management.

As developed economies persevere to become more knowledge intensive, a transformation that calls for top executives to focus on human capital management as never before has taken place. Besides, the institutional investors are in quest of diverse measures of human capital to scrutinize a company's strategy and business as they find there is an explicit relation between a company's Human Capital activities and long-term shareholder value. This in turn demands a measurement system to facilitate the optimization of their return on people. Human Capital measurement accentuates the way an organization manage it people/workforce that engenders a vital contribution to the company's bottom line. Human Capital measurement is all about conveying objective data to guide the direction of HR strategy and to help to formulate better HR investment decisions. Now that human capital measurement has turned out to be the principal root of prosperity and wealth creation and the one that determines rewards in the market place, many conscientious executive have embarked on deploying anew negation of human capital measurement systems. Though HR metrics might measure the efficiency or the time and cost of HR activities, it is the human-capital metrics that measures the effectiveness of such activities; it serves as a guide for organizations that seek superior business results through their improved people management by venturing on the clear linkage between human capital measurement and superior business performance.

REVIEWOF LITERATURE

Hiltrop, J. (1996) the author argues that there is little empirical evidence that HRM policies and practices are improving organizational performance though the theoretical literature on the link between an organizations's HRM and performance is prevalent. And although it will take time before the longitudinal data exists to fully test the theories and models, the evidence is consistent with the view that the HRM policies and practices of an organization have a powerful influence in motivating employees to exhibit the kinds of attitudes and behavior that are needed to support and implement the competitive strategy of an organization. This research raises a number of questions about the nature of these practices including what would be widely recognized as 'best' practices.

Rlando, R. C. & Johnson, N. B. (2001) the authors aim to develop a model that illustrates the complexities of diversity initiatives which may not be appreciated for all organizations. A diversity orientation requires procedural justice for all employees so that a problem of discrimination is not on the highlight. If firms must deal with a diverse workforce, a diversity orientation may yield positive performance effects through the genuine integration and acceptance of diverse employee perspectives which leads to a reduction in turnover and absenteeism.

Truss, C. (2001) The paper contributes to the debate by analyzing in detail the human resource policies and practices of one case-study organization over a two-year time period, using a variety of methodologies and drawing on a broad range of informants across the organization. Instead of devising a list of 'best practice' HRM from the literature and testing its impact on performance, the author invert the question and take a firm that is financially successful and ask what HR policies and practices it uses. This methodology shows that even successful organizations do not always implement 'best practice' HRM, and that there is frequently a discrepancy between intention and practice. Outcomes at the individual and organizational levels are complex and often contradictory; the author questions the extent to which is it at the level of the formal system, and organizational performance, without taking into consideration the role played by the informal organization in the process and implementation of HR policies.

Tyson, S. (1997) this paper describes human resource strategy as a management process, as part of emergent strategy formation. A framework is proposed to explain the different levels of analysis, societal, organizational and individual, which managers seek to integrate so that the meanings organization members bring to their work are managed. The consequences of taking this approach as opposed to the rational view of HR strategy are outlined and the benefits of a processual, interpretationist perspective to the study of strategy for example by studying symbols and the processes of meaning construction are discussed.

OBJECTIVES

1. To assess the human capital metrics that measures the effectiveness of organizations.

METHODOLOGY

Exploratory research design is used as well as for this article, secondary data is used. In order to gain the knowledge on this area various reviews and periodicals were studied.

DISCUSSION

Carving a Firm's Competitive Advantage

Since the pt decade, with the emergence of knowledge intensive and global economy, it has become obvious that an effective management and measurement of a company's human capital are a significant source of unremitting competitive advantage for the organization. As competition in the market place becomes more intense in terms of market differentiation and with investors seeking additional information about the company to decide their investment decision, it is becoming a necessity for a firm to progress towards Human Capital measurement and improve its quality and relevance. It enables the company to utilize the information generated to diagnose the organizational status, enhance the cognizance of its 'people-related' supremacy and weakness, to divulge areas of poor performance, to identify areas for improvement and to specify the actions needed to steer the business towards its predetermined strategic goals and organizational objectives.

Thus, organizations aim at becoming an effective enterprise with high performance workforce profile by expanding their use of Human Capital Measurement; this will enable them to gain and sustain competitive advantage in terms of HR Cost, Quality and Delivery. It produces significant return on investment, revenue growth and shareholders' maximization. For example, the successful Human Capital experimentation in RG Barry Corporation (the pioneer in human capital accounting) to Infosys human capital practices confirms that Human Capital is the real source for a firm's sustained market place success on account of its incredible returns on investment and revenue escalation.

The Strategic Importance of Human Capital Measurement

Human Capital measurement has a major role in bringing HR closer to its strategic role by demonstrating the people's value creation, which buys HR credibility in gaining a seat at the strategic decision-making table. Human Capital measurement creates a major impact on the growth and accomplishment of an organization's future by its attention to those crucial issues such as Return on Investment (ROI) of Human Resource activities, guiding investment decision, understanding the benefits and trade-offs in people decision which signifies that an HR department is no longer looked upon as 'costs' but rather as profit generators and the employees' competencies as source of wealth creation.

Indeed, a growing number of research studies have pointed to Human Capital measurement being the single most crucial predictor of an organization's capacity to beat competition in the market place by providing guidance in investment decisions, and performance management. It also provides crucial timely information of strategic importance to the management that enables comparison over time with other organizations, thus bringing the HR department to play a strategic role.

An effective human capital measurement /valuation pave the way to six major benefits for an effective functioning of an organization. They are:

a) Human Capital valuation provides good financial sense; each HR program should present an appropriate ROI.
b) Evaluation of human capital shows confirmation of result.
c) The evaluated results make the HR staff to focus only on vital activities.
d) The cause of problems is identified during the data collection for evaluations.
e) Results of measurement and valuation provide justification for additional resources.
f) Human capital measurement increases satisfaction of the employees and the shareholders.

The Prime Measures of Human Capital

The scope of human potential in business productivity is overpowering. Many organizations have deployed extensive process and rational e -driven metrics to drive human performance. In the article "Human capital measurement: A Challenge for the CLO" by Jack J Phillips, has pointed out that recently, "Deloitte Human Capital and Conference Board had come out with the common human capital measures that serve as a catalyst for change, providing a critical missing link for creating and sustaining competitive advantage for organizations." It divided the common measures of Human Capital into two tiers and they are:

First Tier Measure - Employee retention / Turnover, Employee attitude / Satisfaction, Employee engagement / Commitment, Tenure, Experience, Learning, HR Investment and Competency.

Second Tier Measure - Represents the next most common human capital measures. Examples include Work-life balance, Compensation, Recruitment success, Health and safety, Labour management relations, Absenteeism, Employee ownership, Workforce age, etc.

Research has revealed that there are also five kinds of Human Capital management factors, each with a core set of measures an organization should tract by means of Human Capital measurement systems that constantly envisage the corporate results. The five types of measures are:

- **Leadership Performance:** A leader's communication and managerial skills, performance feedback, exposition of prime organizational values, efforts and aptitude to instill confidence in the workforce. Leadership effectiveness is commonly measured by 360 degree feedback where the leadership behavior is assessed by all stakeholders. The measure is basically an observation captured in survey, often reported electronically. It is an important way to capture overall leadership behavior change. Some firms gauge the leadership success through routine feedback program - annual satisfaction/commitment survey.
- **Employee Performance Optimization:** A company's success in gaining optimum workforce performance depends on the institution of necessary process for getting work done, provision of good working environment, strong employment decisions, and prominence of employee accountability on their actions/jobs.
- **Leadership competence:** A wholesome representation of the company's capability in learning, innovating and mounting interest to constantly improve their performance with time and also across organizations. Competencies are usually measured through self-assessment by individual employees, as well as assessment by the team, facilitator and immediate manager.
- **Ease of access to knowledge:** This measure provides a picture of the effectiveness teamwork of an organization and its capability in disseminating knowledge and ideas extensively to the employees.
- **Employee engagement / commitment:** Indicates an organization's ability to engage, maintain and optimize its employee's value. An engaged workforce has a significant impact on the company's bottom line. The Human Capital Management's engagement technique not only helps in employees, especially the high performing workers.

These factors can be measured in an organization by means of a cautious and meticulously on structured employee survey whose content in the survey varies depending on each organizational type and situation. Using statistical techniques principles of a quasi-experimental design combined with the surveys, one can identify and quantify the causal relationships between inputs and outcomes for each of the five Human Capital categories, as well as their specific components, which can be linked to a range of alternative measures of corporate end results. Such correlations provide managers with a clear prioritization - a realistic and actionable roadmap for effective Human Capital management initiatives that engenders an enormous improvement in business performance end results.

Generally, Human Capital measurements range from basic metrics to comparative information, from scorecards to predictive models. Human Capital measurement provides significant correlation that predicts workforce behavior and Human Capital investment needs will in advance of the annual budget. The current state of Human Capital measurement in most organizations consists of a varied combination of the following measurements:

Traditional HR metrics that can measures the efficiency and effectiveness of HR activities of HRD.

Example:

Training Cost/Employee = Total Cost of Training Program/Total No.of Employees Attended

Employee satisfaction surveys that being integrated with HRMs can generate data that serve as a guide to predict the organization's future course. Ex. Absenteeism, Labor turnover, etc.

Balanced score card measures are forward-looking and predictive and check the organizational progress and productivity. They also evaluate the effectiveness of HR practices. It is a strategic management system that channels the energies and abilities of the people in the organization for achieving organizational goals. Eg: Predicting the percentage of managers who are successful in the development program.

Return on Investment (ROI) Models is useful in justifying the investment in people's programs. Such predictive models guide one as to how much and where to invest the people's money that enables one to comprehend ROI on recruiting / training new hires, motivating/enhancing skills of the present employees or deploying new practices and procedures.

Example:

Human Capital (ROI) = Revenue - (Expenses - Compensation) / Compensation

The model helps in evaluating the returns for every rupee spent on employees.

- **Human Capital Measurement - The Vital Characteristics**
- To be of greatest use to a leader in the effective administration and employment of people in an organization, a human capital measurement of the next generation system must possess the following six vital characteristics, says Lautie Bassi, CEO of McBassi & Company. They are:
- **Descriptive data:** A Human Capital measurement system ought to generate summary statistics that offer a clear and concise summary for each issue concerned. Descriptive data focuses on the incidence of an event, and its regularity/intensity. For example, it scrutinizes the degree or extent to which a best practice is actually being executed in an organization.

- **Credibility:** The system must be designed in a way that it provides a credible and unbiased insight that improves business results. ROI initiatives such as metrics that measure training ROI initiatives such as metrics that measure training ROI belong to this group.
- **Predictability:** The system must crate statistics that aid a company to predict its future. Predictive measures are the ones that have a direct link to a company's desired business results. Eg: Human Capital performance metrics.
- **Detailed information:** The information generated should be adequately clear and elaborate to provide insights on action to be taken. Eg: All information must be accessible across departments or business units for a positive intervention to be deployed in areas where it would be more successful. Eg: Human Capital score cards and HC accounting.
- **Actionable data:** The measurement system must center on those subjects where an organization can exercise influence and take essential steps based on the recommendable data that drives business results. Eg: The Gallup Q12 employee survey, though detailed and descriptive, cannot be taken as an effective measure of HC as it lacks actionable data.
- **Cost-effective:** The Human Capital measurement system must be cost-effective for enduring usage.

Human Capital Reporting and Benchmarking

By means of various human capital measurement techniques, one can generate meaningful information that is credible enough for taking the right strategic moves for the future direction of the company's activities. They effectively link the human capital measures to business end results through effective human capital management. Statistical techniques using the quasi-experimental design are also used to provide the managerial executives information regarding the effect of each Human Capital measure on company's performance, and quantify the causal relationships between various measures and end results. Such evaluation provides an insight into what is the result, why it had happened, and what actions are to be taken to obtain sustainable optimized organizational performance.

The information generated and benchmarked is of strategic importance, affecting the company's bottom line, by providing a feedback for organizational actions to develop new strategies which enhance business management. Effective human capital measurement and reports result in :

- Increased revenue/employee
- Profit per employee can be 50 per cent or more in some cases,
- Low absenteeism rate and employee turnover
- Improved workforce performance and
- Increased employee engagement

It helps in external reporting of human capital that :

- Reduces the difference between book value and market value
- To know the company's "real value"
- Increased information system
- Enhanced capital raising power through intangible valuations presented in the company's accounting reports and balance sheets
- Boosts organization's reputation as employer of choice/best place to work for

The Human Capital report should be presented in a complete and comprehensible format with graphical representations, small textual summary wherever necessary to offer enhanced user-friendliness and readability of the human capital data or it can also be presented in the form of HR scorecard which is imperative for organizational management and employees besides HR professionals to benchmark their performance and to manage their businesses with unprecedented excellence,

The following are a few examples of how one can get a company's Human Capital information by benchmarking their performance with time/across organizations. They are: :

- **Innovativeness and creativity:** Keeping track of the employee's suggestion rate of and comparing it with time and across companies in the market place is a vital performance benchmarking of Human Capital innovativeness and creative capability. It can also be measured through inventories and instruments by inserting questions on creativity and innovation in the annual employee satisfaction surveys. The score obtained are comparable over time, reflecting the degree of employee's improvement in workplace innovation and creativity.
- **Employee satisfaction and attitude:** Employers can monitor the degree of employee's satisfaction through a feedback survey that reflects their extent of satisfaction with their employer, the job, the policies, the work atmosphere, the administration and leadership. A composite score is developed to reveal the satisfaction value or index value for the company / department which can be benchmarked for reporting.
- **Turnover/Retention:** Employee turnover status of a company can be compared to historical rates or compared with best-practice firms/employer of choice.

Conclusion

In the current business scenario of knowledge intense global competition, it is the human talent that is the major market differentiator of a company's success in the market place. Effective management and measurement of human capital is the call of the day that produces a significant impact upon the long term performance of the company. A thorough analysis of human capital will be able to transform data into significant and valuable strategic information by predicting the future organizational performance - both financial and non-financial. Measuring the performance of the human capital and representing those concerns in the company's reports make a significant difference in the growth and success of the organization. The top management should be in the best position to take the initiative to drive human capital measurement in an organization in order to provide a critical bond for creating and sustaining competitive advantage of a company and for shareholder's profit maximization. An organization with a clear Human Capital strategy that is aligned with the corporate direction and with quality HR practices enjoys an enhanced workforce performance that gets reflected in the firm's financial performance in the market.

References

1. Appleye, W. C. Jr. (1999). Human capital management: the next competitive advantage. Across the Board, 36 (8) September, pp. 39-47.
2. Hiltrop, J. (1996). The impact of human resource management on organizational performance: theory and research. European Management Journal, 14 (6), pp. 628-637.
3. Orlando, R. C. & Johnson, N. B. (2001). Understanding the impact of human resource diversity practices on firm performance. Journal of Managerial Issues, 13 (2), pp. 177-196.
4. Rastogi, P. N. (2000). Sustaining enterprise competitiveness - is human capital the answer? Human Systems Management, 19 (3), pp. 193-203.
5. Truss, C. (2001). Complexities and controversies in linking HRM with organizational outcomes. Journal of Management Studies, 38 (8), pp. 1121-1149.
6. https://documents1.worldbank.org/curated/en/344881530863186365/pdf/Human-capital-literature-review.pdf

DIGITAL PAYMENTS IN INDIA - A STUDY

M. Mahesh
Research Scholar, Department of Commerce & Business Management Kakatiya University, Warangal, T.S.
Prof. M. Sambaiah
Faculty of Commerce and Business Management, Chaitanya (Deemed to be University). Hanamkonda, T.S.

Introduction

The growth of financial services in India has largely been led by the banks. The regulator as well as the banks has led the initial thrust, development and support of digital payments infrastructure and systems. Non-banks have entered the market and expanded the range of payment services available to the Indian consumer backed by their strength in technology and customer centric innovation. Banks and non-banks are partnering to offer the combination of trust (banks) and innovation (non-banks) to the Indian consumer. This "best of both worlds" approach, which has resulted in a recent growth in the number of digital payments, should continue. The digital payments ecosystem has made substantial progress on the supply or the issuance side. It must now balance through an improvement on the demand or acceptance side of the ecosystem.

Need for the Study

The digital revolution is taking the world by storm and no other area has witnessed such metamorphosis as payment and settlement systems, resulting in a myriad of digital options for the common man. Consumers now have a range of options to choose from when selecting a payment method to complete a transaction. They make this selection based on the value they attribute to a payment method in a certain situation as each payment mode has its own use and purpose. In India, like in many parts of the world, cash is the well-established and widely used payment instrument. It is, however, reassuring that non-cash payments, especially those using electronic or digital modes are rapidly increasing.

Objectives of the Study

The following are the main objective of the study

1. To study the components of Indian Payment Systems
2. To analyse the growth of digital payments and retail digital payments in India

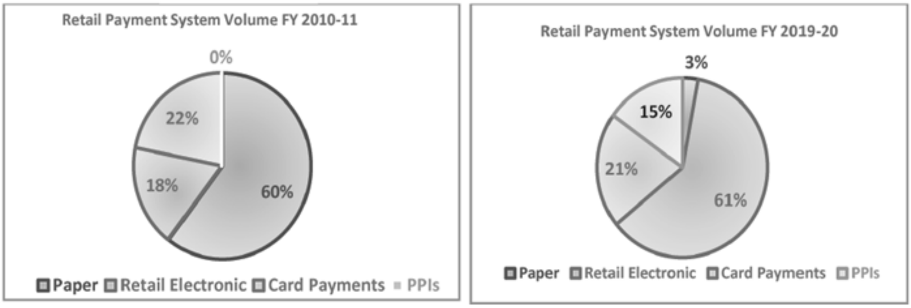
Scope and Methodology

For this study, the secondary data is used which is collected from the annual reports of Reserve Bank of India (RBI). The collected data presented in tabulation and interpreted. This study analyse market shares, Value and Volume of payment various digital payments in India and growth of retail digital payments in India. The study covered only digital payments in India and mainly analysed for a period of last ten financial years i.e., from the financial year 2010-11 to 2020-21.

Components of Payment and Settlement Systems

The digital revolution is taking the world by storm and no other area has witnessed a metamorphosis as has been seen in the payment and settlement arena, resulting in a myriad of payment options for the consumer. In the last 10 years, India has witnessed an exponential grow thin payment systems and a significant shift in payment preference. Figure-1 presents the share payment in India.

Figure-1
Share of Payment in India



Above figure presents the shift in payment preference in the last 10 years is evidenced by the fact that the volume of paper clearing, which comprised of 60% of total retail payments in the Financial Year (FY) 2010-11, shrunk to 3% in the FY2019-20. This striking shift in payment preference has been due to the creation of robust electronic payment systems such as RTGS, NEFT and ECS that has facilitated seamless real time or near real time fund transfers. In addition, this decade has witnessed introduction of innovative payment systems that provide instant credit to the beneficiary, with the launch offast payment systems such as IMPS and UPI that are available to consumers round the clock for undertaking fund transfers, and introduction of mobile based payment systems such as Bharat Bill Payment System(BBPS), PPIs to facilitate payment of bills and purchase of goods and services and National Electronic Toll Collection (NETC) to facilitate electronic toll payments.

The convenience of these payment systems ensured rapid acceptance as they provided consumers an alternative to the use of cash and paper for making payments. The facilitation of non-bank FinTech firmsin the payment ecosystem as PPI issuers, BBPOUs and third-party application providers in the UPI platform have furthered the adoption of digital payments in the country.

The Bank for International Settlements' (BIS) Committee on Payments and Market Infrastructures (CPMI) defines payment systems transactions to include the total transactions undertaken by all payment systems in the country. Considering this definition, payment systems transactions in India would comprise of transactions processed and settled through (a) Paper Clearing [Magnetic Ink Character Recognition (MICR), Non-MICR, Cheque Truncation System (CTS), Express Cheque Clearing System (ECCS)]; (b)Bulk electronic transaction processing systems like Electronic Clearing Service (ECS), with its variants Regional ECS and National ECS; National Automated Clearing House (NACH) - Debit and Credit; (c) Card Payments(Debit, Credit and Electronic); (d) Large Value [Real Time Gross Settlement(RTGS)]; (e) Retail [National Electronic Funds Transfer (NEFT)]; (f) Fast Payments [Immediate Payment Service (IMPS), Unified Payments Interface(UPI)]; and (g) e-Money [Prepaid Payment Instrument (PPI) Cards and Wallets). Except (a) above and cash transactions, all other payments constitute digital transactions. In this connection, there is need to study the various digital payments in India. Table - 1 presents the various digital payments in India.

TABLE-1

Digital Payments in India

(Volume (million))

Digital Payments	2017-18	2018-19	2019-20	2020-21
RTGS	1,244	1,366	1,507	1,592
AePS (Fund Transfer)	6	11	10	11
APBS	12,980	14,949	16,766	14,373
ECS Cr	61	54	18	0
IMPS	10,098	17,529	25,792	32,783
NACH Cr	7,031	8,834	11,290	16,450
NEFT	19,464	23,189	27,445	30,928
PUI	9,152	53,915	1,25,186	2,23,307
BHIM Aadhaar Pay	20	68	91	161
ECS Dr	15	9	1	0
NACH Dr	3,738	4,830	7,340	9,630
NETC (Linked to Bank Account)	15	6	93	650
Credit Card Payments	14,052	17,626	21,773	17,641
Debit Card Payments	33,434	44,143	50,611	40,200
Prepaid Payment Instruments	34,591	46,072	53,318	49,392
Total	**1,45,901**	**2,32,601**	**3,41,241**	**4,37,119**

Source: RBI Annual Reports 2017-18 to 2020-21

The data in Table-1 presents the electronic modes of payments, the number of transactions undertaken using RTGS increased by 5.7 per cent during the year, with value amounting to ?1,056 lakh crore, resulting in a decline in value by 19.5 per cent from the previous year, mainly on account of reduction in large value transactions of corporate in line with slowdown in economic activity. At the end of March 2021, the RTGS facility was available through 1,75,947 branches of 227 banks. Transactions through National Electronic Funds Transfer (NEFT) system rose by 12.7 per cent during the year.

During 2020-21, the number of card payment transactions carried out through credit cards and debit cards decreased by 19.0 per cent and 20.6 per cent, respectively. This resulted in a decrease in value of credit card transactions by 13.7 per cent and debit card transactions by 5.9 per cent during the same period. Prepaid Payment Instruments (PPIs) recorded contraction in volume by 7.4 per cent during the year as against a growth of 15.7 per cent a year ago, while the transaction value at 1.97 lakh crore was lower by 8.3 per cent vis-à-vis last year. It is clearly indicates that the nationwide lockdown due to COVID-19 pandemic resulted in decline in payments during its initial phase. However, the value and volume of payments subsequently picked up with the gradual relaxations in lockdown.

Growth of Digital Payments in India

Both cash and non-cash payment instruments fulfill unique needs, and as long as these needs do not change, both types of payment instruments are required to meet the full spectrum of user's needs. Electronic payment methods are both at the service of and bound by India's heterogeneous economic composition. Virtual payments are increasing in popularity, but the country's ethnic and economic diversity render the shift toward digital payments geographically variable and certain regions and economic strata exhibit more openness to digitisation than others. Hence, there is need to study the growth of digital payments India by volume and value.

TABLE-2

Growth of Digital Payments in India

Financial Year	Digital Payments	
	Volume (Crore)	Value (Lakh Crore)
2019-20	1,623	3,435
2018-19	1,638	2,340
2017-18	1,371	1,472
2016-17	1,122	978
2015-16	920	595
2014-15	823	352
2013-14	785	245
2012-13	711	169
2011-12	561	125
2010-11	498	96
CAGR	12.54%	43.01%

Source: RBI Annual Reports 2010-11 to 2019-20

Above data in Table - 2 indicates that the acceptance and growth of digital payments has been exponential over the years. From 498 crore transactions with a value of

96 lakh crore handled during FY 2010-11, digital payments have grown to 1623 crore transactions with a value of 3435 lakh crore in the FY 2019-20. This represents a CAGR of 12.54% and 43.01% in terms of volume and value, respectively. This is clearly indicates significant growth year on year.

India is one of the top markets globally in terms of digital cash adoption with 55.4% survey respondents indicating usage of digital cash. India is followed by China and Denmark. The adoption level in India is much higher compared to many of the developed markets such as the US and the UK, where consumers predominantly use cards.

Growth in Retail Digital Payments in India

More digital payment options are now available to consumers. Systems that offer near instant person-to-person retail payments are increasingly available around the world. Many payment systems in India now operate 24 hours a day, seven days a week. All these developments have nudged the consumer towards digital payments because of the convenience they offer. Hence, there is need to study the retail digital payments in India. Table-3 presents the growth in retail digital payments in India.

TABLE-3

Growth of Retail Digital Payments in India

Financial Year	Retail Digital Payments	
	Volume (in lakh)	Value (in thousand crore)
2019-20	32,509	2,682
2018-19	22,271	2,456
2017-18	13,516	1,857
2016-17	12,230	1,368
2015-16	5,455	928
CAGR	**56%**	**30%**

Source: RBI Annual Reports 2010-11 to 2019-20

Above data in Table-3 indicates that the growth of retail digital payments has been exponential over the years. From 5,455 lakh volume transactions with a value of 928thousand crorehandled during FY 2015-16, digital payments have grown to 928lakh volume transactions with a value of 2,682thousand crorehandled in the FY 2019-20. This represents a CAGR of 56% and 30% in terms of volume and value, respectively. This is clearly indicates significant growth year on year.

Summary of the Paper

India's growing use of retail digital payments, along with the radical reconstruction of its cash economy, indicates a shift in its relationship with cash. This is evidenced by the steep growth observed in the retail digital payments. Increasing acceptance and convenience of digital payments vis-à-vis cash is also reflected in decrease in average value per digital payment transaction. A large population of the country historically lacked access to personal bank accounts and credit lines. Digital payment methods (AePS, APBS, DBT) have played a large role in helping them manage their personal finances leading to their being financially included. Cash still rules but is increasingly seen as a way to store value as an economic asset rather than to make payments. Speed, convenience and competition are shaping the future of payments. Our endeavour is to make digital (payments) a divine experience to the users Cash is King, but Digital is Divine.

References

1. Annual Reports of Reserve Bank of India (RBI) 2019-20; Arpita Khare (2011), *International Journal Service and Operations Management,* Vol-10, Issue - 10, June 2011.
2. Divya Prabhu P and Dr.G.S. Vijaya (2014), 'A Conceptual Study on Banking, Technology and Quality Management in Rural India', *International Journal of Management and Social Science (IJMSSR),* Vol - 3, No12, December 2014
3. Dr. Bharat M. Kher (2013), 'The Role of Rural Banks in the Development of Rural Socio-Economy', *International Journal of Research in Humanities and Social Sciences',* Vol-1, Issue -4, June 2013.
4. Dr. T. Vasanthi and D. Gowri (2013), 'Study on Customer Perception towards Services Quality Attributes of Public Sector Banks and Private Sector Banks', *International Journal of Scientific and Research Publications,* Vol-3, Issue -2, February 2013.
5. Dr. Ravi (2017), 'Digital Payment System and Rural India: A Review of Transaction to Cashless Economy', *International Journal of Commerce and Management Research,* Vol - 3, Issue - 5, May 2017, Page No. 169- 173.
6. Manish Khanna and S.Vaibhav (2017), 'Indian Rural Banking - Role of Regional Rural Banks, *Asian Journal of Adv. Basic Sci,* Vil-1, Page No:26-29.
7. J.Sethuraman, C. Vijayabanu and C.Therasa (2016), 'A Study on Channel Preferences among Urban and Rural Banking Customers', *Indian Journal of Science and Technology,* Vol-9, Issue - 27, July 2016.
8. Dr.B.Maheswari (2016), 'Customer Perception towards Banking Habits in Rural Areas - An Empirical Study with Special Reference to Coimbatore City', IJARIIE, Vol- 1, Issue -3, 2016.
9. Dr. Harshita Bhatngar (2015), 'Awareness and Adoption of Technology in Banking Especially by Rural Area Customers: A Study of Udaipur Rural Belt', *Pacific Business Review International,* Vol - 7, Issue - 11, May-201.
10. P. Vidyapriya and M. Mohanasundari (2015), 'Customer Responsiveness on Banking Technology Products in Rural South India', *Asian Journal of Management Sciences,* Vol-4, Issue -1, 2015, Page No. 27-32.

START-UP INNOVATIONS AND GROWTH IN INDIA – CHALLENGES AND OPPORTUNITIES

K. Preethi
Assistant Professor, Department of Commerce & Business Management,
University College for Women, Kakatiya University, Warangal, T.S.
Prof. T. Srinivasa Rao
Director, SDLCE, Kakatiya University, Warangal, T.S.

Introduction

On the celebration of India's 69th Independence Day that PM Modi announced the Startup India program from the ramparts of India's iconic Red Fort. The objective of the initiative was to fund budding Indian entrepreneurs to explore and pursue their unique business ideas, to create a conducive environment for start-ups, and to avoid the migration of talented entrepreneurs from India. Start-up India action plan presents a separate regulatory structure for start-ups. Just five months later, on 16 January 2016 at the event of a global workshop on startup entrepreneurship conducted by the Government of India in New Delhi the much awaited 'Startup India' program was launched by the Honorable PM Modi to boost the startup ecosystem in India.

A startup defined as an entity that is headquartered in India, which was opened less than seven years ago, and has an annual turnover less than ?25 crore (US$3.9 million). Under this initiative, the government has already launched the I-MADE program, to help Indian entrepreneurs build 1 million mobile app start-ups, and the Mudra banks scheme (Pradhan Mantri Mudra Yojana), an initiative which aims to provide micro-finance, low-interest rate loans to entrepreneurs from low socioeconomic backgrounds. Initial capital of □200 billion (US$3.1 billion) has been allocated for this scheme.

Key initiatives in Startup India are as follows:

- Reduction in patent registration fees.
- Improved Bankruptcy Code, to a ensure 90-day exit window.
- Freedom from mystifying inspections for first 3 years of operation.
- Freedom from Capital Gain Tax first 3 years of operation.
- Freedom from tax for first 3 years of operation.
- Self-certification compliance.
- Create an Innovation hub, under the Atal Innovation Mission.
- To target 500k schools, and involve 1m children in innovation related programmes.

- New schemes to provide IPR protection to startup firms.
- Encourage entrepreneurship within the country.
- Promote India across the world as a start-up hub.

Objectives of the Study

1. To present an overview of concept of startups in Indian Economy.
2. To highlight the policy framework of startups and it present status.
3. To identify the challenges and opportunities of startup in Practice.

Research Methodology

This study is completely based up on the secondary data. The data is collected from various journals, magazines, articles, annual reports of Govt & RBI and other websites.

Startup Policy Framework in India

1. **Self-certification based compliance regime:** Start-ups are permitted to certify contract with nine defined labour & environmental laws, through a mobile application to be launched by the Government. For labor laws, no evaluation would be conducted for three years. As far as environmental laws are concerned, startups under 'white' category would be able to self-certify compliance.
2. **Interpreting the startup process:** A startup will be able to set up by just filling up a simple form through a mobile application and online portal. It has options for accessing registration certificate, engaged with various partners (VCs, incubators, etc.), applying for multiple Government schemes, etc.
3. **Patent Protection:** Due to the issues related to copyright and IP rights, the government has made IPR procedure transparent for start-ups, and it will have a fast-track mechanism.
4. **Council of facilitators to provide legal support and support in a filing of patent application:** Facilitators should provide aid in filing and disposal of patent applications, trademarks, etc. The government will cover the fees of facilitators.
5. **Exceptions with regards to filing patent applications:** To enable startups to reduce costs in early stages, they are being granted an 80% reduction in filing patents against other companies. It will be a pilot scheme with the duration of one year, and it will be fast-tracked.
6. **Relaxed models of public procurement for startups:** To compete with the seasoned companies, startups (especially in the manufacturing sector) excused from the conditions of prior experience or turnover without any relaxation in quality standards, parameters, etc.

7. **Quicker exits for startups:** To make it simpler for startups to exit, clause for a faster closure of firms is included in 'The Insolvency and Bankruptcy Bill 2015.

8. **Establishment of start-up fund:** To provide ample funding support for development and progress of technology-driven startups, Government has launched a fund with an initial cap of Rs. 2500 Crores and it has the total cover of Rs. 10,000 Crores for four years.

9. **Credit Guarantee Fund/Subsidy:** To promote initial funding using liability for startups, the government has advised a credit guarantee fund through National Credit Guarantee Trust Company or SIDBI with a budgetary cap of Rs 500 Crores per year for next four years.

10. **Tax exemption:** To encourage the growth of startups, profit of startups (Established after 1st April 2016) would be exempted from income-tax for three years. This clause extended till five years in the National Budget in March 2017. (Only for the start-ups who had a non-profitable year during the first three years).

11. **Tax exemption on capital gains:** To promote funding into startups, the Government has declared an exemption from the amount of tax on capital gains, if the capital gains were invested in the startup fund which is recognized by the Government. Furthermore, existing capital gains tax exemption for individuals who invested in newly formed MSMEs will be extended to all startups.

12. **Tax exemption on investments above FMV (Fair Market Value):** The existent exemption eligible for VC funds, regarding taxation of investments above FMV, is extended to incubators investing in startups above FMV.

13. **Fests of startups:** The government would organize fests for the demonstration of their innovation and provide a cooperation platform.

14. **Initiation of Atal Innovation Mission:** Atal Innovation Mission was launched for promoting entrepreneurship and innovation through;

    - Establishment of sector-specific incubators, 500 tinkering labs, pre-incubation training and reviving existent incubation amenities

    - Establishment of state-level innovation awards, offering support to State Innovation Council Centers, etc.

15. Set-up 35 new incubators institutions: The government of India has committed 40% funding(subject to maximum amount of INR 10 Crores) for the establishment of new incubators in current institutes and which includes 40% funding by the state government and remaining 20% funding by the private players.

16. **Establishment of seven new research parks, similar to the research park of IIT Madras:** The government would launch seven new research parks with an initial investment of Rs 100 crore each. These parks help companies with a focus on research. Additionally, 31 innovation centers, 13 start-up centers and 18 technology enterprise incubators in public colleges will be established.

17. **Promote entrepreneurship in biotech sector:** To encourage entrepreneurship in Biotech, the government would build five new biology groups, 50 new bio-incubators,20 biologies connect offices and 150 technology conveyance positions.

18. **Innovation-centric programs for students:** The government would initiate, Innovation-centric program to target young school students with a reach to 10 lakh inventions from five lakh schools. It will also include A Grand Challenge Scheme to support and reward Rs 10 lakhs to twenty student innovations from different innovation and development centers.

Startup Initiatives taken by State Governments in India

Kerala has initiated a government startup policy called "Kerala IT Mission" which focuses on fetching □50 billion (US$790 million) in investments for the state's startup ecosystem. It also founded India's first telecom incubator Startup village in 2012. The state also matches the funding raised by its incubator from Central government with 1:1. Telangana has launched the largest incubation center in India as "T-Hub". Andhra Pradesh has allocated a 17,000-sq.ft. Technological Research and Innovation Park as a Research and Development laboratory. It has also created a fund called "Initial Innovation Fund" of □100 crore (US$16 million) for entrepreneur. The government of Madhya Pradesh has collaborated with the Small Industries Development Bank of India (SIDBI) to create a fund of □200 crore (US$31 million). Rajasthan has also launched a "Start-up Oasis" scheme. In order to promote start-ups in Odisha, the state government organised a two-day Start-up Conclave in Bhubaneswar on November 28, 2016.

Challenges of Startups in India

Indian startups were facing numerous problems due to various difficulties in controlling business in India such as tedious bureaucratic processes, lengthy incorporations and settlements, restrictions on shaping transactions, issues in early-stage funding and exits, and compliance with several laws and regulations. India is seeing a growth phase under the leadership of able people. However, there still exist many challenges that need to be addressed. Health-based startups can address a lot of issues plaguing instant access to healthcare in India. Healthcare is undergoing a major change and Smartphone will soon replace doctors for more than 80 percent of health-related problems.

- State-sponsored mass transit systems are unable to keep pace with people, private enterprises haven't been able to do enough, and dated regulations have not allowed them to do enough to try to fill the breach.
- Lack of sanitation is a major problem in developing countries like India. Much deliberation has given way to the fact that the private sector is needed to tackle sanitation service problems. It is imperative to invest in solutions by offering different sanitation products and services at appropriate prices.
- Urban areas of India generate 1, 88,500 tonnes of municipal solid waste (68.8 million tonnes per year), and waste generation increases by 50 percent every decade. More than 80 percent of this waste reaches open dumpsites causing public health issues, environmental degradation, and resultant climate change. India needs to find solution to these problems.
- Pollution in India is a definite offshoot of many other environmental problems be it air, water, land, or noise. One major source of environmental emissions are cars. A typical driver spends 106 days of his/her life looking for a parking space. This commute itself contributes to increased traffic and air pollution. India needs smarter transportation options as well, and this is where startups can pitch in apart from other ways to tackle pollution.
- A simple device like an incubator needs continuous supply of electricity. In smaller towns, particularly for hospitals catering to old people and new born babies, electricity cannot be a major impediment. There are problems related to phase balancing, overload, and loss in the distribution network as a whole.
- The National Crime Records Bureau (NCRB) reveals that there were 3,09,546 incidents of crime against women in 2013 in India. Crimes against women have only shown an increase in the last five years. It's a big challenge to startups to start many startups which related to women welfare.
- A growing population, rapid urbanisation, and the growing demand for water from agriculture, energy, and industry are the other contributing factors. According to UNICEF, only a quarter of the total population in India has drinking water on their premises and nearly three-quarters of all diseases in India are caused by contaminants in the water supply. Access to clean drinking water is one of India's biggest challenges. Startups are the right platform for innovative solutions that can provide access to clean water in the country.
- In India, where crime rates shoot above the roof, the need of the hour is for innovative and technological solutions to prevent and address crime.
- To solve these problems and to improve startup environment in the country NDA government prepared a startup policy in India. The new ecosystem focused on systematic ease of doing business in the country as well as minimal interference by the government.

Opportunities for Startups in India

Today, Indian Economy is undergoing an immense makeover with new strategies rolling into the market emphasizing and enhancing the role and contribution of startups. In 2016, Indian market is foreseeing market domination for startups, especially in the online retailing and service industry where high priced business entities have been created. Moreover, it is projected that there will be over 11,500 startups by 2020 and that will change the way markets are working today in India. To solve these challenges and problems, the country as a whole must be engaged, and talent must be brought from outside the government domain, especially where domain knowledge or entrepreneurial leadership is required. People who are passionate create great things, and companies that aspire to solve bigger problems do much better than those who just look around for funding and money.

- The population of India is a huge asset for the country in the next few years. By 2020, it is supposed that the nation will be experiencing a "demographic bonus" period, where the working age population would surpass the non-working population. This unique demographic advantage will offer a great opportunity to any firm or organization trying to become successful and create a dominant position in the Indian market.
- Recruiting trend among IITs and top MBA colleges always make news because of the higher packages that are offered to the students. The talented students from these top colleges either lining up to get placed in the startup or opted out campus recruitment process itself, mostly, due to their growing interest to start their own ventures.
- India is all set to break away the traditional career paths as a lot of talent is tending towards working with the Indian startup space. Challenging assignments, huge funding that brings huge compensation packages and an associated cool quotient are making startups a very lucrative place and attractive value proposition.
- The startup ecosystem is getting substantial support from foreign and Indian investors, who have shown more faith in the industry and have provided funds to help these companies to grow leaps and bounds.
- Funding by the GOI has been the biggest backbone for the young entrepreneurs in India. By launching several plans, Indian government has assisted the start-up firms a lot to perform and sustain both in domestic and global market. There are numerous government and semi-governmental initiatives to assist startups.
- "Make in India" has not only encouraged the manufacturer, but also the Indian buyer to trust and invest in the in the domestic brands.
- Many small entrepreneurs find difficulty in getting loans or finance to start or run their businesses. Mudra yogana scheme, access to get loans from the banks to set up, grow and stabilize their businesses. Generally, while applying for

loans, these small firms are asked for large collaterals by the banks, which made their business unsustainable.

- To facilitate the growth of startup firms, SETU (Self-Employment and Talent Utilization) fund had been set up by the government. Under this program, Rs 1,000 crore has been allotted by the government in order to create opportunities for self-employment and new jobs mainly in technology-driven domains.
- To bring down the complexities and obstructions in setting up a business, Government launched e-biz portal that integrates 14 regulatory permissions and licenses at one source. The widespread usage of this portal will enable faster clearances and improve the ease of doing business in India.
- In a bid to make the cost of technology more accessible and affordable, Finance Minister Arun Jaitley has reduced the royalty tax paid by businesses and startup firms from 25 to 10 per cent.

Conclusion

It has already started bearing fruits and is all geared up to benefit the Indian economy in the long run. Indian government is also taking several steps to build an environment which is suitable for startups, since small businesses can play a very important role to develop and boost Indian economy in the future. India was considered as the market for providing cheap labor to the world and for export of Indian services in the field of IT. Due to this India has witnessed low product development and innovation in the past. But, still it is not too late and the culture of startups has started in India in the recent past. It can be concluded that indigenous startups will not only make the lives of the people easier through their affordable and convenient services but will also act as a major booster for the development and the progress of the Indian economy.

References

1. "RBI to create enabling framework for growth of start-ups". The Hindu. 2016-02-02. ISSN 0971-751X. Retrieved 2016-02-04.
2. "PM Modi in Mann Ki Baat: 'Start Up India, Stand Up India' action plan on January 16 - Times of India", *The Times of India.*
3. "Startup India action plan to provide final break from license raj: Arun Jaitley", *The Economic Times.*
4. "After Digital India, Oracle seeks to participate in Make in India, Start-up India", Live Mint,13 February 2016.
5. http://articles.economictimes.indiatimes.com/2014-12-20/news/57257462_1_ukibc-zone-startups-indian-startups.
6. http://profit.ndtv.com/news/industries/article-indian-start-ups-may-create-2-5-lakh-jobs-in-5-years-722818.
7. http://articles.economictimes.indiatimes.com/2014-08-01/news/52327432_1_abc-consultants-manpowergroup-india-fresh-funding.

DETERMINATION OF EMPLOYEE SATISFACTION IN INDIAN BANKING SECTOR THROUGH QWL

Dr. Aravinda Muddasani
Asst. Professor, Chaitanya (Deemed to be University), Hanamkonda, T.S.

Introduction

The QWL is a philosophy or a set of principles, which holds that people are trustworthy, responsible and capable of making a valuable contribution to the organization. 'Treating people with respect' is the cornerstone of this philosophy. The elements that are relevant to an individual's QWL include the task, the physical work environment, the social environment within the organization, administrative system and relationship between life on and off the job. Thus, a higher quality of life at work will undoubtedly be determined by elements relating to better or worse relationships, trust and commitment with bosses and/or subordinates.

Now-a-days the Quality of Work Life (QWL) has become one of the most important issues in each and every organization. Employees are the force behind every successful organization. No organization can become successful only with technology, but for the use of technology, organizations need to have strong work force. Quality of work life was the term actually introduced in the late 1960's. From that period till now the term is gaining more and more importance everywhere, at every work place. Initially quality of work life was focusing on the effects of employment on the general wellbeing and the health of the workers. But now its focus has been changed. Every organisation need to give good environment to their workers including all financial and nonfinancial incentives so that they can retain their employees for the longer period and for the achievement of the organizational goals.

Need of the Study

For any service organization the QWL is essential part because the service employees are engaged in providing major portion of lifetime (workable time) in service and their performances contribute to the sector, managers cannot forgo the necessity of higher QWL in the prospective banking sector of India. Management should have the responsibility to develop QWL among the employees to reduce the evil effects of lower level of QWL. Indian banking sector is essentially a high contact service industry and there is a close interaction between service provider and the customers in the traditional banking scenario. In this backdrop, there is need to study the role quality of work life of employees in Indian banking sector.

Objectives of the Study

The following are the main objectives of the study

1. To study the origin and relevance of Quality of Work Life in India,
2. To explain the role of QWL in Indian Banking Sector and how to contract it
3. To present how to improve the QWL in Banking Sector.

Research Methodology

The study is based on the data collected from secondary source which is gathered from the published materials in the form of books, articles from journals, websites and reports relevant to the study.

Origin of Quality of Work Life (QWL)

The term "Quality of Work Life" has appeared in Re-search Journals and press in USA only in 1970's. The term quality of work life was introduced by Louis Davis. The first International QWL conference was held in Toronto in 1972. The international council for quality of work life was established in 1972. From 1980 onwards QWL was increasingly placed on employee centered productivity programs. In the mid 1990s till today faced with challenges of economize and corporate restructuring, QWL is re emerging where employees are seeking out more meaning where rising educational levels and occupational aspirations in today's slow economic growth and reduced opportunities for advancement, naturally, there are rising concerns for QWL and for career and personal life planning.

In India, QWL offers a value frame and the social technology of organizational change leading to task effectiveness of micro entities through utilization and unfolding of human potential. Some evidence of the rising tide interest in the quality of work life issue is the fact that the second International Conference on quality of work life held in Toronto in 1981 attracted 1,500 participations. The 200 unionist and 750 management people combined outnumbered the, academicians, consultants and government officials in attendance. Quality is no more a specialized word but has become a necessary and a must work for the best survival. In this era, Quality of human inputs is the greatest asset to any organization. Maintaining the quality of such human inputs raises farm maintaining the quality of work life perfectly. A perfect quality of work life would help the organization. Rise in the quality of work life would help employees' well being thereby the well being of the whole organization. This is an attempt to capitalize the human assets of the organization.

Relevance of Quality of Work Life in India

QWL is an indicator of how free the society is from exploitation, injustice, inequality, oppression and restrictions of the continuity of growth man, leading to his development to the fullest. One of the reasons for growing importance of QWL could be realisation on the part of employees about their rights and growing unionism. Workers are no more illiterate. They do not completely depend upon the mercy of management for their existence.

Most of the grassroots level workers also have primary education. They are more united now than ever. Each and every worker tends to join some unions or the other for their own protection and well being. Unions put in all their rights and also to make them understand what they can expect from management in return for what they contribute. It is not only monetary benefits. Other elements like physical working conditions, job restricting and job redesign, career development, etc. are gaining importance rapidly. As such the workers expect the management to improve all these facilities thereby improving all these facilities which in turn improve QWL.

Every organisation is an interdependent social and technical system. Socio technical system requires social and technical system to be jointly optimized. It is from this notion of socio technical system that quality of work life has emerged. Management also has different views regarding QWL. Some have come to a stage, where they see human resource as a critical factor in the developmental process and thus strive to take all steps to improve it. Meanwhile other organisations still do not realize the importance of human resource.

Even if they realize it the improvement strategies confine themselves to increasing pay scales and introducing some welfare measures. They ignore the other aspects, i.e. the higher order needs of the employees. This is so, especially in case of small and medium scale industries in backward states. At the same time, large scale industries and Multi Nationals are fast realizing the need for the improvement of QWL. The Government intervention in this regard is minimal. But things are changing for better, especially after Human Resource Ministry was set up by former Prime Minister Mr. Rajiv Gandhi in 1984-85. The Ministry is taking active steps to implement some of the human resource development programmes and QWL improvement programmes. What is most important in India at this stage is developing consciousness among all sections of industry, i.e. workers, unions and management which results in better quality of work life in the organization.

The Role of QWL in Indian Banking Sector

Banking is essentially a person-to-person business. In a service industry like banking, the quality of human resources assumes vital importance, bank customers would normally do business with a bank whose staff are well informed and well disposed. For this reason the best personnel are selected, motivated and trained to conduct marketing function in a better way. Improved efficiency and promotion of personalized services are required on the part of the employees for them to offer pleasing, convincing and fulfilling service to customers. Bank officers form a delicate link between the management and the clerical staff. The success of the bank depends upon the coordination, synchronization and cooperation of the bank officers with these two very divergent entities. Hence the job satisfaction of the officers is prime importance because only a satisfied and happy officer will be able to achieve such synergy in the bank.

The changing needs of employees, their culture, values, aspirations and work environment give birth to new sub-systems of human resource management. One such new sub system is Quality of Work Life (QWL). Quality of Work Life is interpreted and viewed in different ways. Quality of work life is the degree to which the employees feel a comfortable and enjoyable work life. It is the degree of favorable work situation which will existing within the organization. As a direct relationship exists between human resource management approaches and the quality of work life, a successful key of any organization is to improve the employees work life quality. This research also analyses the work life of employees in Private Sector Commercial Banks.

Banking Sectors in India play a significant role in the development of the Indian economy and it is one of the fastest growing economies in the world. Evidence from across the world suggests that a sound and evolved banking system is required for sustained economic development. India has a better banking system than other developing countries, but there are several issues that need to be ironed out. Banking is a sector that reached out to almost all sections of the society. It is the life-blood of economic progress. Human resource/ man power was once considered as one of the factors of production and no special attention was paid to them. There is growing awareness that individual development is the key to organizational development.

Hence in the fast changing business environment, the organization realizes that human resources are the most precious resource and it is the key factor enhancing the capabilities of the organization to deal with all emerging challenges. Change is the law of nature and Indian banking is not an exception. Indian Banking Industry which is more than of one century, passed through many phases in the last 100 years like social control, nationalization, liberalization, privatization, globalization and finally computerization. To keep the pace with the competitiveness derived from the above changes the banking industry, which is the area of concern being manpower intensive, must consider the role of human resource as the most significant key to enhance the profitability, efficiency and overall organizational effectiveness.

QWL Construct in Indian Banking Sector

Most of the people generally have a perception of QWL as a systematic approach including autonomous work groups, job enrichment and active-involvement with a focus on improving the satisfaction and productivity of employees. It requires employee commitment to the organization and an environment in which this commitment can flourish. Thus, QWL is a holistic approach that includes an individual's job related wellbeing and the extent to which he is satisfied with the rewards, fulfillment at job and enjoys the absence of stress and other negative personal consequences. The following factors are the basic determinants and parameters of QWL.

Sl. No	Criteria	Indicators of QWL
1	Fair and Appropriate Compensation	Internal and external fairness. Justice in the compensation. Allotment of productivity profits. Proportionality between wages.
2	Work Conditions	Reasonable hours of working. Safe and healthy physical environment.
3	Use and development of capacities	Autonomy. Relative self control. Multiple qualities. Information on the total process.
4	Chance of growth and security	Possibility of career. Personal growth. Perspective of wage advance. Job security.
5	Social integration in the organization	Absence of prejudice. Equality. Mobility. Relationship. Communication sense.
6	Constitutionalism	Rights of protection to the worker. Personal privacy. Labor laws. Freedom of expression. Impartial treatment.
7	Work and the total space of life	Stability of schedules. Few geographic changes. Time for leisure of the family.
8	Social relevance of the work in the life	Image of the company. Social responsibility of the company. Responsibility for the products. Job practices.

Improving the quality of work life can only be done after acceptance of the following:

a) Most individuals have drive towards personal growth and development. However, the work habits are response to work environment rather than personality traits. Accordingly, efforts to change work habits should be directed towards changing how the person is treated rather than towards attempting to change the person.

b) Highest productivity can be achieved when the individuals' goals are integrated with organizational goals. Also with such integration, the quality of the product is highly improved.

c) Cooperation is more effective than competition. Conflict and competition tend to erode trust, prohibit collaboration and eventually limit the effectiveness of the organization. In healthy organizations, efforts are made at all levels to treat conflict as a problem subject to problem solving methods.

d) The suppression of feelings adversely affects problem solving, personal growth and satisfaction with one's work. Accordingly, free expression of feelings is an important ingredient for commitment to work.

e) The growth of individual members is facilitated by relationships, which are open, supportive and trusting. Accordingly, the level of interpersonal trust, support and cooperation should be as high as possible.

f) The difference between commitment and agreement must be fully understood. Agreeing to do something is totally different from being committed to do something. Sense of commitment makes it easy to accept change and the implementation of changes for the purpose of organizational development is even easier when such a commitment is based upon participation in the process.

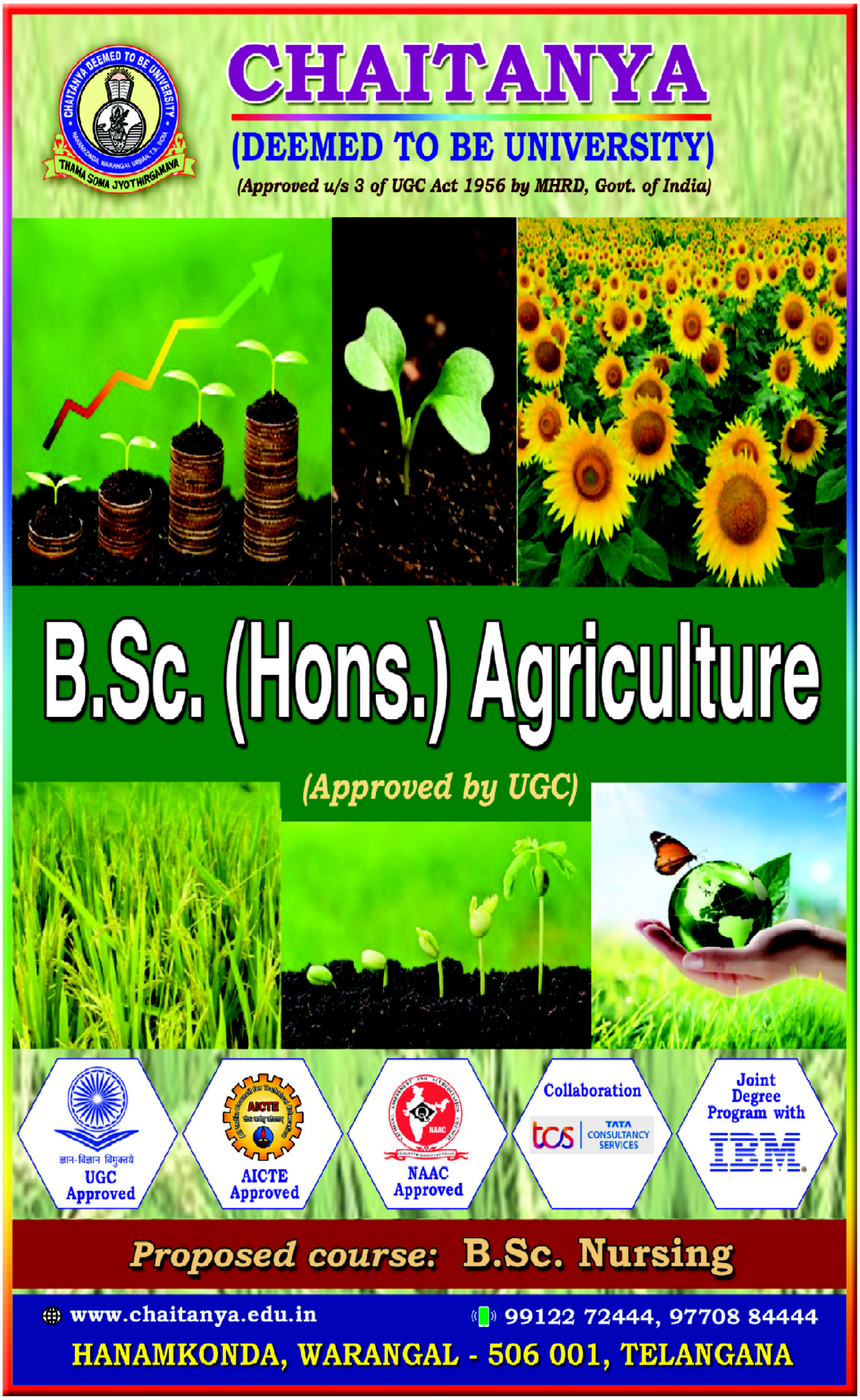
g) If QWL is to succeed, it must be reinforced by the organization's total human resources system.

Conclusion

Quality of Work Life (QWL) is a comprehensive construct that includes an individual's job related wellbeing and the extent to which work experiences are rewarding, fulfilling and devoid of stress and other negative person-al consequences. The QWL has been increasing several factors. In this context, for improving the QWL different groups have been taken responsibility such as employers, workers, professional organisations, government, and managers. Therefore, quality circles, management by objectives, suggestion system and other forms of employees' participation in management help to improve QWL in the industry circles.

References

1. Arthur, M. & Cook, A. (2004), "Taking stock of work-family initiatives: How announcements of "family friendly" human resource decisions affect shareholder value", *Industrial Relations Review,* 57 (4), 599-613.
2. Amato, P. R., D. R. Johnson, A. Booth, and S. J. Rogers. (2003) "Continuity and change in marital quality between 1980 and 2000", *Journal of Marriage and Family* 65 (1): 1-11.
3. Atkinson, J., and N. Meager. (1986) "Changing working patterns: How companies achieve flexibility to meet new needs". London: Institute of Manpower Studies; National Economic Development Office.
4. Bhagwagar, H. (2009) "Need for workplace counselling in India". Http://prod.bolohealth.com/healthzones/21-total-health/article/165-needfor-workplace-counseling-in-india.
5. Elizabeth W., Calvin W., & Janice R (2008)."Women and work-life balance: is home-based business ownership the solution?", Equal Opportunities International, 27 (3), 258-275.
6. Farid A. Muna & Ned Mansour, (2009). Balancing work and personal life: the leader as acrobat. *Journal of Management Development,* 28(2), 121-133.
7. Lewis, S., Watts, A., & Camp, C. (1996). Midland Bank's experience, In S. Lewis and J. Lewis (Eds.) The Work-Family Challenge. Rethinking Employment. London: Sage.
8. Perry-Smith, J. E. & Blum, T.C. (2000). RESEARCH NOTES - Work-Family Human Resource Bundles and Perceived Organizational Performance. *Academy of Management Journal,* 43(6), 11.
9. Ramachandra Aryasri, A., & Suman Babu, S. (2007). Work-Life Balance- A holistic Approach. Siddhant - *A Journal of Decision Making,* 7 (1), 1-11.
10. Raabe, P.H. (1990), "The organizational effects of workplace family policies", *Journal of Family Issues*, 11, 477-486.
11. Sindhu & Suman Babu, S. (2008). Achieving Work-Life Balance-Women Perspective. Indian Journal of Training and Development, 38(1), 79-86.
12. Watson Wyatt Worldwide., "Human Capital Index: Human capital as a leader of shareholder value, 2001/2002 Survey Report", 2002, Watson Wyatt Worldwide: Washington. DC. www.watsonwyatt.com


CHAITANYA
(DEEMED TO BE UNIVERSITY)
(Approved u/s 3 of UGC Act 1956 by MHRD, Govt. of India)
THAMA SOMA JYOTHIRGAMAYA
B.Sc. (Hons.) Agriculture
(Approved by UGC)
UGC Approved
AICTE Approved
NAAC Approved
Collaboration
TATA CONSULTANCY SERVICES
Joint Degree Program with
IBM
Proposed course: B.Sc. Nursing
www.chaitanya.edu.in
99122 72444, 97708 84444
HANAMKONDA, WARANGAL - 506 001, TELANGANA