

AJMR

ISSN (Online) : 2278 - 4853

Asian Journal of Multidimensional Research



Published by :
www.tarj.in

AJMR

ISSN (online) : 2278-4853

Editor-in-Chief : Dr. Esha Jain

Impact Factor : SJIF 2021 = 7.699
Frequency : Monthly
Country : India
Language : English
Start Year : 2012

Published by : www.tarj.inIndexed/ Listed at : Ulrich's Periodicals
Directory, ProQuest, U.S.A.E-mail id: tarjjournals@gmail.com**VISION**

The vision of the journals is to provide an academic platform to scholars all over the world to publish their novel, original, empirical and high quality research work. It propose to encourage research relating to latest trends and practices in international business, finance, banking, service marketing, human resource management, corporate governance, social responsibility and emerging paradigms in allied areas of management. It intends to reach the researcher's with plethora of knowledge to generate a pool of research content and propose problem solving models to address the current and emerging issues at the national and international level. Further, it aims to share and disseminate the empirical research findings with academia, industry, policy makers, and consultants with an approach to incorporate the research recommendations for the benefit of one and all.

SR. NO .	PARTICULAR		PAGE NO.
1	INTELLECTUAL PROPERTY RIGHTS – AN UNDERSTANDING Nitish Khurana	[PDF]	1-16
2	SATISFACTION AFTER JOB! Srishti Gupta	[PDF]	17-19
3	CUSTOMER ATTITUDE TOWARDS MOBILE ADVERTISING – AN EMPIRICAL STUDY N S Padmanabhan, Dr. Byram Anand	[PDF]	20-29
4	ROLE OF NDCC BANK IN MICROFINANCE DEVELOPMENT THROUGH SELF-HELP GROUPS - A CREDIT PROVISION APPROACH Dhake Saroj P., Dr. Narkhede Sameer	[PDF]	30-51
5	CHALLENGES FACED BY AN ORGANIZATION TO RETAIN & MOTIVATE KEY STAFF Esha, Rahul Kumar	[PDF]	52-60
6	AN ANALYSIS OF ABUSE OF DOMINANT POSITION UNDER CCI ACT. 2002: A SIGMA OF CASES SO FAR Prof. Dr. Ravinder Vinayek, Ms. Kanika Mehendiratta	[PDF]	61-82



INTELLECTUAL PROPERTY RIGHTS - AN UNDERSTANDING

Nitish Khurana*

*Assistant Professor,
Department of Economics,
D.A.V. College,
Chandigarh, India.

ABSTRACT

Intellectual property Right (IPR) is a term used for various legal entitlements which attach to certain types of information, ideas, or other intangibles in their expressed form. The holder of this legal entitlement is generally entitled to exercise various exclusive rights in relation to the subject matter of the Intellectual Property. The term intellectual property reflects the idea that this subject matter is the product of the mind or the intellect, and that Intellectual Property rights may be protected at law in the same way as any other form of property. Intellectual property laws vary from jurisdiction to jurisdiction, such that the acquisition, registration or enforcement of IP rights must be pursued or obtained separately in each territory of interest.

INTRODUCTION

Intellectual property Right (IPR) is a term used for various legal entitlements which attach to certain types of information, ideas, or other intangibles in their expressed form. The holder of this legal entitlement is generally entitled to exercise various exclusive rights in relation to the subject matter of the Intellectual Property. The term intellectual property reflects the idea that this subject matter is the product of the mind or the intellect, and that Intellectual Property rights may be protected at law in the same way as any other form of property. Intellectual property laws vary from jurisdiction to jurisdiction, such that the acquisition, registration or enforcement of IP rights must be pursued or obtained separately in each territory of interest.

Intellectual property rights (IPR) can be defined as the rights given to people over the creation of their minds. They usually give the creator an exclusive right over the use of his/her creations for a certain period of time.

INTELLECTUAL PROPERTY

Intellectual property is an intangible creation of the human mind, usually expressed or translated into a tangible form that is assigned certain rights of property. Examples of intellectual property include an author's copyright on a book or article, a distinctive logo design representing a soft drink company and its products, unique design elements of a web site, or a patent on the process to manufacture chewing gum.

Intellectual property is divided into two categories:

Industrial Property includes patents for inventions, trademarks, industrial designs and geographical indications.

Copyright covers literary works (such as novels, poems and plays), films, music, artistic works (e.g., drawings, paintings, photographs and sculptures) and architectural design. Rights related to copyright include those of performing artists in their performances, producers of phonograms in their recordings, and broadcasters in their radio and television programs

INTELLECTUAL PROPERTY RIGHTS

Intellectual property rights are like any other property right. They allow creators, or owners, of patents, trademarks or copyrighted works to benefit from their own work or investment in a creation. These rights are outlined in Article 27 of the Universal Declaration of Human Rights, which provides for the right to benefit from the protection of moral and material interests resulting from authorship of scientific, literary or artistic productions.

The importance of intellectual property was first recognised in the Paris Convention for the Protection of Industrial Property (1883) and the Berne Convention for the Protection of Literary and Artistic Works (1886). Both treaties are administered by the World Intellectual Property Organisation (WIPO).

BENEFIT OF AN AVERAGE PERSON

Intellectual property rights reward creativity and human endeavour, which fuel the progress of humankind. Some examples: The multibillion dollar film, recording, publishing and software industries – which bring pleasure to millions of people worldwide – would not exist without copyright protection.

Without the rewards provided by the patent system, researchers and inventors would have little incentive to continue producing better and more efficient products for consumers.

Consumers would have no means to confidently buy products or services without reliable, international trademark protection and enforcement mechanisms to discourage counterfeiting and piracy.

RIGHTS PROTECTED UNDER INTELLECTUAL PROPERTY

The different types of Intellectual Property Rights are:

- i. Patents
- ii. Trademarks
- iii. Industrial designs
- iv. Geographical indications of goods

v. Copyrights and related rights

PATENT

A patent is an exclusive right granted for an invention – a product or process that provides a new way of doing something, or that offers a new technical solution to a problem.

A patent provides patent owners with protection for their inventions. Protection is granted for a limited period, generally 20 years.

NEED FOR PATENTS

Patents provide incentives to individuals by recognising their creativity and offering the possibility of material reward for their marketable inventions. These incentives encourage innovation, which in turn enhances the quality of human life.

KIND OF PROTECTION PATENTS OFFER

Patent protection means an invention cannot be commercially made, used, distributed or sold without the patent owner's consent. Patent rights are usually enforced in courts that, in most systems, hold the authority to stop patent infringement. Conversely, a court can also declare a patent invalid upon a successful challenge by a third party.

GRANTING OF PATENTS

The first step in securing a patent is to file a patent application. The application generally contains the title of the invention, as well as an indication of its technical field. It must include the background and a description of the invention, in clear language and enough detail that an individual with an average understanding of the field could use or reproduce the invention. Such descriptions are usually accompanied by visual materials – drawings, plans or diagrams – that describe the invention in greater detail. The application also contains various “claims”, that is, information to help determine the extent of protection to be granted by the patent.

PATENTABLE INVENTION

A new product or process, involving an inventive step and capable of being made or used in an industry. It means the invention to be patentable should be technical in nature and should meet the following criteria:

- **NOVELTY:** The matter disclosed in the specification is not published in India or elsewhere before the date of filing of the patent application in India.
- **INVENTIVE STEP:** The invention is not obvious to a person skilled in the art in the light of the prior publication/knowledge/ document.
- **INDUSTRIALLY APPLICABLE:** Invention should possess utility, so that it can be made or used in an industry.

GRANTING OF PATENTS

Patents are granted by national patent offices or by regional offices that carry out examination work for a group of countries – for example, the European Patent Office (EPO) and the African Intellectual Property Organisation (OAPI). Under such regional systems, an applicant requests protection for an invention in one or more countries, and each country decides whether to offer

patent protection within its borders. The WIPO-administered Patent Cooperation Treaty (PCT) provides for the filing of a single international patent application that has the same effect as national applications filed in the designated countries. An applicant seeking protection may file one application and request protection in as many signatory states as needed.

TRADEMARK

A trademark is a distinctive sign that identifies certain goods or services produced or provided by an individual or a company. Its origin dates back to ancient times when craftsmen reproduced their signatures, or “marks”, on their artistic works or products of a functional or practical nature. Over the years, these marks have evolved into today’s system of trademark registration and protection. The system helps consumers to identify and purchase a product or service based on whether its specific characteristics and quality – as indicated by its unique trademark – meet their needs.

- Trademark protection ensures that the owners of marks have the exclusive right to use them to identify goods or services, or to authorise others to use them in return for payment. The period of protection varies, but a trademark can be renewed indefinitely upon payment of the corresponding fees. Trademark protection is legally enforced by courts that, in most systems, have the authority to stop trademark infringement.
- In a larger sense, trademarks promote initiative and enterprise worldwide by rewarding their owners with recognition and financial profit. Trademark protection also hinders the efforts of unfair competitors, such as counterfeiters, to use similar distinctive signs to market inferior or different products or services. The system enables people with skill and enterprise to produce and market goods and services in the fairest possible conditions, thereby facilitating international trade.

KINDS OF TRADEMARKS CAN BE REGISTERED

- Trademarks may be one or a combination of words, letters and numerals. They may consist of drawings, symbols or three- dimensional signs, such as the shape and packaging of goods.
 - In some countries, non-traditional marks may be registered for distinguishing features such as holograms, motion, colour and non-visible signs (sound, smell or taste).
 - In addition to identifying the commercial source of goods or services, several other trademark categories also exist. Collective marks are owned by an association whose members use them to indicate products with a certain level of quality and who agree to adhere to specific requirements set by the association. Such associations might represent, for example, accountants, engineers or architects. Certification marks are given for compliance with defined standards but are not confined to any membership.

They may be granted to anyone who can certify that their products meet certain established standards. Some examples of recognized certification are the internationally accepted “ISO 9000” quality standards and Eco labels for products with reduced environmental impact.

REGISTRATION OF TRADEMARK

First, an application for registration of a trademark must be filed with the appropriate national or regional trademark office. The application must contain a clear reproduction of the sign filed for registration, including any colours, forms or three-dimensional features. It must also contain a list of the goods or services to which the sign would apply. The sign must fulfil certain conditions in order to be protected as a trademark or other type of mark. It must be distinctive, so that consumers can distinguish it from trademarks identifying other products, as well as identify a particular product with it. It must neither mislead nor deceive customers nor violate public order or morality.

Finally, the rights applied for cannot be the same as, or similar to, rights already granted to another trademark owner. This may be determined through search and examination by national offices, or by the opposition of third parties who claim to have similar or identical rights.

INDUSTRIAL DESIGN

An industrial design refers to the ornamental or aesthetic aspects of an article. A design may consist of three-dimensional features, such as the shape or surface of an article, or two-dimensional features, such as patterns, lines or colour.

Industrial designs are applied to a wide variety of industrial products and handicrafts: from technical and medical instruments to watches, jewellery and other luxury items; from house wares and electrical appliances to vehicles and architectural structures; from textile designs to leisure goods.

To be protected under most national laws, an industrial design must be new or original and non-functional. This means that an industrial design is primarily of an aesthetic nature, and any technical features of the article to which it is applied are not protected by the design registration. However, those features could be protected by a patent.

NEED FOR PROTECTION OF INDUSTRIAL DESIGNS

Industrial designs are what make an article attractive and appealing; hence, they add to the commercial value of a product and increase its marketability.

When an industrial design is protected, the owner – the person or entity that has registered the design – is assured an exclusive right and protection against unauthorised copying or imitation of the design by third parties.

This helps to ensure a fair return on investment. An effective system of protection also benefits consumers and the public at large, by promoting fair competition and honest trade practices, encouraging creativity and promoting more aesthetically pleasing products.

Protecting industrial designs helps to promote economic development by encouraging creativity in the industrial and manufacturing sectors, as well as in traditional arts and crafts. Designs contribute to the expansion of commercial activity and the export of national products.

Industrial designs can be relatively simple and inexpensive to develop and protect. They are reasonably accessible to small and medium-sized enterprises as well as to individual artists and crafts-makers, in both developed and developing countries.

PROTECTION OF INDUSTRIAL DESIGNS

In most countries, an industrial design must be registered in order to be protected under industrial design law. As a rule, to be registrable, the design must be “new” or “original”. Countries have varying definitions of such terms, as well as variations in the registration process itself. Generally, “new” means that no identical or very similar design is known to have previously existed. Once a design is registered, a registration certificate is issued. Following that, the term of protection granted is generally five years, with the possibility of further renewal, in most cases for a period of up to 15 years.

Hardly any other subject matter within the realm of intellectual property is as difficult to categorise as industrial designs. And this has significant implications for the means and terms of its protection. Depending on the particular national law and the kind of design, an industrial design may also be protected as a work of applied art under copyright law, with a much longer term of protection than the standard 10 or 15 years under registered design law. In some countries, industrial design and copyright protection can exist concurrently. In other countries, they are mutually exclusive: once owners choose one kind of protection, they can no longer invoke the other.

Under certain circumstances an industrial design may also be protectable under unfair competition law, although the conditions of protection and the rights and remedies available can differ significantly.

INDUSTRIAL DESIGN PROTECTION

Generally, industrial design protection is limited to the country in which protection is granted. The Hague Agreement Concerning the International Registration of Industrial Designs, a WIPO-administered treaty, offers a procedure for international registration of designs. Applicants can file a single international application either with WIPO or the national or regional office of a country party to the treaty. The design will then be protected in as many member countries of the treaty as the applicant designates.

GEOGRAPHICAL INDICATION

A geographical indication is a sign used on goods that have a specific geographical origin and possess qualities or a reputation due to that place of origin. Most commonly, a geographical indication consists of the name of the place of origin of the goods. Agricultural products typically have qualities that derive from their place of production and are influenced by specific local geographical factors, such as climate and soil. Whether a sign functions as a geographical indication is a matter of national law and consumer perception. Geographical indications may be used for a wide variety of agricultural products, such as, for example, “Tuscany” for olive oil produced in a specific area of Italy, or “Roquefort” for cheese produced in that region of France.

The use of geographical indications is not limited to agricultural products. They may also highlight specific qualities of a product that are due to human factors found in the product’s place of origin, such as specific manufacturing skills and traditions. The place of origin may be a village or town, a region or a country. An example of the latter is “Switzerland” or “Swiss”, perceived as a geographical indication in many countries for products made in Switzerland and, in particular, for watches.

APPELLATION OF ORIGIN

An appellation of origin is a special kind of geographical indication used on products that have a specific quality exclusively or essentially due to the geographical environment in which the products are produced. The term geographical indication encompasses appellations of origin. Examples of appellations of origin that are protected in states party to the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration are “Bordeaux” for wine produced in the Bordeaux region of France, “Prosciutto di Parma” – or Parma ham – for ham produced in the Parma province of Italy or “Habana” for tobacco grown in the Havana region of Cuba.

NEED FOR PROTECTION OF GEOGRAPHICAL INDICATIONS

Geographical indications are understood by consumers to denote the origin and quality of products. Many of them have acquired valuable reputations which, if not adequately protected, may be misrepresented by commercial operators. False use of geographical indications by unauthorised parties, for example “Darjeeling” for tea that was not grown in the tea gardens of Darjeeling, is detrimental to consumers and legitimate producers. The former are deceived into believing they are buying a genuine product with specific qualities and characteristics, and the latter are deprived of valuable business and suffer damage to the established reputation of their products.

DIFFERENCE BETWEEN A GEOGRAPHICAL INDICATION AND A TRADEMARK

A trademark is a sign used by a company to distinguish its goods and services from those produced by others. It gives its owner the right to prevent others from using the trademark. A geographical indication guarantees to consumers that a product was produced in a certain place and has certain characteristics that are due to that place of production. It may be used by all producers who make products that share certain qualities in the place designated by a geographical indication

“GENERIC” GEOGRAPHICAL INDICATION

If the name of a place is used to designate a particular type of product, rather than to indicate its place of origin, the term no longer functions as a geographical indication. For example, “Dijon mustard”, a kind of mustard that originated many years ago in the French town of Dijon, has, over time, come to denote mustard of that kind made in many places. Hence, “Dijon mustard” is now a generic indication and refers to a type of product, rather than a place.

PROTECTION OF GEOGRAPHICAL INDICATIONS

Geographical indications are protected in accordance with national laws and under a wide range of concepts, such as laws against unfair competition, consumer protection laws, laws for the protection of certification marks or special laws for the protection of geographical indications or appellations of origin. In essence, unauthorized parties may not use geographical indications if such use is likely to mislead the public as to the true origin of the product. Applicable sanctions range from court injunctions preventing unauthorised use to the payment of damages and fines or, in serious cases, imprisonment.

WIPO’S ROLE IN THE PROTECTION OF GEOGRAPHICAL INDICATIONS

WIPO administers a number of international agreements that deal partly or entirely with the protection of geographical indications (in particular, the Paris Convention and the Lisbon

Agreement). WIPO meetings offer Member States and other interested parties the opportunity to explore new ways of enhancing the international protection of geographical indications.

COPYRIGHT AND RELATED RIGHTS

Copyright laws grant authors, artists and other creators protection for their literary and artistic creations, generally referred to as “works”. A closely associated field is “related rights” or rights related to copyright that encompass rights similar or identical to those of copyright, although sometimes more limited and of shorter duration. The beneficiaries of related rights are: performers (such as actors and musicians) in their performances; producers of phonograms (for example, compact discs) in their sound recordings; and broadcasting organisations in their radio and television programs.

Works covered by copyright include, but are not limited to: novels, poems, plays, reference works, newspapers, advertisements, computer programs, databases, films, musical compositions, choreography, paintings, drawings, photographs, sculpture, architecture, maps and technical drawings.

RIGHTS THAT COPYRIGHT AND RELATED RIGHTS PROVIDE

The creators of works protected by copyright, and their heirs and successors (generally referred to as “right holders”), have certain basic rights under copyright law. They hold the exclusive right to use or authorise others to use the work on agreed terms. The right holder(s) of a work can authorise or prohibit:

- Its reproduction in all forms, including print form and sound recording
- Its public performance and communication to the public; its broadcasting
- Its translation into other languages
- Its adaptation, such as from a novel to a screenplay for a film

Similar rights of, among others, fixation (recording) and reproduction are granted under related rights.

Many types of works protected under the laws of copyright and related rights require mass distribution, communication and financial investment for their successful dissemination (for example, publications, sound recordings and films). Hence, creators often transfer these rights to companies better able to develop and market the works, in return for compensation in the form of payments and/or royalties (compensation based on a percentage of revenues generated by the work).

The economic rights relating to copyright are of limited duration – as provided for in the relevant WIPO treaties – beginning with the creation and fixation of the work, and lasting for not less than 50 years after the creator’s death. National laws may establish longer terms of protection. This term of protection enables both creators and their heirs and successors to benefit financially for a reasonable period of time. Related rights enjoy shorter terms, normally 50 years after the performance, recording or broadcast has taken place. Copyright and the protection of performers

also include moral rights, meaning the right to claim authorship of a work, and the right to oppose changes to the work that could harm the creator's reputation.

Rights provided for under copyright and related rights laws can be enforced by right holders through a variety of methods and fora, including civil action suits, administrative remedies and criminal prosecution. Injunctions, orders requiring destruction of infringing items, inspection orders, among others, are used to enforce these rights.

BENEFITS OF PROTECTING COPYRIGHT AND RELATED RIGHTS

Copyright and related rights protection is an essential component in fostering human creativity and innovation. Giving authors, artists and creators incentives in the form of recognition and fair economic reward increases their activity and output and can also enhance the results. By ensuring the existence and enforceability of rights, individuals and companies can more easily invest in the creation, development and global dissemination of their works.

This, in turn, helps to increase access to and enhance the enjoyment of culture, knowledge and entertainment the world over, and also stimulates economic and social development.

How have copyright and related rights kept up with advances in technology?

The field of copyright and related rights has expanded enormously during the last several decades with the spectacular progress of technological development that has, in turn, yielded new ways of disseminating creations by such forms of communication as satellite broadcasting, compact discs and DVDs. Widespread dissemination of works via the Internet raises difficult questions concerning copyright and related rights in this global medium. WIPO is fully involved in the ongoing international debate to shape new standards for copyright protection in cyberspace. In that regard, the Organisation administers the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT), known as the "Internet Treaties". These treaties clarify international norms aimed at preventing unauthorised access to and use of creative works on the Internet.

REGULATION OF COPYRIGHT AND RELATED RIGHTS

Copyright and related rights protection is obtained automatically without the need for registration or other formalities. However, many countries provide for a national system of optional registration and deposit of works. These systems facilitate, for example, questions involving disputes over ownership or creation, financial transactions, sales, assignments and transfer of rights.

Many authors and performers do not have the ability or means to pursue the legal and administrative enforcement of their copyright and related rights, especially given the increasingly global use of literary, music and performance rights. As a result, the establishment and enhancement of collective management organisations (CMOs), or "societies", is a growing and necessary trend in many countries. These societies can provide their members with efficient administrative support and legal expertise in, for example, collecting, managing and disbursing royalties gained from the national and international use of a work or performance. Certain rights of producers of sound recordings and broadcasting organisations are sometimes managed collectively as well.

COMMERCIALISATION OF INTELLECTUAL PROPERTY RIGHTS (IPR)

Commercialisation of Intellectual Property Rights by Licensing.

- Intellectual property may be commercialised by sale or assignment, or by entering into various types of contractual business relationships such as licensing.
- The business vehicle by which this is done may be by way of partnership, joint venture or spin-off company.
- IPRs play a crucial role as the legal vehicle through which either the transfer of knowledge or the contractual relationship is effected.
- Alternatively, knowledge may be exploited in-house, in which case the role of IPRs is to block imitating competition.
- Commercialisation can be defined as the process of turning an invention or creation into a commercially viable product, service or process.
- Commercialisation may require additional R&D, product developments, clinical trials or development of techniques to scale-up production prior to taking the results of research to market.
- This is important because not all inventors or creators wish or have the resources, skills and appetite for risk to commercialize their own inventions or creations.
- Public research organisations (PROs) usually fall into this category
- An intellectual property valuation is an essential part of using intellectual assets internally and in making intellectual property transactions.
 - It is relevant whenever an organisation is “licensing in” technology in order to commence a new research project, or “licensing out” or assigning (selling) the technology to as part of its strategy for commercialisation, or using the intellectual property as collateral for a loan, or securitising the intellectual property, or raising finance on the capital market (e.g. by means of a bond issue), or donating the intellectual property to write-off taxation, or in a worst case scenario, in cases of bankruptcy or infringement litigation accounting for a loss of revenue.
 - The “paradox of valuation” is that while most organisations are aware of the potential value of their intangible property they invariably neglect to determine its value with any accuracy.
 - Patent protection can only contribute to a successful transaction if the intellectual property is valued with an eye to the market, at a realistic price.
 - Both public and private investors in R&D stand to gain from more systematic valuation of intangible capital.

CONCEPT OF IP VALUATION

- As a separate asset, IP must be attributed a value. An intellectual property valuation may be made for various purposes, each of which is reflected in the four major concepts of valuation:

- **REPLACEMENT COST:** The value of the IP to the owner frequently determines the price in negotiated transactions as indicated by the owner's view of its replacement cost.
- **MARKET VALUE:** The basis of market value is the assumption that if comparable property has fetched a certain price, then the subject property will realise a price something near to it.
- **FAIR VALUE CONCEPT:** This is, in essence, the desire to be equitable to both parties. It recognises that the transaction is not in the open market and that vendor and purchaser have been brought together in a legally binding manner

METHODS OF VALUATION

- **MARKET-BASED:** the market-based value uses other recent similar market transactions as a reference to obtain the comparable market value of the intellectual property. The basis of the market value is the assumption that if comparable property has fetched a certain price, then the subject property will realize a price something near to it.
- **COST-BASED:** The cost-based methodology attempts to determine the value of the IP by means of determining the actual historical cost of generating the intellectual property or its replacement cost. In the latter case valuation is determined by what it would cost to substitute or "design around" the intellectual property protection.
- **INCOME-BASED:** The value of IP, particularly a patent, depends on the predicted future cash flow to be derived through the exploitation of that patent. This, therefore, entails the determination of the cost or value contributed by the intellectual property and is often assessed by determining the volume of the product sold and the margin on that product to obtain the total profit made.

WORLD INTELLECTUAL PROPERTY ORGANIZATION

Established in 1970, the World Intellectual Property Organization (WIPO) is an international organization dedicated to helping ensure that the rights of creators and owners of intellectual property are protected worldwide, and that inventors and authors are therefore recognized and rewarded for their ingenuity.

This international protection acts as a spur to human creativity, pushing back the limits of science and technology and enriching the world of literature and the arts. By providing a stable environment for marketing products protected by intellectual property, it also oils the wheels of international trade. WIPO works closely with its Member States and other constituents to ensure the intellectual property system remains a supple and adaptable tool for prosperity and well-being, crafted to help realize the full potential of created works for present and future generations.

WIPO PROMOTE THE PROTECTION OF INTELLECTUAL PROPERTY

As part of the United Nations system of specialized agencies, WIPO serves as a forum for its Member States to establish and harmonize rules and practices for the protection of intellectual property rights. WIPO also services global registration systems for trademarks, industrial designs and appellations of origin, and a global filing system for patents. These systems are under regular review by WIPO's Member States and other stakeholders to determine how they can be improved to better serve the needs of users and potential users.

Many industrialized nations have intellectual property protection systems that are centuries old. Among newer or developing countries, however, many are in the process of building up their patent, trademark and copyright legal frameworks and intellectual property systems. With the increasing globalization of trade and rapid changes in technological innovation, WIPO plays a key role in helping these systems to evolve through treaty negotiation; legal and technical assistance; and training in various forms, including in the area of enforcement.

WIPO works with its Member States to make available information on intellectual property and outreach tools for a range of audiences – from the grassroots level through to the business sector and policymakers – to ensure its benefits are well recognized, properly understood and accessible to all.

WIPO's GOALS

1. A balanced evolution of the international normative framework for IP
2. Provision of premier global IP services.
3. Facilitating the use of IP for development
4. Coordination and development of global IP infrastructure
5. World reference source for IP information and analysis
6. International cooperation on building respect for IP
7. Addressing IP in relation to global policy issues
8. A responsive communications interface between WIPO, its Member States and all stakeholders
9. An efficient administrative and financial support structure to enable WIPO to deliver its programs.

FUNDS

WIPO is a largely self-financed organization, generating more than 90 percent of its annual budget through its widely used international registration and filing systems, as well as through its publications and arbitration and mediation services. The remaining funds come from contributions by Member States.

IMPORTANCE OF IP

Intellectual property (IP) contributes enormously to our national and state economies. Dozens of industries across our economy rely on the adequate enforcement of their patents, trademarks, and copyrights, while consumers use IP to ensure they are purchasing safe, guaranteed products. We believe IP rights are worth protecting, both domestically and abroad. This is why:

Intellectual Property Creates and Supports High-Paying Jobs.

IP-intensive industries employ over hundreds of millions of people worldwide.

Jobs in IP-intensive industries are expected to grow faster over the next decade than the national average.

The average worker in an IP-intensive industry earned about 30% more than his counterpart in a non-IP industry.

Intellectual Property Drives Economic Growth and Competitiveness.

Strong and Enforced Intellectual Property Rights Protect Consumers and Families.

Strong IP rights help consumers make an educated choice about the safety, reliability, and effectiveness of their purchases.

Enforced IP rights ensure products are authentic, and of the high-quality that consumers recognise and expect.

IP rights foster the confidence and ease of mind that consumers demand and markets rely on.

INTELLECTUAL PROPERTY HELPS GENERATE BREAKTHROUGH SOLUTIONS TO GLOBAL CHALLENGES

Nearly all of the hundreds of products on the World Health Organisation's Essential Drug List, which are critical to saving or improving people's lives around the globe, came from the R&D-intensive pharmaceutical industry that depends on patent protections.

Innovative agricultural companies are creating new products to help farmers produce more and better products for the world's hungry while reducing the environmental impact of agriculture.

IP-driven discoveries in alternative energy and green technologies will help improve energy security and address climate change.

INTELLECTUAL PROPERTY RIGHTS ENCOURAGE INNOVATION AND REWARD ENTREPRENEURS

Risk and occasional failure are the lifeblood of the innovation economy. IP rights incentivise entrepreneurs to keep pushing for new advances in the face of adversity.

IP rights facilitate the free flow of information by sharing the protected know-how critical to the original, patented invention. In turn, this process leads to new innovations and improvements on existing ones.

Bringing all of these important and diverse points together is the fact that protecting IP is a non-partisan issue that is shared by a broad coalition of interests. These rights are embraced by all sectors of industry—small, medium and large companies alike—and by labor organizations, consumer groups, and other trade associations we bring together.

CONCLUSION

Intellectual property protection is critical to fostering innovation. Without protection of ideas, businesses and individuals would not reap the full benefits of their inventions and would focus less on research and development. Similarly, artists would not be fully compensated for their creations and cultural vitality would suffer as a result.

Protection in the modern economy involves the strategic management and mitigation of IP risks.

Firms of all sizes and purpose are motivated by similar goals in the creation of such programs:

- To identify what constitutes a risk sensitive intangible asset;
- To address new and emerging threats to IP;
- To properly allocate available risk resources given limited funds; and

- To achieve compliance within the legal and regulatory environment in which they operate.

While such measures can prove challenging, the realities of the contemporary business environment require a robust valuation and risk mitigation effort to realise the upside potential of an organisation's intellectual property.

REFERENCES

- i. New York: WIPO Publication; 2001. Anonymous. WIPO intellectual property handbook. policy, law and use.
- ii. Gutterman AS, Anderson BJ. London: Kluwer Law International; 1997. Intellectual property in global markets: A guide for foreign lawyers and managers.
- iii. Eugui D V [2001]: Issues on the Relationship between E-Commerce and Intellectual Property Rights in the WTO: Implications for Developing Countries, TRADE Occasional Paper 5, South Centre, Geneva.
- iv. Taylor C T and Z A Silberston [1973]: The Economic Impact of the Patent System: A Study of the British Experience, Cambridge University Press, Cambridge
- v. ABRAMSON, B., 2007. India's journey towards an effective patent system. Policy Research Working Paper 4301, The World Bank.
- vi. MANSFIELD, E., 1986. Patents and Innovation: An Empirical Study. Management Science 32, no. 2: pp 173-81.
- vii. Lall, S. & Albaladejo, M. (2001) "Indicators of the Relative Importance of IPRs in Developing Countries", UNCTAD/ICTSD, Geneva. Source: <http://www.ictsd.org/unctad-ictsd/docs/Lall2001.pdf>.
- viii. Drahos, P. (2001) "Developing Countries and International Intellectual Property Standard-Setting", Commission on Intellectual Property Rights Background Paper 8, Commission on Intellectual Property
- ix. Rights, London. Source: <http://www.iprcommission.org>
- x. Diwan, I. and D. Rodrik. (1991). "Patents, appropriate technology, and North-South trade." Journal of International Economics, Vol. 30, pp. 27-47.
- xi. Maskus, K. E. (2000), Intellectual Property Rights in the Global Economy (Washington DC: Institute for International Economics).
- xii. Moschini, G.(2001). Patents and other intellectual property rights. Staff general research paper. Ames, Iowa, U.S.A.: Iowa State
- xiii. University
- xiv. Andersen B. Introduction. In: Intellectual property rights: innovation, governance and the institutional environment. 1st ed. Cheltenham: Edward Elgar Publishing, Ltd.; 2006. p 6.
- xv. www.wipo.int



PRIVATE CONSUMPTION DETERMINANTS

Srishti Gupta*

ABSTRACT

An attempt is made in this paper to find out whether people are happily working in their profession and what are the factors which are binding them to work. After conducting a primary survey on target population I found that driving factor behind continuing with profession is income irrespective of quality of work. People aren't much happy with their current profession as they aren't able to maintain work life balance and facing work place difficulties.

KEYWORDS: *Income, satisfaction, job, work life balance.*

INTRODUCTION

Job satisfaction has been defined as a pleasurable emotional state resulting from the appraisal of an individual's job and his attitude towards his job. Employee satisfaction relies on environment at work place, pays, promotions, rapport with co-workers, work life balance, facilities provided by company, brand name and many other factors. If a job is fulfilling most of the above features then employee feels he has got settled in perfect world for himself.

Job satisfaction is all about satisfying one's needs in working place (Togia et al., 2004). Bodur (2002) discussed some factors which are related to job satisfaction that is work substances, age, sex, educational level, work place environment, location, colleagues, income and timing of work. Even though organizations cannot directly impact employee personality, the use of sound selection methods and a good match between employees and jobs will ensure people are selected and placed into jobs most appropriate for them, which, in turn, will help enhance their job satisfaction. An emerging area of study is the interplay between job and life satisfaction. Researchers have speculated that there are three possible forms of the relationship between job satisfaction and life satisfaction: (a) spill over, when job experiences spill over into non-work life; (b) segmentation, when job and life experiences are separated; and (c) compensation, when one seeks to compensation for a dissatisfying job is done by seeking happiness in his non-work life and vice versa. In this paper we are going to focus upon all these factors.

RESEARCH METHODOLOGY

I used descriptive method of research in this paper where I checked the behaviour of the population I am studying on basis of hypotheses. Descriptive researches are the ones which focus more on current situations rather than making conclusions (Creswell, 1994). A survey is done on 100 people by asking them to fill a questionnaire in which focus was given on their satisfaction from current job, expectations from it. However there are limitations of sample size as it may or may not be able to match with population result as it is 100, which may be small. A random sampling method is used to avoid the issue of biasness.

Our underlying hypothesis in the survey was ‘whether people are doing their current job by force or by choice?’

RESULTS

Survey was conducted by asking people to fill a questionnaire. Out of 100 people surveyed 53% were female and the remaining percent were male. 70% of people targeted have highest degree as that of post-graduation and work in corporate sector while 24% have graduation. These two outcomes clearly shows that the data collected is unbiased in context of gender and the population is educated, qualified population. Out of 100 people 63 people have their annual income between 5-10 lakh while 20 people have annual income below 5 lakh.

When people were questioned on whether they could complete their daily task in less than the stipulated time period the answers we got gave us ambiguous results as it depends on the job one is doing. If the job involves front end work that is client interaction then it is not possible but if one is assigned a backend job of analysing or compiling data then it could be possible.

Only 67% are able to maintain work life balance while rest are having stretched weekends/weekdays. Out of 100 only 44 people believe that their efficiency skills are utilised in their job while rest feel the work is below their qualification. Amongst many factors, location and income level are the major reasons why people are still continuing with their current profession even when they are not much happy with it. While those people who are happy with their current profession rated income as secondary and gave first ranking to work and employee friendly facilities. So we can conclude that the binding factor for people to work irrespective of quality of work is high income. Also people who are unhappy aren't much bothered whether the team is good, they have work life balance, and environment is healthy as long as they are earning good income.

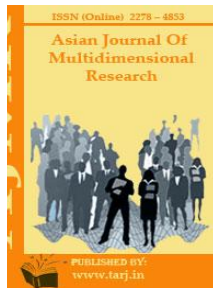
CONCLUSION

Even though people are not much satisfied with their job because of various reasons like work culture, facilities, work life imbalance and so on, people choose to continue to work in such working conditions because of high income they are getting. Even when they were given a choice between bad work - high income and good work- low income, most of them ended up choosing bad work- high income as income is the major determinant which influences their decision. However when the same question is asked to people who are happy with their job they ended up choosing good work-low income than former. This clearly shows that the ones who are happy with their job they are happier with the work they have compared to their earnings.

So we can say that the people who aren't happy with their work are doing it by force rather than by choice, while those who are happy with it are doing it completely by their choice.

REFERENCES

1. Togia, A., Koustelios, A. and Tsigilis, N. (2004), "Job satisfaction among Greek academic librarians", Library & Information Science Research, Vol. 26, pp. 373-83.
2. Bodur, S. (2002), "Job satisfaction of health care staff employed at health centers in Turkey", Occupational Medline, Vol. 52 No. 6, pp. 353-5.
3. Rizwan, Muhammad (2012), "Empirical study of Employee job Satisfaction".
4. Bontis, Nick (2001), "Assessing knowledge assets: a review of the models used to measure intellectual capital".
5. Surveymonkey.com website.



CUSTOMER ATTITUDE TOWARDS MOBILE ADVERTISING – AN EMPIRICAL STUDY

N S Padmanabhan*; Dr. Byram Anand**

*Assistant Professor,
Faculty of Management Studies,
Sree Narayana Guru Institute of Science & Technology,
Kerala, INDIA.

**Assistant Professor,
Department of Management,
School of Management,
Pondicherry University,
Tamil Nadu, India.

ABSTRACT

The technology revolution started in the last phases of the twentieth century is still continuing in an even faster pace. The transformation of consumer behavior have made the consumer of today unpredictable. Consumers now are blessed with a plethora of products with most modern technology. This over abundance of products has intensified the competition in the market. The traditional advertising which ruled the field of marketing is now clueless with regard to its effectiveness. The companies find it difficult to address to their targets due the increasing clutter in all the media. Marketing innovation and personalization has become need of the hour. The internet penetration in India has increased multifold, thanks to smartphone revolution. The surge in smartphone as well as the mobile usage in India has provided with a new opportunity for companies to communicate with the consumers. A vast majority of consumers possess at least a low end mobile phone. Companies ranging from manufacturing to services are leveraging this to attract and retain their customer base. Mobile marketing has now become an inevitable component in the IMC. Even though Mobile Advertising is in its infancy but it is fastly getting recognized as another tool in promotion mix of the companies. This paper tries to analyse the influence of entertainment, informativeness and credibility of advertising messages on customer attitude towards mobile advertising.

KEYWORDS: *Credibility, Entertainment, Informativeness, Mobile Advertising, Mobile Marketing.*

INTRODUCTION

Mobile based technologies and its use has become inevitable in most industrialized countries (Balasubramanian, Peterson and Jarvenpaa, 2002). According to Mobile Marketing Association (2007) the mobile phone is becoming a primary means of communication, not only for voice but also for digital services, such as email, digital photos, navigation, and other mobile services. The spurge in apps which helps in ease of life is very common today. In India the case is not different. The National Census Survey 2011 noted that the number of households owning a mobile phone in India is higher than households having toilets. This shows the extent of acceptance this technology has got. The high penetration of the mobile phones paved way to yet another alternative for the promotion of goods and services. With the emotional attachment to the mobile, the popularity of the SMS (Barwise and Strong, 2002; Gauzente, 2007), and other value added services makes this more accessible to all factions of population.

Globally the penetration of mobile phones have increased vastly. According to Portio Research the world wide mobile subscriber base is expected to reach nearly 6.5 billion by 2016. As per the same research India is expected to have an addition of around 53 billion subscribers by 2016 next only to China. During the same period i.e. by 2016 the smartphone shipments is expected to cross over 1 billion smartphone per year. Overall mobile handsets shipments is expected to reach 2.1 billion by 2016. The wide spread use of mobile communication as part of the changed consumer behaviour enables marketers to communicate in an entirely new form. Interactions between customer and advertiser has become increasingly rapid and easy (Pavlou and Stewart, 2000). The ease of connectivity of mobile phones with other traditional forms like audio, video, computing, telecommunications and television has made them effective media for consumer advertising. Mobile communications and its most successful application, short message service (SMS), now allows for the direct and two-way communication between an organisation and consumers (Dickinger, Haghirian, Murphy and Scharl, 2004). The customer acceptance of other value added services also throws open opportunity for a two way B2C communication. But the success of this medium depends upon the attitude of customers towards an ad and their intention to act upon receiving an ad message. The difficulty to analyze what exactly is the attitude of customers towards mobile advertising always hinder its effectiveness. In mobile advertising context, Tsang et al. (2004) found that entertainment, informativeness and credibility of advertisement message are the most significant factors affecting respondents' attitudes toward mobile advertising. Even though various researches have been undergone in this area all over the world, research in Indian context is considerably less in number. This paper analyzes the influence of these variables in customer attitude towards mobile advertising in Ernakulam.

MOBILE MARKETING

The American Marketing Association defined marketing as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (AMA, 2007). Mobile marketing can be defined in the context of mobile environment. Scharl et al., (2005) define mobile marketing as using a wireless medium to provide consumers with time- and location-sensitive, personalized information that promotes products, services and ideas, thereby benefiting all stakeholders.

Shortly, mobile marketing refers to marketing activities and programs performed via mobile phone in mobile commerce.

The definition of Mobile Marketing Association (MMA) is “Mobile Marketing is a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network” (MMA, 2009). Thus all the facets of marketing activities such as advertising, CRM, customer loyalty, customer services etc. that organizations follow come under the purview of mobile marketing. It also implies that the companies must be using this to “start relationships, acquire, generate activity, stimulate social interaction with organization and community members, [and] be present at time of consumers expressed need” (MMA, 2009). Thus M – Advertising serves a tool of M – marketing in order to communicate with the customers.

MOBILE ADVERTISING

Even though variety of definitions for the concept of m-advertising is available, no commonly accepted definition exists. Kotler (Kotler, 2003) defines advertising as “any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor” (p. 590). The usage of interactive wireless media (such as cellular phones to transmit advertising messages to consumers in form of time and location sensitive, personalized information with the overall goal to promote goods and services is normally defined as Advertising via mobile devices or mobile advertising.

M-advertising is considered as one of the most promising and profitable business opportunities amongst mobile computing applications. According to a mobile annual survey done by Chief marketer in 2013, around 40% percent of the companies surveyed globally are either using mobile ads or have plans in the future. Companies go for purchasing mobile display advertising was for the fact that target audience spent more time on mobile devices (66.7%), reaching users close to point of sale (34.4%) and also reaching the desirable audience (48.7%) (Chief Marketer 2013 Mobile Marketing Survey). Mobile devices typically known for privacy, enables precise targeting of advertising to a single person. Moreover, mobile users rarely leave their home without their device and use them frequently throughout the day. As a result a message sent to a mobile device commands the immediate attention of the mobile user and may be perceived as intrusive if the message is unanticipated. M-advertising is inexpensive and novel, and can be highly targeted towards a certain individual. The abundance of apps creates another opportunity for customer engagement through mobile ads. Given all these advantages it is always a challenge to marketers to ensure that the message catches attention of the target customer.

LITERATURE REVIEW

ATTITUDE

Attitude toward an ad is defined as “a learned predisposition to respond in a consistently favorable or unfavorable manner toward advertising in general” (MacKenzie and Lutz, 1989; p. 54). The general attitude of customers towards advertisements have changed from positive to negative which can be elicited from various research findings. This subject has been widely researched and reviewing this gives different dimensions on the attitude towards advertising as well as m – advertising.

ATTITUDE TOWARDS ADVERTISEMENTS IN GENERAL

Researchers, for several decades, have been investigating on customer attitude towards advertising (Zanot 1981, 1984). Zanot (1981, 1984) in his research paper has mentioned that first large – scale studies assessing public attitude towards advertising were conducted for publications such as Redbook and Sales Management. The Gallup Organisation, Inc. (1959) in the study conducted for Redbook, gathered data through personal interviews with a national, geographically stratified sample of over 1,600 adults. Gallup found that a majority of respondents liked advertising and that most of those respondents liked it because they felt it was informative. They also found that majority of them preferred advertised products over unadvertised products, although most also felt that advertising increased the cost of things they buy.

Bauer and Greyser (1968) in their assessment of public attitude towards advertising involving personal interviews with a large, national probability sample found that more people held favourable attitude towards advertising than unfavorable attitudes. It was also found that a majority of respondents felt advertising was essential. But these respondents also felt that advertisements were misleading and they resulted in higher prices. Consumer attitudes toward advertising in general have long been found to be negative. The results from the recent studies also have been consistent with the data from the 1970s in providing a rather unfavorable assessment of public attitudes towards advertising (e.g., Alwitt and Prabhaker, 1992, 1994; Andrews 1989; Mittal, 1994; Muehling, 1987). For instance, nearly half of Mittal's (1994) respondents from a regional consumer panel said they do not like television advertising, while less – than one quarter said they like it.

Oylum Korkut Altuna, Faruk Anıl Konuk (2009) has produced four factors through factor analysis viz. informative dimension of mobile advertisements, enjoyment dimension of mobile advertisements, credibility of mobile advertisements and irritation dimension of mobile advertisements

Previous literatures have identified that informativeness, entertainment and credibility has a positive relation on customer attitude towards mobile advertising. A study by Melody M Tsang, Shu – Chun Ho and Ting – Peng Liang (2002), justified this argument as they have found that entertainment, informativeness and credibility are positively correlated to the overall attitude of customers towards mobile advertising. According to their study entertainment is the most significant attribute affecting consumer attitude towards mobile advertising. Theory of Reasoned Action (proposed by Fishbein and Ajzen in the early 1970s) was used in the above study. The three constructs used include Attitude, Intention and behavior. According to the study by Parissa

Harigiran and Maria Madlberger, Akihiro Inoue (2008), the high perceived value of mobile advertising influences consumer attitude towards mobile advertising and there existed a positive association between entertainment factor in advertising message and consumer attitude towards mobile advertising. Another study consumers' attitude towards mobile advertising among mobile phone users by Wong Man Ting Mandy (2009) revealed that there exists a positive effect on the attitude towards receiving and reading mobile advertising due to variables such as informativeness and entertainment.

Harigiran, Parissa and Madlberger, Maria (2003) viewed that the perceived value of advertising via mobile devices positively influences consumers' attitudes toward advertising via mobile devices. They also added that entertainment, informativeness and credibility are positively associated with the advertising value when addressing consumers via mobile devices. Thus entertainment, informativeness and credibility of message has got an effect in the customer attitude towards mobile advertising. Felix Leung and Christy Cheung (2004) found the determinants of informativeness such as localization, personalization and that of entertainment such as perceived enjoyment, perceived playfulness and flow.

The literature review thus substantiates the importance of entertainment and informativeness in customer attitude towards mobile advertising. Based on this a research framework has been framed.

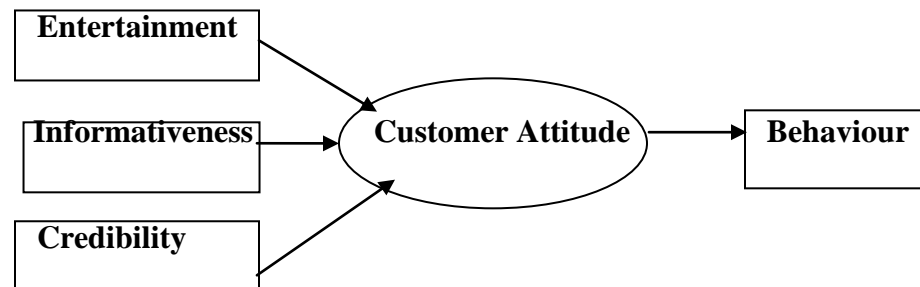
THEORETICAL FRAMEWORK

The variables used in this paper are entertainment, informativeness and credibility of advertising messages.

ENTERTAINMENT: According to Shukla et al (2010), Entertainment refers to the properties of being enjoyable, exciting, imaginative, and flashy. As the value of media entertainment is regularly acknowledged and as advertising is a significant portion of media content, the ability of advertising to entertain can enhance the experience of advertising exchanges for consumers (Alwitt and Prabhaker, 1992, Ducoffe 1996). Entertainment services can also increase customer loyalty and add value for the customer. Games and prizes via text messaging (SMS) yields high participation because the consumer behaviour naturally is playful (Harigiran, Parissa and Madlberger, Maria, 2003). From all these it is assumed that entertainment factor in advertising message has a positive effect in attitude.

INFORMATIVENESS: Ducoffe (1996) and Bracket and Carr (2001) stated that informativeness is a prevalent strategy of Internet. The internet penetration via mobile phones makes this more relevant. Quick access to the information(s) also is much important. There is even the possibility that information may be delivered automatically to the consumer (Kaasinen, 2003). Blanco and et al. (2010) findings show that the perceived informativeness of mobile advertising has positive impact on consumers' attitude toward mobile advertising. Consumers want the content of mobile services to be tailored to their interest (Robins, 2003). On top of this, they are interested in getting messages that are relevant for them (Milne and Gordon, 1993). It is also found that recipients react very positively to advertisements that transfer incentives (Varshney, 2003). Thus informativeness becomes a natural selection as a variable affecting customer attitude.

CREDIBILITY: According to Haghirian, Parissa and Madlberger, Maria (2003) high credibility of the advertising message is positively associated with attitude towards mobile advertising. MacKenzie and Lutz (1989; p. 51) define advertising credibility as “consumers’ perception of the truthfulness and believability of advertising in general”, whereas Pavlou and Stewart (2000) refer to it as “predictability and fulfillment of implicit and explicit requirements of an agreement” (online document). Considering the above findings it is assumed that the credibility of a mobile advertising message may have a positive influence on consumers’ attitude toward advertising via mobile devices.



OBJECTIVE

1. To study the influence of entertainment, informativeness and credibility of advertisement messages on customer attitude towards mobile advertising at Kochi, Kerala
2. To study the relationship between attitude and behaviour of consumers

HYPOTHESES

1. H_0 : A high entertainment factor of an advertising message is not positively related with a “positive” attitude toward advertising via mobile devices.
 H_1 : A high entertainment factor of an advertising message is positively related with a “positive” attitude toward advertising via mobile devices.
2. H_0 : A high informativeness of an advertising message is not positively related with a “positive” attitude toward advertising via mobile devices.
 H_1 : A high informativeness of an advertising message is positively related with a “positive” attitude toward advertising via mobile devices.
3. H_0 : A high credibility of an advertising message is not positively related with a “positive” attitude toward advertising via mobile devices.

H_1 : A high credibility of an advertising message is positively related with a “positive” attitude toward advertising via mobile devices.

METHODOLOGY

Data for this study was collected through a questionnaire survey from 150 respondents taken conveniently from Kochi, Kerala. The questionnaire designed consisted of three parts. The first part consisted of questions related to demographic characteristics. The second part consisted of 10 questions pertaining to entertainment and informativeness. The third part consisted of one question which indicates what a customer will do once they receive a mobile advertisement message (Behaviour). The statements used in the questionnaire were adopted from previous

studies. The reliability of the questionnaire was tested using Cronbach's alpha. The results are shown in Table 1. Results of the reliability test confirm that the data collected are reliable and suitable for further analysis.

TABLE 1: RELIABILITY OF DATA

Construct	No. of Questions	Cronbach's alpha
Entertainment	5	0.884
Informativeness	5	0.847
Credibility	4	0.673

DATA ANALYSIS AND FINDINGS

DEMOGRAPHIC PROFILE

Almost 80% of the respondents taken for the survey belong to the age group 18 – 35 and the rest belong to the age group 36 – 50. All the respondents were mobile phone users for more than 3 years. The service providers used by the respondents were as follows, 30% Airtel, 25% BSNL, 15% Vodafone, 15% Idea, 7% Docomo and the rest used Aircel, Reliance etc. The gender wise categorization shows that 70% are males while 30% are females.

RESULTS OF CHI – SQUARE ANALYSIS

To test the hypotheses, Chi – Square analysis was used. Table 2, Table 3 and Table 4 shows the Chi square statistics

TABLE 2: CHI – SQUARE STATISTICS SHOWING RELATIONSHIP BETWEEN ENTERTAINMENT AND ATTITUDE

Entertainment Constructs	Pearson Chi Square Value	Asymptotic Significance
Content is enjoyable	136.102	.000
Entertaining	166.336	.000
Entertaining than traditional ads	113.997	.000
Exciting	134.363	.000
Fun	161.796	.000

(Source:survey data)

TABLE 3: CHI – SQUARE STATISTICS SHOWING RELATIONSHIP BETWEEN INFORMATIVENESS AND ATTITUDE

Informativeness Constructs	Pearson Chi Square Value	Asymptotic Significance
Informative	154.548	.000
Timely Information	113.023	.000
Needed Information	160.443	.000
Relevant Information	138.121	.000
Up to date Information	165.914	.000

(Source:survey data)

TABLE 4: CHI – SQUARE STATISTICS SHOWING RELATIONSHIP BETWEEN CREDIBILITY AND ATTITUDE

Informativeness Constructs	Pearson Chi Square Value	Asymptotic Significance
Truthful	134.463	.000
True Promises	113.023	.000
Believable to use as reference to purchase	161.323	.000
True than traditional advertisements	114.879	.000

(Source:survey data)

For hypothesis 1, the Table 2 shows that all the constructs pertaining to entertainment has a low asymptotic significance value. Hence the null hypothesis is rejected and we can conclude that high entertainment factor of an advertising message is positively related with a “positive” attitude toward advertising via mobile devices.

Again for hypothesis 2, all the constructs pertaining to entertainment has a low asymptotic significance value (table 3). Hence the null hypothesis is rejected and we can conclude that high informativeness of an advertising message is positively related with a “positive” attitude toward advertising via mobile devices.

The results for the third hypothesis also show a low asymptotic significance value for the constructs of credibility (table 4). Hence the null hypothesis is rejected and we can conclude that high credibility of an advertising message is positively related with a “positive” attitude toward advertising via mobile devices.

BEHAVIOUR RESPONSE

On asking what they will do once they receive a mobile advertising message, half of the respondents either deleted or ignored it completely. Some respondents (18%) read it when they get time and a few (6%) read it right away. There was another group who accumulates it and read (10%) and the rest read it occasionally.

The correlation analysis shows that there exists a negative correlation between attitude and behavior. The Pearson correlation value obtained in the analysis was negative (-.675).

CONCLUSION

The study discussed in this paper investigated consumer attitudes about receiving mobile advertisements and the relationships among attitude and behavior. The study concentrated on three variables entertainment, informativeness and credibility that influence the customer attitude towards advertising. It was found that all the three are positively related to positive attitude towards mobile advertisement. Further study reveals that there exists a negative correlation between attitude and behavior of customers towards mobile advertising. This has got an implication in the industry. The entertainment, informativeness and credibility of the advertisement message help in developing a positive attitude towards mobile advertising. Hence, advertising companies are well advised to carefully design their mobile advertising messages and also plan their mobile advertising campaigns and target groups thoroughly.

REFERENCES

1. Balasubramanian, S., R. A. Peterson and S. L. Jarvenpaa (2002). Exploring the Implications of MCommerce for Markets and Marketing. Journal of the Academy of Marketing Science, 30(4), 348 - 361.
2. Beth Negus Viveiros(2013), Chief Marketer 2013 Mobile Marketing Survey
3. Carver, Nash, Doing Data analysis with SPSS, Cengage Learning India (P) Ltd., 2006, pp 235 - 243.
4. Ducoffe, Robert H, Advertising Value and Advertising on the Web, Journal of Advertising Research, 1996
5. Faraz Saadeghvaziri, Hamid Khodadad Hosseini, Attitude toward Advertising: Mobile Advertising Vs Advertising-in-General, European Journal of Economics, Finance and Administrative Sciences, Issue 28 (2011).

6. MacKenzie, S. B. and R. L. Lutz (1989). An Empirical Examination of the Structural Antecedents of Attitude toward the Ad in an Advertising Pretesting Context. *Journal of Marketing*, 53(April 1998), 48 - 65.
7. Melody M. Tsang, Shu-Chun Ho, Ting-Peng Liang, Consumer Attitudes toward Mobile Advertising: An Empirical Study *International Journal of Electronic Commerce* / Spring 2004, Vol. 8, No. 3, pp. 65–78.
8. Milne, G. and M. E. Gordon (1993). Direct Mail Privacy - Efficiency Trade-Offs within an Implied Social Contract Framework. *Journal of Public Policy & Marketing*, 12(2), 206 - 216.
9. Morvarid Haghighi Javid, Abolfazl Tajzadeh Namin (Ph.D), Mahmoud Noorai (Ph.D), Prioritization of Factors Affecting Consumers' Attitudes toward Mobile Advertising, *Journal of Basic and Applied Scientific Research*, 2(9)9293-9300, 2012.
10. Oylum Korkut Altuna, Faruk Anıl Konuk, Understanding Consumer Attitudes toward Mobile Advertising and its Impact on Consumers' Behavioral Intentions: A Cross-Market Comparison of United States and Turkish Consumers, *International Journal of Mobile Marketing*, Winter 2009 , Vol. 4 No. 2.
11. Parissa Haghirian, Maria Madlberger, Akihiro Inoue, Mobile Advertising in Different Stages of Development: A Cross-Country Comparison of Consumer Attitudes, *Proceedings of the 41st Hawaii International Conference on System Sciences – 2008*, IEEE, 2008.
12. Philip Kotler, *Marketing Management*, Prentice Hall of India(P) Ltd., 2003, pp 64
13. Portio Research Limited(2013), *Mobile Fact Book 2013*,UK
14. Talal Taher Nusair, Younes A. A. Megdadi, *International Bulletin of Business Administration*, Issue 11 (2011).
15. Telecom Regulatory Authority of India (2012), *Telecom Sector in India: A Decadal Profile*, India.

Published by: *TRANS* Asian Research Journals**AJMR:****Asian Journal of
Multidimensional
Research**

(A Double Blind Refereed & Reviewed International Journal)



ROLE OF NDCC BANK IN MICROFINANCE DEVELOPMENT THROUGH SELF-HELP GROUPS - A CREDIT PROVISION APPROACH

Dhake Saroj P.*; Dr. Narkhede Sameer**

*Assistant Professor,

Department of Masters of Business Administration,
K. K. Wagh Institute of Engineering Education and Research,
Nashik, India.

**Associate Professor,

School of Management Studies,
North Maharashtra University,
Jalgaon, India.

ABSTRACT

The present research paper looks at the execution of Cooperative bank in financing Self-help groups (SHGs). The Cooperative banks have been playing an intense role for the improvement of poor, to raise their living standard other than to improve their financial conditions to achieve corrected financial advancement by its micro finance services. Micro finance play a vital role to conquer any hindrance between demand and supply of financial services among the poor. The paper analyses the role of Co-operative Bank in Microfinance Development through SHGs using the case of NDCC Bank, and suggests microfinance as a tool for successful financial inclusion in the state. Micro finance is a powerful instrument for enhancing production and productivity and also for alleviating poverty. The study assesses the role of cooperative bank in Nashik District. It analyzed the role of microfinance provided by Nashik District Central Cooperative (NDCC) Bank as far as how well it accomplished its own objectives to reach the poorest populations, to guarantee a positive measurable impact on the lives of clients and their families, and to reach and empower women. It was found that NDCC bank is performing vital role in SHG development as the number of SHGs has increased over the year. Promotion of deprived section of society by promoting BPL SHGs is more as compared to APL group but the disbursement of loan was decreased over the previous year.

KEYWORDS: Self Help Group, Outstanding Loan, Non Performing Assets, Microfinance.

INTRODUCTION

Micro finance projects have been getting a noteworthy consideration all over the place throughout the world on account of their ability to deliver pay and work and mitigate

desperation. Reasonable economic improvement in any nation is encouraged by the accessibility of beneficial and productive financial services to most of the population. Microfinance via banks and Microfinance Institutions aim at providing remuneratively lucrative banking to an incipient market that has not been served appropriately in the recent past. Worldwide and as well in India, banks and Microfinance Institutions both are performing a vital part in the credit conveyance component to achieve the unreached fragment of the population. In India, banks give credit specifically to SHGs and also Microfinance Institutions for on giving to SHGs.

In India, banks give credit directly to Self Help Groups and additionally Microfinance Institutions for on giving to Self-help Groups. Both the models of credit conveyance are looking to have a significant impact in improving financial inclusion in the country. An extensive type of banks is financing microfinance part, due to priority sector obligations. The private segment banks giving loans generally to Microfinance Institutions and in provincial zones. Public sector banks are connecting with Self Help Groups via wide system of extensions of these banks (Savitha and Jyothi, 2012). Self Help Group-Bank Linkage Program from connecting a pilot of 500 SHGs two decades prior, it now gloats of the world's biggest microfinance activities with in excess of 7.4 million SHGs speaking to 97 million rural families straight forwardly getting to be a piece of this incredible development The present research paper examined the performance of cooperative bank in Nashik area in financing Self-Help Groups.

As on 31 March 2014, the commercial banks had the maximum share of Self Help Groups' savings of 40,22,810 Self Help Groups (54.15%) with savings amount of Rs. 6,63,145.63 lakhs (67.00%) followed by Regional Rural Banks having savings bank accounts of 21,11,760 Self Help Groups (28.42 %) with savings amount of Rs. 1,95,985.73 lakhs (19.80 %) and Cooperative Banks having savings bank accounts of 12,94,930 Self Help Groups (17.43 %) with savings amount of Rs. 1,30,610.18 lakhs (13.20 %).

Banks in India are attempting to accomplish a similarity of development at the grass root level without which feasible improvement won't be conceivable. Banks assume an essential part in this model of credit conveyance. This model of credit conveyance serves social and financial responsibilities. Banks consider this model as a suitable business suggestion as advances to Self Help Groups are treated as priority sector lending. Lower exchange expense and high reimbursement rate leads to lower non-performing resources and gives quick reusing of fund. The development slants in the self-help group bank linkage programme reflects the accomplishment of this model of credit conveyance in the nation. A critical institutional intercession that has improved lives of the country's poor is the Self-Help Group Bank Linkage Program (SBLP).

CONCEPT AND EVALUATION OF MICRO FINANCE

Micro finance is an expansive term that incorporates deposits, loan and advances, payment services protections by providing insurance to poor. The idea of micro finance and micro credit are utilized conversely. Anyhow, micro credit does exclude saving; consequently micro finance is more suitable. Microfinance is a term utilized for the act of giving financial services, for example, micro credit, micro investment funds in the form of saving and micro insurance to destitute. The Task Force on Supportive Policy and Regulatory Framework for Micro Finance has characterized Micro Finance as "the procurement of thrift, credit and other budgetary

administrations to the poor in provincial, semi-urban and urban zones to help raise their wage levels and enhance their living standards".

Micro Finance is a participative model that can address the needs of the poor, particularly, the women. Micro finance through SHGs is the key apparatus for diminishing the poverty. The NABARD is the fundamental initiator of the SHG development since 1986-87. Presently both central and state governments, nationalized business banks, regional rural banks, cooperative banks, NGOs, non-banking financial companies and so forth have joined in the SHG development as promoters.

DEFINITION OF MICRO-FINANCE

Micro-Finance can be defined as provision of financial services to poor and low-income customers so as to support them to raise their income, thereby upgrading their standard of living.

MICRO-FINANCE AND MICRO-CREDIT: There is a sizably voluminous difference in the terms micro-finance and micro-credit. Micro-Finance includes provision of multiple facilities like loans, savings, insurance, transfer facilities, micro-credit loans etc. Micro-Credit incorporates little amount of cash given as advance by a bank or any legitimately registered institution (Zohra and Pandey, 2011).

INSTITUTIONS ASSOCIATED WITH MICRO FINANCE

Nowadays, banks and financial institutions that are associated with micro finance involve RBI, SIDBI, NABARD, commercial banks, RRBs, cooperative banks, Non-Banking Finance Companies (NBFCs) and micro finance Institutions (MFIs).

CO-OPERATIVE BANKS

A co-operative is an independent relationship of person's united willfully to meet their basic financial, social, and social needs and desires through a mutually possessed and fairly controlled endeavour. Cooperative Banks that give microfinance benefits notwithstanding their general saving money exercises and are alluded to as microfinance administration suppliers. These organizations are however better known for the pretended by them in creating thrift propensity among the populace of little means and preparing their investment funds for economic development and expansion of credit to the penniless. Their commitment in giving ranchers and micro business visionaries crosswise over areas with the abundantly required credit data is especially perceived. Cooperative banks at the State and District levels have the preference of working through a enormous framework of grassroots-level outfits as more than one lakh PACS working the nation over, the aggregate number of rural and semi-urban extensions of commercial banks and RRBs no place drawing close to this enormous figure (Thangjam, 2014).

Co-operative Banks are classified into three types:

- Primary Co-cooperative Banks are located in rural areas to provide short and medium term credits to farmers.
- Central Co-operative Banks refinance the Primary Co-operative Banks.
- State Co-operative Banks refinance the Central Co-operative Banks.

MICRO FINANCE SERVICES

Micro finance services are provided through the following two models:

1. SELF-HELP GROUP – BANK LINKAGE PROGRAMME MODEL

This system was commenced in 1992 by NABARD. This was the first run where SHGs were straight forwardly financed by banks. RBI is empowering the the commercial banks, cooperative banks and RRBs to actualize the SHG-Bank Linkage Programme. It is known as a linkage model on the grounds that it is based on the strength of various contributors i.e. NGO's, Banks and the poor people. Under SBLP, three models have been developed. They are:

Model 1: SHGs encouraged, guided and financed by banks.

Model 2: SHGs encouraged by NGOs/Government agencies and financed by banks.

Model 3: SHGs encouraged by NGOs and financed by banks through NGOs/formal agencies as financial intermediaries (Irfana and Raghurama, 2013).

2. MICRO-FINANCE INSTITUTIONS

MFIs comprise NGOs, trusts, social and economic entrepreneurs advance small amount of loans to individuals or SHGs. They also deliver other services such as capacity building, training, marketing, etc. In India, MFIs occur in the form of registered trusts, registered societies, registered cooperatives, NBFCs-MFIs which are registered under Companies Act, 1956 and NBFC registered with RBI.

INTRODUCTION OF SELF-HELP GROUP IN INDIA

According to the country's Eleventh National Development Plan, currently there are around 300 million poor people in India, and more importantly, a large population of poor people lives in rural areas. Therefore, poverty persists a chronic condition for almost more than 35% of India's rural population. A major cause of poverty is lack of access to productive assets and financial resources.

Bangladesh has been perceived as a pioneer in the coliseum of micro-finance as Dr. Mehmud Yunus, Professor of Economics in Chitgaon University of Bangladesh, was an architect of this research task called as 'Grameen Bank'. India has acknowledged the Bangladesh's model in an overhauled structure to allay the destitution and to empower the women and in this way the micro-finance has started as an influential device in the new economy. With ease of micro-finance, SHGs and credit management groups have likewise begun in India. And thus the movement of SHG has expanded in India (Ansari, 2013). In India, banks are the significant backing for delivery of micro-credit. Year 1991-92 is the genuine take-off point for the 'SHG development'. In 1993, the RBI likewise allowed SHGs to open saving accounts in banks. Facility of availing bank services was a major boost to the movement. Presently numerous banks like NABARD, Bank of Maharashtra, State Bank of India, Cooperative Banks, Regional provincial banks, business banks furthermore different Government foundations like Maharashtra Arthik Vikas Mahamandal (MAVIM), District Rural Development Agency (DRDA), Municipal enterprises and NGOs are on the whole and forcefully included in the progression of SHG development.

SELF-HELP GROUPS

Self-Help Group is a rural predicated financial intermediary generally a group comprised of 10-20 member. These groups are encouraged by Non-Government Organisations (NGOs) or by Government Agencies. Members of the group contribute little savings regularly over a few months to gather enough capital and convert their savings into a common fund known as group corpus fund, which is then utilized for lending to the group members. The group members use the corpus fund and the other funds which they receive from banks or Government and utilised them for employment generation. SHG is a voluntary group of poor composed with the prevalent goal of social and economic empowerment. The main objective of the formation of SHG is to engender employment, thereby solving the problem of poverty.

ROLE OF SHG IN INDIA

1. Saving and Financial Decision Making.
2. Access to credit.
3. Participation in local government.
4. Employment.
5. Self Confidence among Members.

Government programmes for self-help groups-The RBI, NABARD, SIDBI and Government of India have started several programmes in connection with SHGs, certain highly successful programmes are:

- i. Prime Minister's RozgarYojana (PMRY)
- ii. Swarnajayanti Gram SwarozgarYojana (SGSY)
- iii. SHG-Bank Linkage Programme:

OBJECTIVES OF THE STUDY

1. To study and analyze the role of NDCC bank in Micro Finance development in Nashik district.
2. To compare the consistency of performance of NDCC bank in providing microfinancethrough credit delivery model in Nashik district.

The success in the model of credit delivery of banks in the Nasik district can be better understood by comparing the performance of credit delivery by the amount of loans provided by banks to self-help groups. The success of this credit delivery model also depends on the amount of loans outstanding and the non-performing assets.

SCOPE OF THE STUDY

Each and every study along with its certain objectives has some scope. To study the performance of NDCC bank in SHG Group development is very important for any bank as well as their customers and other people of society. It will help full to know the Co-operative bank performance in Nasik area in microfinance development through SHGs.

LIMITATION OF THE STUDY

The study was conducted under constraints, some of these are:

1. Bank did not fully disclose their strategy of SHG loan.
2. The study is based on the data of past four years only.

PROFILE OF NDCC BANK

There are 368 District Central Banks in India, which are federations of primary credit societies normally working in a district. Therefore they are also known as District Central Co-operative Banks. The main task of these central co-operative banks is to lend to village primary societies. The Central Co-operative bank act as intermediaries between the State co-operative banks on the one hand and village primary societies on the other. The success of the co-operative movement largely depends on their financial strength. The central co-operative banks occupy very important position in the co-operative credit structure.

The Nasik District Central Co-operative Bank Ltd. Nasik is the economic power house of the District Bank. The bank has now 213 branches in district and has been rendering guidance and assistance in promoting and fathering the activities of agriculture credit and non-agriculture credit socio. The Nasik District Central Cooperative bank provides the various product and services to their customer like Current Account, Saving Account, Fix Deposits, Recurring Deposits, Kasen Credit Card and also various types of loan. In addition to that also provide loan to SHGs.

REVIEW OF LITERATURE

Thangjam (2014) has undertaken a study to understand the Micro-Finance model of the Karnataka State Apex Bank and District Credit Cooperative Bank. It also involved study about the role of Self-Help Groups, credit disbursements and interest rates, the importance of women in the economy, product design and the initiatives of NABARD towards Micro-Finance. The major objectives of the Study were to analyze the demand and supply of Micro-finance in Cooperative banks, to analyze the role of Cooperative banks in Micro-finance and to assess the user (SHG) perception towards Micro-finance through cooperative banks in addition to other related objectives. It was found out that 60% of the SHGs prefer cooperative banks to carry out their dealings. Interest rate is the factor which attracts the SHGs for their micro-financial dealings in cooperative banks. It was also detected that growth of micro-finance loan disbursement in cooperative banks was very competitive to commercial banks and regional rural banks in the year 2010-11. Finally it was concluded that SHGs members were satisfied with services by cooperative banks, and overall performance of cooperative banks was good. It means that Microfinance plays very important role in empowerment of women and reducing of poverty in present economy.

Irfana and Raghurama (2013) tried to evaluate the attainments of SHG-Bank Linkage Programme (SBLP) and their progress in microfinance and other developmental activities under the control of the National Bank for Agriculture and Rural Development (NABARD) which has completed two decades of existence in February 2012. The study reveals that SBLP has several positive features; still it faces several challenges for its continued growth and development. It was also found that SHGs have been an important means of bringing some financial services to

poor sections of the rural population as SBLP has brought millions of poor into contact with mainstream banking.

Savitha and Jyothi (2013) in their study compared the performance of banks in financing Self Help Groups and Microfinance Institutions in the states of Andhra Pradesh and Tamil Nadu. The objective was to compare the consistency of performance of public and private sector banks in providing Microcredit in the form of loans to Self help groups and to compare performance of public and private sector banks in providing loans to Microfinance institutions. The results highlighted that the bank Self-Help Group linkage model looks to be more successful when compared to bank Microfinance Institution model.

Ramakrishna et al (2013) studied the importance of SHG Bank Linkage in the present context and the performance of SBLP in rural areas. The study also included the analysis of the SBLP towards women empowerment and poverty alleviation. They have stated that the SHGs are the powerful instruments in eradicating the poverty and generating employment for rural poor particularly for women group but until and unless the effective operation and utilization of benefits no one instrument will be the powerful. They have also stated that it is a possible long run commitment to the activities.

Pramanik and Halder (2013) analysed the various trends and progress under microfinance sector under the two models i.e. SHG-Bank Linkage model and MFI-Bank Linkage model. The data was analysed on a region-wise, state-wise, agency-wise, bank-wise and also for SHGs exclusively under Swarnajayanti Gram Swarojgar Yojana and exclusive women SHGs wise. It concluded that MFIs assumes greater importance. They stated that SHGs have emerged as community institutions through which formal sector building system reaches the rural households which are earlier considered as unworthy of the bank lending. In regard to regional spread of SHG-bank linkage it was found that south region dominates in SHGs linked and bank loans to SHGs.

Bansal (2003) reviewed the performance of the SHG Bank Linkage program in different states of India. The study also attempted to review the spread of credit linkages between SHGs and banks across credit delivery models adapted by the RBI and NABARD. It examined the spread of credit linkages across different regions and states of India. It also reviewed the participation of commercial banks, regional rural banks, and cooperatives in the SHG-Bank Linkage Program across different states in India. It was found that with coverage of two-thirds of SHG credit linkages, the linkage program was predominant in the Andhra Pradesh, Tamil Nadu, Karnataka, and Uttar Pradesh states of India and the acceptability of the program was relatively higher in southern India, because the savings and the credit movement was launched here. It was noticed that out of the three major lending rural institutions commercial banks were predominant in relatively better off states, where poverty incidences were lower, while RRBs were more dominant in poorer states and were more successful while acting as SHPIs.

Chary and Savvasi (2013) highlighted SHGs Bank-Linkage programme in India by examining the loans outstanding of banks against SHGs and assessing the agency-wise loans outstanding of banks against SHGs for the period of 5 years from 2006-07 to 2010-11. It was observed that the Commercial Banks aggregately have the majority share of loan outstanding against SHGs (70.28 per cent on an average). However, the Regional Rural Banks accounted 23.25 % and Co-operative Banks accounted for 6.17 % during the study period under review.

RESEARCH DESIGN AND METHODOLOGY

The research paper was intended for to understand role of NDCC bank in micro-finance development with reference to Self Help Groups. The main objective of this paper is to analyze the role of NDCC bank in microfinance development through SHGs by analysing the broader components like inclusive growth, savings, loans and the recovery performance. The secondary data related to NDCC bank was tapped from various NABARD report for the years 2010-14. The relevant data used for analysis and interpretation has been taken from various sources, it include research papers, journals, “Status of Microfinance in India” reports published by NABARD and various other websites. In order to make data collection effective for this study the data was collected through annual report, self-help group register and relevant records of SHGs of NDCC bank. Personal visit have been made to the bank and discussion were held with the bank officials to know the facts for the study. The design of the study is analytical in nature as the overall performance of banks in microfinance development has been analyzed. Data was analysed jointly using a descriptive and inferential statistical tools. The study had focus on the analysis of performance of bank in microfinance development through SHGs for the period 2010-11 to 2013-14.

ANALYSIS AND INTERPRETATION OF DATA**ROLE OF NDCC BANK IN SELF-HELP GROUP PROMOTION-****A. PROFILE OF SHG AND MEMBERS OF NDCC BANK****TABLE 1. NUMBER OF SHGS LINKED**

Year	Total Groups (APL +BPL) Or (Male + Female)	APL groups (Male + Female Group)	BPL groups (Male + Female Group)	Male groups	Female groups
2010-11	5980	2948 (49.30%)	3032 (50.70%)	2490 (41.64%)	3490 (58.36%)
2011-12	6880	3445 (50.0%)	3435 (50.0%)	2980 (43.31%)	3900 (56.69%)
2012-13	6905	3448 (49.93%)	3457 (50.07%)	2995 (43.37%)	3910 (56.63%)
2013-14	6905	3155 (45.69%)	3750 (54.30%)	4547 (65.85%)	2358 (34.15%)
Growth Rate (From 2010- 11 to 2013- 14)	15.47%	7.02%	23.68%	82.61%	- 32.44%

Source: Compiled from Annual Reports of NDCC Bank for 2010-11 to 2013-14.

It was found that NDCC bank is performing vital role in SHGs development as the promotion of number of SHGs has increased over the year. In 2013-14 the total number of SHGs has increased by 15.47% as compared to 2010-11 (Table 1). Promotion of deprived section of society by promoting BPL SHGs is more as compared to APL groups in every year. The overall increased in BPL groups in 2013-14 by 23.68% and APL groups by 7.02% only from 2010-11. It is found that NDCC bank is also performing good role in women development by promoting more number of female groups and providing credit facility for economic empowerment of women.

1. POVERTY STATUS OF MEMBERS

The further analysis regarding the poverty status of the groups shows that there are variations with respect to poverty status of the members. It was observed that the division between BPL and APL has one short fall as some of the members suddenly became ineligible for government subsidy.

In last four years, it was found that 50 to 54 % SHGs are exclusive BPL groups which mean that all members were from BPL family, while the share of exclusive APL groups stands at 45 to 50%.

2. AVERAGE SIZE OF SHGs

TABLE 2. NUMBER OF SHGS MEMBERS

Year	Total SHGs		Out of Total SHGs- NRLM/SGSY & other Govt. Sponsored Programme		Out of Total SHGs Exclusive Women SHGs	
	No. of SHGs	Number of Members	No. of SHGs	Number of Members	No. of SHGs	Number of Members
2010-11	5980	-	3032 (50.70%)	-	3490 (58.36%)	-
2011-12	6880	80935	4626 (67.24%)	46261	3900 (56.69%)	45831
2012-13	6905	81060	3750 (54.31%)	41250	3910 (56.63%)	49522
2013-14	6905	81060	119 (1.72%)	1316	2358 (34.15%)	28296

Source: Compiled from Annual Reports of NDCC Bank for 2010-11 to 2013-14

Coming to membership size of the SHGs of NDCC bank, the average size for SHG is 12, though it ranges between 10 to 11 in NRLM/SGSY and other Govt. Sponsored Programme, and, 12 to 13 in women SHGs (Table 2). Out of total SHGs about 56 to 59 % of groups are women SHGs, but in 2013-14 the number of women groups reduced to 34.15 % and the SHGs promoted under NRLM/SGSY and other Govt. Sponsored Programme reduced to 1.72% of total SHGs.

B. LOAN GIVEN BY NDCC BANK TO SELF-HELP GROUPS**1. AGRICULTURAL LOAN GIVEN BY NDCC BANK TO BPL MEMBERS UNDER SGSY SCHEMES****TABLE 3. AGRICULTURAL LOAN GIVEN UNDER SGSY SCHEMES
(AMOUNT IN LAKHS)**

Year	Type of loan	Disbursement of loan in the year	Outstanding loan up to 31st March	Overdue Amount
2010-11	Pipe line/ Electric motor/ Oil engine/ Repair of well etc.	222.51	389.04	18.21
2011-12		164.03	476.60	24.45
2012-13		80.37	458.66	26.30
Growth Rate (From 2010-11 to 2012-13)		-63.88%	17.90%	44.43%

Source: Compiled from Annual Reports of NDCC Bank for 2010-11 to 2013-14

Agricultural loan is provided by NDCC bank to below poverty line self-help group members under Swarnajayanthi Gram Swarozgar Yojana Scheme for various purpose like Pipe line, Electric motor, Oil engine and for repair of well etc. Government of India through Ministry of Rural Development has commenced National Rural Livelihood Mission (NRLM) by replacing the existing SGSY scheme, effective from April 1, 2013. Hence growth rate calculated from 2010-11 to 2013-14 (Table 3).

Disbursement of agricultural loan had declined by 51% in 2012-13 as compared to previous year. The overall position of disbursement of loan was declined by 63.88 % in 2012-13 from 2010-11. But loan outstanding and the overdue amount was increased by 17.90% and 44.43% respectively in 2012-13 as compared to 2010-11. The overdue amount was 2.4 times than outstanding amount, so bank has to strictly take follow up of repaid policy to minimize NPA.

2. NON-AGRICULTURAL LOAN**TABLE 4. NON AGRICULTURAL LOAN GIVEN TO SHGs
(AMOUNT IN LAKHS)**

Year	Cash credit loan			Non -Agriculture Medium term loan		
	Disbursement of loan in the year	Outstanding loan up to 31st March	Overdue Amount	Disbursement of loan in the year	Outstanding loan up to 31st March	Overdue Amount
2010-11	85.58	66.59	12.76	78.09	196.82	59.88

2011-12	-	59.72	27.15	37.96	170.95	58.61
2012-13	-	47.35	9.00	19.09	112.10	48.30
2013-14	-	-	-	10.00	75.00	39.00
Change (From 2010-11 to 2012-13)		-28.89%	-29.46	-87.19%	-61.89%	-34.87%

Source: Compiled from Annual Reports of NDCC Bank for 2010-11 to 2013-14.

Non Agricultural loan in the form of cash credit loan disbursement in 2010-11 was 85.58 lakhs but, after that, there was no disbursement (Table 4). The outstanding and overdue amount of cash credit loan shows positive result as the outstanding amount and overdue was declined by 28.89% and 29.46% respectively. It means that bank policy are efficiently followed to minimize NPA against cash credit loan to SHGs.

In case of Non- Agriculture Medium term loan disbursement, outstanding and overdue amount was reduced in 2013-14. But outstanding amount was higher than disbursement amount in 2013-14. The disbursement of Non -Agriculture Medium term loan was decreased over the year by 87.19% in 2013-14 as compared to 2010-11. Even outstanding amount and overdue amount of this loan was reduced by 61.89 % and 34.87% due to efficiently follow up of credit repayment policy of the bank.

3. PROGRESS UNDER MICROFINANCE: PROGRESS OF SHG-BANK LINKAGE THROUGH NDCC BANK IN NASIK DISTRICT

In this segment the progress under SHGs-BLP in different time periods has shown. It shows that the SHGs-BLP had achieved enormous success in recent times. But the problem arises, about the wide disparity about SHGs-BLP among the study period. Detailed analysis of the SHG-Bank Linkage of NDCC Bank is being presented in this section. The analysis includes the extensive components i.e. inclusive growth, savings, loans and the recovery performance. It includes the growth of SHGs – saving as well as credit linked– for the last 3 years, separately for all groups, groups formed under SGSY and exclusive Women Groups.

I. SAVINGS OF SHGs WITH NDCC CO-OPERATIVE BANKS AS ON 31 MARCH

TABLE 5. SAVINGS AMOUNT OF SHGs (AMOUNT IN LAKH)

Year	Details of SHGs Saving linked with Banks	Out of Total - Under NRLM/SGSY & other Govt. Sponsored Programme	Out of Total SHGs - Exclusive Women SHGs

	No. of SHGs	Savings Amount	Avg. saving per SHG	No. of SHGs	Savings Amount	Avg. saving per SHG	No. of SHGs	Savings Amount	Avg. saving per SHG
2010-11	5980	380.83	6368	3032	88.27	2911	3490	141.60	4057
2011-12	6880	3.27	47	4626	1.44	31	3900	1.96	50
2012-13	6905	359.72	5210	3750	195.35	5209	3910	198.13	5067
2013-14	6905	337.07	4882	119	14.58	12252	2358	188.64	8000
Change (2010-14)	925	-43.76	-	-2913	-73.69	-	-1132	47.04	-
Change in %	15.4	-11.49		-96.08	-83.48		-32.43	33.22	

Source: Compiled from Status of Microfinance Reports 2010-11 to 2013-14.

The number of saving linked SHGs now touches at 6905 with a membership of about 81060 poor households (Table 5). Despite of greater part of these savings is used for internal loaning within the group, the surplus is retained in the savings accounts with the financing banks. About 34.15% SHGs linked to banks are exclusive women groups and 54.30% of total groups are belong to BPL is one of the most distinctive attributes of microfinance sector.

At the end of March 2014, the balance in the savings accounts of the banks occurred Rs. 337.14 lakhs. Among the study period, SHGs maintained the highest saving balance of Rs.6368/- per SHG during 2010-11. In the year 2011-12 saving balance of all type of SHGs was very lowermost even the number of SHGs linked with bank was increased as compared to previous year. Women SHGs was having highest saving balance of Rs. 8000/- per group in the year 2013-14. On an average, the SHGs saving balance was decreased in 2013-14 as compared to 2010-11 by 11.49%. The highest declined in saving balance in 2013-14 relative to 2010-11 was observed in NRLM/SGSY and other Govt. Sponsored Programme by 83.48%.

II. BANK LOANS DISBURSED BY CO-OPERATIVE BANKS TO SHGS DURING THE YEAR

TABLE 6. LOANS DISBURSED TO SHGs (AMOUNT IN LAKHS)

Year	Total Loans disbursed during the year			Out of Total - Under NRLM/SGSY & other Govt. Sponsored Programme			Out of Total - Loan disbursed Exclusive to Women SHGs		
	No.	Loans	Average	No.	Loans	Average	No.	Loans	Average

	of SHGs	disbursed	loan per SHG	of SHGs	disbursed	loan per SHG	of SHGs	disbursed	loan per SHG
2010-11	73	85.58	117233	62	78.83	1,27,145	65	74.08	113969
2011-12	31	0.58	1871	30	0.55	1833	29	0.52	1793
2012-13	4	10.45	261250	4	10.45	261250	3	5.55	185000
2013-14	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Change (2010-14)	73	85.58	-	62	78.83	-	65	74.08	-

Source: Compiled from Status of Microfinance Reports 2010-11 to 2013-14.

NDCC bank have expanded a significant amount of help in building SHGs to enhance micro financing. It reflects the progress of SHGs that are financed by banks. It is very evident from the data that maximum of 108 SHGs have been credit linked by NDCC bank in 2010 to 14 (Table 6). The above data also shows the support extended by bank in providing the total credit of Rs. 96.61 lakhs in financing the SHGs from 2010 to 2014. In the year 2011-12 bank had provided very little credit to SHGs, but afterwards, the amount of loan disbursement was increased in next year. It was also found that bank is supporting the women empowerment by extending the more credit facility, so that, women are economically self-dependent to help their family. This also reflects that the sinking in number of credit linked SHGs from 2010-11 to 13-14.

III. BANK LOANS OUTSTANDING AGAINST SHGS AS ON 31 MARCH

TABLE 7. LOANS OUTSTANDING AGAINST SHGs (AMOUNT IN LAKH)

Year	Total Bank Loans outstanding against SHGs			Out of Total - under SGSY/NRLM & Other Govt. Sponsored Programmes			Out of Total- Exclusive Women		
	No. of SHGs	Loan O/s	Avg. Loan O/s per SHG	No. of SHGs	Loan O/s	Avg. Loan O/s per SHG	No. of SHGs	Loan O/s	Avg. Loan O/s per SHG
2010-11	686	511.40	74548	292	293.84	100630	686	511.40	74548
2011-12	206	2.08	1010	165	1.66	1006	185	1.87	1011
2012-13	129	159.45	123605	124	148.40	119677	65	54.60	84000
2013-14	121	102.67	84851	117	97.92	836927	83	93.56	112723

Change (2010-14)	- 565	- 408.73	-	- 175	- 195.92	-	- 603	- 417.8	-
Change in %	-82.4	- 79.9	-	- 59.9	- 66.7	-	- 87.9	-81.7	-

Source: Compiled from Status of Microfinance Reports 2010-11 to 2013-14.

It can be observed that the total amount of loan outstanding against 686 SHGs as on 31st March 2011 amounted to Rs. 511.40 lakhs (Table 7). The same has been decreased to Rs.102.67 lakhs against 121 SHGs as on 31st March, 2014.

The data analysis in table disclosed that the number of SHGs showing loan outstanding as on March, 2014 are 121, out of that 96.69% SHGs belonged to SGSY/NRLM and Other Govt. Sponsored Programmes, and 68.59% are women groups. The loan outstanding account reduced by 82.4% in 2013-14 as compared to 2010-11. Women SHGs repayment performance was also good as the loan outstanding account reduced by 87.9% in 2013-14 due to better repayment of loan. Average loan outstanding amount per SHGs shows vast variability in the study period.

IV. AN ANALYSIS OF NPAS AND RECOVERY PERFORMANCE OF SHGs AGAINST BANK LOANS OF NDCC BANKS AS ON 31 MARCH

TABLE8. AMOUNT OF NPA (AMOUNT IN LAKH)

Year	Gross NPAs data of SHGs against Bank Loan			Gross NPA data of SHGs under SGSY/ NRLM and Govt. Sponsored Programme			% of recovery to demand of Total SHGs (%)	% of recovery to demand of SHGs under SGSY (%)
	Total Loans o/s against SHGs	Amount of NPAs	% of NPAs to loans o/s	Loans o/s against SHGs under SGSY	Amount of NPAs	% of NPAs to loans o/s against SHGs under SGSY		
2010-11	511.40	57.37	11.2	293.84	34.53	11.8	85.0	88.0
2011-12	2.08	0.00	0.00	1.66	0.00	0.00	0	0
2012-13	159.45	NA	NA	148.40	NA	NA	0	0
2013-14	102.67	0.00	0.00	97.92	0.00	0.00	0	0
Change (From 2010-11 to 2013-	- 408.73	- 57.37	- 11.2	- 195.92	- 34.53	- 11.8	-85.0	-88.0

14)								
Change in %	79.92	100	100	66.68	100	100	100	100%

Source: Compiled from Status of Microfinance Reports 2010-11 to 2013-14.

In the previous section, it was found that, in 2010-11, NDCC bank attained higher amount of saving balance of SHGs with banks. Likewise, the amount of loan disbursed to SHGs by banks was also more in the similar year. As the amount of NPAs is lower, recovery performance is reasonable in 2010-11. In this section the NPAs and recovery performance of SHGs is analyzed. The decrease in NPAs against loans to SHGs was observed in 2013-14. In absolute terms, the gross NPAs against loans to SHGs decreased from 57.37 lakhs at the end of March 2011 to nil by March 2014. In percentage terms it shows 100% recovery of NPA during the year 2013-14 (Table 8).

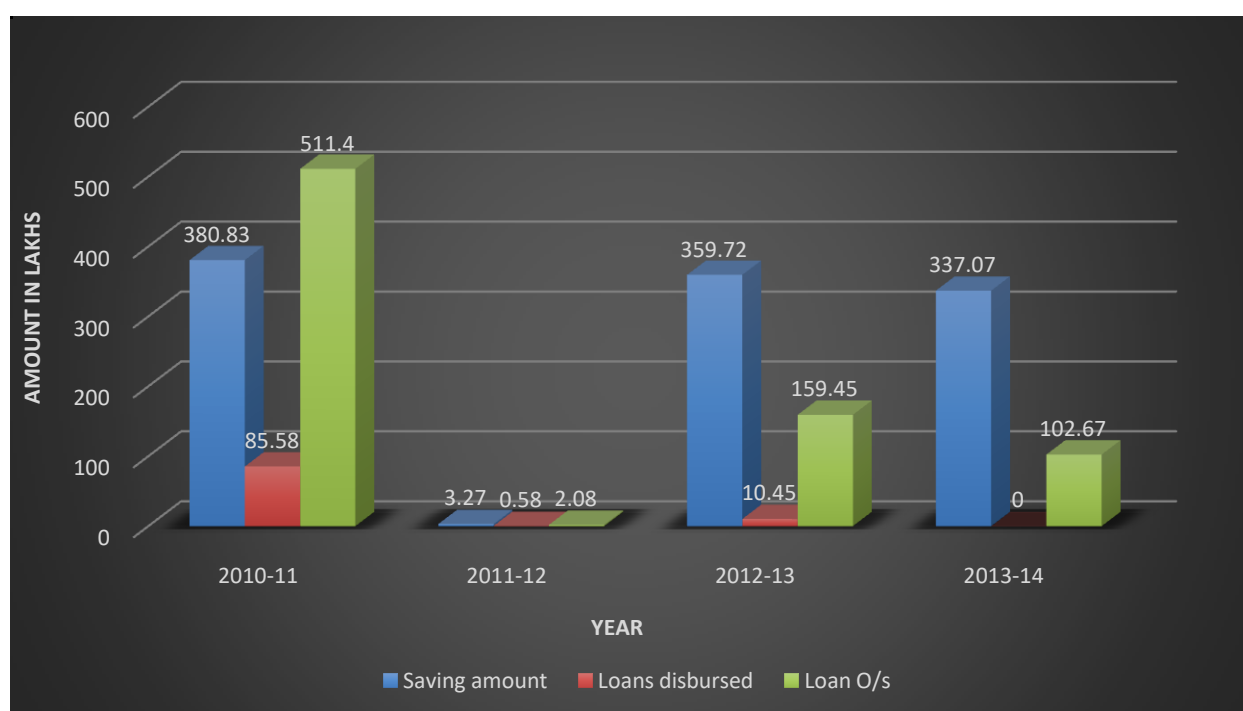


FIGURE 1. GRAPHICAL PERFORMANCE OF SAVINGS, DISBURSEMENT LOANS AND LOAN OUTSTANDING OF SHGs WITH BANKS

In this section the performance of SHGs-BLP is analyzed by taking SHGs saving with banks, loan disbursed to SHGs and loans outstanding against SHGs. A graphical analysis of saving balance, loan disbursed and loan outstanding amount against SHGs of NDCC bank is presented in Figure 1. Under the SHGs-BLP, as on 31st March, 2014 about 81,060 households have now come up to regular savings through 6905 SHGs linked to NDCC banks. As on 31st March, 2014 there has been a decline in the amount of saving balance with banks to the extent of 11.49 % as compared to the year 2010-11. The number of saving linked SHGs now stands at 6905 with a membership of about 81060 households. Even though majority of these savings is utilized for

internal lending within the group for their members, the surplus is kept in the savings accounts with the financing banks.

The continuous reduction in the number of SHGs being offered fresh loans by banks for the last three years is an issue of concern. The fresh lending to SHGs during the year 2013-14 was zero. The outstanding against these groups was about Rs. 511.4 lakhs as on 31 March, 2011 i.e. an average of Rs. 74,558 per group. The number of SHGs having outstanding loans against them from banks declined by 6 % during the year 2013-14 as compared to previous year. Number of SHGs having outstanding loans with banks gets reduced to some extent due to the sustained decrease in the number of SHGs being offered fresh loans by banks for the last three years.

V. SAVING V/S LOAN

Data (Figure 2-3) shows that number of saving linked SHGs has increased in from 2010-11 to 2013-14. There are about 6905 SHGs in 2013-14 having saving account with NDCC bank. In 2010-11 about 11.5% percent of total SHGs were having loan outstanding. But it has reduced over the year as in 2013-14, the number of SHGs having loan outstanding was decreased up to 1.75% only. It was observed that in 2010-11, the outstanding amount loan was more than their saving. The total loan outstanding was 511.4 lakhs which was 34.29% more than their saving amount. But after 2010-11, the outstanding amount of loan was declined. In 2013-14, the total loan outstanding against SHGs was 102.67 lakhs, as saving amount of the SHGs was 337.07 lakhs. The outstanding loan amount is 30.46% of their saving amount on bank account.

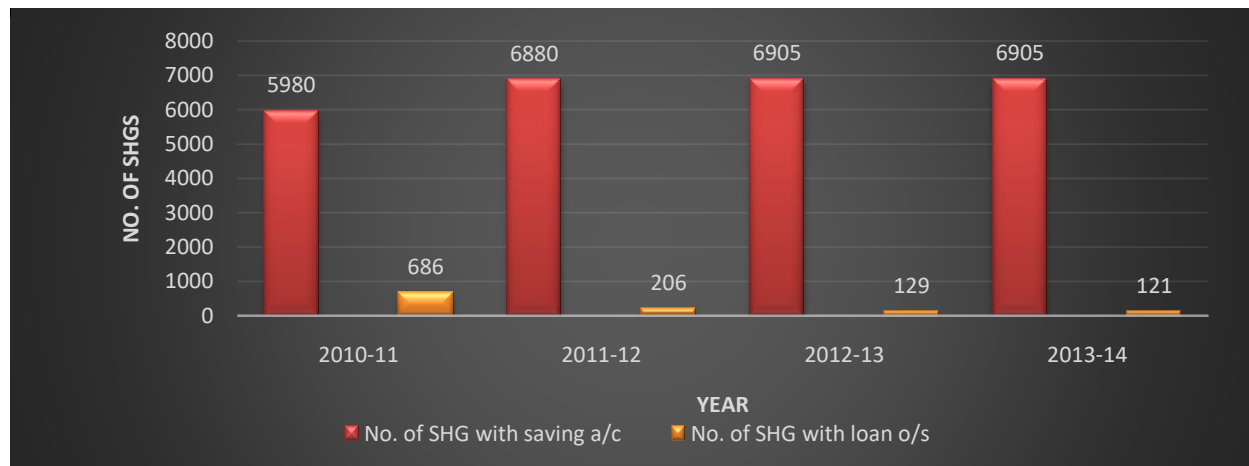


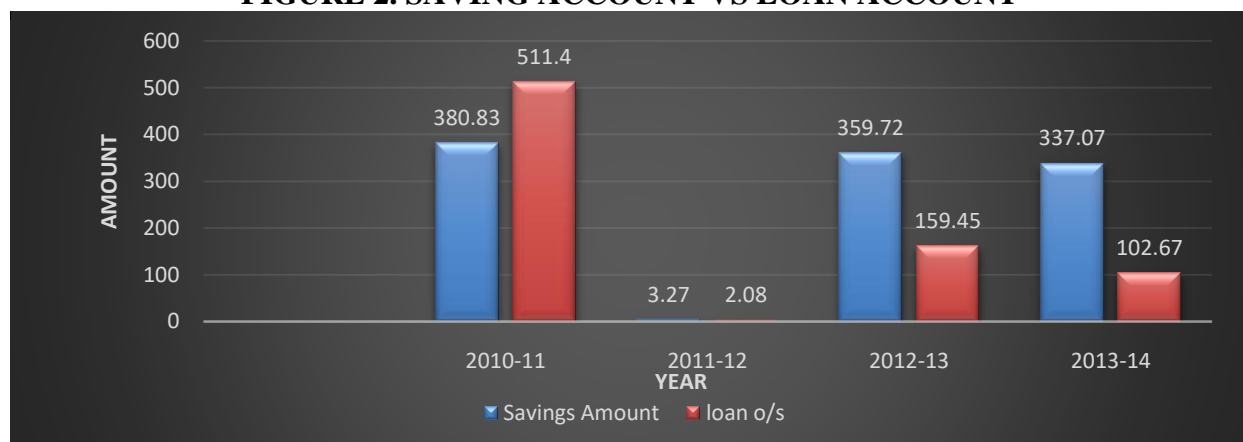
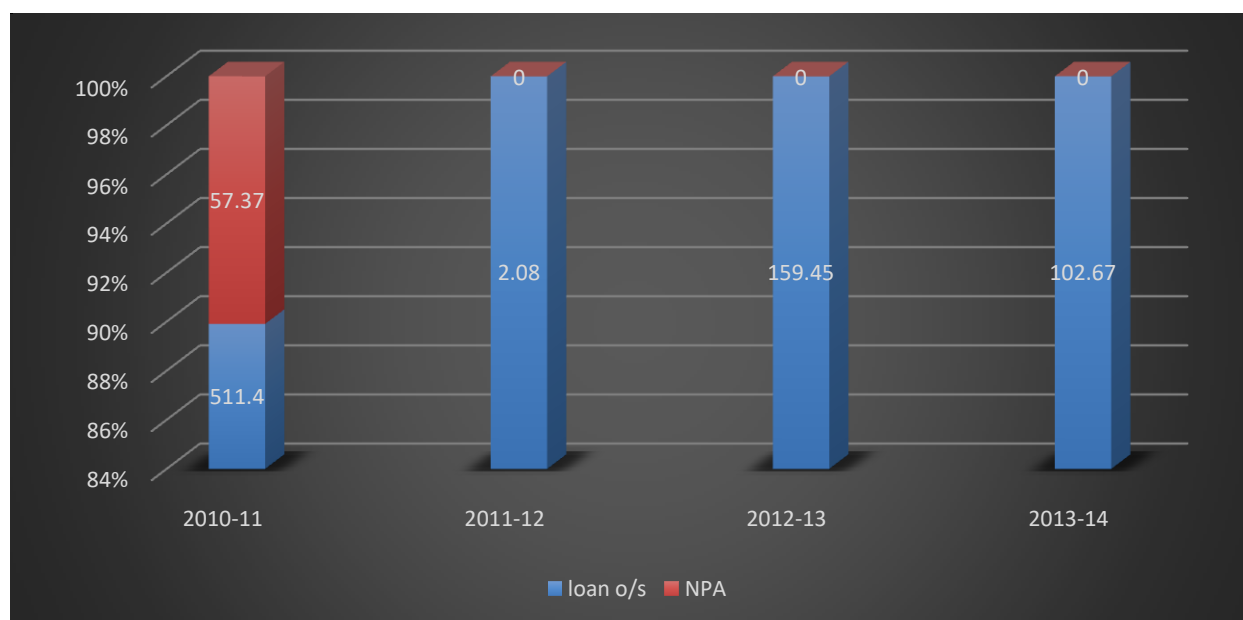
FIGURE 2. SAVING ACCOUNT VS LOAN ACCOUNT**FIGURE 3. SAVING AMOUNT VS LOAN AMOUNT****VI. LOAN OUTSTANDING VS NPA**

Figure 4 reflects the overall scenario of loan outstanding against SHGs of NDCC bank and NPA under SHGs account in terms of amount. The chart also shows the amount of loan outstanding against SHGs and NPA against SHGs loan.

**FIGURE 4. COMPARISION OF LOAN OUTSTANDING VS NPA**

The total loan outstanding against SHGs and NPA in 2010-11, was about 511.4 lakhs and 57.37 lakhs, respectively. The amount under NPA is approximately 11.2% of total outstanding amount. But from next year the recovery performance was good as the outstanding amount decreased and NPA was zero. This analysis at first sight indicates that loan recovery performance of bank is good as there is no NPA in the year 2013-14.

FINDINGS

1. PROFILE OF SHG & ITS MEMBERS OF NDCC BANK

In 2013-14, the total number of SHGs has increased by 15.47% as compared to 2010-11. The overall increase in BPL groups was 23.68% in 2013-14, and, in APL groups 7.02% from 2010-11. In 2013-14, it was found that, 50 to 54% SHGs are exclusive BPL groups which indicate that, all members were from BPL family, while, the share of exclusive APL groups stands at 45 to 50%. Coming to membership size of the SHGs of NDCC bank, the average size for SHG is 12, though it ranges between 10 to 11 in NRLM/SGSY and other Govt. Sponsored Programmes and 12 to 13 in women SHGs

2. LOAN GIVEN BY NDCC BANK TO SELF-HELP GROUPS

- Disbursement of agricultural loan has declined by 51% in 2012-13 as compared to previous year. The overall position of disbursement of loan was declined by 63.88% in 2012-13 from 2010-11. But, loan outstanding and the overdue amount was increased by 17.90% and 44.43%, respectively, in 2012-13 as compared to 2010-11. The overdue amount was 2.4 times than outstanding amount.
- Non Agricultural loan in the form of cash credit loan disbursement in 2010-11 was 85.58 lakhs but after that there was no disbursement. The outstanding and overdue amount of cash credit loan shows positive result as the outstanding amount and overdue amount was declined by 28.89% and 29.46% respectively.
- The disbursement of Non -Agriculture Medium term loan was decreased over the years by 87.19% in 2013-14 as compared to 2010-11. Even outstanding amount and overdue amount of this loan was reduced by 61.89 % and 34.87%, respectively.

3. OVERALL PROGRESS OF SHG-BANK LINKAGE THROUGH NDCC BANK IN NASIK DISTRICT

- On an average, the SHGs saving balance was decreased in 2013-14, as compared to 2010-11, by 11.49%. The highest decline in saving balance in 2013-14 relative to 2010-11 was observed in NRLM/SGSY and other Govt. Sponsored Programmes by 83.48%.
- Bank has provided the total credit of Rs. 96.61 lakhs in financing the SHGs from 2010 to 2014. In the year 2011-12, bank has provided very little credit to SHGs, but afterwards, the amount of loan disbursement was increased in next year.
- The number of SHGs showing loan outstanding as on March 2014, are 121 out of that 96.69% SHGs are belongs to SGSY/NRLM and Other Govt. Sponsored Programmes and 68.59% of total groups are women groups. Although, the loan outstanding account reduced by 82.4 % in 2013-14 as compared to 2010-11. Women SHGs repayment performance is also good as the loan outstanding account reduced by 87.9% in 2013-14, due to better repayment of loan. Average loan outstanding amount per SHGs shows vast variability in the study period.
- The decrease in NPAs against loans to SHGs was observed in 2013-14. In absolute terms, the gross NPAs against loans to SHGs decreased from 57.37 lakhs at the end of March 2011 to nil by March 2014. In percentage terms it shows 100% recovery of NPA during the year 2013-14.

4. SAVING V/S LOAN

There are about 6905 SHGs in 2013-14 having saving account with NDCC bank. In 2010-11, about 11.5% of total SHGs were having loan outstanding. But it has reduced over the year as in 2013-14 the number of SHGs having loan outstanding was decreased up to 1.75%.

It was observed that in 2010-11, the outstanding amount loan was more than their saving. In 2013-14, the total loan outstanding against SHGs was 102.67 lakhs as saving amount of the SHGs was 337.07 lakhs. The outstanding loan amount is 30.46% of their saving amount on bank account.

5. LOAN OUTSTANDING VS NPA

The total loan outstanding against SHGs and NPA in 2010-11, was about 511.4 lakhs and 57.37 lakhs respectively. The amount under NPA is approximately 11.2% of total outstanding amount. But from next year the recovery performance was good as the outstanding amount decreased and NPA was zero.

CONCLUSIONS

Self-Help-Group bank linkage programme is also one of the approaches to microfinance which has acquired popularity in recent years. Over the last few years, SHGs-BLP has become the leading mode of microfinance in India, and has been effective in inspiring significant savings and high repayment rates. In spite of being popular, there are some discrepancies in the programme in its level of development. In recent year, it was found that, although, the amount of saving balance of SHGs with banks and amount of loan given out to SHGs by banks was lesser, but, the portion of NPAs to total loans outstanding was zero and percentage of recovery of loan to its demand of total SHGs was also 100%. In recent times the situation of NPAs and recovery rate has been getting better.

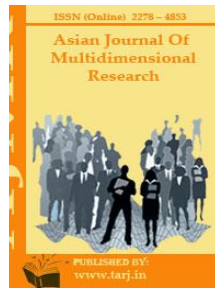
The success of a Credit Provision Approach can be measured by evaluating the progress in numbers of beneficiaries of microfinance i.e. Self Help Groups', the volume of credit in terms of loans disbursed, the decrease in loans outstanding and non-performing assets out of the loans disbursed to them. To evaluate the success each of these criteria is considered in detail to ascertain the performance of NDCC bank in credit provision approach.

It was found that NDCC bank is performing vital role in in SHG development as the number of SHGs has increased over the year. Promotion of deprived section of society by promoting BPL SHGs is more as compared to APL group but the disbursement of loan was decreased over previous year. Recently improvement has been achieved in the position of NPAs and recovery rate. As such, it can be concluded that, there is considerable differences among the four year in SHGs position regarding contribution to microfinance through SHGS are concerned.

REFERENCES

1. Ansari, S. A. (2013), "SHG Bank Linkage Programme In India: An Overview", International Refereed Multidisciplinary Journal of Contemporary Research, Vol.1, No.1, pp. 12-19.
2. Bansal H. (2003), "SHG-Bank Linkage Program in India-An overview", Journal of Microfinance, Vol. 5, No. 1, pp. 21-49.

3. Chary, N.S. and Savvasi S. (2013), “SHGs Bank-Linkage Programme-A Study Of Loans Outstanding of Banks Against SHGs”, International Journal Of Business And Management Invention, Vol. 2, No.1, pp. 01-07.
4. Irfana, S. and Raghurama, A. (2013), “Origin, Growth and Performance of Self-Help Group Bank Linkage Programme in India”, International Journal of Global Research Analysis, Vol.-2, No. 3, pp. 109-111.
5. NABARD, Status of Microfinance in India (2010-11, 2011-12, 2012-13, 2013-14)
6. NDCC Bank, Annual Reports, (2010-11, 2011-12, 2012-13, 2013-14)
7. Pramanik, B. and Halder, M. (2013), “Progress of Microfinance In India: Agency Wise Analysis”, Global Research Analysis, Vol.2, No. 7, pp. 18-21.
8. Ramakrishna, H., Khaja M. J., Bibi S. G. G. And Mallikarjuna B. (2013), “Performance of Self Help Group-Bank Linkage Programme (Sblp) In India-An Analytical Study”, Tactful Management Research Journal, Vol. 1, No. 10, pp. 1-6.
9. Savitha, B. and Jyothi P. (2012), “Self Help Groups and their Role in Socio Economic Empowerment- A Study in the States of Andhra Pradesh and Tamil Nadu”, Research Journal of Social Science & Management, Vol.2, No.4, pp.78-88.
10. Thangjam, R. (2014), A Study on Role of Cooperative Banks in Micro-Finance with Special Reference to Karnataka, The International Journal of Business & Management, Vol. 2, No. 5, pp. 53-55.
11. Zohra, B. and Pandey, S. L. (2011), Comparison of Performance of Microfinance Institutions With Commercial Banks In India”, Australian Journal of Business and Management Research, Vol.1, No.6, pp. 110-120.



CHALLENGES FACED BY AN ORGANIZATION TO RETAIN & MOTIVATE KEY STAFF

Esha*; Rahul Kumar**

*Department of Management MMEC,
Mullana, India.

**Department of Management MMEC,
Mullana, India.

ABSTRACT

Active employee retention and attraction is critical to the long term health and success of any organization. The ability to retain and attract your best employees ensures customer satisfaction, satisfied staff, retention of organizational knowledge and learning and effective succession planning. Failing to retain a key employee is costly to any organization because apart from the cost to recruit and select a new employee other issues such as training time and investment; lost knowledge; mourning, and possibly insecure co-workers will all have an impact on the organization. Thus, this paper attempts to assess various challenges faced by an organization, and analyze various practices that are prevalent in business organizations to retain and motivate their key staff.

KEYWORDS: *employee retention, motivation, factor, strategies, employee turnover.*

INTRODUCTION

Employee Turnover is becoming a serious problem in today's corporate environment. The employment culture is changing as well. It is now relatively common to change jobs every few years, rather than grow with one company throughout the employment life as was once commonplace. In addition, employees are increasingly demanding a balance between work and family life. Turnover costs for many organizations are very high and can significantly affect the financial performance of an organization. Direct costs include recruitment, selection, and training of new people. Much time and expense go into this process. Indirect costs include such things as increased workloads and overtime expenses for coworkers, as well as reduced productivity associated with low employee morale. Estimated costs vary from organization to organization, some as low as a few hundred dollars to as high as four times the annual salary of the employee.

Now a days, labor force is different. Supervisors must be made to take responsibility for their own employee retention. If they don't, they could be left without enough good employees. A wise employer will learn how to attract and keep good employees, because in the long run, this workforce will make or break a company's reputation. Employee retention takes effort, energy, and resources; and the results are worth it.

OBJECTIVES OF THE STUDY

1. To identify the factors that influences the employee turnover.
2. To examine whether the job satisfaction leads to employee retention.
3. To observe the significant strategies to retain employees.
4. To bring out a basic necessity of employee retentionfor the success of organization.

METHODOLOGY

The available information has been sourced from books, articles, various websites. This research paper is based on secondary data for finalization of views and opinions.

CAUSES WHY EMPLOYEES LEAVE

1. EXPECTATIONS NOT MET

Expectations covering areas such as the style of management, the working hours, holidays, pay, and bonus and so on. It is not unusual for employees to leave within the first six months when they discover that things aren't quite as they imagined they would be.

2. MISMATCH BETWEEN THE PERSON AND THE ROLE

Employees, who find themselves in roles that do not suit their individual strengths, tend not to stay around for long.

3. MISMATCH BETWEEN PERSON AND THE CULTURE OF THE FIRM

Put an employee in a culture that suits their temperament and they feel at home. It is an environment in which they can function to the best of their abilities. But put an employee in a firm whose culture does suit their personality, their style or their approach and it rarely works. They don't settle, they under-perform, they miss the feel of previous employers where they were able to contribute more, they leave.

4. INSUFFICIENT OPPORTUNITIES FOR GROWTH AND ADVANCEMENT

Employees want to make progress, to get ahead. They want to make that next step up the career ladder. They think about where they would like to be in 5 years' time, in 10 years' time. Their loyalty is largely to themselves, to make the most out of the natural talents, the skills, and determination they possess. They recognize the importance of building new skills, refining current ones, getting new experiences. If the opportunities aren't available with their current employer, they will search elsewhere.

5. INSUFFICIENT RECOGNITION OR APPRECIATION

The Employees that don't receive adequate recognition for their contribution, start to wonder why they exist? Employees that did not feel valued felt that, their effort; their hard work; was not appreciated. Employees want to feel valued; as though their role is important, as though the

business needs them. They want someone to say thank you. Thanks for that piece of work, thanks for helping out in a crisis, thanks for dealing with that problem.

6. PROBLEMS WITH DIRECT MANAGER

The state of the relationship between an employee and their direct manager goes a long way towards determining whether they stay or leave. Some employees stay far longer than might otherwise be expected because of the relationship they have with their supervisor. Others leave job in the first few months because they sense their manager is not someone who brings the best out of them - they need to get away. The daily challenge of dealing with someone they dislike, someone that lacks basic people skills, is just too much to bear. Poor relationships between employees and their managers are one of the most common reasons for employee turnover.

7. DISSATISFACTION WITH PAY PACKAGES

Not receiving a fair salary, a fair pay rise, a fair bonus. Dissatisfaction with financial rewards is complex. Much of the dissatisfaction is due to comparisons. A previously adequate salary starts to feel insufficient when you have just learnt that a new arrival is receiving a higher wage for performing a similar role. Salaries rarely remain a secret. The information leaks out. If it isn't fair, if it isn't equitable, if the procedure for determining pay settlements is tainted, employees become dissatisfied.

8. STRESS

The stress of work, the stress from working long hours, and the stress related to pressure from above; employees can take only so much. Stress drives employees into the arms of alternate employers. They simply want to get away from the workplace, from the people involved, from the firm. A stressful workplace is rarely a productive one. Attrition is high, people don't matter; there will always be someone else to fill the vacancy. And in time the replacement too will probably leave for much the same reasons. Stressful work environments tend to be high turnover environments. If there is an alternative, people take it.

9. LACK OF WORK LIFE BALANCE

Employees have responsibilities to their employer, to their families, to their friends. There are times when the demands of work require extra hours, staying late to get things finished, working during weekends to meet deadlines. For some employees the demands of work are no longer compatible with the needs of their family, the needs that exist beyond the workplace. Perhaps they coped better when they were younger, before they got married, before they had a family. But, now the arrangement just isn't practical. They need a better balance. They need to have time for themselves. Time to take care of loved ones. Free time not devoted to work.

10. LOSS OF CONFIDENCE IN THE FIRM, PARTICULARLY LEADERSHIP

Confidence matters. Companies go bust; you just need to read the papers, watch the news, to realize the risk involved. When employees lose confidence in the firm's leadership they head towards the exit door. They know that confidence matters, that seemingly invincible companies can collapse in days, if not hours. They don't want to be left without a job, should the company go under, or be taken over.

11. OTHER FACTORS

A robust economy, Shift in how people view their careers, Changes in the unspoken "contract" between employer and employee, corporate cocooning, a new generation of workers, changes in social mores etc.

WHAT IS EMPLOYEE RETENTION

It is more than just keeping employees on the job. It is also about sustaining employees, primarily by enhancing their job satisfaction. Job satisfaction, in turn, can increase productivity and keep employees energized and motivated to give their best. Job satisfaction can equate to employees who stick with their current employer and strive to perform at or above expectations and standards. Employee retention is commonly considered to mean the ability to maintain a stable workforce. It is often linked to morale and to organizational productivity.

Retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization as well as the employee.

WORTH OF EMPLOYEE RETENTION

Currently so much is being done by organizations to retain its employees, so why is retention so important? Is it just to reduce the turnover costs? Well, the answer is a definite no. It's not only the cost incurred by a company that emphasizes the need of retaining employees but also the need to retain talented employees from getting poached. The process of employee retention is likely to benefit an organization in the following ways:

THE COST OF TURNOVER: The cost of employee turnover adds hundreds of thousands of money to a company's expenses. While it is difficult to fully calculate the cost of turnover (including hiring costs, training costs and productivity loss), industry experts often quote 25% of the average employee salary as a conservative estimate.

RETENTION OF COMPANY KNOWLEDGE: When an employee leaves, he takes with him valuable knowledge about the company, customers, current projects and past history (sometimes to competitors). Often much time and money is spent on the employee in expectation of a future return. When the employee leaves, the investment is not realized.

CONTINUATION OF CUSTOMER SERVICE: Customers and clients do business with a company in part because of the people. Relationships are developed that encourage continued sponsorship of the business. When an employee leaves, the relationships that employee built for the company are severed, which could lead to potential customer loss.

CONTROL RIPPLE EFFECT OF MORE TURNOVERS: When an employee leaves, the effect is felt throughout the organization. Co-workers are often required to take additional load. The unspoken negativity often intensifies for the remaining staff.

GOODWILL OF THE COMPANY: The goodwill of a company is maintained when the attrition rates are low. Higher retention rates motivate potential employees to join the organization.

REGAINING EFFICIENCY: If an employee resigns, then good amount of time is lost in hiring a new employee and then training him/her and this goes to the loss of the company directly which many a times goes unnoticed. And even after this you cannot assure us of the same efficiency from the new employee.

HANDLING EMPLOYEE RETENTION

The task of managing employees retention consists of following stages:

1) UNDERSTAND WHY EMPLOYEES LEAVE

Why employees leave often; puzzles top management. Exit interviews are an ideal way of recording and analyzing the factors that have led employees to leave the organization. They allow an organization to understand the reasons for leaving and underlying issues. However employees never provide appropriate response to the asked questions. So an impartial person should be appointed with whom the employees feel comfortable in expressing their opinions.

2) IDENTIFY THE COST OF EMPLOYEE TURNOVER

The organizations should start with identifying the employee turnover rates within a particular time period and benchmark it with the competitor organizations. This will help in assessing the whether the employee retention rates are healthy in the company. According to a survey, on an average, attrition costs companies 18 months' salary for each manager or professional who leaves, and 6 months' pay for each hourly employee who leaves. This amounts to major organizational and financial stress, considering that one out of every three employees plans to leave his or her job in the next two years.

3) IMPLEMENT RETENTION STRATEGY

Once the causes of attrition are found, a strategy is to be implemented so as to reduce employee turnover. The most effective strategy is to adopt a holistic approach to dealing with attrition. An effective retention strategy will seek to ensure:

- Attraction and recruitment strategies enable selection of the right candidate for each role in organization
- New employ's initial experience with the organization is positive
- Appropriate development opportunities are available to employees, and that they are kept aware of their likely career path with the organization
- Organizations reward strategy reflects the employee drivers

HOW TO RETAIN & MOTIVATE KEY STAFF

Following are the key areas need to be focused on as part of developing and maintaining an organisation culture that supports and retains employees together with supporting strategies that need to be done to achieve the required results.

1. PROVIDE APPROPRIATE LEVELS OF REMUNERATION

Ensure that remuneration packages are competitive, provide an appropriate level of reward for the position and are keeping pace with acceptable industry standards.

SUPPORTING STRATEGIES

Make provision in the recruitment and selection process for a review to be undertaken for remuneration packages for all positions that become vacant to ensure they remain competitive. Ensure that the performance management system provides for a review all remuneration packages both from a competitive and reward for performance perspective.

2. CLEAR EXPECTATIONS

Ensure that every employee knows clearly what is expected from him. Changing expectations keep people on edge and create unhealthy stress. There is a need for a specific framework within which people clearly know what is expected from them.

SUPPORTING STRATEGIES

Ensure that clear, up to date position descriptions are available for all staff. Ensure there is clear organisation structure available with reporting responsibilities.

3. QUALITY SUPERVISION

The quality of supervision an employee receives is critical to employee retention. People leave managers and supervisors more often than they leave organisations. Starting with clear expectations of the employee, the supervisor has a critical role to play in retention.

SUPPORTING STRATEGIES

Managers will hold regular scheduled meetings to discuss workload and agreed outcomes. Develop and implement a performance management system which provides for systematic regular feedback on performance.

4. FEEDBACK IS ACTIVELY ENCOURAGED

Provide an environment where feedback is actively sought and where people are comfortable providing feedback. It is critical to develop a culture where employees offer ideas, are able to offer critical feedback without fear of retribution and commit to continuous improvement.

SUPPORTING STRATEGIES

Develop a values based code of conduct including an agreed communication and feedback strategy. Have feedback sessions built into staff meetings. Conduct regular staff satisfaction surveys.

5. TAP TALENT

Talent and skill utilisation is another environmental factor employees would like in the organisation. A motivated employee will want to contribute in areas outside of their specific job description and who could contribute far more than they currently do. We need to identify them, their skills, talent and experience, and take the time to tap into it.

SUPPORTING STRATEGY

Develop and implement leadership identification and development programs

6. FAIRNESS, EQUITY AND RECOGNITION OF DIVERSITY

Fairness and equity for all employees and managing the diversity of employees in the organisation is critical to attraction and retention. If staff perceive a lack of fairness or equity or diversity of ideas, talents, skills and values are not recognised and managed effectively; they will feel undervalued; probably stagnate and ultimately leave.

SUPPORTING STRATEGIES

Ensure implementation of appropriate policies to ensure fairness, equity and recognition of diversity. Train staff if required to recognize and manage diversity.

7. OPPORTUNITY FOR GROWTH

The best employees, those you want to retain, seek frequent opportunities to learn and grow in their careers, knowledge and skill. A career-oriented, valued employee must experience growth opportunities within the organisation or they will stagnate and probably leave.

SUPPORTING STRATEGY

Develop a structured training program as part of the performance management system to provide such opportunities to the staff.

8. RECOGNITION

Managers must regularly engage with all of their staff to make them feel recognised and exist in the organization.

SUPPORTING STRATEGY

Managers must take the time to engage with all staff on a regular basis both on personal and professional level.

9. KNOW YOUR PEOPLE

Take time to learn about the talents, abilities and skills of all employees. It is a critical tool to help employees feel welcome, acknowledged and loyal.

SUPPORTING STRATEGY

Ensure this is focused during performance management and regular engagement with staff.

10. NEVER THREATEN AN EMPLOYEE

Never threaten an employee's job or income in particular as part of any attempt to improve performance. If a position is possibly going to become redundant then the process needs to be very carefully managed. The threat of possible loss of job or benefits no matter how true is a mistake because it makes them and others nervous and the best staff members will start updating their resumes.

SUPPORTING STRATEGIES

Ensure there are discipline and grievance procedures in place to provide a clear framework for managers to manage performance of employees. Provide training to all staff in managing performance.

11. REWARDS, RECOGNITION AND APPRECIATION

Employees must feel rewarded, recognised and appreciated. Monetary rewards, bonuses and gifts makes “the thank you” even more appreciated. Understandable increases tied to accomplishments and achievements help retain staff. Tangible benefits aside, a simple “thank you” or acknowledgement of good work and achievements on a regular basis goes a long way to providing an environment where people want to work, contribute and stay.

SUPPORTING STRATEGIES

Ensure the performance management system provides for increases to be tied to accomplishment and achievement.

12. CELEBRATE ACHIEVEMENTS

Take the time to celebrate with staff on achievement and look for opportunities to recognise good work and say thank you on a regular basis.

SUPPORTING STRATEGIES

Hold regular and informal staff functions to recognise achievements.

CONCLUSION

Employee retention isn't solely a concept or a apply, it's a live taken to speculate within the way forward for the corporate for a corporation is additionally well-known by the workers it employs and also the ways in which it retain them. Holding a crucial worker would demand the leader to reap the sensation of job security and job satisfaction into the mind of the workers. Retaining the employees especially your best ones require more than goodies and gimmicks. It requires understanding of their needs which can drive satisfaction and high performance from them, and then use his knowledge to create an intrinsically motivating work experience, by doing this, organization can become what we say in true words, Retention worthy.

REFERENCES

- [Humanresources.about.com/od/retention/a/more_retention.htm](http://humanresources.about.com/od/retention/a/more_retention.htm)
- <http://www.employee-retention-guide.com/>
- <http://retention.naukrihub.com/retention.htm>
- www.employee-retention-strategies.com
- www.postharvest.tfrec.wsu.edu/PC2002G.pdf
- www.employee-retention-guide.com
- <http://smallbusiness.chron.com/employee-retention-strategies-important-1241.html>

Published by: **TRANS** Asian Research Journals**AJMR:****Asian Journal of
Multidimensional
Research**

(A Double Blind Refereed & Reviewed International Journal)



AN ANALYSIS OF ABUSE OF DOMINANT POSITION UNDER CCI ACT, 2002: A SIGMA OF CASES SO FAR

Prof. Dr. Ravinder Vinayek*; Ms. Kanika Mehendiratta**

*Head and Dean,
Department of Commerce,
MDU,
Rohtak, India.

**Assisitant Professor,
DAVCC,
Faridabad, India.

ABSTRACT

The Competition Act defines the relevant market as 'with the reference to the relevant product market on the relevant geographic market or with reference to both the markets. The relevant geographic market is defined as 'a market comprising the area in which the conditions of competition for supply of goods or provision of services or demand of goods or services are distinctly homogenous and can be distinguished from the conditions prevailing in the neighboring areas.

INTRODUCTION

ABUSE OF DOMINANCE

Section 4 of the competition act is the operative provision of the act dealing with the abuse of dominant position. This provision is basically fashioned on the EU prohibition on abuse of dominance contained in Article 102 of the Treaty on the functioning of the European Union (TEFU).

Section 4 prohibits any enterprises from abusing its dominant position. The term 'dominant position' has been defined in this Act as 'a position of strength, enjoyed by an enterprises, in the relevant market, in India, which enables it to operate independently of competitive forces prevailing in the relevant market in its favor. The definition of the dominant position provided by the European Commission in United Brand v Commission of the European Communities case. In the United brands case the court observed that ' a position of strength enjoyed by an undertaking which enables it to prevent effective competition being maintained on the relevant market by

affording it the power to behave to an appreciable extent independently of its competitor, customers and ultimately of its consumers.

The Competition Act defines the relevant market as 'with the reference to the relevant product market on the relevant geographic market or with reference to both the markets. The relevant geographic market is defined as 'a market comprising the area in which the conditions of competition for supply of goods or provision of services or demand of goods or services are distinctly homogenous and can be distinguished from the conditions prevailing in the neighboring areas. The competition Act further provides that the CCI shall determine the relevant geographic market having due regard to all or any of the following factors.

- Regulatory trade barriers
- Local specification requirements
- National procurement policies
- Adequate distribution facilities
- Transport costs
- Language
- Consumer preferences
- Need for secure or regular supplies or rapid after sale services.

The relevant product market is defined as a 'market comprising all those products or services which are regarded as interchangeable or substitutable by the consumer, by reason of characteristics of the products or services, their prices and intended use. The Competition Act provides that the CCI shall determine the relevant geographic market having due regard to all or any of the following factors.

- Physical characteristics or end use of goods
- Price of goods or services
- Consumer preferences
- Exclusion of in-house production
- Existence of specialized producers
- Classification of industrial products.

The abuse of dominance analysis under the competition act starts with the determination of market, once the relevant market has been determined; the CCI's next task is to establish whether the enterprise enjoys a dominant position. It is important to note here that the competition act does not prohibit the mere possession of dominance that could have been achieved through superior economic performance innovation or pure accident but only its abuse.

The Competition Act sets out the following factors which are followed by CCI to establish the dominant position of an enterprise.

- The market share of the enterprise

- Size and resources of the enterprise
- Size and importance of the competitors
- Economic power of the enterprise including commercial advantage over competitors
- Vertical integration of the enterprises or sale or service network of such enterprises
- Dependence of consumers on the enterprises
- Monopoly or dominant position whether acquired as a result of any statute or by virtue of being a govt. company or a public sector undertaking or otherwise.
- Entry barriers including barriers such as regulatory barriers, financial risk, high capital cost of entry, marketing entry barriers, technical entry barriers, economic of scale, high cost of substitutable goods or services for consumers
- Countervailing buying power
- Market structure and size of market
- Social obligations and social costs
- Relative advantage, by way of the contribution to the economic development, by the enterprise enjoying a dominant position having or likely to have an appreciable adverse effect on competition.
- Any other factor which the commission may consider relevant for the enquiry.

Once the dominance of an enterprise in the relevant market is determined the CCI has to establish abuse of its dominance by an enterprise. The competition act set out a list of activities that shall be deemed abuse of dominant position.

- Anti competitive practices of imposing unfair or discriminatory trading conditions or prices or predatory prices.
- Limiting the supply of goods or services or a market or technical or scientific development denying market access.
- Imposing supplementary obligations having no connection with the subject of the contract or
- Using dominance in one market to enter into or protect another relevant market

The list of abuses provided in the competition. Act is meant to be exhaustive and not merely illustrative. This broadly follows the categories of abuse identified under 102 of TEFU. The competition act also exempts certain unfair or discriminatory conditions in purchase or sale or predatory pricing of goods or services from being considered an abuse when such trading conditions are adopted to meet competition.

It is important to note that the abusive practices listed in Sec 4(2) are only prohibited under section 4(1), these practices are not declared void as per sec 3 and section 6 dealing respectively with the anti- competitive agreements and combination regulation.

DIVERSION OF ENTERPRISE ENJOYING DOMINANT POSITION

1. The commission may, notwithstanding anything contains in any other law for the time being in force, by order in writing, direct division of an enterprise enjoying dominant position to ensure that such enterprise does not abuse its dominant position.
2. In particular, and without prejudice to the generality of the foregoing powers, the order referred to in subsection (1) may provide for all or any of the following matters.
 - The transfer or vesting of property, rights, liabilities or obligations.
 - The adjustment of contracts either by discharge or reduction of any liability or obligation or otherwise
 - The creation, allotment, surrender or cancellation of any shares, stocks or securities.
 - The formation or winding up of an enterprises or the amendment of the MOA and AOA or any other instruments regulating the business of any enterprise.
 - The extent to which, and the circumstances in which, provisions of the order affecting an enterprise may be attested by the enterprise and the registration thereof.
 - Ay other matter which may be necessary to give effect to the division of the enterprises.
3. Not withstanding anything contained in any other law for the time being in force or in any contract or in any MOA or AOA, an officer of a company who ceases to hold office as such in consequences of the division of an enterprises shall not be entitled to claim any compensation for such cases.

POWER OF THE COMPETITION COMMISSION

After inquiry into abuse of dominant position, the CCI can order

- Discontinuance of abuse of dominant position
- Impose a penalty up to 10 % of the average turnover of the enterprise.

The Competition Act, 2002 (the Act) is the principal legislation dealing with competition law in India. Despite having been enacted in 2002, the substantive provisions of the Act were only partly brought into force on 20 May 2009. The Act deals with three substantive aspects: the prohibition of anti-competitive agreements, the prohibition of abuse of dominance and the regulation of combinations (merger control).

Section 4 of the Act is the substantive provision dealing with abuse of dominance. The Competition Commission of India (CCI), which despite its relatively short tenure has proven to be a proactive regulator, has imposed several headline fines for abusive conduct by enterprises.

SECTION 4: ABUSE OF DOMINANT POSITION ORDERS

No.	Case No/ date of decision	Case Name	Industry Sector in which the Informant/	Industry Sector in which OP1 was en-	Dissenting Outcome Opinion
-----	---------------------------------	-----------	--	---	-------------------------------

			complainant was engaged	gaged		
58.	30(146) /2008 18/6/2010	All India Distillers' Asso- ciation v Haldyn Glass Gujarat Ltd & Ors	Distillery	Glass	-	Dismissed by CCI without referral to the DG
59.	09/2009 24/9/2010	Manish Singh v Roger Williams & Ors	Pharmaceuti- cal	Pharmaceu- tical	-	Dismissed by CCI without referral to the DG
60.	73/2008 06/10/2010	B.C. Aurora v T.V. Chan- nel Operators	Private Indi- vidual	Media	-	Dismissed by CCI without referral to the DG
61.	RTPE3/2008 02/12/10	Federation of Indian Airlines & Ors	Suo Moto	Aviation	-	Dismissed by CCI after referral to the DG
62.	11/2010 16/12/2010	Rohit Medical Store through its Proprietor M/s Aashish Enterpris- es, Ambala Cantt & Ors	Pharmaceuti- cal	Pharmaceu- tical	-	Dismissed by CCI after referral to the DG
63.	125/2009 20/01/2011	Shri Achintya Mukher- jee v Loop Telecom Pvt Ltd & Ors	Private Indi- vidual	Telecom	-	Dismissed by CCI without referral to the DG
64.	04/2011 22/03/2011	Lodestar Slotted Angles Ltd v Rockline Con- struction Company & Ors	-	Construction-		Dismissed by CCI without referral to the DG
65.	RTPE31	Sh S.K. Sharma, Depu-	Railway	PVC Sheets	-	Withdrawn

/2008 ty, CMM-IV, North
West-

06/04/2011 ern Railway, Hasan-

pura, Jaipur v M/s
RMG

Polyvinyl India Ltd,
New

Delhi & Ors

⁸⁰© Nishith Desai Associates 2013

COMPETITION LAW IN INDIA**PRIVILEGED AND CONFIDENTIAL**

No.	Case No/ date of decision	Case Name	Industry Sector in which the Informant/ complainant was engaged	Industry Sector in which OP1 was en- gaged	Dissenting Opinion	Outcome
66.	C-145/2008 /DGIR 06/04/2011	DDRS (G)-II, Railway Board, Ministry of Railways v M/s RMG Polyvinyl India Ltd, New Delhi & Ors	Railway	PVC Sheets	-	Withdrawn
67.	01/2009 25/05/2011	FICCI- Multiplex Asso- ciation of India v United Producers/ Distributors Forum & Ors	FICCI	Media	-	Violation of Sec- tion 3 Fine imposed
68.	19/2010 12/08/2011	Belaire Owners As- sociation v DLF Limited & HUDA	Resident Association	Real Estate	-	Violation of S. 4 found, fine imposed.
69.	13/2009 26/06/2011	MCX Stock Exchange v NSE Stock Exchange	Stock Exchange	Stock Exchange	-	Violation of S. 4 found, fine imposed.

70.	42/2011	Mrs. Rajni Kanta Minz	Private	Real Estate	-	Dismissed by CCI
	13/09/2011	v Mr. Munna Munda & Ors.	Individual			without referral to the DG
71.	46/2011	PRIMORDIAL Systems	Education	Media	-	Dismissed by CCI
	28/09/2011	Pvt. Ltd., New Delhi				without referral to the DG
		v Indian Newspaper society-INS & Ors.				
72.	21/2011	Mr. Jagmohan Chhabra	Private	Real Estate	R. Prasad	Dismissed by CCI
	08/11/2011	& Ors. v M/s. Unitech Ltd.	Individual			without referral to the DG
73.	55/2010	M/s Mili Marketing	Marketing	Real Estate	-	Case may be
	14/11/2011	Private Limited. v M/s				clubbed with case
		DLF Limited. & Ors.				no 19/2010
74.	22/2011 &	Brig. B.S. Perhar and	Private	Real Estate	-	Dismissed by CCI
	23/2011	Pritam Perhar v Hill	Individual			without referral to the DG
	30/11/2011	View Infrastructures Pvt. Ltd.				

Provided upon request only

No.	Case No/ date of decision	Case Name	Industry Sector in which the Informant/ complainant was engaged	Industry Sector in which OP1 was en- gaged	Dissenting Opinion	Outcome
75.	54/2011 30/11/2011	Shri Debapriyo Bhat- tacharya, New Delhi-1 v The Principal Secre- tary, Home (General- A) Department & Ors	Private Individual	E-tickets	R. Prasad	Dismissed by CCI without referral to the DG
76.	50/2011 & Ref. Case No. 2/2011 20/12/2011	Gujarat Textile Proces- sors Association, Surat, Gujarat and Govern- ment of Gujarat v Guja- rat Gas Company Ltd., Ahmedabad, Gujarat	Textile	Natural Gas -		Dismissed by CCI without referral to the DG
77.	06/2010 11/01/2012	Ms. Anila Gupta, Mum- bai v BEST Undertak- ing, Mumbai	Private Individual	Electricity	R. Prasad	Dismissed by CCI after referral to the DG
78.	77/2011 12/01/2012	Eastman Cast & Forge - Ltd. v Exact Developers& Promoters Pvt. Ltd. & Ors.		Building Commercial projects	-	Dismissed by CCI without referral to the DG
79.	80/2011,	Ravi Suri & Ors v	-	Construction-		Dismissed by

		M/S				CCI
	81/2011,	Today Homes and				without referral to
	82/2011	Infrastructure Pvt Ltd				the DG
	12/01/2012					
80.	77/2011	Eastman Cast & Forge Private Party Real Estate -				Dismissed by CCI
	12/01/2012	Ltd v Exact Developers				after referral to
		& Promoters Pvt Ltd				the DG.
		&				
		ors				
81.	43/2011 &	Mr. Haravtar Singh & Private	Real Estate -			Dismissed by CCI
	44/2011	Mrs. Gurjit Kaur Arora,	Individuals			after referral to
	31/01/2012	London, UK v M/s. DLF				the DG
		Limited, New Delhi				
82.	67/2011	George Kuruvilla, Chen-	Private	Real Estate	R. Prasad	Dismissed by CCI
	09/02/2012	nai & Ors. v M/s Hirco Developments Pvt. Ltd., Mumbai & Ors.	Individuals			without referral to the DG

⁸²© Nishith Desai Associates 2013

COMPETITION LAW IN INDIA**PRIVILEGED AND CONFIDENTIAL**

No.	Case No/ date of decision	Case Name	Industry Sector in which the Informant/ complainant was engaged	Industry Sector in which OPI was en- gaged	Dissenting Opinion	Outcome
83.	83/2011 21/02/2012	Shri Praveen Kumar Sodhi v Omaxe Ltd. & Ors.	Private party	Real Estate	R. Prasad	Dismissed by CCI without referral to the DG
84.	02/2012 06/03/2012	M/S Jakarso packs Aid Ltd v State of UP through Principal Secre- tary & ors	Manufacturer of boxes and sheets	UP Financial - Corporation	-	Dismissed by CCI without referral to the DG
85.	01/2012 21/03/2012	Ajay gupta v Rangoli builtech PVt Ltd	Private party	-	-	Dismissed by CCI without referral to the DG
86.	22/2010 29/03/2012	Kapoor Glass Private Limited v Schott Glass India Private Limited	Glass tubes	-	-	Violation of Sec- tion 4 and fine imposed
87.	09/2012 04/04/2012	M/s Sampark Securi- ties Private Limited v Haryana State Industri-	Finance	Construction-	-	Dismissed by CCI without referral to the DG

		al & Infra. Development Corp. Ltd.			
88.	09/2012	M/s Sampark securi-	-	Haryana In- -	Dismissed by CCI
	04/04/2012	ties Ltd v HSIIDC		frastructure development	without referral to the DG
89.	60/2011	Shri. B. Venkat Reddy	Private party	Transport -	Dismissed by CCI
	10/04/2012	v Shri Ram Transport Finance Company, Se- cunderabad & Ors.		finance	after referral to the DG
90.	17/2012	Sanjeev Pandey v	Law	Automobile -	Dismissed by CCI
	03/05/2012	Mahendra & Mahendra & Ors			without referral to the DG
91.	4/2012 & 5/2012 08/05/2012	in re case	Private party (Poonam Gupta)	Construc- - tion/ real estate	Dismissed by CCI without referral to the DG

Provided upon request only

No.	Case No/ date of decision	Case Name	Industry Sector in which the Informant/ complainant was engaged	Industry Sector in which OP1 was en- gaged	Dissenting Opinion	Outcome
92.	01/2010 16/05/2012	GKB Hi Tech Lenses Private Limited v Transi- tions Optical India Private Limited	Glass	Glass	R. Prasad, M.L. Tayal	Dismissed by CCI after referral to the DG
93.	18/2012 31/05/2012	Mr. Hemant Jayanti Shah v Managing Com- mittee of Borivali Nand- kuvar Co- operative Housing Society	Private party	Co- operative housing society	-	Dismissed by CCI without referral to the DG
94.	13/2012 18/06/2012	All Odisha Steel Fed- eration v Orissa Mining Corporation	Steel	Mining	-	Dismissed by CCI without referral to the DG
95.	25/2012 29/06/2012	M/s Vindato Invest- ment Pvt. Ltd. & Ors. V M/s Vaidehi - Akash Housing Private Limited	Finance	Housing Pri- vate Limited	-	Dismissed by CCI without referral to the DG

96.	36/2011	M/S Fast Way Trans-	Information &	Information -	Violation of S. 3 &
	3/07/2012	mission Pvt. Ltd. v	Braodcasting &	Braodcast-	S. 4. Commission
		M/S Hathway Sukham-	(Day & Night	ing	imposed a fine of
		rit Cable & Datacom	News)		Rs. 80,401,141
		Pvt. Ltd. And Others			under S. 27(b) of
					the Competition Act, 2002.
97.	15/2012	Owners and Occupants	Society	Real Estate	R.Prasad Dismissed by CCI
	4/07/2012	Welfare Association v			without referral to
		M/s DLF Commercial			the DG
		Developers Ltd. & Ors.			
98.	33/2012	Nalini Gupta v	Private	Manufacture-	Dismissed by CCI
		OTIS El-			
	24/07/2012	evator Company (I) Ltd.	Individual	Industry	without referral to
					the DG

COMPETITION LAW IN INDIA**PRIVILEGED AND CONFIDENTIAL**

No.	Case No/ date of decision	Case Name	Industry Sector in which the Informant/ complainant was engaged	Industry Sector in which OP1 was en- gaged	Dissenting Opinion	Outcome
99.	12/2011 14/08/2012	Arshiya Rail Infrastruc- ture Ltd. (ARIL) v Min- istry of Railway (MoR) & Ors.	Infrastructure Industry	Ministry of Railways	S.N. Dhingra, M.L.Tayal, the DG. R.Prasad	Dismissed by CCI after referral to No viola- tion of s. 3 or 4.
100.	70/2011 27/08/2012	Shri Saurabh Bhargava v Secretary, Ministry of Agriculture and Coop- eration & Ors.	Private Individual	Secretary, Ministry of Agriculture and Coop- eration	R. Prasad	Dismissed by CCI without referral to the DG. No viola- tion of S. 3 or 4.
101.	22/2012 6/09/2012	Dr. Deepa Narula c/o Mr. Prashant Narula v Taneja Developers and Infrastructures Ltd.	Private Individual	Real Estate	R. Prasad	Dismissed by CCI without referral to the DG.
102.	21/2012 18/09/2012	Advertising Agencies Guild v DAVP & Ors.	Advertising	Advertising	R. Prasad	Dismissed by CCI without referral to the DG. Violative of S. 4.

103. 28/2012	Shivang Agarwal Private & Anr.	Construction	R. Prasad, Dismissed by CCI
4/10/2012	v Supertech Ltd. Noida. Individual	Industry	S. N. without referral to the DG.
			Dhingra
104. 43/2012	Shri A. K. Jain, Private Gur-	Real Estate	R. Prasad Dismissed by CCI
11/10/2012	gaon, Haryana v Individual The Dwarkadhis Projects Pvt. Ltd., Delhi		without referral to the DG.
105. 38/2012	All India Genset Manufacturer Association v Chief Secretary, Government of Haryana & Ors.	Manufacture Industry	Govt. of Haryana R. Prasad Dismissed by CCI without referral to the DG.
18/10/2012			
106. 66/2012	Ajay Devgn Films v Yash	Film Industry	Film Industry - Dismissed by CCI without referral to the DG.
5/11/2012	Raj Films Pvt. Ltd. & Ors.		

Provided upon request only

No.	Case No/ date of decision	Case Name	Industry Sector in which the Informant/ complainant was engaged	Industry Sector in which OP1 was en- gaged	Dissenting Outcome Opinion
107.	51/2012 07/11/2012	Accreditation Commis- sion for Conformity Assessment Bodies Pvt. Ltd. v Quality Council of India/National Accredi- tation Board for Certifi- cation Bodies & Ors.	-	-	-
					Dismissed by CCI after referral to the DG.
108.	63/2012 22/11/2012	M/s NexTenders (India) Pvt. Ltd. v Ministry of Communication and Information Technology & Ors.	IT		Ministry of Comm. & IT
109.	29/2012 27/11/2012	DGCOM Buyers & Own- ers Association, Chen- nai v M/s DLF Ltd., New Delhi & Ors.	Residents and Flat Own- ers Associa- tion		Real Estate
110.	64/2012 29/11/2012	Vijay Rice & General Mills v Punjab State Civil Supplies Corpra- tion Limited.	Milling		Farming

111.	65/2012 12/12/2012	Ms Lalita Ram- akrishnan & Ors. v M/s Vatika Limited.	Private Individual	Real Estate
112.	47/2012 13/12/2012	M/s Mineral Enterpris- es Limited v Ministry of Railways, Union of India & Ors.	Infrastructure Industry	Ministry of Railways
113.	50/2012 13/12/2012	Shri Kaushal K. Rana v DLF Commercial Com- plexes Ltd.	Private Individual	Real Estate

R. Prasad Dismissed by CCI without referral to the DG.

Geeta

Dismissed by CCI

Gouri,

without referral to

R. Prasad the DG.

- Dismissed by CCI without referral to the DG.

- Dismissed by CCI without referral to the DG.

R. Prasad Dismissed by CCI without referral to the DG.

R. Prasad Dismissed by CCI without referral to the DG.

⁸⁶© Nishith Desai Associates 2013

COMPETITION LAW IN INDIA**PRIVILEGED AND CONFIDENTIAL**

No.	Case No/ date of decision	Case Name	Industry Sector in which the Informant/ complainant was engaged	Industry Sector in which OP1 was en- gaged	Dissenting Outcome Opinion
114.	19/2010 03/01/2013	Belaire Owner's As- sociation v. DLF Ltd., HUDA & Ors. (Supple- mentary Order)	Resident Welfare As- sociation	Real Estate -	Violation of S. 4 Penalty imposed
115.	31/2012 03/01/2013	Sanjay Kumar Gupta v. DLF Ltd.	Private Indi- vidual	Real Estate -	Dismissed by CCI without referral to the DG (S. 4)
116.	67/2010 10/01/2013	M/s. Magnolia Flat Owners Association & Ors. v. M/s. DLF Univer- sal Ltd. & Ors.	Resident Welfare As- sociation	Real Estate -	Violation of S. 4 Penalty not im- posed. OP1 directed to modify unfair conditions.
117.	18, 24, 30, 31, 32, 33, 34 & 35/2010 10/01/2013	DLF Park Place Resi- dents v. DLF Ltd.	Private Individuals	Real Estate -	Violation of S. 4 Penalty not im- posed. OP1 directed to modify unfair conditions.
118.	80/2012	H.L.S. Asia Limited,	Oil	Oil -	Dismissed by CCI

	06/02/2013	New Delhi v. Schlumberger Asia Services Ltd, Gurgaon & Ors				without referral to the DG (S. 4)
119.	61/2010	Sh. Surinder Singh	Private	Sports	-	Violation of S. 4
	08/02/2013	Barmi v. Board of Control of Cricket in India	Individual			Penalty imposed
120.	57/2012	Dr. Anoop Bhagat v. M/s Health-care Spectra Medical System	Health-care	-		Dismissed by CCI without referral to the DG (S. 4)
	15/02/2013	India Pvt. Ltd. & Ors.				
121.	72/2012	M/s. Shahi Exports Pvt. Garment	Textile	-		Dismissed by CCI without referral to the DG (S. 4)
	15/02/13	Ltd. v. Lakshmi Machine Works Ltd.				

REFERENCES

1. The concept of 'collective dominance', ie, dominance exercised by enterprises which do not have structural links to one another (ie, they do not satisfy the test for 'group' under the Act) does not yet exist under the Act but is proposed to be introduced by way of the Competition Amendment Bill, 2012 currently pending before the Parliament of India. However, parallel conduct by several enterprises in a particular market having appreciable adverse effect on competition would be covered under the provisions of section 3(3) of the Act, which prohibits cartelisation. ↑
2. Case No. 19/2010. ↑
3. Consumers Guidance Society v Hindustan Coca-Cola Beverages Private Limited (UTPE 99/2009) and M/s Cine Prekshakula Viniyoga Darula Sangh v Hindustan Coca-Cola Beverages Private Limited (RTPE 16/2009). ↑
4. Explanation (a) to section 4(2) of the Act. ↑
5. Case No. 13/2009. ↑
6. Under section 19 of the Act, any person or enterprise may file an 'information' with the CCI, bringing to light instances of potential cartelisation or abuse of dominance. ↑
7. The CCI has also prescribed guidelines for the computation of cost known as the Competition Commission of India (Determination of Cost of Production) Regulations, 2009 (Cost Regulations), for the purposes of predatory pricing analysis. In order to establish that predatory pricing has taken place, the competition regulator is required to determine the cost of production

of a particular product or service and establish that such product or service was priced below cost. Accordingly, various alternate cost measures are used, such as average variable cost, long run average incremental cost, average avoidable cost, etc, depending on the specific sector being investigated (for instance, cost of production in a manufacturing industry has different components from that in a service industry or technology-based industry). The Cost Regulations prescribe that average variable cost be used as the default cost proxy. ↑

8. The CCI adopted this stance in the NSE case. ↑
9. Shri Sanwar Mal Agarwal v Punjab National Bank, (Case No.08/2010); See also Cinergy Picture Ltd v ETC Network Ltd, (Case No. 2/2010) where the CCI dismissed the complaint on account of the failure of the complainant, Cinergy Picture Private Limited to establish that the opposite party was in a dominant position in the relevant market (broadcast and television entertainment) and to furnish concrete material in relation to unfair or discriminatory conditions imposed by the opposite party. ↑
10. See Rupesh Sarabhai Patel v The Oriental Insurance Company (Case No. 53/2010), M/s Best Xerox Centre v Xerox Modi India Limited (Case No. 57/2010). ↑
11. Section 27(b) of the Act. ↑
12. Section 48(1) of the Act. ↑
13. Section 28 of the Act. ↑
14. This amounted to 7 per cent of DLF's average turnover for the financial years 2008–2009, 2009–2010 and 2010–2011. ↑
15. Case No. 3/2012. This amount to merely 3 per cent of the average turnover of Coal India and its subsidiaries for the financial years 2009–2010, 2010–2011 and 2011–2012. ↑
16. MCX Stock Exchange Limited v National Stock Exchange of India Limited (Case No. 13/2009). ↑
17. It was alleged that the waiver of any transaction costs (such as admission fee, transaction fee, data feed service charge, free market watch software, lowering of cash deposit requirements imposed on members, etc), specifically in the CD segment of its operations, was aimed at making it impossible for MCX, a new entrant into the CD segment, to operate using these revenue streams. Further, it was alleged that the opposite parties had intentionally not facilitated compatibility between ODIN (a market watch software developed by one of the promoter companies of MCX) and NOW (a substitute market watch software developed by a group company of NSE), as a result of which traders in the currency derivatives segment would not be able to monitor multiple segments simultaneously on the MCX stock exchange and the NSE. ↑
18. A penalty of 555 million rupees, amounting to 5 per cent of the turnover of NSE, was imposed. NSE instituted a price for its CD segment before going on appeal to the COMPAT. ↑
19. Belaire Owners' Association v DLF Limited (Case No. 19/2010). ↑
20. A penalty of 6,300 million rupees, amounting to 7 per cent of the turnover of DLF, was imposed. ↑

21. The CCI passed a supplementary order proposing such modifications on 3 January 2013, in respect of the agreements relating to DLF's Balaire property (which was the subject matter of Case No. 19/2010). DLF has appealed the CCI's supplementary order before the COMPAT. ↑
22. *Prints India v Springer India Private Limited* (Case No. 16/2010). ↑
23. *Jindal Steel and Power Company v Steel Authority of India* (Case No. 11/2009). The matter is currently under appeal before the COMPAT. ↑
24. *Surinder Singh Barmi v Board for Control of Cricket in India* (Case No. 61/2010). ↑
25. The authors have represented the BCCI before the CCI and are currently representing the BCCI before the COMPAT. ↑
26. A penalty of 522.4 million rupees, amounting to 6 per cent of the average turnover of the BCCI from 2007 to 2010. ↑
27. 17.73 billion rupees, which amounts to 3 per cent of the turnover of Coal India and its subsidiaries for the financial years 2009–2010, 2010–2011 and 2011–2012. ↑
28. The Competition Amendment Bill, 2012, was introduced in the Lower House of the Indian Parliament on 10 December 2012. As of the Winter Session 2013 (which ended on 20 December), it is still pending the House's approval. ↑
29. http://www.nishithdesai.com/fileadmin/user_upload/pdfs/Research%20Papers/Competition%20Law%20in%20India.pdf

Editorial Board

Dr. SS Narta

Professor
Department of Commerce,
Himachal Pradesh University,
Summerhill, Shimla – 171005,
H.P., India.

Dr. Mamta Mokta

Professor
Department of Public Administration,
Himachal Pradesh University,
Shimla, India.

Prof. Shyam Lal Kaushal

School of Management Studies
Himachal Pradesh University,
Shimla, India.

Dr. Durgesh Nandini

Associate Professor
Department of Public Administration,
IGNOU, Delhi, India.

Dr B. Mohan

Associate Professor in English
S.V. College of Engineering and Technology
Chittoor, Andhra Pradesh, India.

Dr. Dalbir Singh

Assistant Professor
Haryana School of Business,
G.J.U.S & T, Hisar,
Haryana, India.

Dr. Sonia Sharma Uppal

P.G. Department of Commerce and Management
Arya College, Ludhiana,
India.

Nadeera Jayathunga

Senior Lecturer
Department of Social Sciences
Sabaragamuwa University, Belihuloya
Sri Lanka

Mrs. Sabina Dinesh Kumar

Assistant Lecturer
Faculty of Management Studies & Comm.
University of Jaffna,
Sri Lanka

Jumana M. Elhafiz

Assistant Professor
Department of Biochemistry,
Shendi University, Ministry of Health,
Sudan

Dr. Sunil Kumar

Assistant Professor,
Punjab School of Economics,
Guru Nanak Dev University,
Amritsar, Punjab, India

Dr. Ebele P. ifionu

Faculty, Department of Finance and Banking
University of Port Harcourt, Nigeira

Review Process

Each research paper/article submitted to the journal is subject to the following reviewing process:

1. Each research paper/article will be initially evaluated by the editor to check the quality of the research article for the journal. The editor may make use of iThenticate/Viper software to examine the originality of research articles received.
2. The articles passed through screening at this level will be forwarded to two referees for blind peer review.
3. At this stage, two referees will carefully review the research article, each of whom will make a recommendation to publish the article in its present form/modify/reject.
4. The review process may take one/two months.
5. In case of acceptance of the article, journal reserves the right of making amendments in the final draft of the research paper to suit the journal's standard and requirement.

Categories

- Business Management
- Social Science and Humanities
- Education
- Information Technology
- Scientific Fields



Published by

Trans Asian Research Journals

SCO 34, 1st Floor, HUDA Market,
Near Red Cross, Jagadhri - 135 003 (Haryana) INDIA
Website : www.tarj.in

Our other publications :

Trans Asian Journal of Marketing & Management Research (TAJMMR)
ISSN (online) : 2279-0667