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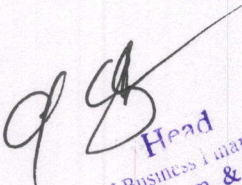
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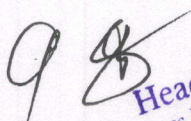
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Indo-Oman Trade and Economic Relations

Dr. Abdul Vajid* & Prof. K.A. Goyal**

[India and Oman have very close and deep bilateral relations since long. Oman has been an important pillar of India's West Asia policy. The two countries are closely linked in a multi-dimensional relationship. Outstanding contributions of Indians and people of Indian origin in Oman in enhancing these relations have been recognized by both countries. Bilateral trade and economic ties have shown some significant developments in the past few years. According to the Indian Ministry of External Affairs currently, there are approximately 4,100 Indian companies in Oman with an estimated investment above \$7.5 billion. India is one of the top trading partners in Oman. For Oman, India was the third biggest import source and the third biggest non-oil export market. Bilateral trade between India and Oman has increased by 8.5% in 2019-20 to USD 5.93 billion over the previous year. While India's exports to Oman amounted to 2,26 billion USD, India's Oman imports amounted to 3.67 billion USD in 2019-2020. In this paper, an attempt has been made to analyze India's bilateral trade and economic relations with Oman. Data for last 10 years from 2011 to 2020 have been collected and analyzed.]

India understands the importance of Oman and has established strong bilateral relations with the country during the last few decades. Bilateral relations include political, diplomatic, commercial and strategic ties with Oman, which is emerging as one of the priority countries in India's political and diplomatic outreach to the Gulf. In June 2014, Yusuf bin Alawi, Minister of Foreign Affairs of Oman, became the first foreign official to call the Prime Minister after he took office. Minister of Foreign Affairs Sushma Swaraj visited Oman in February 2015, followed by a visit to Muscat by the then Minister of Indian Defense Manohar Parrikar in May 2016.

India is one of the top trading partners in Oman. In FY 2018-19, Oman was India's 39th largest commercial partner and the 36th largest worldwide export market. In 2018, India was the third-largest source of its imports (after UAE and China) and the third biggest market (after UAE and Saudi Arabia) for non-oil exports. India represented around 4.40% of the total imports of Oman and 10.21% of the 2018 non-oil exports of Oman. In 2018, India imported 6.90% of Oman's total oil exports.

Prime Minister Modi visited Oman in February 2018 to further establish bilateral ties. He had a meeting with

Sultan Qaboos. The two leaders discussed several important bilateral, regional, and international issues of mutual interest. Improving trade relations through trade and investment and strengthening of security ties to counter mutual threats from terrorism and extremism and that emerged as the most important issue during the meeting. India and Oman also agreed to work together in the area of maritime security.

Review of Literature

Shalan and Handy (1991) argued that the growth rate of public expenditure over the past three decades is closely followed by oil export growth rates, in Oman, Saudi Arabia, and the United Arab Emirates, but not in Kuwait. For Al-Youşif (1997), the interaction between exports and economic growth in several oil-producing countries (such as Saudi Arabia, Kuwait, UAE, and Oman) from 1973-1993 was investigated, and he used a model of aggregate production function which included production, labor, capital, exports, government expenditure, and trade conditions. The reciprocal dumping model has conducted some empirical tests suggesting that the gravity equation may not be fully explained by its specialization and differentiated commodity models.

Metwally (2000) applied the co-integration model by using the technique of maximum likelihood to evaluate the long-term relationship of oil expenditure and government expenditure between 1974 and 1996 in the Gulf Council Countries (GCC). The model results show that there was a long-term relationship between

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two variables in all but Kuwait. Feenstra, Markusen, and Rose (2001) demonstrated reciprocal dumping by assessing the effect of the home market on differentiated and homogeneous goods in separate serious equations. The effect on domestic markets showed a relation in the assessment of gravity for differentiated goods but showed the opposite of homogenous goods. The authors show that this result corresponds to the theoretical predictions of mutual dumping in homogeneous markets.

In addition to the basic gravity equation, trade relations' studies using the gravity model also attempted to assess the effects of various variables. The price and exchange rate variables showed a relationship in the gravitational model that represents a substantial amount of variance not explained by the fundamental gravitational equation. The impact of price levels varies according to the relationship examined, according to empirical results at the price level. For example, if exports are to be examined, a relatively high importer price rate would be expected to enhance trade with that country. Anderson and van Wincoop (2003) use a non-linear equation system to account for the endogenous change from trade liberalization to these price terms. A simpler method is to use a log-linearization first order of this equation system.

Varghese, John, and Qatroopi (2015) investigated the interaction of bilateral trade between India and Oman. The authors applied the gravity model of trade testing the relationship between the independent variable and dependent variable and to know the determinants of Indo-Oman bilateral trade. 18 years GDP and export data starting from 1996 to 2014 were taken for analysis. Authors concluded that Oman's export is a function of Oman's GDP.

Objectives of the Study

- To analyze India's economic relations with Oman
- To know about trade composition between India and Oman

Indo-Oman Trade: An Analysis

Table 1 shows that the export trade of India with Oman was just USD 1082.24 million in 2011, which now in 2020 has reached USD 2261.81 million with a CAGR of 7.65%. On the other hand, the import of India from Oman has decreased. In 2011 USD 4002.07 million of goods were imported from Oman but in 2020 it amounted to USD 3669.33 Million, thus we can see the major downfall in import trade. Total trade between India and Oman was around USD 6 billion with a CAGR of 2.42%.

Table 1. India's Trade with Oman (Million USD)

S.No.	Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	EXPORT	1082.24	1322.13	2599.49	2812.27	2379.44	2,190.96	2,728.30	2,439.46	2,246.31	2,261.81
2	%Growth		22.17	96.61	8.19	-15.39	-7.92	24.53	-10.59	-7.92	0.69
3	IMPORT	4002.07	3345.94	2009.72	2951.18	1752.24	1,674.71	1,290.50	4,264.29	2,759.00	3,669.33
4	%Growth		-16.39	-39.94	46.85	-40.63	-4.42	-22.94	230.44	-35.3	33
5	TOTAL TRADE	5084.31	4668.07	4609.21	5763.45	4131.68	3,865.67	4,018.79	6,703.76	5,005.30	5,931.14
6	Trade Balance	-2919.83	-2023.81	589.77	-138.91	627.2	516.25	1437.8	-1824.83	-512.69	-1407.52

Source: Compiled from Director General of Commerce and Intelligence, Kolkata

Major Trade Items between India and Oman

India's main items of export to Oman for the last ten years are depicted in Table 2. Mineral Fuels (27), especially High-Speed Diesel (27101930), and other petroleum products like Tar, Light Diesel, etc. are the major items in this category. In the cereal (10) category, rice is the biggest exporting item to Oman by India. A significant amount of Meat (02), Organic

Chemical (29), Apparel both knitted and non-knitted (61 and 61), Ceramic Powder (69) are also being exported by India to Oman. Furthermore, some items' export to Oman have increased in recent years like Nuclear Reactor (84), Electric Machinery (85), vehicle other than railway (87), and ships and floating structure (89).

Table 2. Major Commodities export to Oman from India (Million USD)

HSN	Commodity	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
02	Meat and Edible Meat Offal	32.05	48.57	43.01	47.49	42.54	45.65	40.55	47.17	45.45	41.67
10	Cereals	17.38	72.08	154.75	172.53	172.54	133.70	101.97	126.61	137.32	106.16
27	Mineral Fuels/Oil	389.01	267.98	1548.21	1286.66	935.91	1017.73	1262.58	1014.39	535.97	495.72
29	Organic Chemicals	10.88	11.61	19.01	16.42	13.47	23.76	46.21	61.72	57.57	67.78
61	Apparel Knitted	1.60	4.38	6.78	50.21	17.01	14.70	14.52	29.64	42.77	29.73
62	Apparel Non-Knitted	9.88	9.82	12.86	90.58	21.36	23.32	26.52	26.02	47.75	63.02
69	Ceramic Powder	4.32	5.31	5.82	19.84	20.92	38.83	59.83	54.69	58.19	59.95
72	Iron Steel	42.14	71.18	78.60	45.48	52.17	31.94	54.71	76.66	84.31	114.15
73	Article of Iron and Steel	66.40	54.95	111.48	84.52	69.56	118.34	126.74	186.75	77.67	120.52
84	Nuclear Reactor, Boiler	109.47	73.34	120.88	194.80	147.37	168.45	133.16	145.87	176.22	204.40
85	Electrical Machinery	85.76	95.17	100.41	110.07	111.55	112.94	108.81	113.79	138.70	120.41
87	Vehicles other than Railway	12.13	27.46	54.66	49.53	69.97	50.66	52.10	43.20	36.37	56.91
89	Ships and Boat	22.04	267.19	7.01	158.29	352.45	0.03	228.43	2.47	276.46	236.54

Source: Compiled from Director General of Commerce and Intelligence, Kolkata

Import from Oman by India includes mainly Oil (27), Organic Chemicals (29), Fertilisers (31), Plastic (39) and Aluminum (76). Fertilisers (31) import from Oman has increased in last few years. It was just USD 348.78 million in 2011, which now has reached to USD 693.93 million. Moreover, import of items like Salt and Sulphar (25), Organic Chemicals (29), and

Plastic (39) also increased in last couple of years. Heavy downfall has been reported in import of items from Oman; like Mineral fuel (27) and Aluminum (76). In 2011 Mineral fuels (27) import from Oman was USD 3293.14 Million, which has now shrunk to USD 1838.78 Million in 2020. Import of Aluminum (76) also plummeted to USD 39.39 Million in 2020 from USD 91.87 Million in 2011.

Table 3. Major Commodities import from Oman to India (Million USD)

HSN	Commodity	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
25	Salt, Sulphar	61.58	74.73	93.95	99.67	119.32	109.55	107.51	125.47	132.57	127.07
26	Ores, Slag Ash	25.96	46.43	35.34	28.50	60.99	132.23	11.53	32.39	21.87	2.74
27	Mineral Fuels/Oil	3293.14	2083.84	507.88	1514.11	732.51	584.67	390.56	2880.79	1685.15	1838.78
29	Organic Chemicals	82.28	215.15	425.48	383.73	236.67	30.25	100.91	137.16	11.23	387.04
31	Fertilisers	348.78	356.20	346.56	451.35	267.10	372.06	371.01	468.99	394.80	693.93
39	Plastic	19.02	18.61	22.57	28.03	32.48	21.79	32.76	55.75	38.02	36.72
68	Article of Stone, Plaster, Cement	9.10	20.04	38.73	41.85	61.22	70.44	50.12	42.04	34.30	24.85
76	Aluminum	91.87	76.92	153.71	152.44	131.26	87.81	163.14	79.49	49.09	39.39

Source: Compiled from Director General of Commerce and Intelligence, Kolkata

Oman Ministry of Commerce and Industry reports that there are 4,100 Indian businesses in Oman with investments estimated at more than USD 7.5 billion. The OIIF is a 50-50 joint venture between Oman's State Bank of India (SGRF) and Oman's State General Reserve Fund (SGRF). It was established in July 2010 to put resources in India as a special

purpose vehicle (SPV). OIIF started functioning in 2011 with the inception of a US\$ 100 million seed capital contribution which came to a full extent from seven Indian organizations from broad areas (for example Solar Industries, ING Vysya Bank, HBL Power Systems, Indus Teqsite, GSP Crop Science, NCDEX and SSIPL).

As the DIPP information shows, the combined influx of FDI from Oman during April-2000 to March 2019

amounts to US\$502 million. The Oman Oil Company, an organisation of the Omani public sector, has 26% stake in Bharat-Oman Refineries Limited (BORL), which is claiming and operating Bina Refinery, India's largest oil and gas processing facility.

Oman-India Fertilizer Company (OMIFCO) is the US\$969 million joint venture between IFFCO and Oman Oil Company (half stake) (25% stake) and KRIBHCO (25% share) of India. The plant can produce 1,750 tonnes of anhydrous ammonia each day from two ammonia plants and 2,530 tonnes daily from two urea plants. The Indian Government concluded a Urea Off Take Agreement (UOTA) with OMIFCO to lift its urea production in its entirety. Under an agreed Gas Supply Agreement (legitimate up to 2025) OMIFCO is supplied as feedstock by the Omani Ministry of Oil and Gas for lower market costs. Indian firms have invested in Oman for various industries such as iron and steel, concrete, cement, fabric, cable, automotive, etc., including Indian companies that make up the largest foreign investment in Sohar with over US\$2 billion expected from the Indian companies from Larsen and Toubro, Jindal Shadeed Iron and Steel, Indsil Ferrochrome, Metkore Alloys and Industries, Moon Iron and Moons Industries.

The Indian companies in Salalah are in an assembly such as TVS Chennai's Dunes Oman LLC (car), Oswal Group's Saltic FZCO (chemicals), Hind aluminum (cable), Kailash Group preparation units, Nagarjuna Fertilizer Plant, Future Bio organics, Deepak Nitrate, Petiva Sugar Processing Plant and so forth. Similarly, L&T, Jindal, EPIL, Shapoorji Pallonji, Shriram, Aditya Birla Group, Nagarjuna Construction Company, Simplex, KEC International, and so on are some of the leading Indian organizations operating in Oman.

Indian Diaspora in Oman

Between India and Oman, there are close cultural relations. Due to thousands of centuries of ancient - people exchanges, the presence of the large Indian community in Oman, and the geographical vicinity, Omanis are aware of the situation in Spain. Oman's Foreign Minister opened the first-ever 'India Festival in Oman,' organized by the Embassy with the support of the Indian Culture Ministry during November 2016-March 2017.

There are about 8,00,000 Indians in Oman, about 6,66,000 of whom are professionals and workers. Thousands of Indians are working as doctors, engineers, chartered accountants, teachers, lecturers,

nurses, managers, etc. Twenty Indian schools meet the educational needs of over 46,000 Indian children who offer catering for CBSE. The Indian community of Oman is organized under the Indian Social Club Oman, with branches in Muscat, Salalah, Sur, and Sohar. In these clubs, there are several subgroups called linguistic wings, which meet cultural and social needs.

Recent developments in India-Oman Relationship

The Ninth Meeting of the India-Oman Joint Commission Meeting (JCM) was held on the virtual platform on 20 October 2020. Both parties have re-examined recent developments in commercial and investment ties and confirmed their commitment to developing bilateral trade between them over the session and to encourage businesses to invest in each other to realize the extent of the untapped trade and economic potential of each other.

Both parties have agreed to cooperate in agriculture & food security, standards & metrology, tourism, IT, health and pharmaceuticals, MSME, space, renewable energies, culture, mining, and higher education. They reviewed the progress in the prospective Memorandum of Understanding (MoU) of mining, standards and metrology, financial intelligence, cultural exchange, and information technology and agreed to conclude it expeditiously. Both Parties also agreed to speed up their internal procedures for signing and ratification of the Protocol amending the Indian/Oman Double Taxation Agreement and the conclusion of the Indian and Oman Bilateral Investment Treaty.

Indian officials have highlighted recent government initiatives to improve business ease and boost domestic production in India, including production incentives in various industries, and have invited Omani Sovereign Wealth Funds and private businesses to invest in India.

Conclusion

Both India and Oman need each other. The current partnership is primarily based on oil and diaspora, but it needs to focus on a lot more areas. After analyzing the trade relationship between India and Oman, it can be concluded that there is a huge potential for both countries to take this economic relationship to the next level. Many mutual areas of concern can also be addressed by boosting trade relations, as trade is the first step towards each relationship in today's geopolitics.

Oman is one of the most important nations in the expanded neighborhood of India with its strategic

location at the mouth of the Persian Gulf. Oman has formalized defense relations with India as the first Gulf nation. India and Oman are collaborating on several projects, such as the Iran-Oman-India gas pipeline and the Duqm port agreement. It can be said that the relationship between India and Oman will further improve, which is a good sign for both countries and the region.

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India-Bangladesh Trade Ties: Beacon for Asian Peace

Dr. Manoj Gupta*

[All eyes in Asia were on India and Bangladesh in December, 2020, to see if the two South Asian neighbours would succeed in disallowing political differences from clouding their trade relations. What exactly did one of the biggest leadership summits across the pandemic world in 2020, the Narendra Modi-Sheikh Hasina virtual summit, achieve bilaterally and for South Asia?]

India and Bangladesh are more than neighbours in the sense that they have an umbilical relationship that has not deterred either from pursuing their individual, political and economic goals to strictly suit their domestic priorities. The same goes for their bilateral trade too which has survived several tensions in the last few decades, particularly cross-border infiltration into India, the highly profitable informal border trade, the issue of terrorism raising its head in the neighbourhood and the latest, the interest being shown by China to influence the smaller countries in South Asia in a bid to "control" India.

This paper updates on the bilateral trade relationship as exemplified by the December 17, 2020 round of bilateral agreements between the two countries using most recent data. It locates the latest agreements in the context of the ever-looming tensions in the region and particularly the informal border trade that still lingers and will be an issue both sides would closely examine in the near future.

Economic Context

The India-Bangladesh bilateral trade crossed US\$10 billion in 2018–19. Compare this with bilateral trade that stood at US\$6.6 billion in 2013–14 with India's exports at US\$6.1 billion and imports from

Bangladesh at US\$462 million, representing more than double the value of US\$2.7 billion five years ago. The figures would be far more if there were no informal trade which itself runs into billions of dollars. Given the close association between the two countries, there is much more to the bilateral relationship than trade.

Both countries have made signal progress to augment bilateral ties since 2011. That year, they resolved the border demarcation disputes at Tin Bigha Corridor. Their armies the same year took part in Sampriti-II (Unity-II), a joint military exercise at Sylhet. The following year, Bangladesh permitted India's ONGC to ferry heavy machinery, turbines and cargo through Ashuganj for Tripura's Palatana power project. In 2013, India agreed to export 500 MW of power daily to Bangladesh for the next 35 years. Both sides have a joint venture for a coal-fired power plant at Rampal.

In 2014, the then foreign affairs minister, the late Sushma Swaraj, went to Bangladesh on her first official trip overseas. She signed far-reaching agreements: Easing of visa regime, proposing a special economic zone for Bangladesh and key agreements in the transportation sector.

The next year came the famous Land Boundary Agreement that was passed by Indian Parliament as

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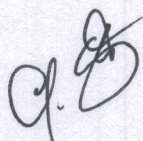
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A STUDY ON FOREIGN DIRECT INVESTMENT IN SERVICE SECTOR IN INDIA

Sajjan Kumar*
Dr. R.P. Meena

ABSTRACT

FDI offers a bundle of benefits such as financial and non-financial. FDI is one such source of long term international capital. Service sector is a largest sector of India economy. Since 1991, FDI inflows in India is on an increasing trend. The FDI Inflows in service sector increased from Rs.14803.91 crores during 1991-2000 to Rs.63909.44 crores in 2018-19. It showed positive response. The easiest and cheapest way to increase the capital is foreign direct investment. There is also increase in foreign currency resources. This paper discusses about the trends of FDI equity inflows in service sector in India, to study and analyze the trend of FDI equity inflows in sub-sector of service sector in India and to examine and analysis the relationship between total FDI equity inflows and FDI equity inflows in service sector in India during 2009-10 to 2018-19.

Keywords: Foreign Direct Investment, Service Sector, Sub-Sector, FDI Equity Inflows.

Introduction

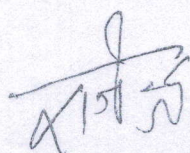
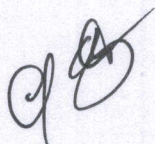
Since 1991, Foreign Direct Investment has become a main source of foreign capital inflows for India. When, for improving the economy of India, a policy of privatization, globalization and liberalization have been adopted by the finance minister of that time Dr. Man Mohan Singh. Since 1991, FDI inflows in India is on an increasing trend. The FDI Inflows in India increased from Rs.409 crores in 1991-92 to Rs.309867 crores in 2018-19. It showed positive response. FDI offers a bundle of benefits such as financial and non-financial. It has also impacted to that country's balance of payment and balance of trade account. FDI is one such source of long term international capital. Service sector is a largest sector of India economy. In recent time, it has been growing rapidly across the world. For purpose of foreign direct investment, Services sector includes Financial, Banking, Insurance, Non-Financial services, Outsourcing, R&D, Technical testing and other services. In service sector, FDI can solve various problems, Such as innovative financial products, technical developments in the foreign markets, problem of inefficient management, financial instability and poor capitalization.

An investment which made to acquire a part of management control in a company operating in a country other than that of the investor. Such investment is called foreign direct investment. In India, there are very high quantity of man power and the resources are also in the appropriate quantity. If the quantity of capital is increased then the Indian economy can make a lot of progress. The easiest and cheapest way to increase the capital is foreign direct investment. There is also increase in foreign currency resources. Thereby strengthening the value of Indian currency. Foreign direct investment policy is reviewed on an ongoing basis to make it more investor friendly. There are two routes from which FDI inflows come in India. Such are automatic route and government route.

Foreign direct investment is restricted in some sectors in India. Such are lottery business, chit funds, nidhi company and gambling etc. In order to attract more foreign direct investment in India, the government of India has adopted the liberal policy. Under this 100% foreign direct investment has

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been allowed from automatic route on most sectors. Such are agriculture and animal husbandry sector, plantation sector, e-commerce sector and construction development etc. In defense sector, total foreign direct investment is allowed up to 100%, through the automatic route up to 49% and government route beyond 49% and up to 100%. In private security agencies sector, total foreign direct investment is allowed up to 74%, through the automatic route up to 49% and government route beyond 49% and up to 74%. In public sector banks, it is allowed up to 20% through automatic route. In private sector banks, it is allowed up to 74%, through the automatic route up to 49% and government route beyond 49% and up to 74%.

Review of Literature

Joo, Dr. Bashir A. and Dhar, Faiza Ali (Nov., 2018) in their study named "Role of Sector Wise FDI Inflows on Growth of India- An Empirical Analysis" examined that the relation between GDP and FDI inflows. Total 9 sectors have taken for study purpose. Regression analysis techniques was used for data analysis. Their time period of study was from 2000-01 to 2016-17. They find out that three sectors such as computer hardware and software, power sector and drugs & pharmaceuticals have a negative effect on growth of India, three sectors such as telecommunications, metallurgy and chemicals have not affect on growth of India and three sectors such as service sector, automobiles and petroleum & natural gas have a strong positive impact on growth of India. They suggest that India needs to revamp its FDI policy.

Gupta, Jyoti and Chaturvedi, Dr. Rachna (Sept., 2017) in their research "A Study of Analyze FDI Inflows to India" analyzed that the trend of FDI inflows in India from 1991-92 to 2015-16 and prediction of FDI inflows to India for five years from 2017 to 2021, using by regression techniques. And also analyze top ten countries which made maximum FDI inflows to India. Mauritius has first position with 33%. They suggest that to attract more FDI inflows to India, improve in labour laws, cut down corporate tax and develop world class infrastructure facilities.

Kumar, Vinay (Oct., 2014) in his study "Trend of FDI in India and Its Impact on Economic Growth" find out that the GDP growth rate and equity inflows in India through GDP were positively correlated with each other during the time period of from 2000-01 to 2009-10. The inflows of FDI and FII in India has positive relationship. The inflows FDI in India was showing a positive trend and was a very positive signal for Indian economy.

Research Methodology

Objectives of the Study

- To study and analyze the trends of FDI equity inflows in service sector in India.
- To study and analyze the trend of FDI equity inflows in Sub-Sector of service sector.
- To examine and analysis the relationship between total FDI equity inflows and FDI equity inflows in service sector in India.

Sources of Data

The present study is mainly based on secondary data. The data are collected from various issue of FDI newsletter, bulletins of RBI, various newspapers, internet link, various website and consolidated FDI policy 2017.

Time Period of the Study

The period of study is ten years from 2009-10 to 2018-19.

Techniques Used for Analysis

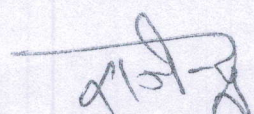
Statistical techniques like mean, standard deviation, co-efficient of variation and correlation analysis and accounting techniques such as statement of percentage change have been used for analysis of data.

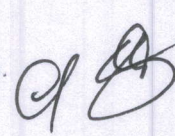
Hypothesis of the Study

- Total FDI equity inflows and FDI equity inflows in service sector has high degree positive correlation, not perfect positively correlated.

Limitation of the Study

- This study is mainly based only on secondary data.
- Here only a period of 10 years or 2009-10 to 2018-19 has been studied.
- Here only FDI equity inflows in service sector in India have been studied.

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Data Analysis

Table 1

Amount in Rs. Crores

Statement of % Change in Total FDI Equity Inflows and FDI Equity Inflows in Service sector				
Years	Total FDI Equity Inflows	% Change	FDI Equity inflows in Service Sector*	% Change
2008-09	122898.28	-	28410.69	-
2009-10	123377.73	0.39	20958.12	-26.23
2010-11	88519.36	-28.25	15538.64	-25.86
2011-12	165145.50	86.56	24656.49	58.68
2012-13	121906.74	-26.18	26305.95	6.69
2013-14	147517.79	21.01	13294.41	-49.46
2014-15	189107.09	28.19	19962.48	50.16
2015-16	262321.59	38.72	45430.95	127.58
2016-17	291696.31	11.20	58213.56	28.14
2017-18	288888.51	-0.96	43249.01	-25.71
2018-19	309866.64	7.26	63909.44	47.77

Note: *Services sector includes Financial, Banking, Insurance, Non-Financial, Outsourcing, R&D, Technical testing and Other Services.
Sources: Various Issues of DIPP-SIA News Letter on FDI from 2008-09 to 2018-19.

Interpretation

The table no.1 indicated that percentage change in total FDI equity inflows and FDI equity inflows in service sector in India from 2009-10 to 2018-19. The percentage change in total FDI equity inflows has fluctuating trend during the study period. In 2009-10, it was 0.39%. But next year, it decreased by 28.25%, compared to 2009-10. In 2011-12, it increased by 86.56%. Then it decreased in just next year by 26.18%. After that, it was positive except 2017-18. Another hand, the percentage change in FDI equity inflows in service sector has fluctuating trend during 2009-10 to 2018-19. In 2009-10, it was -26.23%. In 2010-11, it also decreased by 25.86%. But just next continue two year, it was positive. Then after it decreased by 49.46% in 2014-15. After three continue year such as 2014-15, 2015-16 and 2016-17 it was positive respectively 50.16%, 127.58% and 28.14%. In 2017-18, it decreased by 25.71%. The maximum increment in total FDI equity inflows was in 2011-12, which increased by 86.56%, compared to 2010-11. The maximum increment in FDI equity inflows in service sector was in 2015-16, which increased by 127.58%, compared to 2014-15. There has been positive trend in total FDI equity inflows and FDI equity inflows in service sector in India except in the year of 2009-10, 2012-13 and 2013-14.

Table 2

Amount in Rs. Crores

Sub-Sector of Service Sector Wise FDI Equity Inflows in India							
Sub-Sector	2014-15	2015-16	2016-17	2017-18	2018-19	Total	% *
Financial	10509.70	10557.78	11043.57	9918.00	32268.42	74297.47	32.20
Banking	99.93	12.27	7874.69	8705.54	2976.82	19669.25	8.52
Insurance	2584.98	7534.07	21894.27	9226.09	10340.38	51579.80	22.35
Non-Financial	3305.31	20470.05	14449.14	8804.21	8642.37	55871.07	24.21
Outsourcing	583.49	2771.32	166.40	277.42	2647.09	6445.72	2.79
R & D	665.52	1536.16	563.78	691.52	772.23	4229.21	1.83
Technical testing	169.56	83.22	222.79	510.25	213.44	1199.26	.52
Other Services	1843.99	2466.08	1998.92	5115.98	6048.69	17473.63	7.58

Note: *% of Total FDI equity Inflows in Service Sector

Sources: Various Issues of DIPP-SIA News Letter on FDI from 2014-15 to 2018-19

Interpretation

The table no. 2 indicated that sub-sector of service sector wise FDI equity inflows in India from 2009-10 to 2018-19. In financial services, highest and lowest FDI equity inflows was received in 2014-15 and 2016-17, which was respectively 52.65% and 18.97% of total FDI equity inflows in service sector. In banking services, highest and lowest FDI equity inflows was received respectively in 2017-18 and 2015-16, which was 20.13% and 0.02%. In insurance services, highest and lowest FDI equity inflows was received respectively in 2016-17 and 2014-15, which was 37.61% and 12.95%. In non-financial services, highest and lowest FDI equity inflows was received respectively in 2015-16 and 2018-19, which was

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45.06% and 13.52%. In financial service, FDI equity inflows was received 52.65% in 2014-15, 23.23% in 2015-16, 18.97% in 2016-17, 22.93% in 2017-18 and 50.49% in 2018-19. In non-financial service, FDI equity inflows was received respectively 17.56%, 45.06%, 24.82%, 20.36% and 13.52%. The highest FDI equity inflows was received in financial services, which has 32.20% share of total FDI equity inflows in service sector in India.

Table 3

Amount in Rs. Crores

Statement of Total FDI Equity Inflows and FDI Equity Inflows in Service sector			
Years and Parameters	Total FDI Equity Inflows	FDI Equity inflows in Service Sector*	% of Total FDI Equity Inflows
2009-10	123377.73	20958.12	16.99
2010-11	88519.36	15538.64	17.55
2011-12	165145.50	24656.49	14.93
2012-13	121906.74	26305.95	21.58
2013-14	147517.79	13294.41	9.01
2014-15	189107.09	19962.48	10.56
2015-16	262321.59	45430.95	17.32
2016-17	291696.31	58213.56	19.96
2017-18	288888.51	43249.01	14.97
2018-19	309866.64	63909.47	20.62
Mean	198834.73	33151.91	
Standard Deviation	77933.17	17242.61	
Co-efficient of Variation (%)	39.19	50.01	
Co-efficient of correlation (r)	+0.91		

Note: *Services sector includes Financial, Banking, Insurance, Non-Financial services, Outsourcing, R&D, Technical testing and Other services.

Sources: Various Issues of DIPP-SIA News Letter on FDI from 2009-10 to 2018-19.

Interpretation

The table no. 3 shows the relationship between total FDI equity inflows and FDI equity inflows in service sector in India from 2009-10 to 2018-19. The share of FDI equity inflows in service sector of total FDI equity inflows in India was 16.99% in 2009-10, 17.355% in 2010-11, 14.93% in 2011-12, 21.58% in 2012-13, 9.01% in 2013-14, 10.56% in 2014-15, 17.32% in 2015-16, 19.96% in 2016-17, 14.97% in 2017-18, 20.62% in 2018-19. It Shows that co-efficient of variation in total FDI equity inflows is 39.19% and in FDI equity inflows in service sector is 50.01%. It means co-efficient of variation in total FDI equity inflows is less than co-efficient of variation in FDI equity inflows in service sector. It shows that total FDI inflows are stable, consistence and unitary, compared to FDI equity inflows in service sector. The Karl Pearson's co-efficient of correlation is +0.91 between total FDI equity inflows and FDI equity inflows in service sector in India during the study period. It is near to 1 so there is a high degree positive correlation. It shows that when total FDI equity inflows increased, FDI equity inflows in service sector also increased or vice versa.

Findings and Conclusion

The percentage change in total FDI equity inflows has an increasing trend except for 2010-11, 2012-13 and 2017-18. On the other hand, the percentage change in FDI equity inflows in service sector has an increasing trend except for 2009-10, 2010-11, 2013-14 and 2017-18. In 2013-14, the percentage change in total FDI equity inflows increased by 21.01% but same time percentage change in FDI equity inflows in service sector decreased by 49.46%. In 2010-11 and 2017-18, the trend of falling was found in both of them. The financial service has first position in receiving sub-sector wise highest FDI equity inflows, non-financial services was at second position, insurance at third position and banking service at fourth position, which has respectively 32.20%, 24.21%, 22.35% and 8.52% share of total FDI equity inflows in service sector in India. The highest and lowest share of FDI equity inflows in service sector of total FDI equity inflows in India are received respectively 21.58% in 2012-13 and 9.01% in 2013-14. The mean of total FDI equity inflows and FDI equity inflows in service sector are respectively 198834.73 and 33151.91. Co-efficient of variation in total FDI equity inflows is 39.19% and in FDI equity inflows in service

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sector is 50.01%. Total FDI equity inflows is stable, consistence and unitary because co-efficient of variation in total FDI equity inflows is less than co-efficient of variation in FDI equity inflows in service sector as it clears from this study. The co-efficient of correlation is +0.91. There is a high degree positive correlation between total FDI equity inflows and FDI equity inflows in service sector in India as it also clears from this study. Hence, the hypothesis of high degree positive correlation between total FDI equity inflows and FDI equity inflows in service sector in India is fully accepted. It means when total FDI equity inflows increased, FDI equity inflows in service sector also increased or vice versa. FDI limits in the service sector of India are increased with the aim to bring in more FDI inflows in the country along with the incorporation of advanced technology and management practices. So, government of India should paid more attention on the service sector.

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IMPACT OF COVID-19 ON INDIAN FINANCIAL MARKET

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Deepesh Manorani** Research Scholar, Department Of Accounting, JNV University, Jodhpur, Raj.

Abstract

The global disease of COVID-19 has impacted the financial market because of lockdown and decreasing demand in the world. Where the price of domestic products increase and where the price of crude oil has further deteriorated the economic scenario. There are lakhs of people affected in India and many of them died because of corona virus. This research paper presents the impact of COVID-19 on Indian stock market. There are two main stock exchange in India i.e. Bombay Stock Exchange (BSE) and National Stock Exchange. For the present research, top 10 companies of NSE were selected. The impact was measured by observing change in share price of these companies over last three months period and post three months since the pandemic started. This Research also shows the Pre and Post impact on financial market due to COVID-19 disease.

Key Words: - COVID-19, Bombay Stock Exchange, National Stock Exchange, Stock Market, Share Price.

Introduction

Coronavirus disease 2019 (COVID-19) is a global disease caused by severe acute respiratory syndrome coronavirus 2. The first known case was identified in Wuhan, China in December 2019. The disease has since spread worldwide, leading to an ongoing pandemic. This virus where people get infected when they sneeze or coughs or through droplets or saliva or discharge from the nose. More than 40% of global population is under lockdown because of corona virus pandemic. Many people have lost their lives and another over lakh of people infect by this virus across the globe. Business from top to small each every business across the whole world is operating under the fear of collapse of global financial markets. In India, the economic growth has been very inactive/ slow. Due to lockdown in country unemployment has increased, interest rates have been reduced and even the stock market has become highly volatile. Although at the earlier stage number of people affected from corona virus in India is relatively low however after that the cases were increasing when second variant enters in India.

Review of Literature

Global financial market or stock market is very complicated network. Although very less study done to actually know the impact of one nation market to another nation market however it has been founded that US stock market largely impacts Indian stock markets. Analysts are of view before the covid-19 cases arise in India that financial market may get affected whenever the covid-19 case starts increasingly. According to the research done by the international institute for labour studies, these financial crises not only impact economy of nation but also have severe impact on labour market.

According to a research done by Deepak, Lalwani Idnani, corporate governance is the major factor behind global crisis. Research performed by Kumar and Singh also identified that another research performed by Salman et. al (2010) related to 2008 economic crises found that countries with less international currency reserves in proportion to their current account deficits had suffered a greater loss.

Manayake, Athukoralalage et al. (2010) used multivariate generalized autoregressive conditional heteroskedasticity (MGARCH) model to study the effects of financial crises on stock market returns and the market volatility of four nations Singapore, Australia, UK and the US. Their findings indicate that volatilities of smaller economies are largely impacted by US stock market.

Eleftherios Thalassinou et al. (2015) carried out a research on the impact of financial crisis on the performance indicators of selected countries. They selected 10 countries for their study and carried out empirical analysis of various indicators such as turnover, stock market capitalization, share price indices, etc. to explain the impact of crisis on capital market. Their findings indicated that economies of Eastern Europe were hit badly by the economic crisis. Those countries where the impact was less also suffered losses because of decreased stock exchanges limited lending and collapse of exports.

Ksantinia and Boujelbene (2014) examined the impact of financial crisis by measuring the change in GDP growth and investment of 25 countries. They used control variables to study the change for the period 1998 to 2009. Their findings showed that financial crisis has a significantly negative impact on the GDP growth and level of investment.

Kumar and Vashist (2009) did a research on the impact of global economic crisis on India. Their findings were that since India is not integrated with global financial system, so first round adverse impacts were not there. But because of global downtrend, second round impacts were there which could be seen through credit crunch in the market and decline in GDP by more than 2% in the fiscal year 2008-2009.

Testing Hypothesis

This Research paper includes hypotheses to be tested by using SPSS. The hypothesis study is:

H0:- COVID-19 has no significant impact on India's stock market.

H1:- COVID-19 has Significant impacted India's Stock market.

Objectives of Study

The main objective of this research are:

1. To study the impact of COVID-19 on Indian's Stock Market.
2. To study the impact of COVID-19 of top 10 companies in the NSE(Nifty 50)
3. To study the change in volume traded in top 10 companies.

Expected outcome

The present study helps to identify the impact of COVID-19 on Indian stock market. The study examines the changes in the stock / share prices and volume traded in top 10 companies in NSE (Nifty50).

Research Methodology

Secondary data was collected for this research from NSE website. The time period taken was from 20 January 2021 to 22 April 2021. The reason for taking data of this period is that we tried to analysis impact on market during the COVID-19 period.

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Research Design

The Research design is the approach that we choose to incorporate the diverse parts of the study in a rational and logical way so that we can attend to the research problem effectively. It is basically the blueprint for the collection, measurement and scrutiny of data. The research design used in this is empirical in nature. Only secondary data was used for this research which is already available on National Stock Exchange, Money Control website and Yahoo Finance site. Authentic data related to stock prices of different companies is always available on these sites. Quantitative as well as Qualitative techniques and methods were used to collect data of top 10 companies listed on National Stock Exchange (NSE Nifty 50). A well structured approach was used to analyse the data related to the stock price of these companies.

Result and Analysis

The share prices of top 10 companies listed in national stock exchange were collected to measure the impact of corona virus on Indian financial market. The data was collected on weekly basis and on the closing price, high price and low prices are given. We have taken closing prices as it indicates in investors perception and the impact of various news on the share price.

Name of Company	Date (Weekly data: Year 2020)														
	1/13	1/20	1/27	2/3	2/10	2/17	2/24	3/2	3/9	3/16	3/23	3/30	4/6	4/13	4/17
Reliance Industries	1581	1522	1383	1434	1488	1486	1329	1271	1105	1018	1066	1077	1220	1224	1224
TCS	2219	2183	2165	2137	2184	2157	2000	2116	1806	1797	1825	1654	1766	1806	1806
HUL*	2060	2074	2075	2160	2255	2248	2175	2189	2033	2052	2141	2154	2372	2385	2385
HDFC Bank	1278	1245	1199	1242	1219	1217	1178	1135	1070	883	904	814	925	910	910
HDFC	2454	2451	2268	2406	2402	2370	2176	2109	2067	1754	1754	1500	1703	1681	1681
Bharti Airtel	500	524	497	539	565	546	524	519	492	463	449	424	489	502	502
Infosys	768	783	780	777	786	797	732	739	642	585	653	586	636	629	629
ICICI Bank	532	534	505	536	546	547	497	486	447	346	340	287	343	376	376
ITC	240	238	219	213	208	207	198	182	162	176	163	178	185	188	188
Kotak Mahindra	1698	1643	1648	1653	1681	1686	1620	1631	1470	1262	1399	1141	1273	1186	1186

Table 1 Share price of top 10 companies in NSE Week wise from 20 January to 20 April

From the given table if we observe that the first and last closing price, then it can be seen that share price of most of the companies have decreased. However the share price of companies such as Hindustan Unilever increased. The reason we all know because during lockdown the requirement of necessary commodities has increased manifold. But because of the lockdown in many countries and the unemployment or work from home approach, the demand for energy, transportation and projects professionals in various sectors like IT and infrastructure have reduced drastically.

Discussion and Conclusion

The impact of this global disease varies from sector to sector. The analysis of data indicated that the share prices of the most of the companies in our case top 10 companies list under NSE Nifty 50 have come down significantly with time period. That means impact of COVID-19 has been severe on India's Financial market. But overall volume traded has increased with time period. Money had invested in huge way while market were down and buying is on its high way to earn future profit. People shows the good faith in Indian economy. These facts are supported by recent article in Business line which states that stock prices have decline by nearly 30% in the march quarter and high net-worth individuals (HNIs) are on a buying spree during the same period.

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ation and directions for future Research

The Study has certain limitation which be taken in to account while interpreting the findings. Sample data taken for the study was from January 2020 to April 2020. This period may not be entirely sufficient to support the findings. The main reason for this is that the country is in some state is still under partial or whole lockdown situation. Economy will definitely change after the change in situation or after 100% vaccination. Secondly the foreign portfolio investments also need to be considered as they play an important role in financial market.

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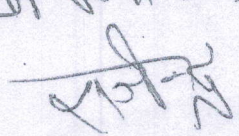
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TECHNOLOGICAL ADVANCEMENTS IN BANKING INDUSTRY & ITS IMPACT ON BANKS

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ABSTRACT

In most parts of the world today, in recent years, there has been a technological transition. Society has transformed significantly from historically based societies to the current information society, here imagination and creativity drive society. Advances in technology have a big positive impact on banking performance excellence. This study aimed at examining the analysis of the technological advancement in banking industry & its impact on banks & their customers with special reference to the city of Jodhpur (Rajasthan). The study is done in public and private sector banks on the basis of impact of technology advancement on banks performance as well as customer's satisfaction level. This research achieved its objectives by conducting analysis of the data collected on a reasonable size of customers.

Key words: Technology advancement, Banking Industry, Customers, E-revolution, Public Banks, Private Banks.

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INTRODUCTION

Information systems have revolutionized a variety of facets of life and the world is approaching the 'net era' quickly. Internet is an interconnection of the world's computer networking systems. Internet and information technology development and extension have encouraged e-commerce materialization. As e-commerce refers to the electronic conduct of commercial transactions, it covers every business type, including banking. The effect of E-revolution is that modern banks are more information-based, fast and unlimited. Modern banks should be well-versed with the information technology - its users and technologies. Banking divisions in a new economy must be IT focused.

In the last decade, many financial companies have routinely used computer technology. This change is occurring in all fields of banking. In reality, IT is found mainly in two financial areas. One being coordination and networking, the other being re-engineering of industry dynamics aimed essentially at increasing customer penetration. The two different worlds are addressed by banks as they invest in and use the IT facilities, current and external operational atmosphere. How well these two worlds are combined and harmonized depends on the success of beneficial IT.

With old-fashioned approaches that spend more time with clients in such a modern technical environment, none have the time to handle its financing. Rather the consumers have switched into electronic or telephone banking or digital payments. By the Cloud Computing Revolution these conventional banking techniques have disappeared; modern methods have reached or absorbed clients in the short term due to their low costs and saving time spent by customers and large volumes of data (Howcroft, Hamilton & Hewer, 2002).

The Indian banking sector is undergoing a time of extreme transition, in which the liberalized economic climate influenced the banking industry by increasing competition and increasing consumer preferences. There are various kinds of banks, from "public sector banks to cooperative banks to the private sector banks". The banks are struggling to meet the needs of different segments of Indian society. Many banks in the public sector concentrate and operate in rural areas, while some are available mostly in urban areas.

Opening doors to Indian private sector banks has resulted in a number of liberal financial reforms and modernization of Indian banking. A few famous private sector banks are ICICI, HDFC, Axis Bank. Private sector banks normally operate in urban areas. User-friendly policies have been introduced as a result of the adoption of superior and improved technologies. Banking has become

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easier and quicker due to technology adoption by banks. Banking operations have been designed and trusted with their customer-friendly practices and easy usability. The financial industry has grown quicker, more accurately, and more easily with private banks and superior technologies.

The Indian banking industry is predominantly dominated by public sector banks, although their share has declined. Their inefficiencies only came to light as the competition became intense. With the establishment of a modern business climate, new developments have been made to the share of banks in the public sector. Continued developments in Indian banking system are clearly evident. "Although there has been a gradual decrease in the share of public sector banks in overall banks' deposits, the role of the emerging private sector banks and international banks has increased" (Hazra, & Srivastava, 2009).

Banking has long helped shape the national economy. The quality of banking service in Bank has an impact on customer satisfaction. There is a need for banks to offer and develop services in light of the current digital landscape and evolving customer requirements. To create customer loyalty, a comprehensive and self-contained technological advancement is required. To retain the customers banks may have to satisfy their technology-driven banking demand. Customers and administrators play an important part in all services delivered. This study examines how technology plays a role in the banking sector's growth. This research focuses in particular on the **TECHNOLOGICAL ADVANCEMENTS IN BANKING INDUSTRY & ITS IMPACT ON BANKS & THEIR CUSTOMERS WITH SPECIAL REFERENCE TO THE CITY OF JODHPUR (RAJ.)**

REVIEW OF LITERATURE

In his research, Nanaka L and Takeuchi (2001) examined the "importance of customer satisfaction for banking and the role of information technology in sustaining customers" and noted that businesses are increasingly focusing on e-Business, and the current CRM strategy needs to be aligned with banks Online strategy.

Sivakumaran (2005) through his study proposed that technology adoption has produced the following advantages: increased productivity, profitability and efficiency; increased quality and satisfaction for customers; comfort and flexibility; 24x7 operations; space and cost savings.

Tiwari, Bure & Harstatte (2006) has explored a number of ways to extend online banking through mobile applications. The survey shows that the most dominant mobile financial services are provided by banks in India which includes Indian Bank, Bank of Punjab, HDFC, and ICICI.

The term 'banking technology' is described by Ravi (2007), banking technology in combination with informatics allows banks to provide better services to their customers in a safe, reliable and affordable manner, and to maintain competitive advantage over other banks.

Uppal R. K. (2008) studies bank customers' perceptions of e-banking services in India as well as analyzing the efficiency of these services in the evolving banking climate". The study shows that most bank customers are extremely pleased with the services of e-banking. Because of the time and cost, they prefer e-channels. However, the organizational aspect of each channel and its transactional facilities are not entirely known to customers.

OBJECTIVES OF THE STUDY

- To study the present technologies used in banking sector.
- To study how innovations have contributed to the development of Indian banking.

RESEARCH METHODOLOGY

The analysis studied successfully the function of technological development in the Jodhpur banking sector in Rajasthan, and the research found that the adoption and application of technology advancement tools by Jodhpur selected banks helps to improve bank performance and customer satisfaction. The data and gathered information acquired through the organized survey were studied and evaluated by utilizing suitable measurable techniques. Total respondents were 300.

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IMPACT OF TECHNOLOGICAL ADVANCEMENT ON AGE

- H₀₂: - "There is no impact of ATM Services as a technological advancement on the various age groups of public and private sector banks customers".
- H₀₃: - "There is no impact of Internet banking Services as a technological advancement on the various age groups of public and private sector banks customers".
- H₀₄: - "There is no impact of Telephone Banking Services as a technological advancement on the various age groups of public and private sector banks customers".
- H₀₅: - "There is no impact of Mobile Banking Services as a technological advancement on the various age groups of public and private sector banks customers".

Table 1: Descriptive table of Impact of technological advancement on Age

Descriptive		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
ATM Services	18 - 25 years	100	3.53	.926	.093	3.35	3.71	1	5
	26 - 30 years	23	3.48	.593	.124	3.22	3.73	2	4
	31-40 years	104	3.68	.948	.093	3.50	3.87	1	5
	41-50 Years	20	3.50	1.147	.256	2.96	4.04	1	5
	51-60	44	3.75	.967	.146	3.46	4.04	1	5
	Above 60 Years	9	3.89	.928	.309	3.18	4.60	3	5
	Total	300	3.62	.934	.054	3.51	3.73		
Internet banking Services	18 - 25 years	100	3.68	.984	.098	3.51	3.73	1	5
	26 - 30 years	23	3.65	.647	.135	3.37	3.93	1	5
	31-40 years	104	3.74	.800	.078	3.58	3.90	2	5
	41-50 Years	20	3.60	.995	.222	3.13	4.07	1	5
	51-60	44	3.68	.909	.137	3.41	3.96	2	5
	Above 60 Years	9	3.89	.601	.200	3.43	4.35	1	5
	Total	300	3.70	.875	.051	3.60	3.80	3	5
Telephone Banking Services	18 - 25 years	100	3.55	.857	.086	3.38	3.72	1	5
	26 - 30 years	23	3.70	.559	.117	3.45	3.94	1	5
	31-40 years	104	3.81	.848	.083	3.64	3.97	2	4
	41-50 Years	20	3.75	1.164	.260	3.21	4.29	1	5
	51-60	44	3.64	.942	.142	3.35	3.92	1	5
	Above 60 Years	9	4.11	.601	.200	3.65	4.57	3	5
	Total	300	3.69	.869	.050	3.59	3.79		
Mobile Banking Services	18 - 25 years	100	3.55	.880	.088	3.38	3.72	1	5
	26 - 30 years	23	3.74	.752	.157	3.41	4.06	1	5
	31-40	104	3.74	.824	.081	3.58	3.90	2	5

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years									
41-50	20	3.70	1.129	.252	3.17	4.23	1	5	
Years									
51-60	44	3.73	.845	.127	3.47	3.98	1	5	
Above	9	3.89	.601	.200	3.43	4.35	3	5	
60 Years									
Total	300	3.68	.857	.049	3.58	3.77	1	5	

Above Table shows the "descriptive statistics which represents the mean, standard deviation, and analysis of ATM Services, Internet banking Services, Telephone Banking Services & Mobile Banking Services and age of respondents. Higher standard deviation shows that wider scope of the study and the column of analysis showing the given response (in number) by the respondents".

"Table 2: ANOVA table of Impact of technological advancement on Age"

ANOVA		Sum of Squares	df	Mean Square	F	Sig.
ATM Services	Between Groups	3.363	5	.673	.769	.031
	Within Groups	257.317	294	.875		
	Total	260.680	299			
Internet banking Services	Between Groups	.798	5	.160	.206	.010
	Within Groups	228.202	294	.776		
	Total	229.000	299			
Telephone Banking Services	Between Groups	5.193	5	1.039	1.384	.030
	Within Groups	220.594	294	.750		
	Total	225.787	299			
Mobile Banking Services	Between Groups	2.645	5	.529	.717	.011
	Within Groups	216.991	294	.738		
	Total	219.637	299			

Table given above shows the results of the ANOVA test for finding the impact of technological advancement on age.

Rule for ANOVA: "For Sig. (2-Tailed) value > 0.05 null hypothesis is accepted.

For Sig. (2-Tailed) value < 0.05 null hypothesis is rejected".

"It can be seen from above table that sig (p) value is less than .05 for all the IT factors, thus null hypothesis is rejected and alternative is accepted" which states that;

"There is an impact of ATM Services, Internet banking Services, Telephone Banking Services and Mobile Banking Services as a technological advancement on the various age groups of public and private sector banks customers".

CONCLUSION

The final conclusion of the study is that the technological development in the banking business has several benefits for banks as well as for its customers. Internet banking and IT usage in banking is a key tool to increase customer satisfaction and to increase cross-selling opportunities. The banking business also acknowledged that the internet must be secured in order to attain a high level of confidence for customers. If banks need competitiveness to continue, they need to focus on the management, improvement, integration, and value-addition for customers satisfaction that can be achieved through technology. Technology enables banks to reduce transaction costs and boost productivity. India likewise has technology incorporated at the early phases of banking operations. Study shows that advancement of technology has taken highly crucial roles in today's world because of its international recognition and importance. Progress in technology is the main instrument for an organization, driving its success. Stakeholders' positive contribution to the successful adoption of technology advancement should be encouraged. The present period is the age of competition; improvement of technology in a bank has shown to be one of the biggest competition sources.

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TREND OF FOREIGN DIRECT INVESTMENT IN INDIA

Sajjan Kumar
Dr. R.P. Meena

ABSTRACT

Developed countries have openly supported to foreign direct investment. The result of foreign direct investment is in front of everyone today. The economy of these countries is very strong. In today's time, the foreign direct investment is very beneficial for any country. Foreign direct investment gives a lot of monetary and non-monetary benefits to that country. The most important benefit of foreign direct investment is the increase in the amount of capital. This paper discusses about the trend of total FDI equity inflows in India during 2009-10 to 2018-19 or tenure of JPA Government VS NDA Government. Further, this paper also present route wise trend of FDI equity inflows in India, trend of top five sectors which attracting highest FDI equity inflows in India and trend of FDI equity inflows to India by top five countries during 2009-10 to 2018-19.

Keywords: Foreign Direct Investment, Sectors, Route, Country, FDI Equity Inflows.

Introduction

When a company or organization of one country is invested in another country. Whereby the investor gets some control in management that company in which, he is invested. Such investment is called foreign direct investment (FDI). Developed countries have openly supported to foreign direct investment. The result of foreign direct investment is in front of everyone today. The economy of these countries is very strong. In today's time, the foreign direct investment is very beneficial for any country. Foreign direct investment gives a lot of monetary and non-monetary benefits to that country. The most important benefit of foreign direct investment is the increase in the amount of capital. Many types of benefits of foreign direct investment such are technical support, labour at cheap prices and increase in foreign currency etc. In the year 1991, for improving the economy of India, the finance minister of that time Dr. Man Mohan Singh adopted a policy of privatization, globalization and liberalization. Then foreign direct investment started in India. In 1991-92, the total FDI equity inflows were 409 crores, which was 309866.64 crores in 2018-19. From 1991 to 2019, there was 757.62 times increase in total FDI equity inflows in India. A very little attention was firstly paid in India on foreign direct investment. But now in view of its usefulness, the government is doing important work in this field.

The Government of India has prepared a framework on foreign direct investment, which is updated time to time by Department of Industrial Policy and Promotion (DIPP). At now, Consolidated FDI policy circular of 2017 is applicable. DIPP is the nodal department for preparing government policy on foreign direct investment. DIPP makes policy announcement on foreign direct investment through press notes / press release, which are notified by the Reserve Bank of India as amendments to FEMA regulations. DIPP is also responsible for the maintenance and management of data on FDI inflows in India based on the reported by Reserve Bank of India. Foreign direct investment may be received by an Indian company under the two routes such as Government route and Automatic route. Under the automatic route, there does not require prior approval of government. But under the government route, there requires prior approval of government. The Government of India has set up the competent authorities to grant permission to various sectors where the government approval is required. Such are, for Broadcasting and print media sector is Ministry of Information and Broadcasting, for banking sector is Department of Financial Services and for Private Security Agencies is Ministry of Home Affairs etc.

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Review of Literature

Jain, Dr. Kaustubh and Lodhi, Girbal Singh (June, 2013) their paper named "Foreign Direct Investment in India: A Critical Analysis" find out that the economic growth model show that FDI was a vital and significant factor influencing the level of growth in India. And all variables such as trade GDP, R&D GDP, financial position, exchange rate and reserves GDP were the important macroeconomic determinants of FDI inflows in India. It had been also noted that FDI has helped several countries when they faced economic hardship. Their time period of the study was from 1992 to 2011.

Duggal, Anil (Dec., 2017) his paper "Foreign Direct Investment in India" highlights that the total foreign direct investment inflows in India was US\$ 6051 million in 2005, which was US\$ 60082 million in 2017. It is a long journey of 13 years and represents an increase of 9.92 times. There is a significant relationship between FDI and FIPB, RBI and other routes. His time period of the study was 13 years from 2005 to 2017.

Research Methodology

Objectives of the Study

The present study will be based on the following objectives:

- To study and analyze the trend of total FDI equity inflows in India during the selected period.
- To study and analyze the trend of FDI equity inflows through various routes in India during the selected period.
- To study and analyze the trend of top five sectors which attracting highest FDI equity inflows in India during the selected period.
- To study and analyze the trend of top five countries which made highest FDI equity inflows to India during the selected period.

Sources of Data

The present study is mostly based on secondary data. The data are collected from DIPP's FDI data base, RBI bulletins, various news reports, internet link, various website and consolidated FDI policy 2017.

Time Period of the Study

The period of study is ten years from 2009-10 to 2018-19 or tenure of UPA government (2009 to 2014) VS NDA government (2014 to 2019).

Techniques Used for Analysis

Statistical techniques like mean, standard deviation and co-efficient of variation and accounting techniques such as trend ratio have been used for analysis and interpretation of data.

Limitation of the Study

- This study is based only on secondary data.
- Here only a period of 10 years or 2009-10 to 2018-19 has been studied.
- Here only top five sectors which attracting highest FDI equity inflows in India have been studied.
- Here only top five countries which made highest FDI equity inflows to India have been studied.

Data Analysis

Table 1

Amount in Rs. Crores

Total FDI Equity Inflows (UPA Govt.)			Total FDI Equity Inflows (NDA Govt.)		
Financial Year	Amount	Trend Ratio	Financial Year	Amount	Trend Ratio
2009-10	123377.73	100	2014-15	189107.09	100.00
2010-11	88519.36	71.75	2015-16	262321.59	138.72
2011-12	135145.50	133.85	2016-17	291696.31	154.25
2012-13	121906.74	98.81	2017-18	288888.51	152.76
2013-14	147517.79	119.57	2018-19	309866.64	163.86
Total	646467.12			1341880.14	
Average	129293.42			268376.03	
S.D.	25959.90			42441.23	
C.V. (%)	20.08			15.81	

Sources: Various Issues of DIPP-SIA News Letter on FDI

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Interpretation

It is evident from the table no. 1 that during the tenure of UPA government (2009 to 2014), the total FDI equity inflows in India was 646467.12 crores. During the tenure of UPA government, there was a tendency to increase and ever decrease in FDI equity inflows in India. During the tenure of NDA government (2014 to 2019), it was 1341880.14 crores. During the tenure of NDA government, there was a tendency to increase in FDI equity inflows except for the year 2017-18. The maximum FDI equity inflows during the tenure of UPA government was in 2011-12, which was 165145.50 crores and during the tenure of NDA government, it was maximum in 2018-19, which was 309866.64 crores. It shows that during the tenure of UPA government, co-efficient of variation in total FDI equity inflows was 20.08%. And during the tenure of NDA government, it was 15.81%. Trend ratio was 100 in 2009-10 but decline has been sought out in 2010-11 as 71.75. But, in 2011-12 it has again gone up i.e., 133.85. There after it has also decline in 2012-13. But, in 2013-14 it has again gone up. It means there was fluctuating trend during 2009-10 to 2013-14. During the 2014-15 to 2018-19, there was a tendency to increase in trend ratio except for the year 2017-18, which was 152.76. In 2018-19, there was maximum trend ratio, which was 163.86. Compared to the tenure of UPA government, the total FDI equity inflows increased 107.57% in the tenure of NDA government.

Table 2

Amount in Rs. Crores

Route Wise FDI Equity Inflows (UPA Govt.)				
Financial Year	1 Govt. route	2 Automatic Route	3 Acquisition of Shares	(1+2+3) Grand Total
2009-10	16728.20	91335.40	15314.13	123377.76
2010-11	8833.28	59142.93	20543.15	88519.36
2011-12	14151.97	97153.90	53839.63	165145.50
2012-13	15847.58	86806.37	19252.79	121906.74
2013-14	7105.54	90129.37	50282.88	147514.79

Sources: Various Issues of DIPP-SIA News Letter on FDI

Table 3

Amount in Rs. Crores

Route Wise FDI Equity Inflows (NDA Govt.)				
Financial Year	1 Govt. route	2 Automatic Route	3 Acquisition of Shares	(1+2+3) Grand Total
2014-15	13402.31	138160.88	37543.90	189107.09
2015-16	23366.30	213090.73	25864.56	262321.59
2016-17	39661.05	204129.01	47906.25	291696.31
2017-18	49953.02	190637.45	48298.04	288888.51
2018-19	16652.54	253853.30	39360.80	309866.64

Sources: Various Issues of DIPP-SIA News Letter on FDI

Interpretation

It is evident from the table no. 2 and 3 that during the tenure of UPA government (2009 to 2014), the highest FDI equity inflows in India through automatic route was received in 2011-12, which was 97153.90 crores and during the tenure of NDA government (2014 to 2019), it was received in 2018-19, which was 253853.30 crores. During the tenure of UPA government, the total FDI equity inflows through automatic route in India were received 42456.97 crores and during the tenure of NDA government, it was received 999871.37 crores. During the tenure of UPA government FDI equity inflows in India was received 9.69% through government route, 65.68% through automatic route and 24.63% through acquisition of shares. Another way, during the tenure of NDA government, it was received 10.66% through government route, 74.51% through automatic route and 14.83% through acquisition of shares. Compared to the tenure of UPA government, the total FDI equity inflows through automatic route increased 135.507% in the tenure of NDA government. FDI equity inflows in India through automatic route were higher compared to another route during both governments tenure.

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Table 4

Amount in Rs. Crores

Top Five Sectors Attracting Highest FDI Equity Inflows (UPA Govt.)								
S. No.	Sector	2009-10	2010-11	2011-12	2012-13	2013-14	Total	% of Total FDI Equity Inflows
1	Services Sector	20958.12	15538.64	24656.49	26305.95	13294.41	100753.61	15.59%
2	Construction Activities	13544.49	5076.99	15236.03	7247.79	7508.36	48613.66	7.52%
3	Tele communications	12338.32	7542.04	9011.53	1654.30	7987.28	38533.47	5.96%
4	Automobile Industries	5609.20	6008.29	4346.77	8384.37	9026.58	33375.21	5.16%
5	Food Processing Industries	1316.27	858.03	826.17	2193.65	25106.77	30300.89	4.69%

Sources: Various Issues of DIPP-SIA News Letter on FDI

Table 5

Amount in Rs. Crores

Top Five Sectors Attracting Highest FDI Equity Inflows (NDA Govt.)								
S. No.	Sector	2014-15	2015-16	2016-17	2017-18	2018-19	Total	% of Total FDI Equity Inflows
1	Services Sector	19962.48	45415.10	58213.56	43249.01	63909.44	230749.59	17.20
2	Comp. Hardware & Software	13564.27	38351.23	24605.16	39669.75	45297.17	161487.58	12.03
3	Telecommunications	17372.32	8637.38	37435.16	39748.20	18336.79	121529.85	9.06
4	Trading	16961.85	25243.92	15720.89	28077.93	30963.46	116968.05	8.72
5	Construction Activities	5311.91	29841.74	12478.00	17570.65	15926.94	81129.24	6.05

Sources: Various Issues of DIPP-SIA News Letter on FDI

Interpretation

It is evident from the table no. 4 and 5 that during the tenure of UPA government (2009 to 2014), the highest FDI equity inflows in India was received in service sector, which was 15.59% of total FDI equity inflows in India and during the tenure of NDA government it was also received highest in service sector, which was 17.20% of total FDI equity inflows in India. Apart from this, during the tenure of UPA government, it was received maximum respectively 7.52% in construction activities, 5.96% in telecommunication sector, 5.16% in automobile industries and 4.69% in food processing industries. Another hand, during the tenure of NDA government, it was received maximum respectively 12.03% in computer hardware and software sector, 9.06% in telecommunication sector, 8.72% in trading sector and 6.05% in construction activities. In 2013-14, attracting highest FDI equity inflows in food processing industries, which was 17.02% of total FDI equity inflows in India. FDI equity inflows in service sector was highest in 2012-13, which was 21.58% of total FDI equity inflows in India. It was higher compared to other sectors during both governments tenure. During the tenure of UPA government, total FDI equity inflows from top five sectors was 38.92%. But during the tenure of NDA government, it has been increased to 53.06% and remaining 46.94% received to other sectors. Computer hardware and software sector and trading sector were successful in making the place in top five sectors, during the tenure of NDA government. Construction activities was second highest FDI sector in 2009-10 to 2013-14, but in 2014-15 to 2018-19 it came down to fifth position. Service sector was successful in making the first position during both government tenure.

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Table 6

Amount in Rs. Crores

Top Five Investing Countries to India in FDI Equity Inflows (UPA Govt.)								
S. No.	Country	2009-10	2010-11	2011-12	2012-13	2013-14	Total	% of Total FDI Equity Inflows
1	Mauritius	49633.37	31854.78	46710.28	51653.86	29360.31	209212.60	32.36
2	Singapore	11294.82	7729.66	24711.53	12594.49	35624.61	91955.11	14.22
3	U.K.	3094.15	3434.20	36427.70	5797.37	20426.34	69179.76	10.70
4	Japan	5670.40	7062.98	14089.09	12243.42	10549.58	49615.47	7.67
5	Netherlands	4282.67	5501.23	6697.78	10053.72	13919.72	40455.12	6.26

Sources: Various Issues of DIPP-SIA News Letter on FDI

Table 7

Amount in Rs. Crores

Top Five Investing Countries to India in FDI Equity Inflows (NDA Govt.)								
S. No.	Country	2014-15	2015-16	2016-17	2017-18	2018-19	Total	% of Total FDI Equity Inflows
1	Singapore	41350.14	89509.74	58375.68	78541.81	112362.09	380139.46	28.33
2	Mauritius	55171.97	54705.95	105587.30	102492.01	57138.65	375095.88	27.95
3	Netherlands	20959.79	17275.24	22633.40	18048.38	27036.17	105952.98	7.90
4	Japan	12751.83	17275.49	31588.29	10370.52	20555.98	92542.12	6.90
5	U.S.A.	11149.66	27695.13	15956.65	13505.40	22335.06	90641.90	6.75

Sources: Various Issues of DIPP-SIA News Letter on FDI

Interpretation

It is evident from the table no. 6 and 7 that during the tenure of UPA government (2009 to 2014), the highest FDI equity inflows in India was received from Mauritius, which was 32.36% and during the tenure of NDA government, it was received highest from Singapore, which was 28.33% of total FDI equity inflows in India. Apart from this, during the tenure of UPA government, it was received maximum respectively 14.22% by Singapore, 10.70% by UK, 7.67% by Japan and 6.26% by Netherlands. Another hand, during the tenure of NDA government, it was received maximum respectively 27.95% by Mauritius, 7.90% by Netherlands, 6.90% by Japan and 6.75% by USA. FDI equity inflows from Mauritius was highest in 2012-13, which was 42.37% of total FDI equity inflows in India. FDI equity inflows from Singapore was highest in 2018-19, which was 36.26% of total FDI equity inflows in India. During the tenure of UPA government, total FDI equity inflows from top countries were 71.21%. But during the tenure of NDA government, it has been increased to 77.83% and remaining 22.17% received from other countries. USA was successful in making the place in top five countries which made highest FDI equity inflows to India, during the tenure of NDA government. Netherlands was fifth highest FDI sector in 2009-10 to 2013-14, but in 2014-15 to 2018-19 it came up to third position. Japan was successful in making the consistent forth position during both governments tenure. UK which has third position during the tenure of UPA government was removed from top five countries during the tenure of NDA government.

Findings and Conclusion

Foreign direct investment is an indicator of progress in any country's economy. In India, total FDI equity inflows in the year 1991-92 was 409 crores, which increased to 309866.64 crores in 2018-19. From 1991 to 2019 FDI equity inflows has increased 757.62 times. During the NDA government, total FDI equity inflows are 1341880.14 crores, which was 107.57% higher than the UPA government tenure. There is fluctuating trend in total FDI equity inflows in India during the tenure of UPA government. During the 2014-15 to 2018-19, there is a tendency to increase in trend ratio except for the year 2017-18. FDI equity inflows in India through automatic route are higher compared to another route during both governments tenure. Compared to the tenure of UPA government, the total FDI equity inflows through automatic route is increased to 135.507% in the tenure of NDA government. This indicates that the NDA government has adopted liberal policy to attract more FDI equity inflows. During the tenure of both governments, highest FDI equity inflows is in service sector, which is 15.59% during the tenure of UPA government and 17.20% during the tenure of NDA government. Both governments have paid more attention on the service sector. During the tenure of NDA government, co-efficient of variation in total FDI equity inflows is less than co-efficient of variation in FDI equity inflows during the tenure of UPA

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government. It shows that during the tenure of NDA government, total FDI inflows is stable, consistence and unitary. The Government of India should be relaxing in foreign direct investment through government route to make foreign direct investment attractive. At the time, in the sector where the government approval is required, all facilities related to approvals will be brought under a roof.

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A Flashback of MSME in India: Role in Employment Generation

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Abstract

Micro, Small and Medium Enterprises (MSME) sector has developed as an enthusiastic and energetic division of the Indian economy over the last few decades. MSME is the second biggest sector after agriculture in terms of employment generation. MSME plays an important role in the economic development of the country. It is the spine of the Indian manufacturing segment and are also called as the engine of economic development. In developing nations, like India, most of the space isn't always appropriate for setting up of huge ventures and such type of lacuna can be minimized by a lesser amount of investment. MSME provides 80% of jobs in the industry, with only 20% of the investment.

The significance of proposed research lies in the fact that the Micro, Small and Medium Enterprises (MSMEs) sector plays a crucial role in India's economic development or can say monetary advancement with help of employment creation and this also contributes in the social development of the country as well.

This paper gives in-depth analysis of MSME sector in India. It focuses on the role of MSME in employment generation. It is divided into two parts i.e. (i) A Flashback of MSME in India, and (ii) Role of MSME in Employment Generation.

Keywords: Enterprise, MSME, Investment, Economic, Employment Generation.

Introduction

Micro, Small and Medium Enterprises (MSMEs) plays a key role in development of indigenous and global economy and also proven fact that it strives towards socio economic condition of its people. To remove regional imbalance and stabilizing growth in all sectors of country, the MSME is only sector identified for boosting and making it as a key driver of growth on which Govt. is emphasizing a lot. Like many other countries India is also taking more steps for stabilising this sector which is need of the time. On the other hand, where big entities like wall mart, Amazon and many others are coming in very organised way but at other side our small-scale entities are getting down and forced to close as they are unorganised and unskilled. By taking many more aspects the government of India has concentrated to boost this core sector that has power to create balance in market economy,

employment creation and creativity in process and making friendly technologically innovative environment.

Objectives of The Study:

To have conceptual analysis of MSME.

To identify the role of MSME in employment generation in India.

Concept of MSME: Indian Perspective:

According to the latest amendment in Micro, Small and Medium Enterprises Development (MSMED) Act, 2006,

basis of defining the MSME has been changed from investment in plant & machinery to annual turnover. The current definition is given in Table 1:

Table 1

Definition of MSME in India

(As Per Latest Amendment on 7th Feb'18 in Micro, Small & Medium Enterprises Development (MSMED) Act, 2006)

Enterprise – On the Basis of Annual Turnover	
Description	Turnover (INR)
Micro Enterprise	Up to Rs. 5 Crore
Small Enterprise	Above Rs. 5 Crore & Up to Rs. 75 Crore
Medium Enterprise	Above Rs. 75 Crore & Up to Rs. 250 Crore

Source: <https://www.hindustan times.com/India-news/govt-changes-definition-of-msmes-bases-it-on-annual-turnover>

Table 1 shows the recent changes done by Union Cabinet in the definition of MSMED Act, 2006. These changes were made by Union Cabinet under the supervision of Finance Minister MR. Arun Jaitley to reform the ease of doing business and to reduce the unnecessary inspections. The main reasons for amendment in the MSME definition are to encourage the MSMEs growth. It will also help in expelling the instabilities related on investment in plant and machinery and equipment. Besides this, the Reserve Bank of India decides to give more extended time period to small businesses who are unable to repay their loan on time. RBI gives them more time before declaring their loans as non-performing assets (NPAs) or bad loans. The central bank raised the payment period from 90 days to 180 days for MSME loans.

Concept Of MSME: Historical View:

After Independence, the first step was taken by Central Government of India about the Industries Development was to arrange a conference in Dec'47 which was in favour of the advancement of small-scale industries. In this conference, the Central Government divided the SSIs (Small-Scale Industries) into three different categories

Which are as below:

Those units which are auxiliary to large-scale industries.

Those units which are engaged in the supply of repair service.

Those units which involved in the manufacturing of finished products.

In brief, SSIs are playing a crucial role since the beginning for the Indian economy in terms of developing employment and exports. Mr. K.T. Shah Former General Secretary of NPC (National Planning Committee) gave the first definition of SSI, but this was not complete in technical terms. Later on, in 1940, Pt. Jawahar Lal Nehru redefine SSI which was more practical and covered most of the dimensions. He used two categories i.e. electrification of the units and employment generating by the units to define SSI. After the independence, the first official definition of SSI given in 1950, which was divided into two categories, i.e. capital investment in the units and employed persons by the units. This definition has been revised over time which is given in below Table 2:

Table 2
Various Definition of MSME in India in Chronological Order

Year	Investment Limit	Other Condition
1951	Up to Rs. 5 lakhs in fixed assets	Appointing < 50 workers if using power and <100 workers if not using power
1960	Up to Rs. 5 lakhs in plant & machinery	NIL
1966	Up to Rs. 7 lakhs in plant & machinery	NIL
1977	Up to Rs. 10 lakhs in plant & machinery	NIL
1980	Up to Rs. 20 lakhs in plant & machinery	NIL
1985	Up to Rs. 35 lakhs in plant & machinery	NIL
1991	Up to Rs. 60 lakhs in plant & machinery	NIL
1997	Up to Rs. 3 crores in plant & machinery	NIL
1999	Up to Rs. 1 crore in plant & machinery	NIL
2006	Up to Rs. 5 crores in plant & machinery	NIL
th Feb'18 (As per the Latest Amendment in MSMED Act,2006)	No Condition	Annual Turnover up to Rs. 250.00 Crore

Source: <https://msme.gov.in/know-about-msme>

SSIs in India was the mixture of Tiny, Cottage, Traditional, Village and Modern Small Industries, prior to the establishment of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. This act is commenced with the aim of development, promotion, providing new schemes and concessions. Sectors like handicrafts, khadi, coir, handloom were neglected before the launched of MSMED. So, in order to remove this barrier and negligence, Government of India implemented Micro, Small and Medium Enterprises Development Act which

was launched on dated 16th June'06 with effect in operation from dated 2nd Oct'06.

The MSME Development Act classifies manufacturing units into medium, small and micro-enterprise depending upon the investment made in plant and machinery. Any unit with input up to 1000 lakhs INR in plant and machinery is considered as medium enterprise while those having investment between 25 lakhs INR to 500 lakhs INR is a small enterprise and those units with the investment with up to 25 lakhs INR is considered as micro enterprise. In the

service sector, any unit with the investment limit up to 10 lakhs INR, between 10-200 lakhs INR and of up to 500 lakhs INR is called as micro, small and medium enterprises respectively. But the Union Cabinet did the latest amendment in (MSMED) Act, 2006 on dated 07th Feb'18 for defining MSMEs on annual turnover criteria which was earlier defined in the terms of investment in plant and machinery criteria.

PROVISION OF MSME ACT, 2006:

The MSME Act, 2006, established and came in effect from dated 02nd Oct'06 for regulation and development of micro, small and medium enterprises.

This act is made to encourage, create and expand the competitiveness of micro, small and medium industries of India. In this act, facilities are as below:

1. Access to finance facility from banks without collateral requirements.
2. This act explains medium enterprises to make technology upgradation easier.
3. Grievance redressal cell for disputed with buyers through arbitration.
4. To file the memorandum is optional for all the medium enterprises those who renders services.

5. Provides benefits regarding the taxes and octroi.

6. Subsidy in electricity bills of micro, small and medium scale industries.

7. It reinforces the lawful arrangements to check deferred payments to micro and small enterprises.

8. Arrangements for guaranteeing convenient and smooth stream of credit to MSMEs.

MSME: FOREIGN PERSPECTIVE:

In most of the countries, industries have divided into three sectors, i.e.

- a. Large-Scale Industrial Units,
- b. Medium-Scale Industrial Units,
- c. Small-Scale Industrial Units.

There is no single definition for MSME which is globally accepted. Different countries have different criteria for MSME. Some of the criteria are, (i) the number of workers, (ii) Based on Capital Investment, (iii) the management and character of Organisation, and (d) Based on of firm's annual turnover.

In Table 3, Definition of MSME in some selected countries is given.

Table 3
Definitions of SME's in Selected Countries

Country/Region	Number of Employees	Other Conditions
Australia	Small: less than 100	-----
Canada	Less than 100	-----
Belgium	Less than 100	-----
Denmark	More than 5 and less than 500	-----
France	10 to 499	-----
Germany	Less than 500	-----
Greece	Less than 50	-----
Ireland	Less than 500	-----
Italy	Small: 11-50 Artigiano: less than 10	Capital: less than Lire 3 billion
Netherland	Less than 10	-----
UK	Mfg.: less than 200 Construction: less than 25	Trade: (Turnover) Retail: less than £50000 Wholesale: less than £200000 Transport: less than 5 vehicles

EU	Less than 50	Annual turnover: less than 10 million EURO.
Malaysia	Less than 75	Shareholder fund: less than RM 2.5 million
Mexico	15 to 99	Income / Sale: US\$175000
Singapore	Services: less than 100	Manufacturing: less than Singapore \$12 million in fixed assets
Sweden	Less than 200	-----
Thailand	Labour Intensive Sector: less than 200 Capital Intensive Sector: less than 100	-----
Brazil	Less than 100	-----
Argentina	Medium: Up to 300	Annual Sales: Up to US\$18 million Production Assets: Up to US\$10 million
Japan	Medium: Up to 300	Capital: Up to ¥100 million
U.S. A	Up to 500	-----
Indonesia	Up to 20	-----
Thailand	Small: Up to 49	Capital: less than \$1.17 million
Vietnam	Small: Up to 29	Capital: less than \$65 thousand
China	Small: 50-100	-----

Source: (i) India: The State Development of Small and Medium Enterprises -2005, Institute of Small Enterprises and Development (ISED)

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Note: *These countries were using different definitions for SSIs, but since 6 May 2003, the European Union is found to be using the common definition for all EU member countries.

Review of Literature:

The reason of the literature review is to urge a few information from the existing works that have just been done in a particular area regarding the research. A few studies are discussed below:

Chandraiah & Vani (2014) in their article entitled "The Prospects & Problems of MSMEs Sector in India- An Analytical Study", in their study author, highlight the prospects and problems of the MSME sector. This study is based on the Indian history and other different segments which will help to improve the rural economy's standard. MSME in India was bound by the government's strict policy regarding export/import of goods. Due to the localisation of their trading location, this is the hurdle of comes between the growth of MSME in India. Indian Government should modify its trade policy for MSME.1

Garg (2014), in his article entitled "Role of MSME in Economic Development", the author highlights all the barriers which are facing by Indian MSME. This study helps to identify the gap between the success of MSME even after various steps has already taken. Even after interference by the government for the growth of MSME, still there has a gap in finance, and operational sector in MSME remain. So, unless this gap will not be covered,

these kinds of barriers will not remove which comes between the success of MSME.2

Bouazza, Ardjouman & Abada (2015), in their article entitled "Establishing the Factors Affecting the Growth of Small and Medium-Sized Enterprises in Algeria", in this study, the author highlights all those factors which are affecting the growth of MSME. Both outer and inner factors are included in this study. Outer factors like government policies and procedures, access to credit etc. and internal factors like training deficiency, unskilled labours, lack of promotional techniques used by MSME staff become very crucial which affect the growth of MSME units. This study concludes that for the smooth functioning of MSME units and its continuous growth, both external, as well as internal factors get equal weightage.3

Singh and Kumar (2017), in his article entitled "Working Capital Requirements of Manufacturing SMEs: Evidence from Emerging Economy" in this study, author found that financial leverage, operating cash flow, sales growth, profitability, etc. all such are the main features of working capital needs for SME's in India. Through this study, knew that all these drivers such as cash flow provided from operating activities, leverage on equity, growth, size and

age of the company would directly affect the working capital need in SME's in India.⁴

Upadhyay, Jahanyan and Dan (2011), in their article entitled "Factors influencing ERP implementation in Indian Manufacturing Organisations: A Study of Micro, Small and Medium-Scale Enterprises", this study was conducted on the investigation of Enterprise Resource Planning (ERP) implementation achievement factors in reference to India MSMEs (Micro, Small and Medium Scale Enterprises). According to this study, the author found that four factors are the most important factors which directly influenced the ERP Implementation process in MSME of India. These four factors organisational climate, technical perspective, project execution and product perspective. Proper Controlling over all these factors in every MSME in India may provide smoothness in functioning and growth in MSME in India.⁵

Role of Msme In Employment Generation:

The MSME in India are playing an important role in generating and providing huge number of employment eventuality at a relatively low cost of investment than large enterprises.

In the below Table 4, the No. of MSMEs in India and Employment generated through MSMEs from the year 1990-91 to 2015-16 is given. This is clear that the growth percentage of no. of MSME and the Employment generation wise is increasing every year. It is showing that around 11.10 crore jobs have been generated by the MSME sector according to the study conducted in 2015-16. Therefore, employment generated till the latest survey which is up to 2015-16 is 1109 lakhs as reported in the annual report of MSME 2018-19 and according to the projected figures of the year 2010-11 is 965.15 lakhs reported in the annual report 2008-09. The total difference in employment generated through MSME sector in both these reports or in these five years is approx. 144.74 lakhs, i.e. 15.00% growth showing in these five years. And number of MSME in India reported in annual report 2010-11 & in 2018-19 is 428.73 lakhs and 633.88 lakhs (Table 4) respectively. Therefore, total no. of MSME units increased in last five years is approx. 205.15 lakhs enterprises i.e. 47.85% growth rate showing in last 5 years.

Table 4

MSME's Performance: Employment Generation (From 1990-91 to 2015-16)

S. No.	Year	Total MSMEs (In Lakhs)	Employment (In Lakhs)
1	1990-91	67.87	158.34
2	1991-92	70.63 (+4.07%)	165.99 (+4.83%)
3	1992-93	73.51 (+4.07%)	174.84 (+5.33%)
4	1993-94	76.49 (+4.07%)	182.64 (+4.46%)
5	1994-95	79.60 (+4.07%)	191.40 (+4.79%)
6	1995-96	82.84 (+4.07%)	197.93 (+3.42%)
7	2000-01	101.10 (+22.04%)	238.73 (+20.61%)
8	2005-06	123.42 (+22.08%)	294.91 (+23.53%)
9	2010-11 [#]	428.73 (+247.37%)	965.15 (+227.27%)
10	2015-16	633.88 (+47.85%)	1109.89 (15.00%)

*The figures showing in bracket is the growth rate as compared to previous year compiled from various annual reports from 2008-09 to 2018-19.

[#]Projected

Source: Annual Report 2008-09, Ministry of MSME, Government of India, pp 33.

Annual Report 2018-19, Ministry of MSME, Government of India, pp 28-32.

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QUANTUM OF MSME IN INDIA:

As per the NSS (National Sample Survey) 73rd round, conducted by National Sample Survey Office, Ministry of Statistics & Programme Implementation during the period of 2015-16, there were 633.88 lakhs unincorporated non-agricultures MSMEs in the country involved in various economic activities out of which 196.65 lakhs of enterprises are in Manufacturing Sector, 0.03 lakhs in Non-captive Electricity Generation and Transmission, 230.35 lakhs is in Trade Sector and 206.85 lakhs is in Other Services excluding those MSMEs registered under (a) Section 2m (i) and 2m (ii) of the Factories Act, 1948, (b) Companies Act, 1956 and (c) Construction activities comes under Section F of National Industrial Classification (NIC)

2008.

MSME sector has generated almost 11.10 crore jobs as per the survey conducted during the year 2015-16 by NSS (National Sample Survey) 73rd round. MSMEs generated approx. 360.41 lakhs jobs in the Manufacturing sector, approx. 387.18 lakhs jobs in Trade, approx. 362.22 lakhs in Other Services and 0.07 lakhs in Non-captive Electricity Generation and Transmission. The latest scenario of Number of MSMEs and Estimated Employment Generation in MSME Sector in India (broad activity category wise) during the year 2015-16 has been discussed in detail in Table 5:

Table 5

Number of MSMEs and Estimated Employment Generation in MSME Sector in India (Broad Activity Category Wise 2015-16)

Category	Rural		Urban		Total		Share (%)	
	No. of MS ME	Employment Generation	No. of MS ME	Employment Generation	No. of MS ME	Employment Generation	No. of MS ME	Employment Generation
Manufacturing	114.14	186.56	82.50	173.86	196.65	360.41	31	32.00
Trade	108.71	160.64	121.64	226.54	230.35	387.18	36	35.00
Other Services	102.00	150.53	104.85	211.69	206.85	362.22	33	33.00
Electricity	0.03	0.06	0.01	0.02	0.03	0.07	0	0
Total	324.88	497.78	309.00	612.10	633.88	1109.89	100	100

Source: Annual Report 2018-19, Ministry of MSME, Government of India, pp 28-32.

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Conclusion:

In this paper, the definition of MSMEs across the world have been discussed. There are many definitions of MSMEs have been seen based on different criteria country by country, and it has been redefined over the time. Some countries defined MSME based on capital investment, and some country defines on the ground of the number of employees working in their firm whereas some define on the ground of annual turnover of the firm. In India, the definition of MSME has been changed many times from 1951 to 2006. But in EU member countries, the definition of MSME is same since 2003. We come to conclude, the MSME sector plays an important role in employment generation in India. According to a survey conducting in 2017, MSME contributes around 31% to the nation's GDP, 34% shares of the overall manufacturing sector and 45% shares of the overall export output. It is the backbone of the Indian economy. Looking to its importance, government must try to facilitate MSME to grow at faster rate. The efforts so far done to exaggerate is not sufficient.

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Introduction
(परिचय)International
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Perspective: Market Predominance of FinTech Industry in India and Taiwan

Market Predominance of FinTech Industry in India and Taiwan

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1. Introduction:

Old notions of money are being transformed whether in public or private space, as digital currencies and mobile payments evolve at a breakneck rate. Financial and monetary infrastructure has been entrusted with assessing the strength and constraints present in modern liquidity creation. Accordingly, the financial world will become highly stable, inclusive, and competitive. In the recent past, Taiwan has made significant progress in developing an environment conducive to the growth of FinTech. It included outreach project and even a regulatory sandbox to drive growth. The latest three-years FinTech strategy by Taiwan's Financial Supervisory Commission (FSC) confirms that the country strictly adheres to focus on digital growth in the finance system. When it comes to India, a rising tech-savvy customer base has stimulated the expansion of the Fintech industry.

The basic purpose of this paper is to initiate a thought process on the new trends of adopting digital Technology in delivering financial services, both in India and Taiwan.

2. Present Scenario of Fin-tech in India:

After demonetization, payment systems, particularly mobile payments, received a significant boost. Indeed, the market was pushed into paperless methods as a result of the transitory money scarcity. People persisted to optimize digital and card swipes even after cash was reinstated in the system indicating that appetite for cash has moderated in recent times. FinTech's mission to enhance their operational stakes because banks try to bring down one's risk credit cards and personal loans.

Within only a few years, India has gained the Upper Hand as the major player in mobile payments. In other words, Fin-tech companies have already seized the commanding position of financing schemes. Since payment applications in India push a substitute to cards mobile wallets are gathering steam as a preferred payment mechanism. Peer-to-peer interactions, mobile recharges, or utility bills are just a couple of small operations facilitated by payment apps, but mobile payments are a preferred option for commercial transactions both in-store and online.

India's drive toward contactless payments intensified. In 2019, mobile payments bloated over plastic cards. The overall sum of card payments at the point of sale, such as online and in-app activities, increased by 24% to \$204 billion while mobile payments by 163 % to \$286 billion^[1]. Whilst according to S&P Global Market Intelligence, card and mobile 2 payments accounted for

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21% of \$781 billion in retail transactions at outlets in 2019. Again, the drop in economic activity owing to the Coronavirus outbreak harmed cashless transactions, mobile payments remain rather rigorous. Anxiety over the handling of currencies or cards with conceivably virus-infected surfaces does expedite their adoption.

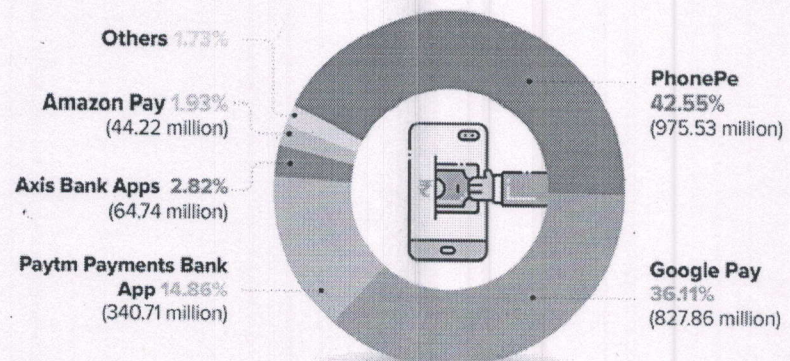


Fig.1 Leading applications in Unified Payments Interface (UPI)

Source: National Payments Corporation of India, Feb. 2021

As per data released by the National Payments Corporation of India (NPCI), PhonePe has managed to lead the UPI app landscape, extending its market share to 46.04 %. Due to the rise of PhonePe, Google Pay has been pushed to second place. On comparing to PhonePe, Google Pay had a 0.04 percent dip in its share to 34.63 percent, triggering 972.26 million transactions worth Rs. 2, 07,287.73 crores in June, a 91.67 million rise from reported in May. The NPCI shows that PhonePe processed 1,292.71 million transactions for Rs. 2, 62,565.88 crores in June; 142.87 million more than May. The surge in the volume of transactions supported widening the distance with Google Pay.

According to another study on instantaneous payments in five economies India generated the most real-time exchanges in 2019. Google pay and PhonePe have strengthened their hold on UPI payments, while Alibaba-backed Paytm has done considerable work in developing a bank-like infrastructure. Now with the advent of WhatsApp, the sector is prepping for further competition. Conversely, on things turning negative: Google and Amazon, both have wide market capitalizations, vast coffers, and can cover shortfalls. However, Paytm and PhonePe have to rely on investor assistance as and if their losses mount.

Hence, out of an effort to ensure equity in the nation's rapidly developing online payment ecosystem, the NPCI has proposed standards, restricting the fraction of the overall number of transactions on the UPI to 30 %. Such curb set into force after the first quarter of 2021. That's the first time that India imposes a guardrail on market hegemony in the country's digital economic world. To ensure minimal inconvenience granted firms with dominant market additional two-year time to comply.^[2]

3. FinTech Market in India and Other Asian Countries:

FinTech has certainly taken off throughout the world, penetrating all markets, especially in Asia. Both India and China are making strides, with adoption rates of 87 %. For study FinTech facilities have been classified into different subgroups: money transfer and payments, budgeting and financial planning, savings and investment, borrowing, and insurance. Through participants' responses whether or not they are acquainted with such offerings there can be seen significant awareness level across all segments, especially money transfer and payment services. Within India and Russia, 99.5% of individuals are aware of FinTech solutions concerning money transfers and payments. Such heightened interest in India is due to the government's pledge to reduce the proportion of printed currency in circulation.^[3]

Digital payments in India are prospering and gaining popularity, with a CAGR of 20.2 percent greater than China with a CAGR of 18.5 percent relative to the number of transactions of noncash transactions.^[4] India is swiftly catching China with the number of unicorns — privately owned start-ups wor

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\$1 billion, maybe more. Reflecting increased investor enthusiasm for tech start-ups in the nation as the pandemic pushes the embrace of digital offering. Based on CB Insights and Nikkei Asia, 15 Indian startups raised a funding valuation of \$1 billion. In 2021, 10 of them morphed into unicorns. Hardly 2 15 Chinese businesses have got a mention in 2021.^[5]

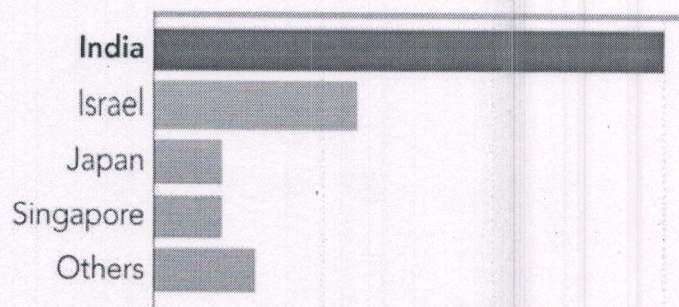


Fig.2 Number of new unicorn entrants in Asia

Source:

CB Insights and Nikkei, Asia.

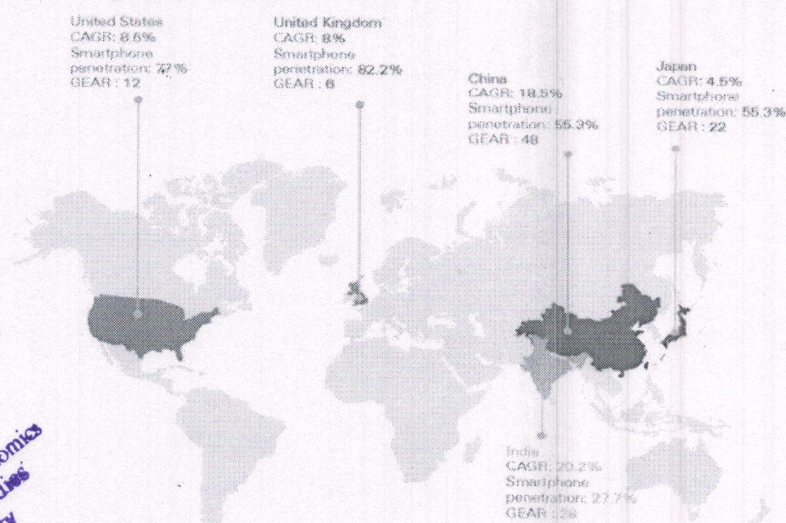


Fig.3 Global digital payments scenario of top performers

Source: Fintech in India – Powering mobile payments KPMG report, 2019

India has trailed behind China in terms of the scale of its digital economy. Investors attribute this to a rise in smartphone users but also government-led initiatives like the rollout of the UPI that allows for quick money transfers across institutions. Moreover, the largest firms in the Chinese FinTech ecosphere are privately-owned companies that are not financial institutions. E.g., Alibaba, an e-commerce giant, introduced AliPay as a mechanism to link shoppers and merchants.^[6] Fintech acquiescence among the tech-savvy put in India is poorer than in China. It may be attributable to the fact that rural debit card holding was 26% in 2017, compared to 63 percent in China. A relatively low prevalence of debit cards compared to China means a dearth of financial preparedness among Indians compared to the Chinese.

The rationale behind the lack of financial proclivity may be linked to the fact that the technological infrastructure desired to facilitate the use of FinTech offerings in rural India is insufficient in contrast to China. Again, internet access is a limitation. Though India currently has the least expensive data availability at only INR 18.5 per 1 GB spent, relative to the worldwide average of INR 600, India's average mobile internet speed (10.71 Mbps) - 60.27 % slower than the globe rate likewise, the broadband speed (29.25 Mbps) almost 50% slower. In stark comparison to China's mobile internet speed (30.47 Mbps) is 13.02 % greater than the world average, while its broadband speed (89.56 Mbps) is 52.68 % faster. Another factor that contributes to China's dominance in terms of FinTech adoption over India is investment inflow. During 2014 - 2018, the overall investment in Chinese FinTech companies was \$44.21 billion compared to \$6.97 billion in India, implying 6.34 times more than in India.^[7]

4. FinTech Market in Taiwan:

Asia has extended its worldwide dominance in FinTech adoption during the last few years. FinTech drive has evident splash among individuals and business enterprises all across the region, prominently China, and India. Nevertheless, ubiquity should not be misinterpreted with maturity. We may expect a lot more transformations in the Asian financial environment in the coming years, owing to technological advancements, soothing policies, and enhanced competitiveness.

The financial landscape in Taiwan has been gradually shifting to digital transactions, notably card payment. In the previous three years, there has been a spike in card payments; however, because of the pandemic, overall consumption levels have mostly fallen substantially, thus a drop in card payments is quite perceptible in 2020. Still, a promising trend is expected in 2021, coupled with sustained growth in the following years. Financial suppliers are offering unique cheapest payment gateways in the country to boost card readiness even among local shops.^[8]

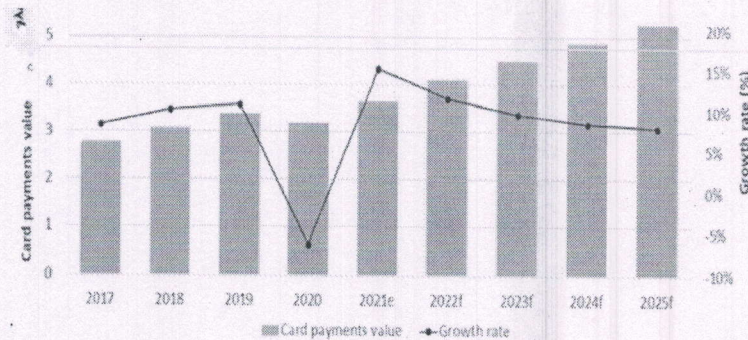


Fig. 4 Card payment in Taiwan (in TWD trillion)

Source:

GlobalData's Payment Cards Analytics.

In Taiwan, digital payments are growing faster than ever. The rising rewards for payment mechanisms are driving both individuals and merchants to accept digital and card payments. So far in Taiwan, mobile payments reportedly achieved a tipping point, overtaking credit cards usages for the first time. As per official estimate statistics provided by the Taiwan government, about 10 million in the country's 23 million inhabitants leverage mobile payments. According to Market Intelligence & Consulting Institute (MIC), mobile payments have been endorsed by 35% of respondents, whereas credit cards picked by 33%. In 2018, with an anticipated 18.66 million Internet users, its overall percentage of Internet connectivity has reached 79.2%. Again, the percentage of mobile Internet connections has now approached 70%.^[9] No wonder that mobile payments are on the upswing considering the pervasiveness of cell phones and internet access in Taiwan.

The government of Taiwan already embarked on a journey of 90% mobile payment adoption by 2025. Indeed, the penetration rate had attained 62 percent by the end of 2019.^[10] Given, Taiwan has a total of 28 e-wallets (Financial Supervisory Commission). The most prominent digital wallet was Line Pay, which was followed by Jkopy, a native app, and Apple Pay (together account for around 60% of the market). There are other wallets available, Samsung Pay, Taiwan Pay, and Chunghwa Post. PChome, a major local e-commerce company, has its wallet as well. But the problem for e-wallets is securing regulatory clearance to venture into higher-margin companies. Regardless of its desire to create a digitized financial services economy.

5. Conclusion:

Lastly unlike China, glancing at the Indian FinTech industry, one can see that conventional financial businesses are the key promoters of development. With over 2100 start-ups functioning in India, the country holds excellent ground for a FinTech revolution. Thanks to factors like an innovation-driven start-ups landscape, a large market base, along with favorable regulatory policies and government-led initiatives, India is expected to be the fourth largest private wealth market globally by 2028. If India's IT revolution takes Chinese firms will be the ones that suffer the most. Similarly, Taiwan has a diverse skill reservoir, considerable rates of internet/mobile penetration, wide exposure to credit cards and bank accounts, and a usually stronger propensity to pay and save.

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As we know that the financial system in India and Taiwan is hugely affected regulations, hence the countries have yet to experience an iterative leap in it industry. Nonetheless, there is a significant chance to capitalize on it throughout the foreseeable future. A joint strategy between the authorities a FinTech enterprises is essential to generate demand. As customer perceptio are often hampered by an insufficient financial literacy of either the usability benefits of the FinTech industry leads to customer truancy. Finally, we can conclude, that a strong financial services sector can lead to economic growth while a failing system can drag down a nation's economy. Again, FinTech is the future of developing countries and should be speeded to boost economic development.

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