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Shri Mata Vaishno Devi University
श्री माता वैष्णो देवी विश्वविद्यालय

Message

With fast pattern of life and a quest for knowledge by the young minds, the most effective way to generate and transmit information is through the electronic media. Only those, who have the capacity to grasp, assimilate and ménage information, are able to perform and succeed in these times.

Our university is a very young university with knowledgeable faculty and students. These young people have zeal to share their knowhow and the best method for this sharing in contemporary times is an e-journal.

The faculty and students of the College of Management of *Shri Mata Vaishno Devi University* are bringing out the first issue of a biannual e-journal, which contains the studies conducted by the students on diversified topics like HR Policies, Role of BI tools, Wind Energy and the Asians Gaints: China and India etc. While congratulating the students and faculty of College of Management for their efforts, I wish the journal wide readership.

Prof. N.K.Bansal,
Vice-Chancellor, SMVD University

Shri Mata Vaishno Devi University
श्री माता वैष्णो देवी विश्वविद्यालय

Message

Electronic Media has been accepted as the most powerful communication media worldwide. Therefore, knowledge and information is best shared through this media in the nick of time throughout the world.

The students of the College of Management, SMVD University have come up to use this platform for expressing their budding ideas through e-journal of the college. Through this platform they will be able to disseminate their fresh thought on the current issues to the world and will learn how to put ideas into practice.

I wish the journal a success.

विज्ञानं ब्रह्म

Dean,
College of Management

From the Desk of the Editor

*This first issue of **Abhivyakati- A Search for Excellence**- Students' bi-annual e-Journal of College of Management SMVD University, Katra clearly illustrates both the breadth and the depth of different aspects of knowledge, learning and practices made by the students of College of Management in the heavenly campus of the University. The first issue of e-journal ranges from Management & HR practices to the application of business intelligence tools and estimation of consumer demand elasticities; from the complex relationship between research and forecasting to the emerging role of the wind energy; from analysis of IT services in India and consumer product market to investigation about the transformation of company into new strategic framework. This issue demonstrates the Journal's role in disseminating current research, evidences and experiences made by young management students of MBA and MBA (Business Economics).*

*It is planned to bring out two issues of **Abhivyakati** each year with every issue in the beginning of each semester. Though a small faculty editorial committee to supervise the Journal's development has been established, however it is primarily the Assistant Student Editors and a much larger Students' Editorial Board who will look after the e-Journal in the future. These two students' bodies will encourage students to contribute and review papers or recommend others to do so, as it is broadly the students driven activity. We hope to involve as many students as possible so that the e-Journal truly reflects the participation, interests and achievements of the all the students community of the SMVD University in general and College of Management in particular.*

***Abhivyakati** as an e-Journal will provide us the opportunity to reach beyond the physical distances. It will endow with a showcase for the learning, innovations and creative approaches, which will reflect the quality of students' understanding in various emerging areas of Business Economics and Management. I congratulate the contributors of this first issue and students' editorial team and at the same time encourage all the students of SMVDU to be, in the future, not just a regular reader of the e-Journal but also the contributor.*

Dr. Suparn Sharma

CONTENTS

MAKERS THEMSELVES QUITTING THE JOB

Shalika Manhas,
MBA III[rd] Semester

At some point of time or other everybody leaves his/her job. Keeping people is arguably the most difficult aspect of running a business today. The real challenge lies with the HR manager. But aren't these HR managers themselves leaving jobs? Isn't it more important for the organizations to retain their HR managers first? My summer training survey aims at probing into the reasons that make HR managers to change jobs. The project was completed at TOP RANKERS MANAGEMENT CONSULTANTS, at NEW DELHI for two months under the guidance of Mr. V.S.K.Sood (CEO/DIR HR). The following observations were made regarding the reasons for quitting the job by HR managers

Most of the employees had join their present organizations for career advancement. Employees shift not only for salary or position but also because of sheer number of opportunities in corporate India at present. People want to grow fast and if they do not see rapid rise in their current organization, they switch over to another company. Even if employees joined their present organizations with the objective of growth in their career that doesn't mean they will stay in the organization forever. With the passage of time they feel dissatisfy with the same organization in which they were keen to work a few years back. This change in the behavior emerged from two prominent reasons, namely nature of job and work environment. When employees feel that they cannot use their potential to its maximum value they tend to be dissatisfied and a thought of leaving the job is planted in their mind. This thought gets strengthened further when they cannot see themselves advancing further in the organization. Employees want a continuous enhancement in their skills but the training which organizations offer reinforces old skills instead building new ones.

In comparison females are given less advancing opportunities than males. This reveals that glass ceiling effect exists in our society. For ages, it has been a fact that females are

family oriented. As responsible member of families sometimes they need to switch their working place. But survey brought into notice that males also feel equally responsible towards their nuclear families. So, switching jobs for family reasons is no more now the territory of women only.

When asked about the most likely increase in salary from the next job, majority of the male respondents expected above 40%. While talking about females, after a point, money doesn't matter and personal life becomes more important so they expect 20% to 40% hike in their salary. Employees today want more than just a job. They want to make contribution to the big picture to help the company to sustain through the tough times. So, they always expect challenging and meaningful work assignments to stimulate their motivation levels.

With the influence of LPG era, MNCs have gained preference as a source of earning a living. This fact can be evidenced as the majority of the respondents wishe for getting a job in MNC. In the traditional Indian organizations much of the problems have to be dealt with from the grass root level. So more number of female respondents, who are risk seekers, than male like to join these traditional organizations so that they can get a first hand experience in these organizations.

Further Laptops and mobile phones are no more considered as perquisites. Rather employees consider them mandatory facilities which the management must provide them.

Career growth holds the first position as a parameter for job selection followed by salary. This provides a better insight to understand the reasons for job hopping. Some suggestions which may help in curbing the turnover on the basis of findings of the study are:

- Employees resent underperformers. It is necessary to weed out slackers in order to improve morale & retention of high performers.

- Delegating meaningful work whenever possible, so that employees can learn something new & feel challenged. Additionally, regular development & learning opportunities should be provided.
- Training should be made relevant by building new skills.
- Convert paper work into electronic work to the extent possible.
- Instead of increasing pay package of potential employees, management should create opportunities for handling those operations which are of value to the company and in which they can show their expertise and capabilities.
- Management should direct the HR managers to recruit at minimum cost in order to add value to their job. This would make their work more challenging.
- Counselor should be provided to reduce stress, especially for females.
- Females can be easily retained by either reducing their daily working hours e.g. from 10 to 8 hours or by giving them weekends off.

APPLICATION OF BUSINESS INTELLIGENCE TOOLS IN TATA TELE SERVICES

Vinay Gulati

MBA(BE) IIIrd Semester

Tata Group comprises of over 96 companies, having strength of 2, 46,000 employees and more than 2.8 million shareholders. Tata Teleservices Ltd (TTSL) spearheads the Group's presence in the telecom sector incorporated in 1996. Tata Teleservices Ltd. is working under the brand name of Tata Indicom. With a committed investment of INR 36,000 Crore (US$ 7.5 billion) in Telecom (FY 2007), the Group has a formidable presence across the telecom chain. Tata Teleservices was the first to launch CDMA mobile services in Andhra Pradesh circle in India. With an expansion mode to capture the Indian market, Tata Teleservices now operates in 20 circles i.e. Andhra Pradesh, Chennai, Gujarat, Karnataka, Delhi, Maharashtra, Mumbai, Tamil Nadu,Orissa, Bihar, Rajasthan, Punjab,Haryana,Himachal Pradesh, Uttar Pradesh(E),Uttar Pradesh(W), Kerala, Kolkata, Madhya Pradesh and West Bengal. In the year 2007, Tata Teleservices has got the clearance to start their operation in Jammu and Assam region. TTSL has created more than 20,000 jobs, which includes 10,000 indirect jobs through outsourcing of its manpower needs.

Having pioneered the CDMA 3G technology platform in India, Tata Teleservices has established a robust and reliable telecom infrastructure that ensures quality of its services. It has partnered with Motorola, Ericsson, Lucent and ECI Telecom for the deployment of a reliable, technologically advanced network. Today the Tata is the market leader in the fixed wireless telephony market with a customer base of over 3.7 million. Tata Teleservices bouquet of telephony services includes mobile services, wireless desktop phones, public booth telephones. Other value added services are voice portal, roaming, post-paid Internet services, 3-way conferencing, group calling, Wi-Fi Internet services and data services.

Recently, Tata Indicom redefined the existing prepaid mobile market in India, by unveiling their new offering – Tata Indicom 'Non Stop Mobile' and 'Don't Stop Mobile' which allows customers to receive and make free incoming and outgoing calls.

ACCESS BUSINESS UNIT

ACCESS BUSINESS UNIT (ABU) is a strategic business unit of Tata Teleservices Ltd. built on a prepaid model for a faster and wider distribution of payphones in India. It is an India's first branded and standardized payphone offering. Starting its operations in the year 2000 for the rural market it has given a new identity to its operations under the name of **ACCESS BUSINESS UNIT**. The rationale of using the name Access is that the pay telephony and rural telephony business provides connectivity to those segments that do not have easy Access to telecommunication.

Core Values of ABU:

Agility: Handle many tasks at the same time.

Integrity: Be truthful and responsible

Meritocracy: Rewards performers

Daring: Take calculated risks

Tenacity: Do not give up

Humility: Do not be arrogant

BUSINESS INTELLIGENCE

Business intelligence (**BI**) is a business management term, which refers to applications of technologies that are used to gather, provide access to, and analyze data and information about company operations. Business intelligence systems can help companies to have a more comprehensive knowledge of the factors affecting their business, such as metrics on sales, production, internal operations, and can help companies in the decision making process to make better business decisions.

BEGINNING:

Prior to the start of the information age in the late 20th century, business had to collect data from non-automated sources. Business then lacked the computing resources to properly analyze the data, and as a result, companies often made business decisions primarily on the basis of intution.

However, collection remained a challenge due to a lack of infrastructure for data exchange or due to incompatibilities between systems. Analysis of the data that was gathered and reports on the data sometimes took months to generate. Such reports allowed informed long-term strategic decision-making. However, short-term tactical decision-making continued to rely on intuition.

Therefore, for this concern Business Intelligence plays a very important role in business decision making. Business intelligence software incorporates the ability to mine, analyze data, and produce report. Some modern BI software allow users to cross-analyze and perform deep data research rapidly for better analysis of sales or performance on an individual, department, or company level. In modern applications of business intelligence software, managers are able to quickly compile reports from data for forecasting analysis, and business decision making.

FUTURE PROSPECTS:

In a rapidly changing world consumers are now demanding quicker and more efficient service from businesses. To stay competitive, companies must meet or exceed the expectations of consumers. Companies will have to rely more heavily on their business intelligence systems to stay ahead of trends and future events. Business intelligence users are beginning to demand **Real time Business Intelligence** or near real time analysis relating to their business, particularly in front line operations. They expect up dated and fresh information in the same fashion as they monitor stock quotes online. So, business users need information which is always up to date. In the not too distant, future companies will become dependent on real time business information in the same fashion

as people come to expect to get information on the internet in just one or two clicks. This instant "Internet experience" will create the new framework for business intelligence

BI TOOL IN TATA TELESRVICES LTD

Introduction

Business intelligence (BI) is a broad category of application programs and technologies for gathering, storing, analyzing, and providing access to data to help enterprise users make better business decisions. BI applications include the activities of decision support, query and reporting, online analytical processing (OLAP), statistical analysis, forecasting, and data mining.

Feature

- The BI tool has been developed to provide accurate and timely data in a standardized format.
- The BI tool is an automated tool which provides instant (as on yesterday mid-night 12.00 am) access to information.
- BI pulls data from IN and Metasolv
- BI reduced manual effort in generating and compiling raw data.

Accessing BI:

- BI can be accessed through the Intranet (LAN).
- Each circle has a unique log-in ID and password to access BI.
- The circle login ID and password is available with circle MIS.
- In order to view the ABU Reports, an ABU specific login id is required.
- Circle MIS is the process owner for BI.
- Circle MIS to in-turn coordinate with corporate MIS to resolve issues.

Difference between

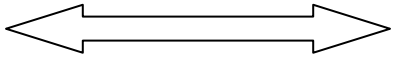
Without BI	**With BI**
➢ **Reporting Inconsistency** ➢ Data Quality ➢ Tool Limitation ➢ Reports from Multiple Sources ➢ **Lack of Data Integration** ➢ **Limited Analytic Capability** ➢ Data not available on time ➢ Not all critical source systems integrated ➢ Analytic Models are not available	➢ **Reporting Consistency** ➢ Inbuilt data quality check ➢ Single reporting layer with extensive OLAP features ➢ Single source of enterprise data ➢ **Integrated Data** ➢ **Extensive Analytic capability** ➢ Stream lined processes to ensure timeliness of data ➢ Integration of more source systems ➢ Analytic Models made available

Demands of the business to answer "What", "Why" and "How" met in an amicable manner

Without BI	With BI
What? • **What is the usage of the subscriber?** • **What are the nature and frequency of my network faults?** • **What is the overall increase in my subscriber base over last year?** • **What is my Churn Ratio?** • **What is my sales in the region?**	**WHAT, WHY AND HOW?** • **How do I increase the usage of my subscriber?** • **How can I reduce my network faults?** • **How can I increase market penetration?** • **Why are certain customer more prone to churn?** • **How can I reduce my Churn Ratio?** • **How can I increase the sales .**

CONCLUSION

In this competitive environment it is very necessary for organizations to keep their resources up to date. These updated resources help organizations in their decision making process .As present scenario is very much dynamic and so organizations need information on time, so for this BI tool helps organizations to keep their resources up to date. Business intelligence means performs business operations by intelligence. In short, BI tool shows the company where its position is in the market as compared to other players.



IT AND ITES SERVICES IN INDIA

Geetu Bandral.

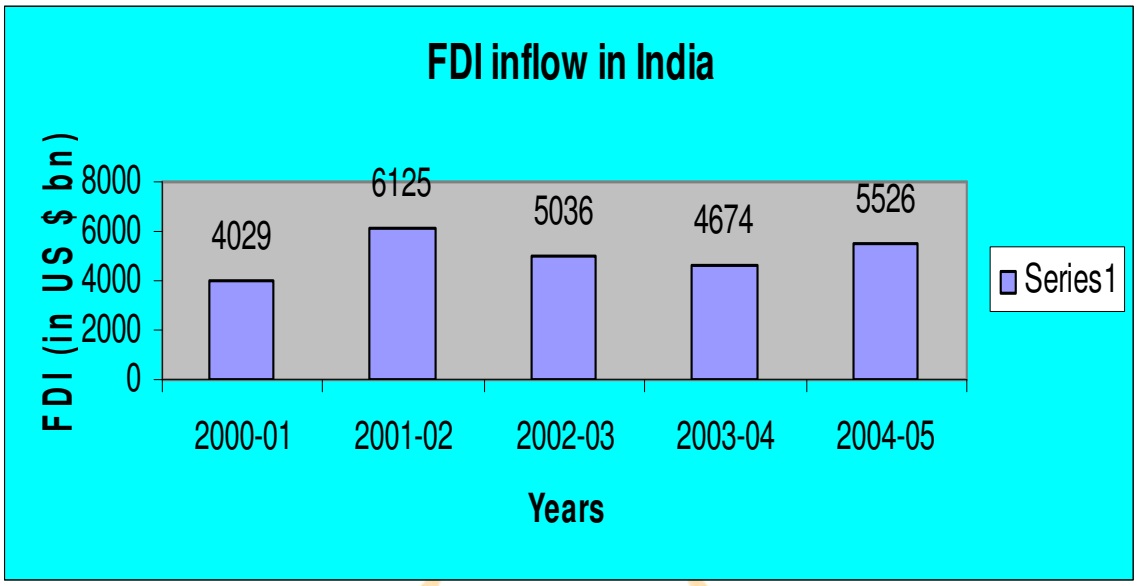
MBA (BE) IIIrd Semester

In a globalized world today, business enterprises have spread their wings to fly freely to capture business opportunities and convert them into profitable ventures. However, it is not so simple as it seems. Business enterprises have to workhard to find ways and means to find niches where they can add the greatest economic value to get more competitive strength.

Services has been the star performer within the overall gross domestic product (GDP) growth story , expanding on average at around 9% per annum since the economy was opened up in 1991. Today it contributes 54.1% of the country's $720 billion (Rs 32.4 lakh crores) GDP and employs around 23% of its estimated 497 million workforces. Little wonder that the sector is now the engine of economic growth in the country. With the population of over a billion people, India's advantage is clearly its manpower and the fact that it is a low – cost base for operations of any kind. So, India will have an advantage in any sector that requires manpower and this will contribute to the growth of the economy by providing enormous employment opportunities.

Services constitute everything right from the more identifiable IT and Business Process Outsourcing (BPO) sector to financial services, retail and telecom. Even the activities of your friendly neighborhood dhobi and services rendered by the housemaid are part of the economy. But IT and ITES sectors remain the most high profile components of this basket. But these sectors owe a large part of their success to the telecom sector.

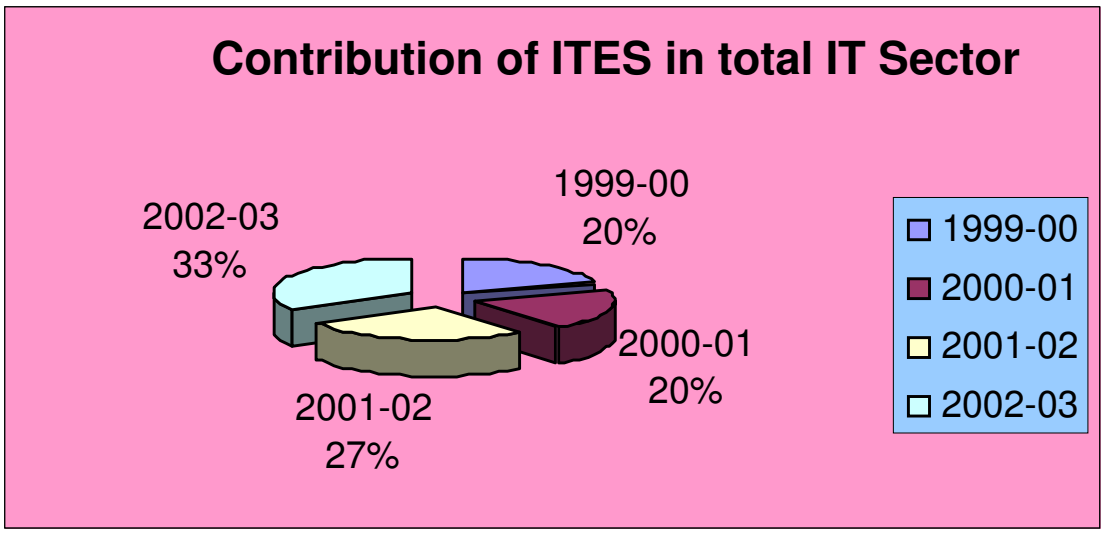
Figure No. 1



India had a tele-density of 0.69% in 1991-1992. In other words, there was one phone for every 150 people. Today, 10 years after the sector was opened up, the tele-density has improved more than 20 fold to 16.6%. India today has more than 170 million telephone connections, and the main reason of this immense growth is the confidence in the industry. Also it was the improved tele connectivity that actually kick –started the success story of Indian IT sector and BPO back office of the world. Had it not been the telecom revolution and dropping bandwidth prices, the IT industry would had come to stand still.

From about Rs 250 crore in 1991, Indian IT services exports (including BPO services) touched ($23.4 billion) Rs 1, 04,130 crore in 2005-06. The projection for 2010 is $ 60 billion or Rs 2.7 lakh crore.The companies like Infosys Technologies, TCS and Wipro have grown into multi billion dollar giants.

Infosys which was a Rs 5 crores company in 1991 is expected to end the current fiscal with revenue in excess of Rs 13,350 crore. India today commands a 65% share of the global offshore market and a 46% share of global business process outsourcing industry.

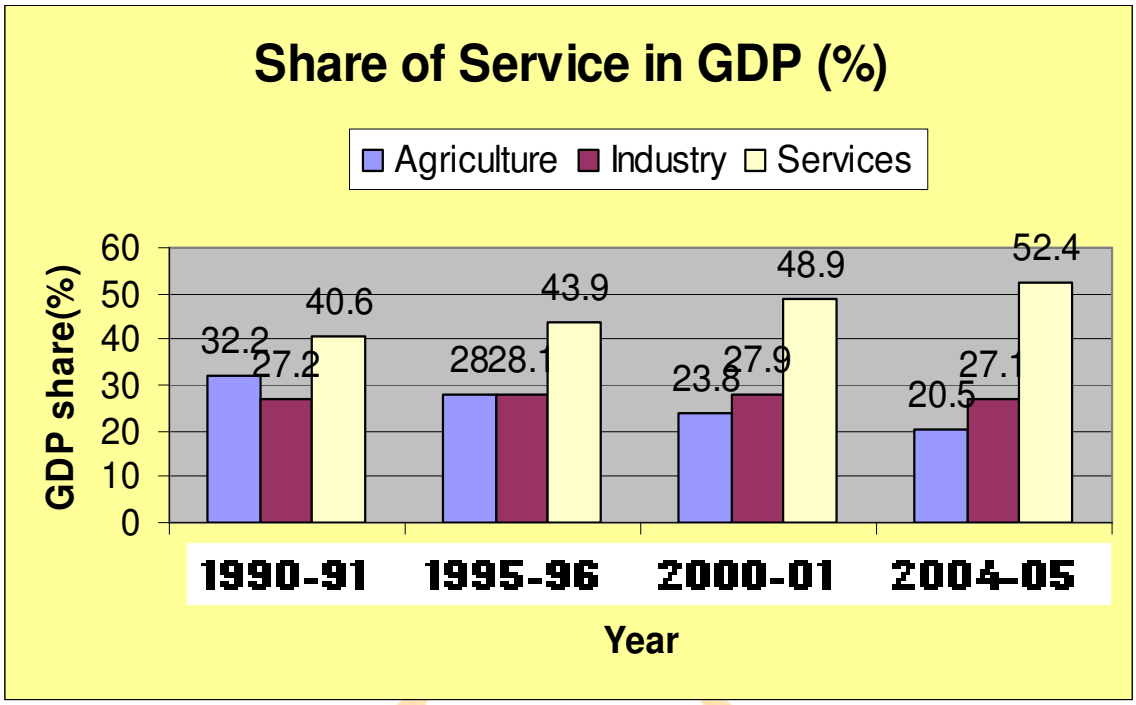


TELECOM: India tariff are among the lowest in the world. Thus, country is adding more than 6 million new telecom subscribers every month since September, 2006- a world record. Driving this growth is the mobile telephone revolution that has driven the tele-density in the country from an abysmal 0.69% in 1991 to more than 16% now.

A huge change from the time when one needed influence to get a telephone connection and public sector monopolies used to fleece customer dry.

All major cell phone manufacturers – Nokia, Sony Erricsson, LG and Motorola now have manufacturing bases in this country. Infact, the mobile telecom industry has generated 36 million jobs directly and indirectly and provides the government with annual revenues excess of Rs 16,000 crores.

The opening up of sector for private participation has also done a lot in increasing of entrepreneurial zeal of Indians. The colonial legacy of a large English speaking population which helped sectors like IT/ITES. While direct employment in ITES is 1 million, the spillover to other jobs like transportation, catering etc has created another 4 million jobs.



What Drove the Service Boom……

- 50% of India's population is under the age of 25. Agriculture has been shedding people and industry can't add 18 million people who joined the work force every year (almost equivalent to Australia's total population) fast enough. A majority of them entered the service sector. So a wider scope for service sector to boom.
- Knowledge of English, largely a colonial legacy, has come in hardy as English has become global business language.
- Opening up of telecom and financial services sectors have not only helped those sectors but have also had a significant multiplier effect on other parts of the economy like IT services.
- Labor arbitrage; wages are lower in India.
- Tax holiday and concessions provided in early years.
- 24 States have announced IT policies and most of them created good infrastructure facilities.
- India expertise in ITES-BPO, IT Act, 2000 has been implemented.
- Lower response time with efficient and effective workforce.

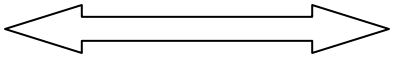
What Can lift Services Up……

- A lack of adequately-trained manpower and demand- supply mismatch (the IT and ITES industry itself faces a shortage of half a million trained personnel by 2010, according to NASSCOM).
- Any slowdown in global growth as Indian service industry gets increasingly integrated with global economy (the top 3 IT players get 70% of their revenue from US).
- Low productivity (profit per employee is extremely low as compared to developed countries).
- Anti-reform political platforms e.g.-social sector unrest.
- Infrastructure bottlenecks gaining momentum.
- Cultural mismatch.

Conclusion

The multiplier effect is all too apparent, but there's a flip side to this. The service boom is creating huge income disparities. True, it is also creating large number of jobs but it is also creating much larger number of jobs that require less skill and so give there holders much less income mobility.

A global slowdown can have sever impact on the growth of export-led services (IT and ITES) cause disruption in sector that draw sustenance from these. And this in turn can cause social unrest and trip up the India's splendid story. The service sector is on right track and is providing India with growth momentum.



HUMAN RESOURCE POLICIES: A COMPARATIVE STUDY OF A LARGE-SCALE AND A SMALL SCALE INDUSTRY

Maria Shah

MBA IIIrd Semester

The term "Human Resources Management" refers to the procurement, development and maintenance of the workforce in an organization in order to achieve the organizational goals.

The rationale behind Human Resources Management is to bring the organization and the people together so as to align the goals of both. In order to ensure the smooth running in an organisation, it constantly needs to identify the human resource needs and formulate plans to meet these needs. This is where the role of HR policies comes into play. These policies play a very important role to ensure the smooth running of an organization.

In the case below, a comparative analysis of HR policies of a large-scale industry and a small scale industry in the context of J&K has been done. The Coca Cola plant at Jammu has been taken as the large-scale industry and Dairy Fresh factory has been considered as the case for small scale industry.

LARGE SCALE INDUSTRY: COCA COLA

COCA COLA, INDIA

Coca Cola came to India in 1900s but was compelled to leave India due to implementation of Foreign Exchange Regulatory Act. It made a come back in 1993 and it gave a thumbs up to the Indian soft drink market.

Coca-Cola India is among the country's top international investors, having invested more than US$ 1 billion in India within a decade of its presence. The business system of the Company directly employs approximately 6,000 people, and indirectly creates

employment for more than 125,000 people in related industries through its vast procurement, supply and distribution.

Its Indian operations comprise of 25 wholly-owned- company-owned bottling operations and another 24 franchisee-owned bottling operations. A network of 21 contract-packers also manufactures a range of products for the company. On the distribution front, 10-tonne trucks, open-bay three-wheelers that can navigate the narrow alleys of Indian cities. This constantly keeps the brands available in every nook and corner of even the country's remotest areas.

COCA COLA BOTTLING PLANT, JAMMU:

The Coca-cola plant at Jammu was basically a local bottling plant established in 1973, taken over by Coca Cola in 1999. It is located in Gangyal industrial area.

HR POLICIES FOLLOWED AT COCA COLA, JAMMU

Allowances provided to the executives:

Following allowances are provided to the executives:

1. Leave Travel Allowance (LTA)
2. Medical Expenses Reimbursement
3. Telephone Reimbursement
4. Automobile fuel and Driver's Expense

1. Leave Travel Allowance:

Conditions for claimable L.T.A.:-

In order to claim L.T.A., an employee should proceed on a privilege leave for at least 5 days. Employee's supervisor approves leave application form & leave balance is adjusted in employee's record with H.R. department.L.T.A is provided when original tickets indicating proof of travel of each person are provided as supporting.

2. Medical Expenses Reimbursement

Medical expenses are reimbursed on purchase of medicine / drugs including vitamins, doctor's consultation fees, vaccinations, x-rays, blood test and other pathological

examinations. Expenses incurred on hospitalization are separately covered by the Mediclaim policy of the company.

3. Telephone Reimbursement

Telephone Rental Charges and Local Telephone call charge expenses on telephone at employee residence (whether company provided or not) are reimbursed. Official STD/ISD calls by associates from their residence phones may claimed by submitting an expense report with the approval of department manager.

4. Automobile fuel and Driver's Expenses

Expenses on car used by the employee for official as well as for personal purpose are fully borne by the employer. Moreover, the expenses of the driver are also borne by the management.

H R policies for the workers:

Each employee is provided three pairs of uniform and shoes. Only Rs 7 per day is taken from employees as the mess charges for breakfast, lunch, and evening tea. They celebrate the birthday of each of the employees. They also organize badminton tournaments for the employees. Recently, an AIDS awareness seminar was organized for the employees at the New Year Eve, 3 crates of Crush and 1 crate of Coca Cola were distributed free among the employees.

SMALL SCALE INDUSTRY: DAIRY FRESH

Dairy Fresh in Jammu is being manufactured by Raks Foods Ltd...It is a small scale industry located in Gangyal, which lies in outskirts of Jammu city. The ice-cream factory was established in 1989 and was taken over by Dairy Fresh in 1994.The Dairy Fresh factory at Jammu has two ice cream plants. It has an employee strength of 150 permanent

employees . The top management of the factory consists of family members of the Director. Lower employees consist of factory workers belonging to Bihar and Orissa

Italian machinery is used for manufacturing ice creams. The production takes place only in summer for 6-7 months. Hygienic conditions are given due priority inside the plant. Ice creams are stored in cold storage rooms at a temperature as low as -24 degree.

HR policies for the workers:

They provide free accommodation to lower level workers. A television is provided to them for their entertainment. The company also provides free medical facilities to the workers. On the eve of Diwali, they are served **"Bada Khana"**.The management also provides transport facility to sales people as per their job requirement.

HR POLICIES: A COMPARISON

Large-scale industry

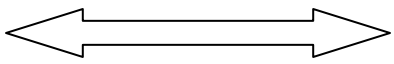
A well-defined HR department exists there. HR policies are strictly followed.360 degree performance appraisal is done half-yearly. Properly scheduled training and skill enhancement of the employees is done both internally as well as externally since workers require higher degree of skill. Proper recruitment procedures are followed here. They also make efforts for Corporate Social Responsibility (CSR).

Small-scale industry

No well-defined HR department is there. Follow-up of HR policies is dependent on the whims and wishes of management and depends upon the requirement of the workers No proper procedure of performance appraisal is followed. There is no strict schedule for the training of employees. Proper recruitment procedures are not followed. No efforts for CSR are made.

CONCLUSION

Many HR theoretical concepts are not religiously used in the small scale industries due to its small operations. The HR policies are followed to a greater degree in large scale industry as compared to a small-scale industry.



HUMAN RESOURCE POLICIES AT OIL & NATURAL GAS CORPORATION LIMITED

Shaveta Sawhney

MBA IIIrd Semester

Human Resource policies are the prime mover for the optimum utilization and contribution by human resources and also for their morale and motivation in any organization. HR management and development are dynamic process and hence HR policies require continuous review and updation. It has become more important now because of fast changing trend and global competition in the area of HUMAN RESOURCE DEVELOPMENT. Changing economic and organizational scenario in ONGC has thrown a challenge for HR professionals to respond quickly and appropriately to meet employee's aspirations to keep them highly motivated on one hand and to meet the organizational goals on the other hand.

In order to equip HR professionals to take quick decisions on "**first time right**" and "**first thing first**" principle, a sound and dynamic HR policy platform is essential. ONGC being the No. 1 Exploration & Production (E & P) Company in the country has very good HR policies and in general, employees are highly motivated with high productivity. The credit goes to HR department and the professionals behind framing the HR policies of ONGC.

ONGC realizes that its greatest strength lies in its HUMAN RESOURCES. So it continuously reengineers HR processes to meet the expectations of almost 35000 ONGCiians, to meet the aspirations of a country of more than one billion people.

In terms of employee welfare (especially health and safety), ONGC stands ahead of its private sector counterparts. The organization considers all possible welfare facilities for the employees.

In terms of Recruitment & Promotion Policy, ONGC follows a very balanced approach as it not only adheres to the Government Guidelines (being a PSU) but also constantly reengineers the HR policies of the organization to meet the changing business scenario. For example:

- De- centralization has come in the recruitment of class III/ class IV employees in order to shift the responsibility from the HQs to the work centers.
- Recruitment of contractual workforce like the recruitment of contractual pharmacists at Mehsana Asset, Gujarat
- The organization goes for campus recruitments for induction at Executive- l(Officer) level.

To bring speed, accuracy and reliability in the business processes the organization wide implementation of Enterprise Resource Planning Software (ERPS): System Application and Products (SAP) have been made. The HR module of SAP (SHRAMIK) helps in the integration of all the functions of HR- ER as well as makes the communication with other sections fast, reliable and timely (e.g with the Finance module of SAP: KUBER).

The idea of on- line Job Linked test (JLT) was also a result of this technology awareness in the organization and the administration of on-line JLT in June 2007 have proven the ability of ONGC to manage change.

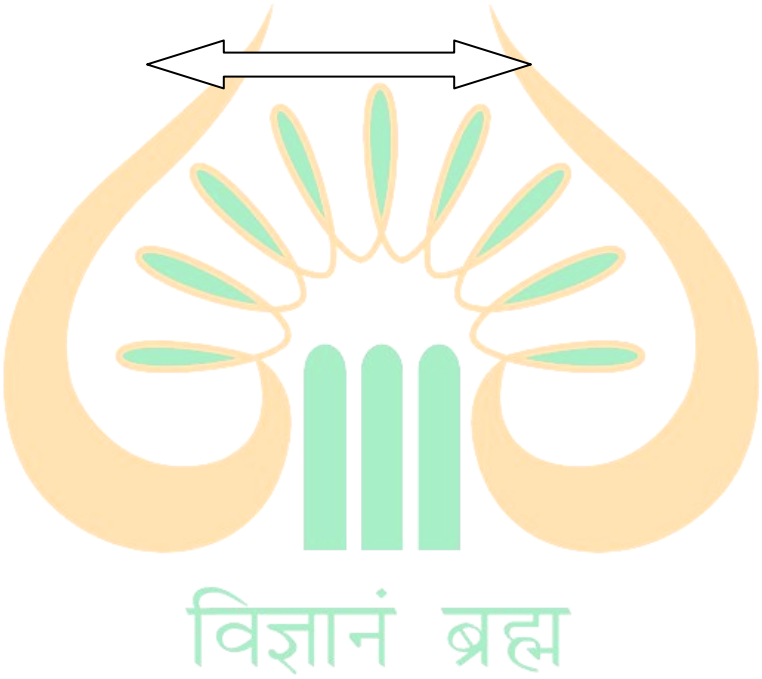
The proposal for on- line Performance Appraisal Report(PAR) system and the introduction of smart cards for attendance are also under consideration but these things will take some time as these changes will require skill updation for the employees at all levels with their full cooperation towards the changes.

Regarding the Human Resource Development, the organization aims to improve professional excellence and developing all- round technical and management skills at all levels, some of these initiatives are: *Unnati Prayas* for Engineering, *Super Unnati prayas* for MBA & *ShanghSaptak,* a senior management programme.

ONGC is a company with global character. It believes, thinks, and performs in line with the global best- in- breed- practices. It encourages employees to think in sync with the world and prove themselves by availing global opportunities.

The most important contribution of ONGC is its self- reliance and development of core-competency in Oil sector at a globally competitive level. It continuously monitors its processes in order to keep in line with the long term vision which says:

To be a world class Oil & Gas Company integrated in energy business with dominant Indian Leadership and global presence.



APPLICATIONS OF FORECASTING TOOLS WITH SPECIAL REFERENCE TO HOLT, WINTER AND REGRESSION METHODS

Rashi Mahajan & Shriya Misri

MBA (BE) IIIrd Semester

In simple words Forecasting is to forecast the Future on the basis of some data. The purpose of Forecasting is to reduce the uncertainty within which the judgments can be made. Almost every organization, large and small, private and public, use Forecasting either explicitly or implicitly, because every organization must plan to meet the conditions of future about which it has imperfect knowledge. In addition, the need for forecasts cut across all functional lines as well as all types of organizations .Forecasts are needed in finance, marketing ,personnel, and production areas, in government and profit seeking organizations, in small social clubs, and in national political parties. In other words it is said that Forecasting is required in all walks of life. There are different techniques for forecasting the future values

- Forecasting techniques for Stationary data
- Forecasting techniques for Data with a trend
- Forecasting techniques for Seasonal data
- Forecasting techniques for Cyclical data

Table:1 CHOOSING A FORECASTING TECHNIQUE

METHOD	PATTERN OF DATA	TIME HORIZON	TYPE OF MODEL	NONSEASONAL Minimum Data Requirements	SEASONAL Minimum Data Requirements
NAIVE	ST,T,S	S	TS	1	
SIMPLE AVERAGES	ST	S	TS	30	
MOVING AVERAGES	ST	S	TS	4-20	
EXPONENTIAL SMOOTHING	ST	S	TS	2	
LINEAR EXPONENTIAL SMOOTHING	T	S	TS	3	
QUADRATIC EXPONENTIAL SMOOTHING	T	S	TS	4	
SEASONAL EXPONENTIAL SMOOTHING	S	S	TS		s*s
ADAPTIVE FILTERING	S	S	TS		5* s
SIMPLE REGRESSION	T	I	C	10	
MULTIPLE REGRESSION	C,S	I	C	10*V	
CLASSIAL DECOMPOSITION	S	S	TS		5* s
EXPONENTIAL TREND MODELS	T	I,L	TS	10	
S-CURVE	T	I,L	TS	10	
GOMPERTZ MODELS	T	I,L	TS	10	
GROWTH CURVES	T	I,L	TS	10	6* s
CENSUS X-12	S	S	TS		3* s
BOX-JENKINS	ST,T,C,S	S	TS	24	
LEADING INDICATORS	C	S	C	24	
ECONOMETRIC MODELS	C	S	C	24	
TIMESERIES MULTIPLR REGRESSION	T,S	I,L	C	30	

Pattern of data: ST, stationary; T, trended; S, seasonal; C, cyclical.
Time Horizon: S, short (less than three months); I, Intermediate; L, Long term
Type of model: TS, Time series; C, Casual
Seasonal: s, length of seasonality.
Variable: V, number of Variables

The table 1 explains the use of different forecasting techniques on the basis of pattern and nature of database. After exploring the data Pattern the next step is to choose the forecasting method that is best applicable to the data .In the present study selection of four time series data have been made to study the applications of Holt's, Winter's and regression methods for forecasting by using SPSS version 15.0.

1) Sensex (BSE)

2) Industry PE ratio

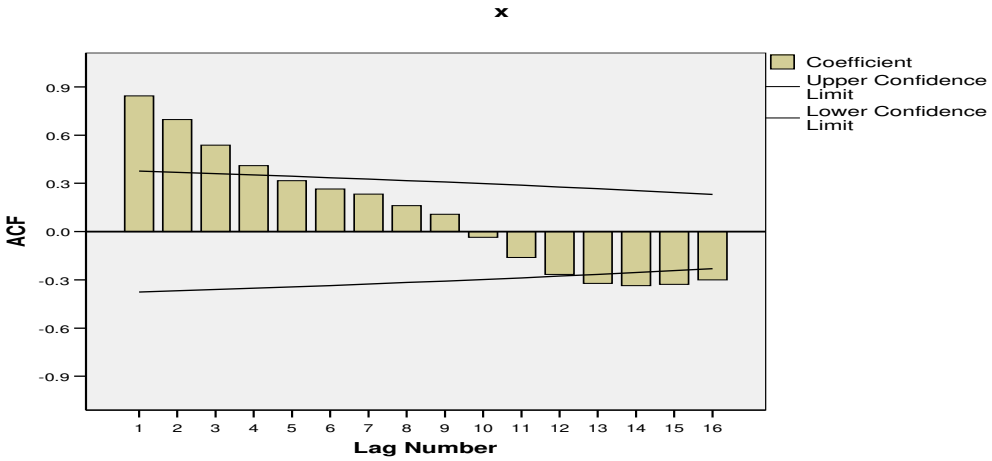
3) Share Price of HDFC Bank

4) Sales of Acme Tool Company

For the above series autocorrelation is run and it is found that the data is trendy for Sensex, Industrial Price Earning (PE) ratio and Share Price of HDFC Bank. However, the data is having seasonality in case of Sales of Acme Tool Company. On the basis of the data different forecasting methods have been applied.

1) SENSEX

In the first case, the values are plotted on the corrologram



After running the Autocorrelation it is found that the data for table 2 is Trendy. Now, on the basis of the above mentioned techniques and pattern of data Holts method of Exponential Smoothing have been applied for forecasting the future values of Sensex.

HOLT's METHOD

Holt's method is used in case of Trendy data. In this method previous information provides the direct Information of the future. It is also called Double Exponential Smoothing Method. Here the values of alpha, the smoothing coefficient (which is

associated with the Current/constant level of data), and Beta, which takes care of the slope for trend estimate, are taken.

For forecasting the futures values of sensex, alpha and Beta are estimated for different values at

Alpha (.1) and Beta (.1), the estimated error e=31321.9

Alpha (.5) and Beta (.5), the estimated error e =1500.162

Alpha (.9) and Beta (.9), the estimated error e =183.34

Here that value of alpha and Beta is selected where error is minimum i.e. alpha (.9) and Beta (.9)

Table :2 THE MONTHLY DATA OF (BSE) SENSEX

Time	SENSEX	Ltt(.9)	Tt(.9)	Y^	e
AUG,05	7805.43	7805.43	0	7805.43	0
SEPT,05	8634.48	8551.575	671.5305	7805.43	829.05
OCT,O5	7892.32	8025.399	-406.406	9223.106	-1330.79
NOV,05	8788.81	8671.828	541.1462	7618.993	1169.817
DEC,05	9397.93	9379.434	690.9602	9212.974	184.9555
JAN,06	9919.89	9934.94	569.0514	10070.39	-150.505
FEB,06	10370.24	10383.62	460.7124	10503.99	-133.752
MARCH,06	11279.96	11236.4	813.5747	10844.33	435.6324
APRIL,06	12042.56	12043.3	807.5714	12049.97	-7.41141
MAY,06	10398.61	10643.84	-1178.76	12850.87	-2452.26
JUNE,06	10609.25	10494.83	-251.98	9465.075	1144.175
JULY,06	10743.88	10693.78	153.8524	10242.85	501.027
AUG,06	11699.05	11613.91	843.5028	10847.63	851.4203
SEPT,06	12454.42	12454.72	841.0803	12457.41	-2.9908
OCT,O6	12961.9	12995.29	570.6218	13295.8	-333.899
NOV,06	13696.31	13683.27	676.2444	13565.91	130.3983
DEC,06	13786.91	13844.17	212.4347	14359.51	-572.605
JAN,07	14090.92	14087.49	240.2297	14056.61	34.31485
FEB,07	12938.09	13077.05	-885.369	14327.72	-1389.63
MARCH,07	13072.1	12984.06	-172.232	12191.68	880.4163
APRIL,07	13872.97	13766.86	687.2944	12811.83	1061.144
MAY,07	14544.46	14535.43	760.4455	14454.15	90.31
JUNE,0	14650.51	14715.05	237.7002	15295.87	-645.364
JULY,07	15550.99	15491.17	722.2773	14952.75	598.2433
AUG,07	15138.4	15245.9	-148.508	16213.44	-1075.04
					-183.343

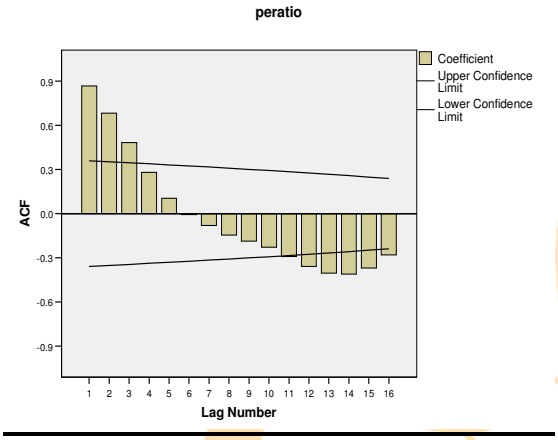
Source:www.bseindia.com

FORECASTED VALUES OF SENSEX FOR NEXT FIVE MONTHS

Sep-07	Estimated value of Y26	15097.39
Oct-07	Estimated value of Y27	14948.8
1-Nov	Estimated value of Y28	14800.37
Dec-07	Estimated value of Y29	14651.8
Jan-08	Estimated value of Y30	14503.36

2) INDUSTRIAL PRICE EARNING (PE) RATIO

In the first case, the values are plotted on the corrologram



After running the Autocorrelation it found that the data is trendy for Industrial Price Earning (PE) ratio. Now, on the basis of the above mentioned techniques and pattern of data regression method have been applied for forecasting the future values of Industrial Price Earning (PE) ratio.

REGRESSION METHOD

In this method dependent and independent variable are taken and a regression equation is found

The Regression Equation is:-

Industrial Price Earning (PE) Ratio= 13.875+.324(time)

Table: 3 THE QUARTERLY DATA OF INDUSTRIAL PRICE EARNING (PE) RATIO

1986	Price Earning Ratio	Time	Estimated value of Y	e
Q1	17.56	1	17.56	0
Q2	18.09	2	17.56	0.53
Q3	16.47	3	18.4663	-1.9963
Q4	18.73	4	15.48193	3.248073
1987 Q1	22.16	5	19.84843	2.311571
Q2	21.8	6	25.24445	-3.44445
Q3	20.82	7	22.67005	-1.85005
Q4	14.09	8	20.03207	-5.94207
1988 Q1	13.61	9	8.898195	4.711805
Q2	13.29	10	11.16937	2.12063
Q3	12.5	11	12.8262	-0.3262
Q4	12.35	12	12.01666	0.33334
1989 Q1	12.46	13	12.07071	0.389288
Q2	13.3	14	12.49044	0.80956
Q3	14.73	15	13.94416	0.785843
Q4	15.4	16	16.01306	-0.61306
1990 Q1	15.8	17	16.32637	-0.52637
Q2	17	18	16.29134	0.708658
Q3	14.8	19	17.94185	-3.14185
Q4	15.9	20	13.582	2.317997
1991 Q1	18.8	21	16.0136	2.786404
Q2	20.4	22	21.12374	-0.72374
Q3	23.7	23	22.48853	1.211474
Q4	29.2	24	26.5763	2.623702
2002 Q2	28.4	25	34.06027	-5.66027
Q2	26.8	26	29.50385	-2.70385
Q3	26	27	25.41809	0.581911
Q4	26	28	24.76086	1.239139
				-0.21882

Source: Hanke, John, E. and Wichern, Dean,(2005) W."Business Forecasting."Edition 8th , PHI Publication ,New Delhi, pp521.

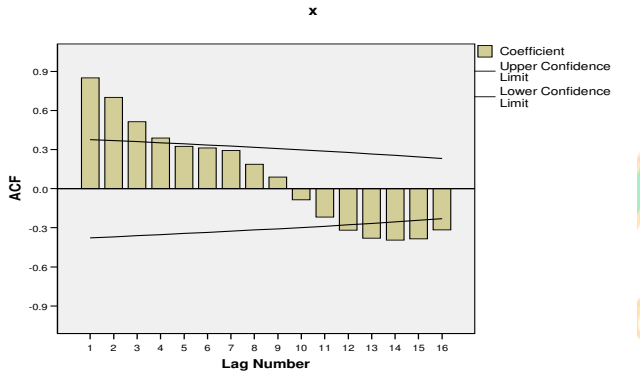
FORECASTED VALUES FOR NEXT FIVE QUARTERS

Industrial Price Earning (PE) Ratio=13.875+.324(time)

1993	Quarter1	PE=13.875+.324(29)=23.271
	Quarter2	PE=13.875+.324(30)=23.595
	Quarter3	PE13.875+.324(31)=23.919
	Quarter4	PE=13.875+.324(32)=24.253
1994	Quarter1	PE=13.875+.324(33)=24.576

3) SHARE PRICE OF HDFC BANK

In the first step, the values are plotted on the corrologram



After running the Autocorrelation it is found that the data is again trendy for Share Price of HDFC Bank. Now, on the basis of the above mentioned techniques and pattern of data Holt's method of Exponential Smoothing have been applied for forecasting the future values of Share Price of HDFC Bank

HOLT's METHOD

Holt's method is used in case of Trendy data. In this method previous information provides the direct Information of the future .It is also called Double Exponential Smoothing Method. Here the values of alpha the smoothing coefficient (which is associated with the Current/constant level of data) and Beta, which takes care of the slope for trend estimate, are taken. For forecasting the futures values of share Price of HDFC Bank, alpha and Beta are estimated for different values

At

Alpha (.1) and Beta (.1) the estimated error =2320.184

Alpha (.5) and Beta (.5) the estimated error =133.56

Alpha (.9) and Beta (.9) the estimated error=35.1588

Here that value of alpha and Beta is selected where error is minimum i.e. alpha (.9) and Beta (.9)

Table: 4 THE MONTHLY DATA OF SHARE PRICE OF HDFC BANK

MONTH	SHARE PRICEOF HDFC BANK(MONTHLY)Y	Ltt(.9)	Tt(.9)	Y^	e
AUG,05	640.15	640.15	0	640.15	0
SEPT,05	687.55	682.81	38.394	640.15	47.4
OCT,O5	606	617.5204	-54.9212	721.204	-115.204
NOV,05	687.55	675.0549	46.28894	562.5992	124.9508
DEC,05	707.45	708.8394	35.03492	721.3439	-13.8939
JAN,06	762.55	760.6824	50.16223	743.8743	18.6757
FEB,06	736.05	743.5295	-10.4214	810.8447	-74.7947
MARCH,06	773.5	769.4608	22.29606	733.108	40.39198
APRIL,06	826.6	823.1157	50.519	791.7569	34.84314
MAY,06	740.2	753.5435	-57.5631	873.6347	-133.435
JUNE,06	791.15	781.633	19.5243	695.9804	95.16963
JULY,06	795.05	795.6607	14.57736	801.1573	-6.10734
AUG,06	853.15	848.8588	49.336	810.2381	42.91191
SEPT,06	926	923.2195	71.85821	898.1948	27.80519
OCT,O6	1004.05	1003.153	79.12578	995.0777	8.972313
NOV,06	1118.4	1114.788	108.3842	1082.279	36.12145
DEC,06	1069.75	1085.092	-15.8877	1223.172	-153.422
JAN,07	1078.15	1077.255	-8.64184	1069.205	8.945472
FEB,07	932.6	946.2014	-118.813	1068.614	-136.014
MARCH,07	949.4	937.1988	-19.9835	827.3885	122.0115
APRIL,07	1026.15	1015.257	68.25356	917.2153	108.9347
MAY,07	1139.75	1134.126	113.8079	1083.51	56.23991
JUNE,0	1144.1	1154.483	29.70243	1247.934	-103.834
JULY,07	1198.65	1197.204	41.41842	1184.186	14.46418
AUG,07	1152.3	1160.932	-28.5024	1238.622	-86.322

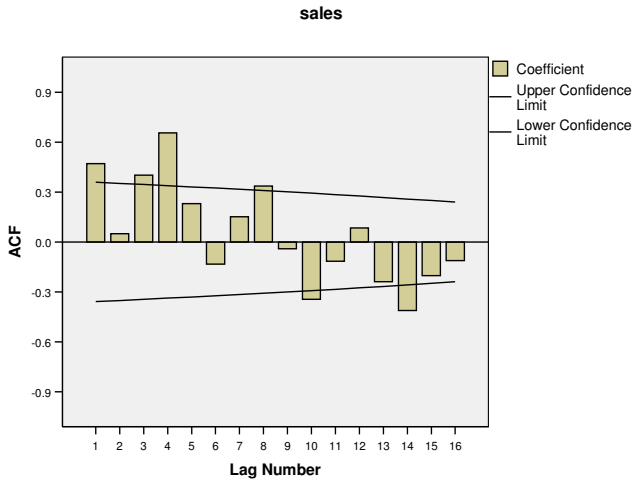
Source: www.bseindia.com

FORECASTED VALUES OF SHARE PRICE OF HDFC BANK FOR NEXT FIVE MONTHS

Sep-07	Estimated value of Y26	1132.429
Oct-07	Estimated value of Y27	1103.92
1-Nov	Estimated value of Y28	1075.42
Dec-07	Estimated value of Y29	1046.92
Jan-08	Estimated value of Y30	1018.42

SALES OF ACME TOOL COMPANY

Firstly, the values are plotted on the corrologram



After running the Autocorrelation it is found that the data is Seasonal in nature Now, on the basis of the above mentioned techniques and pattern of data winter's method of Exponential Smoothing have been applied for forecasting the future values of Sales of Acme Tool Company.

WINTER'S METHOD

Winter's method is used in case of seasonal data i.e. it takes into account seasonality. Here the values alpha the smoothing coefficient (which is associated with the Current/constant level of data) and beta, which takes care of the slope for trend estimate and gama, which takes care of seasonality or seasonal component are taken. For

forecasting the futures values of Sales of Acme Company, alpha, beta and gama are estimated for different values At

alpha (.1) beta (.1) and gama (.1) the estimated error, =5157.33

alpha (.5) beta (.5) and gama (.5) the estimated error, =1323.66

alpha (.9) beta (.9) and gama (.9) the estimated error=1695.13

Table 5: THE QUARTERLY DATA OF SALES OF ACME TOOL COMPANY

1996	Yt	Y^(.1)	E	Y^(.5)	e	Y^(.9)	e
1	500	363.5417	136.4583	363.5417	136.4583	363.5417	136.4583
2	350	780.0208	-430.021	954.6875	-604.688	1216.688	-866.688
3	250	1137.547	-887.547	888.4766	-638.477	-32.0534	282.0534
4	400	1429.247	-1029.25	426.1068	-26.1068	-315.732	715.7315
1997-1	450	347.6854	102.3147	19.86704	430.133	76.05103	373.949
2	350	668.4771	-318.477	357.3016	-7.30162	1133.413	-783.413
3	200	943.4435	-743.444	526.2715	-326.272	541.5349	-341.535
4	300	1173.31	-873.31	567.0933	-267.093	-533.395	833.3953
1998-1	350	308.5252	41.47478	108.5314	241.4686	5.38339	344.6166
2	200	533.9062	-333.906	218.6114	-18.6114	680.4852	-480.485
3	150	702.3323	-552.332	219.506	-69.506	314.9969	-164.997
4	400	858.5797	-458.58	313.7428	86.25718	-392.799	792.7993
1999-1	550	246.4637	303.5363	193.6528	356.3472	37.97972	512.0203
2	350	434.7655	-84.7655	332.1976	17.8024	828.8508	-478.851
3	250	584.3228	-334.323	403.8787	-153.879	875.0287	-625.029
4	550	749.13	-199.13	806.4452	-256.445	-737.2	1287.2
2000-1	550	255.972	294.0281	459.6984	90.30163	-34.3708	584.3708
2	400	400.3276	-0.32763	316.0295	83.97049	652.632	-252.632
3	350	528.9162	-178.916	339.9536	10.04644	1073.378	-723.378
4	600	720.195	-120.195	886.8651	-286.865	-15.0545	615.0545
2001-1	750	280.1471	469.8529	590.7013	159.2987	-136.86	886.8596
2	500	424.2837	75.71627	437.6816	62.31842	755.7407	-255.741
3	400	559.4709	-159.471	424.2247	-24.2247	1236.979	-836.979
4	650	789.336	-139.336	934.876	-284.876	207.3052	442.6948
2002-1	850	356.6479	493.3521	728.9379	121.0621	-260.432	1110.432
2	600	478.2035	121.7965	486.6173	113.3827	713.4422	-113.442
3	450	615.0311	-165.031	463.9799	-13.9799	1394.962	-944.962
4	700	887.5012	-187.501	954.1825	-254.182	1054.365	-354.365

Source:Hanke, John, E. and Wichern, Dean, W (2005)."Business Forecasting."Edition 8th , PHI Publication, New Delhi, pp128.

FORECASTED VALUESOF SALES OF ACME TOOL COMPANY FOR NEXT FIVE QUARTERS

When alpha=beta=gama=.1

2003	Quarter1	846.17198
	Quarter2	582.35786
	Quarter3	433.30036
	Quarter4	770.26027
2004	Quarter1	924.34571

when alpha=beta=gama=.5

2003	Quarter1	905.21438
	Quarter2	598.34448
	Quarter3	441.22954
	Quarter4	741.87781
2004	Quarter1	920.91449

when alpha=beta=gama=.9

2003	Quarter1	759.23430
	Quarter2	448.75837
	Quarter3	289.48622
	Quarter4	433.33522
2004	Quarter1	438.64035

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- www.bseindia.com
- www.indiainfoline.com
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DESIGNING OF RECYCLING PROGRAM

Shalika Manhas & Neha Gupta

MBA IIIrd Semester

Environmental pollution has now become the matter of serious discussion for many countries of the world. There are different factors behind the damage caused to the natural environment and one, most important, among all is paper wastage in many organizations. Upcoming threats like global warning has happened due to air pollution caused due to burning of non-recycling of commodities that are being used by the human beings for their day to day use.

In India large PSU's, Corporate and Public Sector banks mostly rely upon paper transactions for their day to day operations. Maximum utilization of paper is seen there. So keeping the frequent use of papers in banks, a proper recycling program is needed so as to reduce the degree of wastage caused by them. The Board of Directors (BOD) in a large public sector bank thinking on the same line wished to design such type of recycling program which make people self-motivated to reduce wastage of papers. They wanted its executives to make the organization environment friendly by encouraging employees to reduce waste at the workplace. This was also triggered by Government to set an example for other organizations to reduce wastage of resources and promote environmental cleanliness. According to survey it was found that the employees lacked awareness and general apathy for environment cleanliness.

A recycling program to reduce the wastage of paper and to make the efficient utilization of paper and recycled waste has been designed by the students of MBA 3rd SEM. The program under the name **MAX GREEN PROGRAM** will be executed in the following manner.

1. After seeking the permission from the Chairman of Bank, e-mails would be sent to all the regional heads which would make them aware of the recycling program.
2. All the regional heads will meet at the head office where they will be given a presentation on waste reduction and recycling.

3. The respective regional heads would then ask Head of the Departments to form a voluntarily a team of 12 members who will be responsible for implementing the recycling program. The team would be named as Green Team and its leader as Green Coordinator.
4. The green coordinators would provide a friendly and knowledgeable source of information throughout the bank. They would be responsible for bringing awareness among other employees and make them realize the significance of the recycle program.

5. *MAX GREEN PROGRAMME:*

The recycled program would be called *Max Green Programme* which would help the employees to utilize the resources carefully and show them the right path to participate in waste reduction. It is a convenient programme, so employees will accept greater responsibility for their discards.

6. Each employee shall need to keep two bins at his desk namely: *trash bin* and *recycling bin*. The idea that the waste which can be recycled like reusable coffee/tea mugs should be thrown in the recycling bin and the metal pieces etc which cannot be recycled along with paper products must be thrown in the trash bins.

The picture shows the usage of trash bin and recycle bin on an employee desk.

7. Each department will be provided with two centralized bins. One for trash and other for recyclable products. The employees need to empty their respective bins into the centralized bins themselves. The custodial staff would be responsible for managing the centralized bins. The bins of each employee should be *labelled with the programme's name. The bin should have same color as the centralized bin*. The *equipment uniformity* will give this program a *professional appearance*. It will make the program *easily recognizable* to both employees and visitors. With the permission of the senior management, a greening coordinator can be appointed which will act as a programme mentor.

An employee is shown using the centralized bin in order to empty his own bin.

8. *Implementation team* will be formed. It will consist of greening coordinator, department head and line managers. This team wherever possible will educate colleagues and help the coordinator to ascertain equipment needs, circulate communication etc.
9. After the launch of program, the green team should continue to monitor the program for about 3 months and report problems to the coordinator. The coordinator will keep senior management up to date with the program.
10. Meetings of the implementation team can take place first weekly, then fortnightly, monthly, quarterly as the process smoothens. New ideas can be taken in to broaden the scope into reduction and reuse practices.

11. The waste from all the centralized bins of all the departments of a region would be collected & send for recycling. The recycled paper would be again used by the organization. In order to reap the economies of scale, the waste material from all the regional offices and head office can be collected together and then sent for recycling. The cost of recycling this large chunk will help to reduce the cost because to recycle a paper in small amount proves to be much costly.

12. Incentives and recognition: ways to motivate employees

    a. Graph progress to show people progress.

       The progress of people can be plotted on graph paper, for instance number of times an employee needs to empty his dustbin within one week. The idea is that even if waste cannot be removed completely, this will at least help to reduce the wastage.

    b. Creating a contest and award prizes or trophies.

       Every quarter a contest "Zero Waste Week" can be organized among various departments at the regional level. The objective of this contest would be to reduce the wastage to the minimum possible level and to keep the surroundings clean. The winning teams from each region would then again compete and the final winning team shall be rewarded.

    c. Financially reward employees for ideas that generate significant cost-savings and waste reduction.

    d. Recognize employees' waste reduction efforts in front of others using intranet postings, internal newsletters (e-news) or other means.

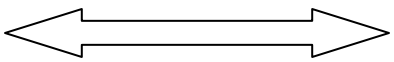
13 *Monitoring:* It is the most essential part of any program. It can be achieved as follows:

    a. Conducting eco-audits quarterly.
    b. Measuring cost –benefit analysis.
    c. Continuing effective practices
    d. Presenting a report to top management.

MOTIVATION TOOLS:

It is very important to motivate the employees time and again in order to ensure their participation in the change program. Some of the ways to do this effectively are:

a. Using green desktop on the computers as whenever employees log in the morning they feel motivated for their aim.
b. Using promotional prizes that exemplify waste reduction (e.g., a coffee mug with programme's slogan, a refillable pen made from recycled plastic). Not using prizes or materials that will become trash.
c. Distributing information in the least wasteful way. Route messages electronically or post them on a central bulletin board.
d. Print using both sides of the page and format documents to avoid excessive white space.
e. Use cartridges that can be refilled
f. Reuse envelopes for internal circulation.
g. Make a notebook out of scrap paper for taking telephone messages & meeting minutes.
h. Slogans like "It takes 25 years to grow a tree & 25 seconds to cut one" will definitely encourage employees.
i. On Friday every one would wear green t-shirts to get that feel and when the people from other organization would see that even they would also be motivated.
j. Using old cards as book marks or for decorations.



WIND ENERGY: A SOLUTION
(INDIAN PERSPECTIVE)

Loveish Mahajan,
MBA III[rd] Semester

In many parts of the world, wind energy has already grown to be a mainstream energy source. This growth has long been driven by concerns about global climate change, mainly in the developed world and especially in Europe and Asia.

Climate change is a complicated and alarming predicament. Climate change will wreak on our planet if governments fail to address the world's fossil fuel addiction. Cutting greenhouse gas emissions makes both environmental and economic sense. The goal of climate policy should be to keep global mean temperature rise to less than 2 ºC above pre-industrial levels in order to avoid dramatic damage to ecosystems and disruption to the climate system.

Challenges such as energy supply security and the volatility of fossil fuel prices have become just as pressing, both in the OECD and in emerging markets. Global energy needs are growing at a staggering rate world wide.

Wind energy is the most attractive solution to the world's energy challenges.
It is clean and fuel-free. Moreover, wind is indigenous and enough wind blows across the globe to cope with the ever increasing electricity demand. Wind technology is not a dream for the future – it is real, it is mature and it can be deployed on a large scale. A wind farm today acts much more like a conventional power station. Wind power generation is increasingly competitive with conventional fossil fuel sources and is already at a par with new coal or gas fired power stations.

Already now, wind energy is rapidly developing into a mainstream power source in many countries of the world, with over 60,000 MW of installed capacity world wide and an

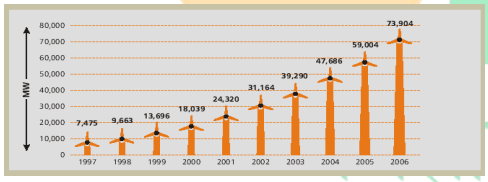
average annual market growth rate of 28%. Wind energy could provide as much as 29% of the world's electricity needs by 2030.

The political choices of the coming years will determine the world's environmental and economic situation for many decades to come. While the industrialized world urgently needs to rethink its energy strategy, the developing world should learn from past mistakes and build their economies on the strong foundation of sustainable energy supply. For the sake of a sound environment, political stability and thriving economies, now is the time to commit to a truly secure and sustainable energy future, built on clean technologies and promoting regional development and the creation of millions of new jobs. The world cannot afford to stick to the 'conventional' energy development path, relying on fossil fuels, nuclear and other outdated technologies from past centuries. Wind can and has to play a leading role in the world's energy future.

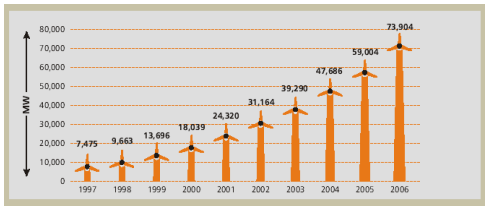
WORLWIDE DEVELOPMENTS

Nearly 74,000 MW of wind power capacity has been installed all over the world. There has been 29% average annual growth between1997-2006 and a ten-fold increase during this period.

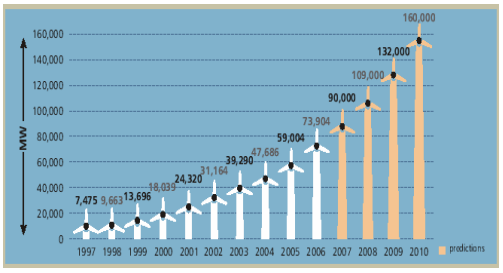
Installed Capacity (Source: World wind Energy council)



Annual Capacity Addition (Source: World wind Energy council)



Worldwide Projections (Source: World wind Energy council)



NEED FOR WIND ENERGY

Security of supply

In the absence of committed energy efficiency measures, the International Energy Agency (IEA) predicts that by 2030, the world's energy needs will be almost 60% higher than now. At the same time, supplies of fossil fuels are dwindling. Some of the major economies of the world have to rely increasingly on imported fuel, sometimes from regions of the world where conflict and political instability threaten the security of that supply. By contrast, wind energy is a massive indigenous power source which is permanently available, with no fuel costs, in virtually every country in the world.

Environmental concerns

The reason behind wind power expansion has come increasingly from the urgent need to combat global climate change. Greatest environmental threat facing the world is global climate. Under the 1997 Kyoto Protocol, OECD member states are committed to cut their carbon dioxide emissions by an average of 5.2%. In the developing world, more immediate concern comes from the direct environmental effects of burning fossil fuels, particularly air pollution. Other environmental effects include the dangers of fossil fuel exploration and mining, pollution caused by accidental oil spills and the health risks associated with radiation

Economics

As the global market has grown, wind power has seen a dramatic fall in cost. A modern wind turbine annually produces 180 times more electricity at less than half the cost per unit (kWh) than its equivalent twenty years ago. At good locations wind can compete with the cost of both coal and gas-fired power. The competitiveness of wind power has been further enhanced by the recent rise in the price of fossil fuels. If the "external costs" associated with the pollution and health

effects resulting from fossil fuel and nuclear generation were fully taken into account, wind power would work out even cheaper.

Wind energy also provides economic benefit through the employment which the industry generates. In the developing world, off-grid wind power opens up economic opportunities to dispersed communities.

Technology and Industry

Since the 1980s, when the first commercial wind turbines were deployed, their capacity, efficiency and visual design have all improved dramatically. A modern wind turbine annually produces 180 times more electricity at less than half the cost per unit (kWh) than its equivalent twenty years ago. The largest turbines being manufactured now are of more than 5 MW Capacity, with rotor diameters of over 100 meters. Modern turbines are modular and quick to install, whilst wind farms vary in size from a few megawatts up to several hundred.

INTEGRATING WIND POWER ISSUES

Despite the successful experiences, a number of issues still have to be addressed if large quantities of wind power are to be successfully integrated into the grid network.

SYSTEM OPERATION

At first sight wind energy appears to present a difficult challenge for the power system, often resulting in high estimates for ancillary service costs or assumptions that wind capacity must be "backed up" with large amounts of conventional generation. However, such assessments often overlook key factors. These include:

- Grid systems are designed to routinely cope with varying and uncertain demand, and unexpected transmission and generation outages.
- Wind power output can be aggregated at a system level, resulting in significant smoothing effects, which increase with large scale geographic distribution of wind farms.
- Forecasting of wind power output in both hourly and day ahead timeframes.

Wind power will still have an impact on power system reserves, the magnitude of which will depend on the power system size, generation mix, load variations, demand size management and degree of grid interconnection. Wind power plants have flexible mechanisms to follow the varying load and plant outages that cannot always be accurately predicted. Steady improvements are being made in forecasting techniques.

GRID CONNECTION AND SYSTEM STABILITY

Connecting wind farms to the transmission and distribution grids causes changes in the local grid voltage levels, and careful voltage management is essential for the proper operation of the network. All network system operators therefore lay down “grid codes” which define the ways in which generating stations connecting to the system must operate in order to maintain stability.

Most of the MW-size turbines being installed today are capable of meeting the most severe grid code requirements, with advanced features including fault-ride-through capability. This enables them to assist in keeping the power system stable, when large faults occur.

INFRASTRUCTURE IMPROVEMENTS

Transmission and distribution grid infrastructure will need to be upgraded in order to accommodate large amounts of wind power effectively. Expansion of wind power is not the only driver, however. Extensions and reinforcements are needed to accommodate other power sources required to meet a rapidly growing electricity demand.

COMPARATIVE COST ASSESSMENT OF WIND ENERGY WITH OTHER FUELS

- American Wind Energy Association (AWEA) estimates the levelized cost of wind energy as ranging from 4.0 to 6.0 cents per kWh (without inclusions of any prevailing incentives)

- Cost of major fuel types from "Energy Technology Status Report 1996"

  -Californian Energy Commission report 1997

- Levelized cost of wind power (operating at 20% CUF) as compared to that from coal-thermal power plant (operating at 68.5 % PLF) in India is Rs 4.04/kWh and Rs 3.33/kWh respectively

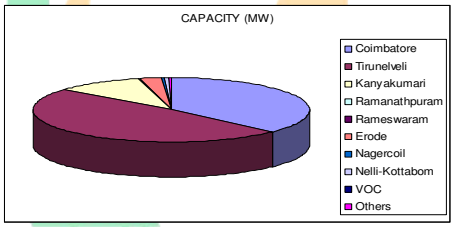
  Source: TERI & ORG 1997 study report

Fuel	Cost (cents/kWh)
Coal	4.8-5.5
Gas	3.9-4.4
Biomass	5.8-11.6
Nuclear	11.1-14.5
Wind (without incentives)	4.0-6.0

STATE AND DISTRICT WISE DISTRIBUTION OF WIND ENERGY IN INDIA

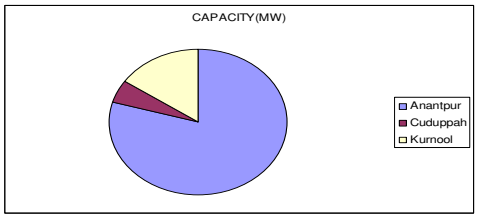
1. **Tamil Nadu**

DISTRICT	CAPACITY (MW)
Coimbatore	1068.75
Tirunelveli	1408.29
Kanyakumari	291.135
Ramanathpuram	8.75
Rameswaram	6.45
Erode	72.12
Nagercoil	3.3
Nelli-Kottabom	18.125
VOC	2.475
Others	4.275



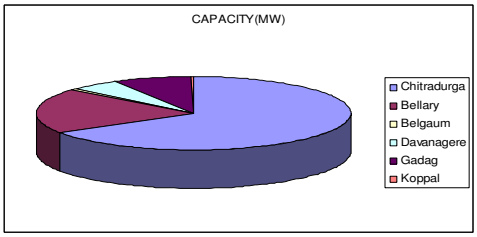
2.Andhra Pradesh

DISTRICT	CAPACITY(MW)
Anantpur	93.84
Cuduppah	6
Kurnool	18.4



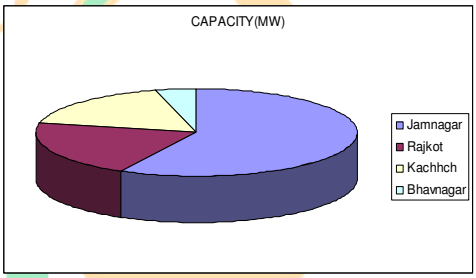
20. **Karnataka**

DISTRICT	CAPACITY(MW)
Chitradurga	377.44
Bellary	111.25
Belgaum	5
Davanagere	28.2
Gadag	46.155
Koppal	1.92



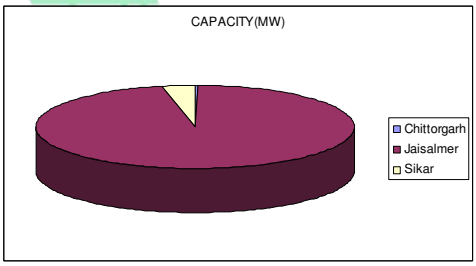
4.Gujrat

DISTRICT	CAPACITY(MW)
Jamnagar	182.84
Rajkot	65.525
Kachhch	55.3
Bhavnagar	13.2



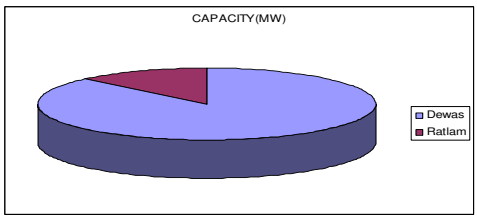
5. Rajasthan

DISTRICT	CAPACITY(MW)
Chittorgarh	0.675
Jaisalmer	355.52
Sikar	12



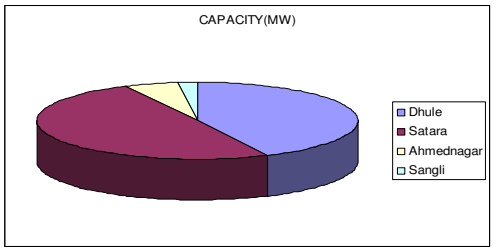
6.Madhya Pradesh

DISTRICT	CAPACITY(MW)
Dewas	33.6
Ratlam	4.95



Maharastra

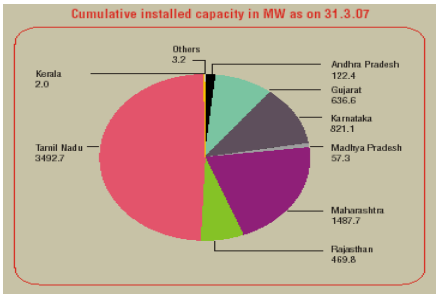
DISTRICT	CAPACITY(MW)
Dhule	422.75
Satara	490.9
Ahmednagar	54.25
Sangli	20.4

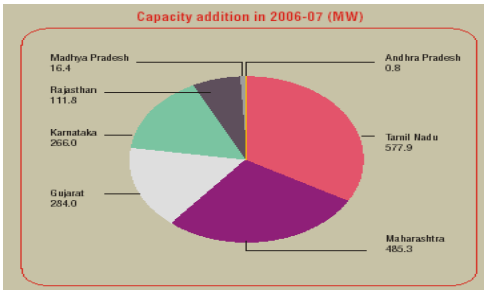


WIND ENERGY DEVELOPMENT IN INDIA

- Wind Power Potential in excess of 65,000 MW.
- 7082 MW set up by March 2007.
- India currently ranked 4th in the World.
- More than 600 stations monitored and identified.
- Wind farms set up by energy intensive industry and corporate sector.
- Power and energy shortages, the main driver for wind projects.
- High industrial tariff is another reason.
- A target of 10,500 MW of capacity addition from wind has been set till 2012 in the 11th five year plan of the Government of India.
- Freezes energy cost over a time horizon of 20-30 years.
- Modular – can be set up on scales of 1-200 MW.
- Short gestation period – 200 MW in six months.
- No uncertainties associated with fuel and its price.
- No fuel linkage, no fuel supply infrastructure.
- Clean energy with no adverse environmental effects.
- Additional revenue stream from

DEVELOPMENTS **CAPACITY ADDITION**





INDIA VS CHINA: WHO WILL EMERGE AS THE ASIAN GIANT?

Ishwinder Manocha
MBA 1st Sem.

The great race of the 21st century is under way between China and India to see which will be the leading power in the world in the year 2100.The real issue isn't where China and India are today, but where they will be tomorrow. The balance of power is shifting towards east as these two nations evolve. The two nations are likely to be the dominant economic powers by the middle of this century. They are frequently mentioned in the same breath; they are neighbours, both have population of more than a billion, both have enjoyed fast growth in world's three largest economies in the 21st century. Economists enthusiastically concluded that at their respective growth rates, the two Asian nations-China and India would dominate the global economy within a decade.

Who shall win the economic race? is the major question.

Even America's rise falls short in comparison to what's happening now. Never has the world seen the simultaneous, sustained takeoffs of two nations that together account for one-third of the planet's population. Within three decades, India should have vaulted over Germany as the world's third biggest economy. By mid-century, China should have overtaken the US as no.1.By 2050, it is estimated that these two Asian heavy weights will account for nearly half of the world's gross domestic product. Very soon, their share of world trade could match their population.

What makes the two giants powerful is that they complement each other's strengths. An accelerating trend is that technical and managerial skills in both China and India are becoming important. China will stay dominant in mass manufacturing and is one of the few nations building multibillion dollar electronics and heavy industrial plants. India is a rising power in software design, services and precision industry. This raises a provocative question: What if the two nations merge into one giant-CHINDIA?

India leads in services and lags in manufacturing. While China leads in manufacturing and lags in services. India has a massive lead on China in the software off-shoring game. India can accelerate its growth rate if its manufacturing sector makes a larger

contribution. For this to happen, several policy changes have to be made. The two key factors are labour market reforms and the facilitation of investments in infrastructure, particularly power and transport.

China leads India in foreign investment, a key contributor to economic growth, by a margin of 10 to 1, because foreign investors, who can place their money anywhere, see more opportunities and less obstacles in China. China has discouraged local entrepreneurship in favour of a foreign direct investment. India, on the other hand, is building an infrastructure, however slowly, that allows entrepreneurship and free enterprise to thrive. By making fuller use of its resources, India's long term outlook may be far stronger.

China has also had a lower rate of growth of population, thanks to its strict enforcement of one-child norm. Infrastructure has also been one of the leading sectors in China. China's overall education level is also higher than that of India, with a larger percentage of children completing primary school.

Looking at all this, one is tempted to crown China as the winner of the economic race. But India is changing and changing rapidly. India is far better than China in its market opportunity, management capability, manpower quality and availability, language capability according to a survey. So, the question that arises is "Which country will overtake the other in the foreseeable future?"

With the help of its diaspora, China has won the race to be the world's factory and India could become the world's technology lab.

If China won the race with the help of its diaspora, India could use non-resident Indians to become the world's technology lab. India is not only producing more young professionals, it is producing better qualified ones too. Indeed, the young working population in India will be its driving force in the future.

The economic danger of corruption, autocracy and inadequate infrastructure is bigger in China than in India.

India has a solid financial system, while China's banking sector is technically insolvent. The banking problem is one of the biggest costs of the delay associated with developing a vibrant, domestic private sector.

India has the advantage of having a vibrant, energetic and creative NGO (Non Governmental Organisation) sector that is now more and more willing to work in tandem with market energies to push for economic democracy.

The two countries have followed two entirely different development models to reach their present position. While China's reforms started some 25 years ago in response to the failures of the Maoists economic policies, Indian reforms began in 1991, triggered by a fiscal deficit and balance of payment crisis. The Chinese advantage is derived from its policies. China has a development-oriented state system. China is still a one-party constitutional system. But the ruling party is very flexible and open to the demands of an increasingly pluralistic society but it has only been 15years since the 1991 reforms were unleashed. India will continue to lag until governmental leaders further open their eyes to the lesson of China and accelerate the economic reform process. That is happening, but it will take time.

It is evident that in the next few decades, the Indian story of growth will be as compelling as China's. This race between the two Asian giants is set to be the most dramatic event of this century.

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AN ANALYSIS OF DEMAND BEHAVIOUR OF CONSUMERS

Anil Sharma,Anissa Nabi, Aradhana Sharma,
Arun Kumar and Ashutosh Matai
MBA 1st Semester

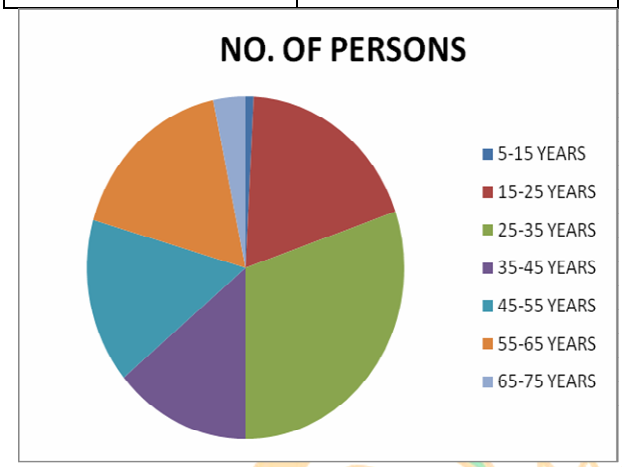
Demand implies desire for a commodity backed by the ability and willingness to pay for it. Unless a person has adequate purchasing power or resources and the preparedness to spend his resources, his desire for a commodity would not be considered as his demand. Thus, demand has three attributes; desire to pay, willingness to pay and ability to pay. Law of demand states that the demand for a commodity increases when its price falls and decreases when its price rises, other things remaining constant. The degree of responsiveness of demand to the change in its determinants is called elasticity of demand. The degree of responsiveness of demand plays a crucial role in business decisions' regarding maneuvering of prices with a view of making larger profits.Price elasticity of demand is generally defined as the responsiveness or sensitiveness of demand for a commodity to the changes in its price.

E_p.= %age change in quantity demanded/%age change in price

In the present study, demand behavior of customers and the percentage change in price of the product was studied. The markets were surveyed, and 100 people were interviewed. Demographic profile of the people (presented below) was prepared and then attempt was made to measure the elasticity of demand of certain products. Various brands of biscuits, ice cream, cooking-oil, juice, ghee, chips and tea were offered to find the elasticity of demand for those products.

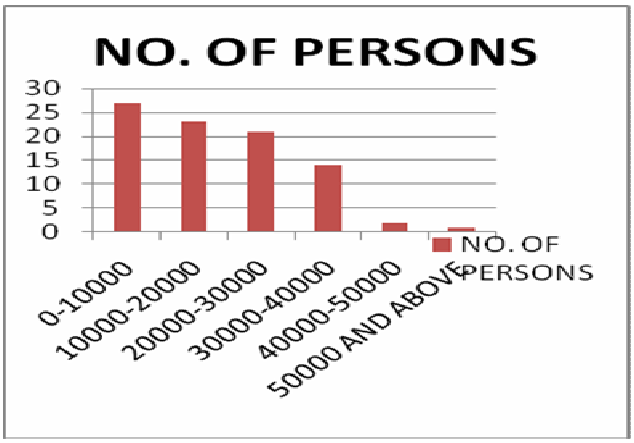
REPRESENTATION OF AGE GROUPS

AGE GROUPS	NO. OF PERSONS
5-15	1
15-25	23
25-35	37
35-45	17
45-55	19
55-65	21
65-75	4
Total	100



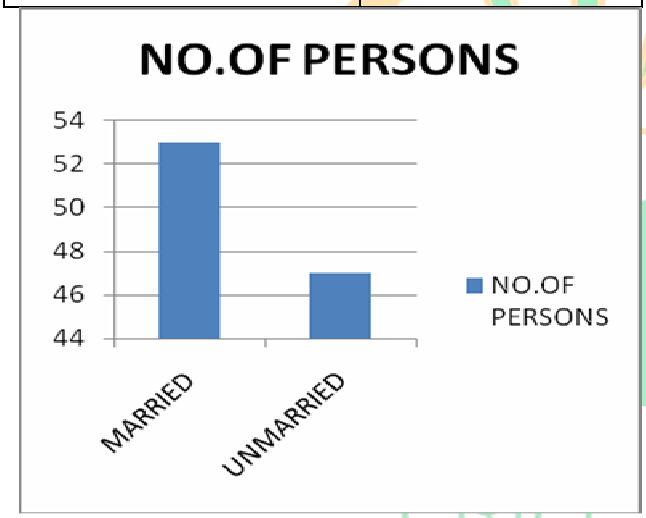
REPRESENTATION OF INCOME GROUPS

Monthly INCOME(in RS)	NO.OF PERSONS
0-10000	27
10000-20000	23
20000-30000	21
30000-40000	14
40000-50000	2
50000 AND ABOVE	1
Total	100



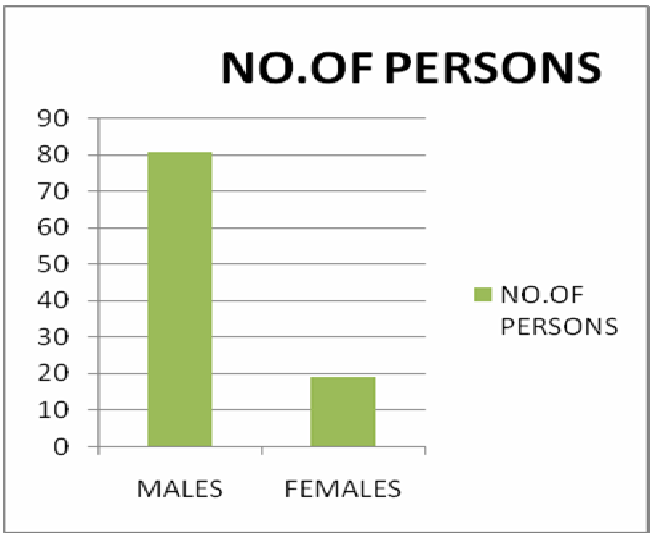
REPRESENTATION OF MARITAL STATUS

MARITAL STATUS	**NO.OF PERSONS**
MARRIED	53
UNMARRIED	47
Total	100



REPRESENTATION OF GENDER

GENDER	NO. OF PERSONS
MALE	81
FEMALE	19
Total	100



PRICE ELASTICITIES OF PRODUCTS

1) BISCUITS

	MIN	MAX	MEAN
PRICE (in Rs)	**4.50**	**15.00**	**10.5493**
QUANTITY	**1.00**	**30.00**	**8.1133**

SLOPE=-ΔQ/ΔP =-0.072

E_p.=slope*mean price/mean quantity

E_p.=-ΔQ/ΔP*P/Q

=.072*10.5493/8.1133

=0.093

This can be interpreted from the value of E_p. that demand for biscuits are quite inelastic. Even if the price of biscuits increases or decreases there is meager change in the demand for biscuits. So consumers do not prefer to curtail their consumption of biscuits with the change in price of biscuits.

2) ICE-CREAM

	MIN	MAX	MEAN
PRICE	**9.00**	**16.50**	**12.4283**
QUANTITY	**0**	**20.00**	**6.2919**

SLOPE=-ΔQ/ΔP= -0.126

E_p.=-ΔQ/ΔP*P/Q

=0.126*12.4283/6.2919

=0.248

The value of e_p. indicates that demand for ice-cream is inelastic. Even if the price of ice-cream increases or decreases there is little change in the demand of ice-cream. So, fluctuations in the prices of ice-creams do not produce any major change in the demand of ice-cream.

3) JUICE

	MIN	MAX	MEAN
PRICE	**9.00**	**16.50**	**12.6350**
QUANTITY	**0**	**60.00**	**8.2633**

SLOPE=-ΔQ/ΔP= -0.571
E_p.=-ΔQ/ΔP*P/Q
=0.571*12.6350/8.2633
=0.87
The demand for juice is relatively inelastic even with the increase in the price of juice there is little change in its demand. Consumers' quantity of consumed juice does not change even if prices fluctuate.

4) COOKING-OIL

	MIN	MAX	MEAN
PRICE	**50.00**	**90.00**	**74.56**
QUANTITY	**0.00**	**10.00**	**1.91**

SLOPE=-ΔQ/ΔP= -0.02
E_p.=-ΔQ/ΔP*P/Q
=0.02*74.56/1.91
=0.78
From the value of e_p. one can interpret that demand for cooking oil is inelastic. Even if the price of cooking oil increases or decreases, there is little change in the demand of cooking oil. Since it is the basic necessity for consumers so their intake of cooking oil is hardly affected by the change in the prices of cooking oil, i.e. even in the case of hike in prices there is no change in consumption or demand of cooking oil.

5) GHEE

	MIN	MAX	MEAN
PRICE	**49.5**	**198**	**122.4636**
QUANTITY	**1.00**	**4.00**	**1.6233**

SLOPE=-ΔQ/ΔP =-0.004
E_p.=-ΔQ/ΔP*P/Q
=0.004*122.4636/1.6233
=0.30

The value of e_p. indicates that demand for ghee is inelastic. Even if the price of ghee increases or decreases there is little change in its demand. Again as the ghee is the necessity; consumers cannot curtail the consumption of ghee even if the prices increase. They may shift to the cheaper brand but there are some brand loyal customers that don't compromise with brand and stick to it even if the prices increase up to certain limit. 15-20 per cent change in price hardly produces any effect on the demand.

6) CHIPS

	MIN	MAX	MEAN
PRICE	**9.00**	**11.00**	**10.00**
QUANTITY	**1.00**	**60.00**	**10.08**

SLOPE=-ΔQ/ΔP= -2.87
E_p.=-ΔQ/ΔP*P/Q
=2.87*10.00/10.08
=2.84

The value of e_p. shows that demand for chips are highly elastic. Since it is not the basic requirement or necessity, thus if the price of chips increases the consumers can curtail the consumption of chips. And if there is decrease in the price of chips there can be increase in the consumption as its consumption is only the matter of taste.

7) TEA

	MIN	MAX	MEAN
PRICE	**44.00**	**88.00**	**56.8623**
QUANTITY	**0**	**5.00**	**1.6923**

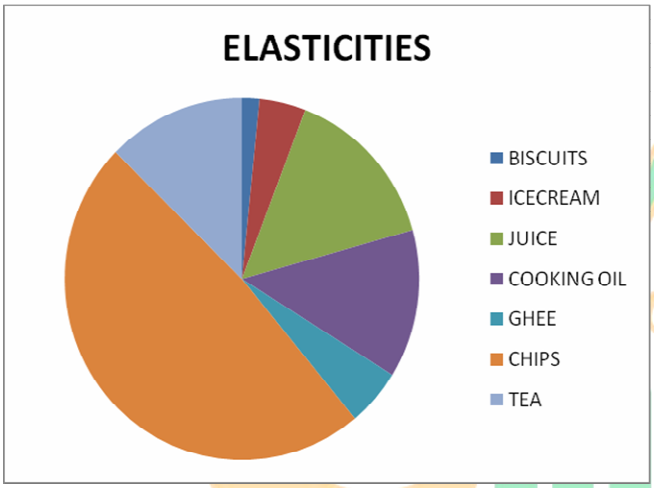
SLOPE=-ΔQ/ΔP= -0.022
E_p.=-ΔQ/ΔP*P/Q
=0.022*56.8623/1.6923
=0.74

From the value of e_p. one can conclude that demand for tea is inelastic. Even if the price of tea increases or decreases there is little change in its demand. Although the consumers

may shift from one brand to another if the prices increase beyond a certain limit, yet they cannot give up the consumption of tea as it is basic requirement these days and most of the consumers are its addicted.

GRAPHICAL REPRESENTATION OF ELASTICITY

PRODUCTS	ELASTICITY
BISCUITS	0.093
ICECREAM	0.248
JUICE	0.87
COOKING-OIL	0.78
GHEE	0.30
CHIPS	2.84
TEA	0.74



CONCLUSION

The survey brings to light that the consumable products which are basic necessities or basic requirements for an individual, have an inelastic demand. where as the products which are just the matter of taste or are not that much important to consume on daily basis, i.e which are not the basic necessities, their demand is quite elastic. Moreover if the consumers are more loyal to their brands then increase or decreases in their income or the prices of their preffered products hardly affect their consumption pattern and their demand.

UNILEVER: ITS UNIQUE PRODUCTS FOR HINDUSTAN

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150 million times a day, someone somewhere chooses a Unilever product. From feeding family to keeping home clean and fresh, the brands of HUL (Hindustan Unilever Limited) are part of everyday life. Their mission is to add Vitality to life. They meet everyday needs for nutrition, hygiene and personal care. Every day people in 150 countries around the world choose their product to feed families, clean themselves and their homes. As a multi-local multinational they aim to play their part in addressing global environmental and social concerns through local actions and in partnership with local governments and organisations. According to them they have four orbits to excel which are cooking & eating, healthy life, beauty & style, around the house. Unilever main purpose is to FEEL GOOD, LOOK GOOD AND GET MORE OUT OF LIFE.

It's major brands are **Amora, Axe, Becel, Bertoli, Blue Band, Calve, Cif, Close up , Comfort, Contry crock, Domestos, Doriana, Dove, Flora, Heart Brand, Hellmann's, Knorr, Lifebuoy, Lipton, Lux, Omo, Pond's, Radiant, Rama, Rexona, Signal, Slim-Fast, Sunlight, Surf, Sunsilk, Vaseline, Wish-Bone.**

HUL is India's largest fast moving consumer goods company, with leadership in Home & Personal Care Products and Foods & Beverages. HUL's brands, spread across 20 distinct consumer categories, touch the lives of two out of three Indians. They endow the company with a scale of combined volumes of about 4 million tonnes and sales of Rs.10,000 crores. The mission that inspires HUL's 16,000 employees, including about 1,200 managers, is to "add vitality to life". **With 35 Power Brands**, HUL meets everyday needs for nutrition, hygiene, and personal care with brands that help people feel

good, look good and get more out of life. In 2003, Hindustan UniLever Limited (HUL), Unilever's Indian subsidiary was India's largest Fast Moving Consumer Goods (FMCG) company with a turnover of Rs. 10138 crores, an employee strength of 40000 and more than 110 brands. HUL was a market leader in almost all the product categories in which it had a presence - soaps and detergents, hair care, skin care, household products, dental products and foods and beverages. HUL classified 30 of its brands as power brands.

In India there are total 30 power brands that have their name in every home, and they have become the household names.brands like Surf, Fair & Lovely, Kissan, Pepsodent, Close Up, Sunsilk, Clinic, Lux, Lifebuoy, Wheel, Lakme, Liril, Rexona, Hamam, Breeze, Dove, Pears, Rin,Vaseline, Ponds, Axe, Lipton, Brooke Bond, Anapurna, Kwality Walls, Ayush, Lakme.

CUSTOMER CLASSIFICATION

In soaps, skin-care & deodorants, HUL has classified its customers according to young males & females, middle aged males & females and lastly old males & females. For example, in soaps, Lux, dove and pears for young males & females and hamam, breeze and rexona for middle aged & old males & females. Similarly in skin-care & deodorants & in other items like laundry (wheel, rin, surf excel), hair-care (sunsilk, clinic), food & beverages (knorr, annapurna, kissan, lipton, brooke bond) & oral care(pepsodent, closeup) are put in general categories. HUL, a 51% subsidiary of Unilever, is India's largest FMCG company with sales of Rs 110 bn (2001). It forms around 5.5% of Unilever's global turnover and a sizeable 32% of Unilever's Asia Pacific business.

HLL is following the parent's strategy of refocusing its efforts on its core business and brands. It has initiated measures to prune the number of brands from 110 down to 40. HLL found that only these 40 brands contributed around 90% to the turnover and over 110% to its bottomline.

HUL's sales mix			
	2001	2005(E)	Unilever in 2001
Soaps & detergents	**47.8%**	**46.3%**	**20.7%**
Personal Products	**21.2%**	**20.5%**	**23.6%**
Staples, culinary and processed food	**4.1%**	**4.8%**	**23.1%**
Ice-cream and beverages	**19.9%**	**20.4%**	**16.4%**
Oil and dairy based foods and bakery	**7.0%**	**8.2%**	**16.3%**

Source: CMIE, Prowess

These efforts have resulted in margin expansion for the company. Its operating margins have improved from 10.7% in 1998 to 15.6% in 2001. Though this trend is well poised to continue in future too, the margin expansion going forward is likely to slow down.

That said, HUL's product profile is quite different from the parent. While soaps and detergents contribute only 21% to Unilever's topline, in HUL's case the contribution is nearly 48%. Similarly, while the foods business accounts for 55% of Unilever's total folio, it is only 27% for HLL.

Even within the food portfolio, HUL's product mix is quite different from its parent. Tea & coffee (beverages) form 59% of HUL's total food business of Rs 30 bn, while ice creams form only 5.0% of HUL's food portfolio. On the other hand, for Unilever, ice cream and beverages form 29.4% of the company's food basket. In effect, tea is smaller globally for Unilever but big for its Indian operations. This clearly indicates that though HLL is attempting to move towards aligning its portfolio with its parent, this may not be possible in entirety due to geographical food habits. (Another example is that while Unilever sold its bakery business in the year 2000, HUL is contemplating spreading its presence in this segment in India).

This detergent skewed mix in the case of HUL will undoubtedly change in the coming years. Going forward, its foods business is going to be the growth driver. This will happen as a result of two main reasons. For one, sales growth in soaps and detergents has slowed down to single digits in the last couple of years. It forms one of the most heavily penetrated FMCG segments in India. On the other hand, processed and staple foods are expected to grow much faster due to the penetration levels being much lower (15%-20%). The second reason in favour of processed food business growth is that the Indian

consuming class is slowly but surely changing. Right now, HUL may face hurdles in terms of consumer acceptance of ready to eat and processed staples. However, going forward, with increased promotion, awareness and women entering the workforce, acceptance of these products is likely to rise. India is where the western countries were say 15-20 years ago, and habits are likely to evolve as they did in the western markets.

Why only a few brands of Unilever have been launched in India?

A consumer buys a particular product because he is influenced by certain motives. Motives are a strong feeling, urge, instinct, desire or emotion that makes the buyer to react in the form of a decision to buy. For that matter, every human activity is motivated and is not spontaneous. Consumers, for example, are goal-seekers who gratify their needs by purchases and consumption. In other words, needs are the motivational elements behind purchase. One of the most important factor which influence consumer buying decision process are the tastes and preferences of the consumers like Indian people love spicy food that's why Unilever had launched Knorr in the Indian market. India is a nation of diverse cultures and religions & it also affects the behaviour of the customers & accordingly Unilever had launched few brands in the Indian market. Keeping in view the demographic structure of Indian society which constitutes a major share of youth in it, Unilever launched Closeup in the Indian market & they have targeted the common youth in their advertisement by not taking any celebrity, just to show that anybody can have 'fresher breath & healthy smile'. Unilever had also introduced Dove to cater the needs of modern Indian women who have less time to take care of themselves.

Hindustan Unilever India has reached in the hearts and minds of every Indian. They are the leading contributors to the Indian FMCG market and the only multinational with full national character.

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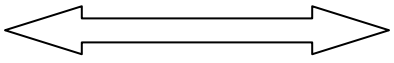

ITC GOES BINGO!

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The people who go for chips as an ideal pass time will have more options from now onwards as they can try the new 'Bingo' rather than going for Haldiram or Frito Lays. ITC the market leader in Cigarette industry has been diversifying its product spree from time to time and has given strong competition to many key players in India as well as in International Arena.

Bingo the latest product of the ITC limited is giving tough competition to Lays & Haldiram as the sales of Bingo are showing an increasing trend. The ITC ltd was established in 1910 as a cigarette manufacturing unit by the name of **Imperial Tobacco Company**. The company's ownership progressively indianised, and the name of the Company was changed to **I.T.C. Limited** in 1974.

Though the first six decades of the Company's existence were primarily devoted to the growth and consolidation of the **Cigarettes and Leaf Tobacco** businesses, the Seventies witnessed the beginnings of a corporate transformation that would usher in momentous changes in the life of the Company. The corporate transformation was not accidental but was premeditated because of the declining sales of cigarettes, the proposed ban on advertising, the increasing anti-tobacco campaigns and the experience in developed countries which seemed to suggest that tobacco would no longer be a profitable business in the future. Consequently, ITC decided to diversify into non tobacco businesses. ITC made its first foray into a non-tobacco business long back in the 1970s, when it entered the hotel industry.

Since then the company has diversified into a variety of other businesses- sportswear, greeting cards and ready to serve packaged foods, confectionery and branded staples to reduce its dependence on its cigarette business. ITC diversified into retailing and merchandising of sports goods and premium apparel under its cigarette brand, 'Wills' and ran holiday packages under another cigarette brand, 'Gold Flake'. These businesses helped keep alive the existing brands.

ITC has a diversified presence in

- Cigarettes: W. D. & H. O. Wills, Insignia, India Kings, Classic, Gold Flake, Navy Cut, Scissors, Capstan, Berkeley, Bristol and Flake
- Hotels: ITC-Welcomgroup Hotel,Wecomgroup Heritage & Fortune
- Paperboards & Specialty Papers:ITC Bhadrachalam Paperboards Limited"ITC Tribeni Tissues Division" Now there are four units under one name -- Paper Boards and Specialty Papers Division, Unit - Bhadrachalam, Tribeni, Bollarum and Kovai.
- Agricultural Industry: Agri-Business, Leaf Tobacco, Gold Ribbon, Blue Ribbon, Aqua Kings, Aqua Bay, Aqua Feast and Peninsular
- Packaged Foods & Confectionery: Kitchens of India, Aashirvaad, Sunfeast, Mint-O, Candyman, Bingo Snacks
- Branded Apparel: Wills Lifestyle, John Players, Miss Players
- Personal Care: Essenza Di Wills
- Greeting Card: Expressions
- Information Technology: ITC Infotech India Limited
- Safety Matches: iKno, Mangal Deep, VaxLit, Delite and Aim
- Stationery: Classmate, Paperkraft, Saathi

While ITC is an outstanding market leader in its traditional businesses of Cigarettes, Hotels, Paperboards, Packaging and Agri-Exports, it is rapidly gaining market share even in its nascent businesses of Packaged Foods & Confectionery, Branded Apparel and Greeting Cards.

ITC's Classmate is India's largest Notebook brand. ITC is already India's largest marketer of Paper Stationery products through its brands like Classmate, Paperkraft and Saathi. ITC's Classmate Young Author Contest is one of its kind conducted for school kids to support budding young talented authors in 4000 schools in 25 states across India. For every notebook sold, ITC spends Re.1 in social causes including rural education. When ITC entered this field, it was highly unorganized and branding was never heard of. ITC has completely changed the way the Stationery business is placed in the country today.

ITC's wholly owned Information Technology subsidiary, ITC Infotech India Limited, is aggressively pursuing emerging opportunities in providing end-to-end IT solutions, including e-enabled services and business process outsourcing.

ITC's Agri-Business is India's second largest exporter of agricultural products. ITC is one of the India's biggest foreign exchange earners (US $ 2 billion in the last decade). The Company's 'e-Choupal' initiative is enabling Indian agriculture significantly enhance its competitiveness by empowering Indian farmers through the power of the Internet. This transformational strategy, which has already become the subject matter of a case study at **Harvard Business School**, is expected to progressively create for ITC a huge rural distribution infrastructure, significantly enhancing the Company's marketing reach.

ITC eChoupal creatively leverages information technology to set up a meta-market in favour of India's small and poor farmers, who would otherwise continue to operate and transact in 'un-evolved' markets.As of July 2007, ITC eChoupal services, through 6400 eChoupals across 8 states, reach more than 4 million farmers in about 40,000 villages. ITC intends scaling up the initiative with 20,000 choupals and 700 saagars to reach 10 million farmers in 100,000 villages by 2010.Free access to Internet is also opening windows of rural India to the world at large. ITC eChoupal is now being regarded as a reliable delivery mechanism for resource development initiatives.

ITC's core business, cigarettes, contributes almost 85 per cent to its revenues, while almost all the other diversified businesses put together contribute only 15 percent. Analysts feel that ITC's ability to grab a sizable share of the markets it has entered and progressively make profits is doubtful, because it has diversified into areas where there is intense competition but still ITC progress over the years and the recent figures are contrary to the views of experts that is the Branded Packaged Foods business has continued to expand rapidly with sales recording an impressive growth of 51% over the previous year i.e. **31st March, 2006**.Sales in the Biscuit category grew by 55%.In the Staples category, **'Aashirvaad Atta'** grew from strength to strength with impressive gains across each region. The brand now commands a 52% market share amongst national branded players and is the clear market leader in most major markets.

In the Confectionery category, the **'Candyman'** and **'Mint-o'** brands registered strong growth with sales growing by nearly 51% over the pervious year driven by 'Eclairs', 'Cofitino' and the new variants launched during the year viz. 'Natkhat Mango' and 'Maha Mango'. The market standing of the Company's Lifestyle Retailing business stood significantly enhanced on the back of an impressive 52% growth during the year under review in both the premium and popular segments.

Stationery sales doubled during the year driven by the flagship brand **'Classmate'**. 'Classmate' has become India's leading and most widely distributed notebook brand in a relatively short span of time, garnering a share of 16% in the branded segment of the market. The strategy of value addition yielded an impressive performance during the year with cigarette sales volumes posting a growth of over 7% during the year. The Company's hotels business posted yet another impressive performance during the year with segment revenues growing by 26% to touch Rs. 986 crores driven by better room rates, improved occupancies and food & beverage sales. The Paperboards, Specialty Paper and Packaging segment recorded strong growth during the year both in terms of sales and operating profits. Segment revenue grew by 11% to touch Rs. 2100 crores while segment results improved by 19% to Rs.417 crores. The segment generated strong operating cash flow of Rs.539 crores. Leaf tobacco exports during the year grew by an impressive 21% by value to touch an all-time high.

The success of ITC can be attributed to various factors like same distribution channel for selling different kinds of products, Vendor's loyalty that is they don't get affected by Competitors offerings, Establishing brands in areas where no brands existed prior to ITC's entering that segment and Brand Image Its potential is being tested through pilot projects in healthcare, educational services, water management and cattle health management with the help of several service providers including non-governmental organizations and its success can be judged as ITC features on the Forbes Global 2000 rankings for 2006 at position 1.

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