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A Study on Dividend Policy of Indian Pharmaceutical Industry

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Abstract—

Introduction

Comparing the volume of sales, the Pharmaceutical Industry is one of the largest in the world. Before choosing a particular company for investment, investors would like to see the dividend patterns and profitability. Therefore, dividend is a major consideration for an investor to invest. This paper makes an attempt to analyze the dividend patterns and factors influencing behavior of dividend pay-out of Indian Pharmaceutical Companies.

Literature Review

The study of Sarma and Panda (2005) was based on the data published in the RBI Bulletin and covered a period of 30 years. Amidu and Abor (2006) studied the determinants of dividend payout ratio of listed companies in Ghana. Dr.K.P. Kaushik (2009) for the period of 3 years focused on a sample of 96 Trading and Services Companies listed on the Kuala Lumpur Stock Exchange for the period of 3 years.

Research Design and Methodology

Ten companies have been selected which have been managed to maintain consistent profit for a period of 5 years (2005-06 to 2009–2010). The study is based on secondary data collected from Capitaline Database, Annual Reports, PROWESS and relevant websites. Based on the Volume of sales, the companies have been categorized as small, medium and large.

Limitations

The time period selected in only for 5 years from 2005-06 to 2009-2010. The reliability of the study depends on the information collected from Database, Annual Reports and PROWESS and the study is confined to ten pharma companies only.

Findings

Various issues involved in determining the dividend payout policy of pharma companies. The Indian Pharmaceutical Industry has a lot of ample opportunities with regard to effective and competent workforce, cost, legal framework, globalization, self reliance, market domination and so on.

Keywords: Drugs, Dividend per Share, EPS, Pharmaceutical Industry, Operating Profit

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Credit Card Fraud Detection using Pattern Recognition

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Abstract—When it comes to placing trust and money in an ATM, security and integrity are two major determinants. That's why we plan to develop a system that uses a most advance and update method of transferring electronic cash or E-CASH. The project facilitates the electronic transaction of currency over the Internet. As credit card becomes the most popular mode of payment for both online as well as regular purchase. Cases of fraud associated with it are also rising. In this paper, we model the sequence of operations in credit card transactions processing using a Hidden Markov Model (HMM) and show how it can be use for the detection of the fraud. An HMM is initially trained with the normal behavior of a cardholder. If an incoming transaction is not accepted by trained HMM, it is considered to be fraudulent. At the same time we try to ensure, that genuine transaction are not rejected.

Most of the time, the genuine cardholder is not aware that someone else has seen or stolen his card information. The only way to detect this kind of fraud is to analyze the spending patterns on every card and to figure out any inconsistency with respect to the "usual" spending patterns. Fraud detection based on the analysis of existing purchase data of cardholder is a promising way to reduce the rate of successful credit card frauds. Since humans tend to exhibit specific behaviorist profiles, every cardholder can be represented by a set of patterns containing information about the typical purchase category, the time since the last purchase, the amount of money spent.

Keywords: Online shopping, credit card, e-commerce security, fraud detection, Hidden Markov Model

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Creative Financing for Infrastructure Projects: Need of Time

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Abstract—India's population & GDP growth has increased the demand for urban infrastructure in India. The infrastructure sector is in a state of crisis with barely a quarter to go before the launch of 12th Five Year Plan. So far, the infrastructure sector has been characterized by investment and supply deficits. In the 12th plan, Indian Government envisages investment to increase to $1 Trillion and half of this investment is to be sourced from the private sector. One key issue that confronted the infrastructure sector during entire 11th Five Year Plan (i.e. from 2007-2012) was that available funding was generally short to medium term. This has exposed infrastructure projects to severe interest risks and uncertainties in availability of cash balances for asset maintenance during operational phase.

In the 11th Plan Period commercial banks remained the dominant source of debt funding while equity capital was contributed by promoters and private equity players. 12th Plan Period shall see lot of creative financing opportunities. Accessing capital markets and new Private-Public Partnership (PPP) models shall emerge such as service contracts, performance based service contracts, management contracts for operations, maintenance & management. To support these models, long term financing options such as the aggressive Infrastructure Debt Funds, development of bond markets, municipal bonds, credit enhancement mechanisms, refinancing schemes, customized infrastructure & engineering projects' insurance covers, Infrastructure Risk Management etc.

Along with focusing on the problems of project finance, governance, my research shall underline the dilemmas faced by policymakers in providing critical infrastructure. It shall also be a portrayal of the processes involved in different stages of construction, from conception to implementation, of infrastructure projects roads, railways, ports, airports, telecom and power, through researched data. It shall outline strategies to overcome current strategic bottlenecks and shall provide suggestions for policy reform.

Keywords: Infrastructure, PPP, Finance, Debt Funds, Reforms

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A Study of the Effect of Bank Ownership on Bank Performance: Evidence from Commercial Banks in India

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Abstract—Since the first phase of bank nationalisation in 1969, the Reserve Bank of India had not issued any new private bank licences for more than two decades. In 1993 RBI granted 10 new licences and again in 2001 two new bank licences were issued. Among these, four new banks were promoted by individuals, out of that one new bank has survived with limited growth. The Union Finance Minister, in his budget speech for the year 2010-11 announced that the Reserve Bank of India (RBI) is considering giving some additional banking licences to private sector players. Subsequently on August 11, 2010, the RBI released a Discussion Paper on the Entry of New Private Banks as also Foreign Shareholding in banks in India. This research is directed at understanding the policy implications as mooted by this Discussion Paper.The jury is out regarding the best bank ownership model: public or private.

This study examines the effect of ownership on bank's performance for a sample of 20 listed banks out of the total of 36 listed banks, during the five-year period from 2004-05 to 2008-09, across two valuation indicators: Tobin Q and Price to Book Value (PBV) and one accounting measure, Return on Assets (RoA); and risk indicators: Capital Risk Asset Ratio (CRAR), Gross Non-Performing Advances Ratio (NPR) and Total Loans Ratio.The study conducts a bivariate analysis and a multivariate panel regression analysis using fixed effects model with the help of STATA Version 10. It gives a clear guidance that banks valuations and soundness varies between the two broad groups: government and private banks. Further, foreign shareholding in banks positively influences private banks but only up to a shareholding of around 50 percent to 60 per cent. Once the foreign shareholding increases beyond this threshold, valuations start falling and risk starts increasing.

Keywords: Banking, Corporate Governance, Ownership, Risk, Valuation

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Employee Engagement Levels Assesment in Private Banking Sector with Reference to Aurangabad Region using Gallup's Research-Based Approach

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Abstract—Hewitt- "Engagement is not about "WHAT" our people do. It is the driver of "HOW" they do it and "WHO" they do it for."Yes, the performance of an organization has a robust correlation with employee engagement. Employee engagement is the extent to which employees feel passionate about their jobs, are committed to the organization, and put discretionary effort into their work. Primarily enriched the engagement levels of employees, enhanced the organization's performance, in terms of profits, earnings, output, retention and customer-satisfaction. Furthermore, an engaged employee's word of mouth creates an optimistic image of the organization, which attracts eminent talent to the organization. The engaged employees contribute to the best, the disengaged ones just follow the monotonous and those who are actively disengaged, go to the magnitude of distracting the normal functioning. The paper sheds light on the employee engagement practices happening in Private Banks with reference to Aurangabad region.

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Does Corporate Governance Really Impact the Performance?: An Empirical Investigation Of Banks In India

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Abstract—The crisis in the banking space which was started early 2008 in United States and Europe continues to have a severe aftermath in different parts of the world even today. In this context it was generally opined that the shock in Indian banking sector is insignificant owing to its strong corporate governance practices. The primary objective of this research work is to empirically investigate whether corporate governance impacts the performance of banks which are operating in India.But the literature on the association between corporate governance and performance of banks operating in India are very few. Though there are many variables available in the literature for measuring corporate governance, this study takes into account board size, chairman-CEO duality and frequency of board meetings to quantify the level of governance of the sample banks. The performances of the banks were measured using eight different indicators varying from book values to market value. The study was conducted by considering a sample that constitutes National Stock Exchange's CNX Bankex. The data were collected for the most recent ten years. This paper would have significant value to those who are involved in the appointment of directors in the banking sector in India. The findings of this work would contribute to the debate on whether mandatory disclosure norms need to be tightened further as a precautionary measure.

Keywords: Corporate Governance, Bank Performance, CEO-Duality, Board Size, Board Meetings