

CHAPTER V

FINDING, SUGGESTIONS AND CONCLUSION

5. INTRODUCTION

This chapter reveals the findings of the study as per the objectives framed for the study, similarly the suggestions and recommendations of the study are also given as per the findings and opinions of the respondents, moreover the limitations is also mentioned in this chapter and finally conclusion of the study.

5.1. Findings of the Study

5.1.1 Findings for objective No. 01 (To study an overview about NRIs investments in India)

India is being the *second diaspora* amongst the countries of the world with 21 million Indian huge bunch of people spread over the global and accordingly as of late (2009 – 2013) India is one of the top countries which gets high settlement inflows.

United Arab Emirates and United States account for the top remittance flow to India approximately \$ 15 billion. But France which has a long connected history of French colony association with Puducherry (i.e. more than 450 years) accounts for an inflow of \$ 229 million per annum as on 2014.

The Government of India has taken various steps to promote investments by Indians living abroad, in India and it also plays a pivotal role in investment promotion, through broadcasting of information on the investment climate and opportunities in India and by instructing prospective investors including the NRIs about the investment policies and procedures and opportunities.

The Government has liberalised and transparent policy for foreign direct investment, including investments from NRIs, wherein most of the sectors are open to FDI under the

automatic route. NRIs can make investment in India under various schedules of Foreign Exchange Management.

The NRIs are allowed by Reserve Bank of India to make investment up to 100 per cent in several Indian businesses and moreover the law permits up to 100 per cent investment by NRIs in new issues of shares with full repatriation benefits.

The Government, in order to promote NRIs to bring in money into India, extended some more facilities to them. For instance, banks are free to determine the interest rates on both savings deposits and term deposits of maturity of one year and above.

Further the Government of India has also set up '*Invest India*', a joint venture company between the Department of Industrial Policy and Promotion and Federation of Indian Chambers of Commerce and Industry, as a not-for-profit, single window facilitator, for prospective overseas investors, to act as a structured mechanism for attracting investment.

On the other hand, the Ministry of Overseas Indian Affairs has established *Overseas Indian Facilitation Centre* to facilitate potential NRIs and overseas corporate bodies of overseas Indians which want to invest in India.

OIFC has organised several investment and interactive meets/ roadshows in different countries. It has also organised 'Market Place' during the annual Pravasi Bharatiya Divas event in India.

5.1.2 Findings for objective No. 02 (To analyse the influence of demographic variable on investment decisions of French NRIs)

- i. Of the total NRIs from Puducherry, 65.80 per cent employed in France and remaining per cent of respondents were employed in other regions.
- ii. Regarding profession 31.4 per cent of respondents were employed as professional and 30.30 per cent of respondents were being as skilled workers

- iii. Regarding respondents period of stay in France, 60.20 per cent of NRIs have been in France for a period of 5 to 10 years.
- iv. Among the demographic variables, age, Gender, religion, education and employment were found to be statically significant, further it is found that period of NRI and nature of job were insignificant
- v. Among the respondents concentrated on 65% are male where 55% of them were between the age social events of 31-40. 70 % of the respondents were hitched and around 40% finished their post graduate.
- vi. Lion's offer (75%) of the respondents has a spot with Hindu religion took after Christianity and Muslim religion.
- vii. Of the total NRIs from Puducherry, 65.80 for each penny used in France and remaining per cent of respondents were used in various territories of the world.
- viii. Concerning 31.4 for each penny of respondents were used as master and 30.30 per cent of respondents were being as skilled experts.
- ix. In admiration with respondent's season of stay in France, 60.20 for every penny of NRIs have been in France for a period of 5 to 10 years.
- x. Among the demographic variables, age, gender, religion, guideline and business were seen to be statically vital, further it is found that season of NRI and nature of occupation were irrelevant.
- xi. Bank store theory is seen to be the exceedingly supported saving arrangements of French NRIs among other saving arrangements, for instance, LIC, regular resource. It was favoured for standard pay from their investment.
- xii. Lack of information concerning business opportunities in the state is one of the huge theory issue experienced by the French NRIs which is trailed by Lack of structure of the state, crumbling of Indian money are moreover being the major incapacitating component on NRI wander decision
- xiii. There is no influence of respondents' gender, marital status and place of employment on investment decisions of French NRIs
- xiv. There is no influence between respondents' (age, religion, educational qualification, income, native district, nature of job) variable and Impact of NRIs

Investment in their standard of living. But Nature of job of NRIs has influence with Impact of NRIs Investment in their standard of living.

- xv. There is influence between respondents' (age, religion, educational qualification, income, native of district, nature of job) variable and effectiveness of saving schemes.
- xvi. There is influence between respondents' (religion, educational qualification) variable and infrastructure facilities.
- xvii. There is no influence between respondents' (age, income, native of district, nature of job) variable and infrastructure facilities.
- xviii. There is no influence between respondents' (age, religion, educational qualification, native of district, nature of job) variable and service of Puducherry Government offices, but levels of income of respondents have influence with service of Puducherry Government offices.
- xix. There is no influence between respondents' (income native of district) variable and influence of trade union
- xx. There is influence between respondents' (age, religion, educational qualification, nature of job) variable and influence of trade union
- xxi. There is influence between respondents' (age, religion, educational qualification, income) variable and government agencies and Institutions in promoting NRI Investment
- xxii. There is no influence between respondents' (native district, nature of job) variable and government agencies and institutions in promoting NRI investment
- xxiii. There is no influence between respondents' (age, religion, educational qualification, income, native district, nature of job) variable and NRIs Association in promoting investment.

5.1.3 Findings for objective No. 03 (To examine the preferences and pattern of investment of French NRIs towards major saving schemes)

The respondents give preference to the following factors for their investment in India namely the preference in the following order

- i. Regular returns
- ii. Capital appreciation
- iii. Safety
- iv. Liquidity
- v. Inflation
- vi. Uncertainties future

Bank deposit investment is found to be the highly preferred saving schemes of French NRIs schemes because of the regular income from that Investment and other saving schemes are preferred in the following ascending order respectively LIC, mutual fund, and post office saving.

Moreover the finding reveals that There is no relationship between the respondents' saving preferences levels of bank deposit , saving preferences levels of LIC, saving preferences levels of mutual fund and preferences levels of post office savings.

5.1.4 Findings for objective No. 04 (To identify the major investments problems encountered by the French NRIs.)

The major investments problems encountered by the French NRIs are identified with Henry Garrett Ranking Techniques and it reveals the followings there is lack of information regarding business opportunities in the state and it is being the major investment problem encountered by the French NRIs and it was followed by lack of infrastructure facility, practical difficulty in managing the projects, attitude of political parties, attitude of Government employees, attitude of Government employees, depreciation of Indian currency excessive trade unionism and low returns.

5.2 Suggestions and Recommendations

This study was undertaken to analyze the influence of demographic variable on investment decisions of French NRIs, to examine the preferences and pattern of investment of French NRIs towards major saving schemes and to identify the major investments problems encountered by the French NRIs.

From the findings based on primary and secondary data, certain conclusions are drawn out and certain concrete suggestions are made for enhancing NRI investment and for channelizing the investment to productive sectors in UT of Puducherry. The researcher has also pointed out certain specific areas where further research is needed.

Based on the findings of the study and on the basis of the opinions and responses of the respondents in the open discussion, the following suggestions are made to channelise NRI remittances to productive sectors in order to have positive sustainable impact on the economy of Puducherry. These recommendations will be useful to the policy makers at the state and national levels for framing future policies.

One of the important ways to channelise NRI remittances to productive sectors is to create an investment culture in our state. An attitudinal change on the part of state government, political parties, press and bureaucracy can create an investor-friendly atmosphere.

The opinions of the respondents revealed that one major investment problem encountered by the NRIs is lack of information regarding business opportunities in the state and it is being the major investment problem encountered by the French NRIs and it was followed by lack of infrastructure facility, practical difficulty in managing the projects, attitude of political parties, attitude of government employees, attitude of government employees, and depreciation of Indian currency Excessive trade unionism and low returns.

5.2.1 Suggestions for objective No. 01 (To study an overview about NRIs investments in India)

From the findings of the study the research study found that NRIs remittance is high and Indian government has to maintain the current foreign policies related to NRIs investment.

In particular, for Puducherry UT whose NRIs were majorly settled in France, the government agencies and private agencies should take initiative measures to promote the awareness for NRIs investment in the state.

Policy measures may be taken and effectively implemented to provide very good support to NRIs entrepreneurs from government of Puducherry.

SEBI (Securities Exchange Board of India) should extend its investor education schemes abroad. SEBI should organise investor education programmes for the NRIs in association with NRI associations. Such programmes are useful for channelising NRI funds to the corporate sector.

The UT of Puducherry government and voluntary organisations should initiate campaigns to educate the NRIs in order to discourage unproductive investment. They can use the press, TV channels and the internet for educating the NRIs.

All NRIs Associations abroad should be affiliated to UT of Puducherry. Such an attempt will be useful for educating the NRIs, and protecting the interests of the NRIs and for popularising various investment schemes among the NRIs.

The contributions of the NRIs toward Puducherry economy should be properly recognised by the State Government. Awards should be instituted yearly, for the NRIs of Puducherry who have created most employment opportunities in our state. Such recognition programmes should be popularised among the NRIs and the general public.

In order to mobilise the savings of the NRIs, the Government of India may take the initiative to create an infrastructure development fund under the direct control of the finance department. Funds can be mobilised directly from the NRIs by offering interest higher than the prevailing bank interest.

5.2.2 Suggestions for objective No. 02 To analyze the influence of demographic variable on investment decisions of French NRIs.

As majority of the NRIs are educated and are employed as professional and skill workers, the investors are to be highly innovative to make use of the technology in order to increase the investment.

As age is found to have a greater association compared to other demographic variables, schemes could be framed based for varied groups.

5.2.3 Suggestions for objective No. 03 To examine the preferences and pattern of investment of French NRIs towards major saving schemes.

- From the findings of the study, the research found that bank deposit investment is found to be the highly preferred saving schemes, so the banks operating in the Puducherry government have to come out with some more similar types of saving schemes will be giving regular handsome returns.
- The study also reveals that a large number of NRIs, especially those in France have only minimum education. A correlation exists between the educational levels and the income levels of the NRIs. So the State Government and universities should design and introduce appropriate courses through distance learning programme in France for improving the educational levels of the NRIs.
- In our state, a substantial share of the young labour force migrates to foreign countries for employment. In order to promote migration and to enhance the consequent remittances to state economy, State Government has to modify the

educational system by taking into consideration the changes in the skill requirements and professional expertise in the labour importing countries.

- Commercial banks in India seem to give more thrust to mobilisation of deposit than to credit expansion. The banking institutions should concentrate on extending credit to the NRIs and the households of the NRIs for establishing industrial units.

5.2.4 Suggestions for objective No. 04 To identify the major investments problems encountered by the French NRIs.

- From the findings of the study, the research found that in order to reduce the problems encounter the Indian government has to develop the following things like information regarding business opportunities, infrastructure facility, various solutions for practical difficulty in managing the projects, educating political parties regarding the necessities of NRI investment, Indian currency stability and moderate trade unionism
- Lack of infrastructure facility
- Infrastructure development is unacceptable in UT of Puducherry. For enhancing NRI investment in the productive sectors government should ensure uninterrupted power supply and water supply at concessional rates and should take special care in developing roads, railway, water transport and international airport facilities. Paucity of funds can be solved through BOT (Build, Operate and Transfer) system.

5.2.4.1 Suggestion for Improvement of Attitude of Government employees.

The rankings of the respondents on the services of Puducherry government offices revealed that the NRIs are not satisfied with the services. Greater investment in productive sectors requires various services and assistance from government officials. Policy measurers may be taken and effectively implemented to provide very good support to NRIs entrepreneurs from government offices.

5.2.4.2 Suggestion for Improvement of Attitude of Political Parties

A change in the attitude of political parties and local people towards industries is a precondition for industrial development. NRIs are reluctant to invest their hard-earned currency in our state because of the attitudes of local people and political leaders. The local dailies can create an attitudinal change in the people.

5.2.4.3 Suggestion for Improvement of Excessive Trade Unionism

The NRIs of UT of Puducherry are afraid of the trade unionism and the work culture in our Territory. Their confidence can be boosted through educating the workers and union leaders to effect an attitudinal change among the trade unions towards industries and investment. Policy measures may be taken and effectively implemented by the State Government to ensure a cordial relationship between employers and employees. Labour rules should be strictly enforced.

State Government should ensure the protection of the NRI investors through policy decisions and their effective implementation. The NRIs are cheated by various associations and individuals all over UT of Puducherry who offer attractive schemes and incentives should be screened and cleared before they are advertised and before they start accepting funds from the NRIs.

To start centre for NRIs department activities and objectives be widened. Such an effort will create confidence among the NRIs. The activities should be popularised among French NRIs associations abroad.

The State Government should design novel projects useful to the society and implement such projects with financial support from the NRIs. Such projects call be organised on company basis. State Government should provide single window clearance for NRI projects in the productive sector.

NRI Associations abroad should organise investment awareness programmes for their members and develop and implement schemes for the benefit of their members under direct supervision and control.

In order to tap the chances of IT. State Government should develop IT parks for NRI entrepreneurs in leading cities of Puducherry

An investment advisory board with the representatives of leading French NRIs associations and officials of the Government may be constituted to study the investment potentials of the state to promote NRI investment in the appropriate sector.

It is obvious that tourism has a tremendous potential in Puducherry. Infrastructure development is one of the basic necessities for the development of tourism. In the development of infrastructure, NRI participation should be encouraged.

Unemployment of educated youths is a severe problem in Puducherry. This can be solved to a great extent by establishing more industrial units with NRI funds. The government should take all necessary steps to create a congenial atmosphere for industrial development.

The government should channelise NRI funds to education sector by providing land and basic amenities for establishing international schools at different cities, of India by the NRIs

The development of a state is correlated to the conditions of roads and highways. Public work department should design new roads and develop the condition of the existing roads by using the remittances of NRIs.

Apparel parks should be established at various centres by using the NRI funds. Such parks can generate employment to the unemployed youths.

5.3 Limitations of the Study

The findings of the study are based on expressed opinion of the respondent, which may have their own limitation. The possibility of hiding certain fact from the part of the respondent could not be ruled out, although all possible efforts have been made to elicit correction information.

The study focused only on the investment decisions, effectiveness of saving and investment problems.

5.4 Conclusion

India as the second dense, highly populated and ever increasing population among the globally emerging super-powers has over all-around rank at the tenth position with respect to GDP on the planet economy. Duty and support from NRIs to our national economy is high. NRIs hypothesis which has basic responsibility to the GDP is an amazing need for the advancement of the country's economy.

Further the study focus on endeavour decision of French NRIs among the picked demographic variables. Nativity locale (Puducherry) exhibits the huger crucial variable to consider for the hypothesis decision; further bank store expect a critical part towards reasonability of saving arrangement. It is revealed that nonappearance of information seeing business opportunities stays as the main problem took after by base workplaces defied by French NRIs. As to contribute outside settlement satisfactory resource, standard pay and base was situated primary three among the NRI's. As for wellsprings of information NRI's first get the information from relatives took after by partners and theory magazine.

The analysis that has been technically researched in to this challenging segment of the Indian economically influencing field of study as, "Investment decision making among French NRI's (With Special Reference to Union Territory of Puducherry), has broadened its scope. It has a mass of potential seeds to germinate various branches of studies to be

undertaken. The number of inferences has been reached after various wings in this subject matter of this study.

The research has brought forth the changing trends, psychological factor of the NRI investors revealing their interest on the Indian Market and investments sectors and its products with reference to the availability in Puducherry. Puducherry is so blessed and has a great potentiality with its ever-transforming trend for the great future.

Puducherry – a city with great booming tourism and increasing number of NRI of Puducherry origin show much interest in various developing sectors of the investments growing in the city. Puducherry government along with the GOI must do further research, study and analysis all the scopes of this concern.

It gives immense pleasure and satisfaction having completed this task but the journey of this research into the deepest corner would continue to venture even more scopes in the subject matter.