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## From the Editor

Unemployment, underemployment and disguised unemployment have been the point of concern in Indian economy. Either it is due to mismatch of demand and supply in factor market or due to less mobility of factors. Whatever may be the reason, the fact is, a great junk of India's workforce is feeling the pinch of it. The way out of this trap is, instead of landing into the red ocean, one should go for blue ocean, i.e., instead of fighting among the job seekers with the constraint of the limited job opportunities, some potential entrepreneurial talents must go for job creation in order not just to maintain their livings but also support livings of many. However, tracing and promoting the potential entrepreneurs from the mob is a herculean task as it not only needs to identify the concerned individuals or groups but also it demands the provision of financial support to their entrepreneurial talents. Keeping this in backdrop, Government of India has introduced recently the concept of Startup India to promote bank finance for start-up ventures to encourage entrepreneurship leading to job creation. In fact, the startup campaign of the Government of India focuses on restricting the role of States and getting rid of 'license raj'. To popularize the campaign and outreach the benefits of the same, the help of technology has also been taken in the form of launching an app, iMADE. Creation of MUDRA BANK for development and refinancing activities of micro units is also a milestone in the context of promoting start-ups in India. Moreover, in order to give special weight age to the SCs, STs and women in the startup campaign, a unique concept, 'Standup India' has been introduced by the Government of India.

On the pattern of Government of India's Startup India campaign and the Government's Union Budget allocation of Rs. 1,000 crores towards the Self-Employment and Talent Utilization (SETU) scheme as a major boost towards promoting Start-ups and Stand-ups in the country, the Jharkhand government has also introduced Start-Up Jharkhand, earmarking Rs. 50 crores to encourage entrepreneurs in different sectors. Innovation and Incubation Centers are being set up in Jharkhand at a cost of Rs. 10 crores and entrepreneurs are being encouraged in the sectors like Information

Technology, Health, Tourism, Agriculture, Biotechnology and alternative energy etc. The objective is only one, that, the state along with the country must become a land of job creators instead of being a nation of job seekers. However, there is a need to address challenges in creating supportive Government policies in terms of Ease of Doing Business, Tax incentives, participation in Government contracts and availability of risk capital, amongst others. Against this backdrop, this Issue of the Journal aims to touch various aspects and issues related to Start-up and Stand-up India for the socio-economic transformation of the state of Jharkhand along with the country and bring forth some unusual ideas and new practices with the objective of Empowering and connecting Entrepreneurs in and across the state of Jharkhand.

In order to prop up entrepreneurial talent, the Govt. of India has planned to start with five lakh schools to target 10 lakh children for innovation program. To make the startup India campaign successful, not only the government, financiers and potential entrepreneurs are important but also educational and research institutes must play a vital role in sensitizing the benefits of the campaign and inculcating the sense of entrepreneurship among the students and researchers. In this context, ICFAI University Jharkhand has played a pioneer role in the eastern part of the country. As a University, it has introduced 'Entrepreneurship' as a compulsory subject in its all the campus-based regular programs just to develop entrepreneurial skill and interest towards the same. Moreover, in a short span of just more than a year or so, it has conducted two national level conferences on 'Entrepreneurship' and 'Startup & Standup India for the socio-economic transformation of the state of Jharkhand' for endorsing entrepreneurship amongst academicians, researchers and most importantly the students. In recently held national conference on Startup and Standup India, besides presentation of the research findings of the researchers and academicians, there were following two special technical sessions; a) Technical Session for successful entrepreneurs of Jharkhand – in which six selected entrepreneurs of Jharkhand from varied sectors such as IT Sector, Social Sector, Agricultural Sector and

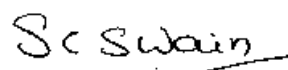
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Manufacturing Sector had shared their experiences (success story) followed by felicitation to them by the University and b) Technical Session for Innovative Business Plans by Students – in which students from different educational institutes of Jharkhand had presented their business plans and best three business plans were awarded. The University is also in the verge of having incubation Center in its Campus.

While government is pro-active for the promotion of entrepreneurship in India, all the stakeholders of the country must take it as a pride and support from all fronts in order to make it a grand success so that the problem of unemployment won't be there and the economy will be self-reliant. All the higher education institutes of India must have courses on entrepreneurship as core courses with the intention that all the students can have the opportunity to know the modality of going for ventures and at least some of them, at the end of the show, get landed into startup region. There must be the provision of incubation centers in professional education institutes. Students of higher education institutes (HEIs), particularly of professional HEIs must keep their mind open for entrepreneurship. Instead of running after jobs, they must develop the potential in them for creating jobs. Unlike conventional education, entrepreneurship as a subject must not be kept just for passing the subject. It must be incorporated in the program such a way that the students will take it seriously to know bits and pieces of entrepreneurship. There must be mentoring system in the HEIs in order to channelize the students in right direction. Moreover, as the interest of the students towards entrepreneurship gets captured, selection of the sector for them must be done considering the interest of students. Very often it may so happen that an interested student fail to assess his/her favored sector for a startup. The institutes, mentors and financiers may guide such students to be on right track. There must be an integrated effort of all the stakeholders to create good number of startups in the country, particularly in states like Jharkhand wherein abundance of natural resources are blessings in disguise. The HEIs should make the students learn entrepreneurship in true sense. Besides theoretical teaching-learning process, identified students must be exposed to different enterprises to see how a venture of his/her sector runs practically. Internship program must be

there with considerable duration and students are to be placed in ventures that belong to the sectors they prefer. In order to create competitiveness, there must be business plan completion in regular interval and the same must be assessed by the successful entrepreneurs and stakeholders of the society. Furthermore, in order to create entrepreneurs who will abide by personal values and professional ethics, the HEIs must have courses on 'Values and Ethics' also so that the new generation entrepreneurs can have enterprises ethically. Be it 'Entrepreneurship' or 'Values and Ethics', there must be legitimacy and expediency in their contents. These two courses must be guided by outcome-based teaching learning (OBTL). There must be objective for the courses as a whole followed by the objectives of individual sessions. After the end of a session or the course, the outcome in the form of learning at students' end must be assessed and the same must be matched with objectives set beforehand. The HEIs have to see that students performing better in 'Entrepreneurship' course are going for startups and if they find somewhere difficulty to go ahead, the concerned HEIs need to lend helping hand and facilitate to make their journey smooth even after passing out from the HEIs. In that way, if they succeed in startups, they will be the proud alumni of the HEIs and will definitely help their Alma Mater in campus placements, internship programs and even in promoting entrepreneurship.

As a gesture to shore up the Standup India campaign, the ICFAI University Jharkhand (IUJ) besides offering entrepreneurship as a compulsory course in its regular programs and grooming professionals with values, it has made this Issue of the IUJ Journal of Management special for publicizing the research findings and views of researchers, academicians, students and successful entrepreneurs. Expectantly, the contents of the Issue will sensitize the readers on the urge of start-up and stand-up India and may implant the prudence of entrepreneurship in a logical manner.



**(Dr. Sukanta Chandra Swain)**  
Managing Editor

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# Marketing Communication a Tool for Promoting Tourism in Jharkhand



**Snigdha Ghosh**

*Tourism is economically important and rapidly growing industry. It is playing a successful role in the development of natural resources and employment opportunities in addition to its laudable role in social and cultural advancement. It promotes a feeling of brotherhood. This study helps to examine how the marketing communication tools can be used to improve the tourism in Jharkhand. In this thirty people participated and a random sampling was used as a sample design and primarily data was collected through questionnaire survey. The results indicates that there is scarcity of skilled employees, improper advertisements and government should focus into all aspects rather than focusing only in infrastructure development in tourist destinations.*

*Key Words : Tourism, Marketing Communication, Advertisement*

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## **Introduction**

Tourism is defined by Goelder, Ritchie and McIntosh (2000) 'the interaction of tourists, business, suppliers, host governments, and host communities. In addition tourism is a combination of activities, services, and industries delivering a travel experience: accommodations, transportation, eating and drinking establishments, shops entertainment, and hospitality services. In 1941 Hunziker and Kraft defined tourism as "the sum of the phenomena and relationships arising from the travel and stay of non-residents, insofar as they do not lead to permanent residence and not connected with any earning activity. Further more Tourism also means the activities of person identified as visitors. A visitor is some one who is making a visit to a main destination outside his/her usual environment for less than a year for any main purpose holiday, leisure and recreation health, education or other purpose. It is that sector of economy that provides products or services consumed by visitors; visitor's destination is preferred as tourism destination. Tourists who are visitors staying away from home for one or more nights for any of the purpose and spent their money in rendering services from that particular place. Tourism is certainly not merely passing through an area. It involves appreciating enjoying, the existing culture of the original

inhabitants of the area. Tourism is an important, even vital source of income for many regions. Its importance was recognized in the Manila declaration on World Tourism of 1980 as an activity essential to the life of nations because of its direct effects on the social, cultural, educational, economic sectors of national societies and on their international relations. Tourism is economically important and is growing rapidly and it has vast potential for generating employment. Tourism is one of the most dynamically, developing sector, and competitive industry that requires the ability to adapt constantly to customers changing needs and desires as the customer satisfaction, safety and enjoyment are particularly the focus of tourism business its high growth, actively affects the economy which positively contribute to the social and economic development of the state, much of its growth is due to higher disposable incomes and increased leisure time. Infrastructure development and introduction of new management and educational experience. People going to various places spend a lot of money, buying souvenirs, eating at restaurants staying in hotels or shopping for gift for friends and relatives. This whole process of buying or selling the things has given birth to an entire industry. Tourism creates a large number of employment opportunities for both skilled and unskilled people. The

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tourism industry in the other hand is much disorganized. The rates of various tour packages differ from agent to agent. The positive effect of tourism on a states economy include the growth and development of various industries directly linked with a healthy tourism industry, such as transportation, accommodation, wildlife, arts and entertainment. Tourism constitutes a wide variety of sectors that provide diverse products and services to visitors.

### **Objective of the Study**

To gain a better understanding of integrated marketing communication tool in the development of tourism in Jharkhand.

To analyze the different steps opted by Jharkhand government in promoting tourism.

To identify the problems faced by tourism department and suggest measures to improve tourism sector in Jharkhand.

### **Research Methodology**

This is a exploratory research, furthermore this was taken out through an informal interview the sampling was random sampling the sample has been selected in and around Ranchi itself the primary data was collected with the help of informal interview taken from the tourism department in Jharkhand whereas secondary data was collected from journals and internet sources.

### **Tourism in Jharkhand**

Jharkhand is also known as "The Land of Forests" Jharkhand is a nature lover's paradise; it is home to countless waterfalls, unique heritage of terracotta temples, wildlife sanctuaries, pilgrimage centre. Jharkhand is a rate state that offers a tourist all these and much more together they make the state dream destination for tourist irrespective of their particular interest. As the name implies "a piece of land of thickets and bushes" The lush green forests, rivers and spectacular flora and fauna. A combination of modern as well as prehistoric arena broadly inhabited by tribal's lending their simple yet colorful life makes this state a beautiful world to explore. Age-Old tribes' inhabitant these wondrous, dense forests even as the state are home to some country's foremost hub of industry, commerce and education. There are hills everywhere thrown up like watch towers over the land. These uneven hills are watered by over a dozen rivers and covered to a great extent even today by dense forests of Sal and Palash trees. Major rivers that washes Jharkhand are the Koel, Damodar, Brahmani, Karkai and Subarnarekha which has its origin point in Ranchi.

### **Tourism Trends in Jharkhand**

#### **Natural Tourism**

Waterfalls - There are various waterfalls in an around Jharkhand. One of them is Dasham falls in which a

tributary of the Subarnarekha river cascades from a height of about 44m in a picturesque scrap fall known as Dasham Gagh. Like wise others are Jhona Falls, Panch Gagh Falls, and Hirni Falls.

Wildlife - The most popular wildlife destination in the region is Betla National Park is one of India's earliest tiger reserves. Others are Hazibagh National Park, Dslma Wildlife Sanctuary etc

### **Religious Tourism**

Temples/Pilgrimage centre - Jharkhand has many famous Hindu pilgrimage centres like Baba BAidyanath Temple (one of the 12 Shiva Jyothirlingams), Navlakha Mandir, Rajrappa Temple, Shree Sammed Shikharji etc.

### **Adventure Sports Tourism**

The Khandoli dam is perfect for kayaking and water surfing. The hill on the other hand is ideal for trekking. There are also power gliding and parasailing facilities for those who want to adventure in the open sky.

### **Steps taken by government to promote tourism in Jharkhand**

- Infrastructural development
- Enrichment and development of tourist destination.
- Promoting cultural tourism
- Developed Amudubi as an art village where also exists many monuments and artifacts.
- It is also developing Bhelwara village in Hazaribagh district to promote rural tourism.
- Preserving heritage by to the town of terracotta temples in Maluti.

### **Problems of tourism department in promoting tourism in Jharkhand**

- No proper public relation
- Lack of trained and skilled staffs
- Lack of advertisement

### **Marketing Communication**

Marketing Communication is an activity to communicate message to its desired market or to the receiver. It creates a relationship with the customers. It is very important to be very particular about different messages that are to be conveyed through different mediums. Marketing communication process is very important for the organizations as it is the way through which brand is placed in the minds of the customer, and it is possible when the information or the message being conveyed has the same meaning what is conveyed. And here comes the 'Integrated Marketing Communication' that the message to be conveyed should be the same whatever might be the medium of communicating. Marketing communication falls into various categories to marketing to the public. In order to achieve success through IMC marketers will identify the boundaries around the promotional mix

elements. Originally marketing was focused around 4P's i.e. product, price, place, promotion which narrowed organizations perspectives to concentrate on their internal concepts. IMC is a management concept where all the facets of marketing communication work together as one rather than as isolated aspects. IMC is bringing together separate aspects or elements of marketing communication to consumers to buy their products or services as a whole as one strategy. It means to integrate the marketing strategies to connect places and people. IMC is a process which deals with managing the customers and the relationships between product and consumer through communications. And such relationships are built by sending the right message to the customer. IMC includes integration and coordination of sources and communication tools within an organization in order to maximize the impact on the customers. The tools of integrated marketing communication that can be used are presented below:

- Advertising

According to Clarke (2001), advertising is often seen as TV commercials, Radio Commercials and print add in

magazines, newspapers, books and brochures. In addition advertising is also seen as tourist boards, travel guides, telephone directories.

- Sales Promotion

Brands products or services are promoted through discount coupons, loyalty clubs, membership coupons attractive packages, specially designed schemes.

- Public Relation

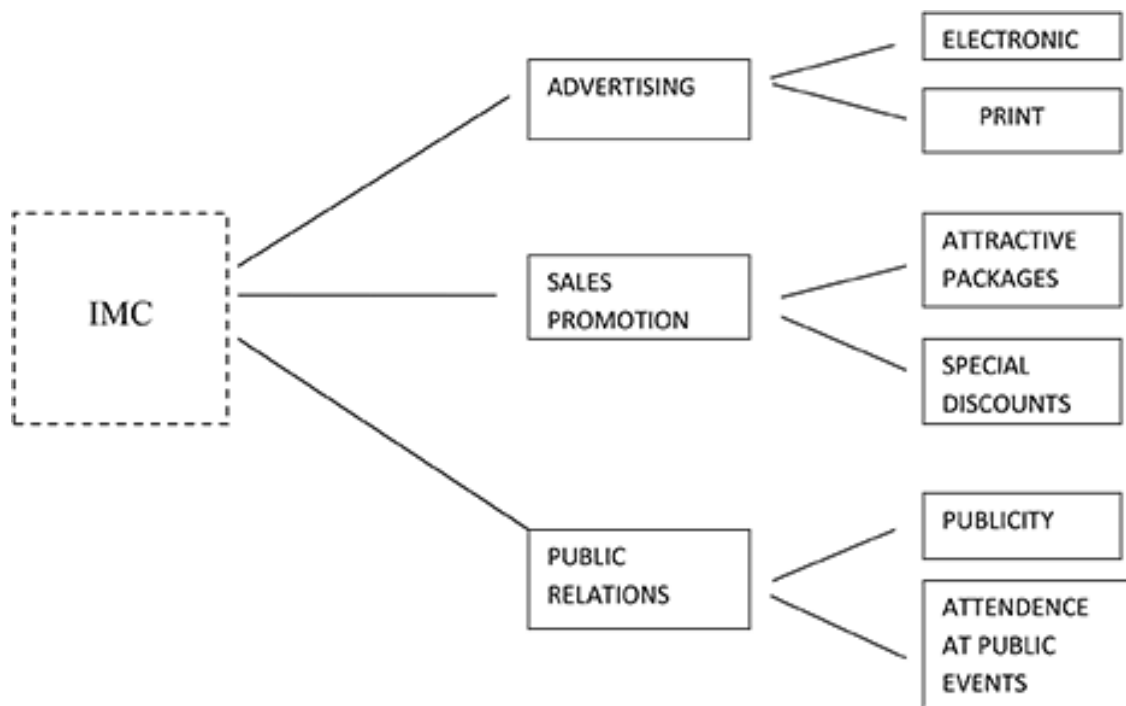
It identifies, establishes and maintains mutually beneficial relationships between the organization and the public. It is a two way communication process to monitor feedback and adjust its message.

- Personal selling

It is an interpersonal communication with the customers and the employee of the organization. In this immediate feedback is got to the organization and the message can be tailored according to the situation.

- Direct Marketing

Dwyer and Tanner (2002) include direct mail, catalogue marketing and telemarketing in the direct



Conceptual model of marketing communication tool of Jharkhand  
for Jharkhand Tourism Development Corporation

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## Conclusion

The study analyses that Jharkhand is a state having portfolio of tourism and an immense opportunity to grow in tourism sector due to its unspoilt natural splendors and age old heritage. Where dense virgin forests, picturesque hills, waterfalls are still to be explored by the people. And there is a huge communication gap between the tourism department and the public. And in order to fill the gap these integrated marketing communication tools of proper advertisement in the local and national level is needed to be done, attractive packages should be introduced to attract the mass and maintaining public relation by organizing different events and the quality of service provided by the government agencies need to be improved all these would play an important role to promote tourism in Jharkhand.

## Suggestions

- Government should declare tourism as a primary sector.
- Should train the available staffs and do outsourcing.
- Use advertising as a primary tool to bring closer and clear understanding of the various tourist destinations in Jharkhand.
- Draw attention by organizing events.

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## Role of Supply Chain Management in Mitigating Natural Disasters : The Case of Floods in Sahibganj District of Jharkhand in 2016



**Sumeet Kumar Gupta<sup>1</sup>**



**Dr. Sudeep Kumar<sup>2</sup>**

Supply Chain Management (SCM) has an important role to play in moving goods more quickly to their destination. It constitutes a primary component of disaster management activities. The Government of India has felt the need of effective SCM after bitter experiences of super cyclone of Orissa in 1999, the earthquake of 2001 in Gujarat and tsunami in 2004. Sahibganj is one of the districts of Jharkhand state surrounded by river Ganga on its north and south boundaries and badly affected by floods in 2016 monsoon rains. Almost 83 villages are facing flood situation, affecting 60,000 people and crops in 2400 hectare has been destroyed completely. Disaster management in terms of SCM comprises movement of people and livestock to safe places, providing victims with food, shelter, medicines and other supplies, search and rescue, clearance of dead and debris etc. Effective SCM can mitigate the flood situation by integrative and collaborative action of Government officials and local people through community based disaster management. The present paper attempts to study the effectiveness of supply chain management in mitigating the current flood situations of Sahibganj district. Data has been collected by means of news from print media, interview from Government officials and case studies from villages of Sahibganj district for showing effectiveness of Supply Chain Management in mitigating natural disaster such as flood.

*Key Word : Supply Chain Management, Disaster Management, Mitigation, Jharkhand, Sahibganj.*

### Introduction

The term "Supply Chain Management (SCM)" was first coined by Keith Oliver in 1982 which is the process of planning, implementing, and controlling the operations of the supply chain with the purpose to satisfy customer requirements as efficiently as possible. SCM includes all movement and storage of raw materials, work-in-process inventory, and finished goods from point-of-origin to point-of-consumption. Other activities involved in SCM are sourcing, procurement, conversion, and logistics management. The fundamental objective of SCM is to "add value" and could be implemented to all firms (manufacturing firms, retailers, services, etc.) and public organisations. The applications of SCM can be found in Computerized Shipping and Tracking, Radio Frequency Identification (RFID) and Use of Social Media to Streamline Supply Chain.

Disaster management operations in terms of supply chain management can be described as procurement and delivery of the right supplies, in the right quantities, in the right order, in good condition, at the right place and time. Supply chain management plays key role in disaster preparedness, response and recovery. During 2001 Gujarat earthquake, local supply chain management was handled by District Collector of Bhuj while United

Nations arrangement was handled by World Food Programme. Aspects of supply chain management in Disaster management includes search and rescue, evacuation, supplies, transportation, equipment, hygiene and sanitation, documentation, clearance of debris and disposal of dead. The Kosi river flood of August 2008 caused massive loss of lives, property, livelihoods and infrastructure. Studies on "Kosi Floods 2008: How we coped! What we need? Perception Survey on Impact and Recovery Strategies" by United Nations Development Programme shows the effective supply chain management rescued about one million people and provided relief operations.

### SCM in context of Disaster Management

The term 'Disaster' refers to disruption that physically affects a system as a whole and threatens its priorities and goals (Van Wassenhove 2006). Disaster may be sudden or slow onset of destruction. Activities such as planning, implementing and controlling the efficient, cost-effective flow of and storage of goods and materials as well as related information, from point of origin to point of consumption for the purpose of alleviating the suffering of vulnerable people" are known as "humanitarian logistics" (Thomas and Kopczak). This system involves mobilizing people, resources, skills and knowledge to

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<sup>1</sup> Research Scholar, ICFAI University Jharkhand,

<sup>2</sup> Assistant Professor and Head, Department of Research and Publications Xavier Institute of Social Service (XISS)

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help vulnerable people affected by disaster. It is important to ensure efficient and effective delivery, such that the appropriate commodities and people reach the victims of the emergency. Similar line of studies has been conducted in "Flood study of the Himalayan tributaries of the Ganga river" (ON Dhar and Shobha Nandargi).

### Study Area

Sahibganj is one of the twenty four districts of Jharkhand with a predominantly tribal population and part of Santhal Pargana division. The Rajmahal and Pakur subdivisions of old Santhal Pargana district were carved out on 17th May, 1983 to form Sahibganj district and subdivision of Sahibganj district was carved out on 28th January, 1994 to constitute Pakur District. It is bounded on north by the river Ganges and district of Katihar, on the south by the district Godda, on the east by Maldah and Murshidabad districts of the state of West Bengal, and on the west by Bhagalpur and Godda districts. The river Ganges forming the northern boundary of the district enters at its north western corner and journeys eastward up to Sakrigali where it takes a turn to the south and forms the southern boundary of the district up to a little beyond Radhanagar in Rajmahal subdivision (Source: [www.sahibganj.nic.in](http://www.sahibganj.nic.in), official website of Sahibganj district).

### Objectives

The present study is an attempt to understand the effectiveness of supply chain management in mitigating the aftereffects of natural disasters such as flood. The review of literature suggests that effective supply chain management can reduce the destructive actions and havocs caused by disasters. SCM is essential component of disaster relief operations and continuous aid work. The objectives of this study are to explore the current SCM measures provided to flood victims in Sahibganj district of Jharkhand and how successful those measures are in mitigating flood disaster. Other objectives are to identify gaps in present disaster management methods and to recommend some measures in effective control of various disasters in terms of supply chain management.

### Research Methodology

Sampling was done as per the area affected by the floods. Sahibganj comprises of two sub-divisions and nine blocks. The total number of villages in the district is 1819 out of which 80 villages have been badly affected. As per the official data of Jharkhand government, news from different newspapers and news channels, effectiveness of supply chain management was assessed and recommendations have been given to optimize disaster management in flood situations. The qualitative and quantitative data was collected from primary sources and secondary sources. The article discusses the existing disaster management activities in Sahibganj district and effectiveness of supply chain management in mitigating flood disaster.

### Results and Analysis

Sahibganj district has experienced floods in the year 2013 and this year. Flood of 2013 was of lesser intensity than 2016 flood. Chief Minister Hemant Soren in 2013 ordered initiation of relief measures to people affected by flood in Sahibganj, asked the officials concerned to set up camps and mobile health clinic. He also asked the officials to personally visit the places and oversee relief measures and compensate the families which lost livestock.

Flood situation in 2016 has affected eleven Panchayat comprising 83 villages and almost 60,000 people. Corn crops in 2400 hectare area have been completely destroyed along with vegetables and other medicinal plants. Mostly affected area is Diyara in Sahibganj district. Chief Secretary of Jharkhand Mrs. Rajbala Verma is taking reports from Sahibganj areas through video conferencing. District Agriculture Officer Mr. Umesh Tirki has been inspecting the losses of agriculture damage by the floods. District Disaster Management Officer Amit Rajdeep said that they have provided 15 boats to affected people and livestock for evacuation. Local representatives have provided some foods to sufferers and shelters to live.

However, local people have been complaining about non distribution of supplies in many parts of district and in those areas where the supplies have given, incidents of conflicts have been reported. People have taken shelters in elevated places such as trees, floors and government buildings. Some dead bodies have been reported by the villagers and they have been taken in custody by local police.

### Conclusions and Recommendations

Disaster Management activities is not up to the mark in mitigating the flood situations in Sahibganj district. Application of Supply chain management can help strengthening of disaster management in flood situations. Search and Rescue teams assisted by the local residents can be deployed for those people trapped in floods. Search teams consisting of technical equipment and dogs, being operated by experts trained for rescue operations. Emergency supplies for at least 3-4 days, emergency survival kit, first Aid kit, clothes, food and water can be provided for better mitigation. Supplies include transportation facilities such as rescue boats and/or relief measures and information about accessible areas for supply purposes. Equipments include subsistence support equipment, office support equipment; telecommunications support equipment, transport support equipment and medical support equipments. Provisions of health and sanitation, clearance of debris and dead bodies can increase effectiveness of supply chain management in mitigating flood disasters.

For rapid and effective disaster management, role of service agencies such as Medical and Public Health Services, Fire fighting services, civil defence, police, paramilitary forces and defence forces can effectively

enhance disaster management activities. People's participation is a pre-requisite of disaster management efforts. Community based disaster management involves Government officials, NGOs, educational institutions, women, youth and people from all walks of life should be involved in preparedness, prevention, response and recovery. Effective supply chain management includes supplies of all necessary items for mitigating floods at right time and at right time. Community based disaster response is a cross cutting theme where assessment, planning and implementation are participatory in design and address the community's vulnerabilities and capacities. Role of civil society organizations such as NGOs focus on public awareness and advocacy programmes. Media role is also appreciated in disaster management activities for proper communication among the masses.

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# Mobile E Retailing - Beginning of new dimension in Indian E Commerce



Dr. Praveen Srivastava

*Internet has changed the way people think and act. Advantage of Internet has increased many folds from its inception. From a small beginning of connecting to world via web browser and checking mail, it has now become mean of chatting, watching online movies, downloading movies, games, application, online banking, ticket booking and shopping. In short, life without net is unthinkable at present.*

*Few years from now, it was not acceptable by internet users to purchase anything from web and hence E Retail was not one of the popular terms. However, slowly and steadily with growth of online banking, strict measures on online transaction and good quality of products in reasonable price, trust of net users has increased and this has resulted in increase in the online transactions. Also, with recent mobile technology, most of the online stores and website has launched their own applications, which is downloaded by the mobile net users and hence, it has revolutionized the way companies do business. Consumers can buy almost anything online 24 hours a day now.*

*On this backdrop, present paper will try to analyze the growth and use of online stores in India and how mobile application is taking the lead and helping the cause of these online retailers.*

*Key Words: Mobile Application, Online Store, Internet*

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## **Introduction:**

The use of mobile and internet has changed many folds from its inception. The innovation and up gradation in technology has made internet and mobile much useful than before. In today's world, mobile is not used only for receiving and making phone calls or to send SMS to near and dear one. The mobile platform has changed from embedded system in 1971 -1993 to Windows in 1994 and Android in 2008. Apart from these three, there are several other Operating system in mobile like Symbian, iOS etc. This advance platform has given way to additional features like Internet, various application, games, GPS, Wi-fi, Tethering etc. in mobiles which has made these mobile termed as Smartphone more than a mobile phone.

As per the report published by Global Research Firm e Marketer, India will overtake the US as the second largest market for smart phones in the world by 2016 as smart mobile devices become affordable. India will exceed 200 million smart phone users, topping the US as the world's second largest smart phone market by 2016 due to increasing penetration of affordable smart mobile devices in the country (MoEA, Govt. of India, 2015).

## **E Retailer:-**

Indian market is filled with big E Retailers who are dealing

with sale of various range products from food products to baby toys, from home products to office product, from beauty solution to fitness equipment; everything is available at the click of mouse under one website. No doubt there is tough competition among these retailers and hence in their effort to attract more number of clients and to reach their target client, they have taken a step forward from having their websites.

The ever increasing mobile user base has given these retailer a new mean to attract the attention of online users and believing the growth of mobile technology in future, the retailer have started investing to create user friendly mobile shopping applications. E Retail players like Snapdeal, Myntra, Amazon, Snapdeal, E Bay etc. have their mobile application. Understanding mobile shopping application as future of E retailing, retailers like Myntra has stopped their website and is now "APP ONLY" online store. Hence, they are now using mobile applications to reach directly to the customers. This has given the customer option to shop anytime and from anywhere.

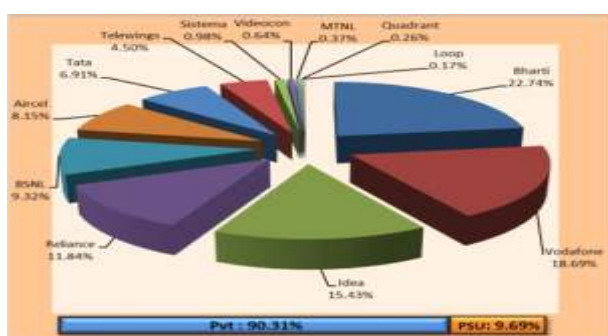
## **Growth of Mobile user in India:**

India has the fastest growing telecom network in the world with its high population and development potential. Airtel, Vodafone, Idea,Uninor, Reliance, Tata

DocoMo, BSNL, Aircel, Tata Indicom and MTNL are the major operators in India. However, rural India still lacks strong infrastructure. India's public sector telecom company BSNL is the 7th largest telecom company in world.

As per the report of Telecom Regulatory Authority of India, the private access service providers held 90.31% market share of the wireless subscribers whereas BSNL and MTNL, the two PSU access service providers, held only 9.69% market share. (TRAI report, 2014). The graphical representations of access service provider-wise market shares in the wireless segment and net additions in wireless subscriber bases are given below:

**Fig. 1 Access Service Provider-wise Market Shares in the Wireless Subscribers**



Source: TRAI, 2014

**Fig. 2 Net Additions in Wireless Subscriber Bases of Access Service Providers**



Source: TRAI, 2014

A base of 51 million consumers is an undeniable goldmine for marketers to tap into. From apps to advertisements, smart phones present a plethora of options and insights to marketers, manufacturers and the advertisers. Studies by Nielsen Informant Mobile Insights have also found a phenomenal rise in Smartphone usage among the under 18 and 25-30 years age groups. So by adopting at these early ages, it's evident that these groups are anxious for tech advances and appear ready to absorb and consume what's thrown at them. (Nielsen Report, 2014). Hence, the online retailers are eyeing this huge potential market and are stepping into these clients by developing the shopping applications with the help of which they can inform the clients about the latest offering and also be in touch with

them 24 X 7 X 365.

### E Retailing via Mobile:

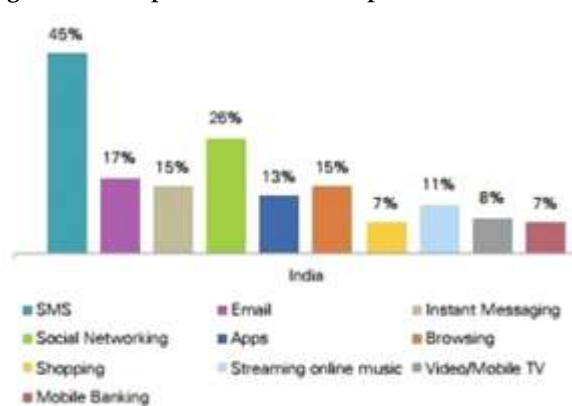
Even as Internet and smart phone penetration increases in the country, e-commerce segment has continued to see a positive growth. Not much to our surprise, m-commerce is seeing a massive growth, and is set to stand toe-to-toe with the traditional e-tailing. There's no rocket science behind the estimation – growth of smart phones and more secure and easy payment systems on the go are going to boost the segment.

It's worth pointing out here that e-commerce giants such as Flipkart and Snapdeal have reported increasing number of transactions from mobile devices. According to a report published in Economic Times, Snapdeal revealed its mobile apps contributed about 45% of sales on the mobile platform in the previous three months. The report further revealed Flipkart got about 20% of its orders through mobile apps and hopes mobile users to contribute half its total sales in a year.

Another company that is going big on the m-commerce segment is Paytm, which has been focussing on mobile and DTH recharges. Here's a few figures Paytm has shared – It receives over 800,000 orders a day, has 90% repeat users, 12 million apps uses and 80% of new users are from mobile. Paytm hopes to hit 1 million orders a day on the platform by end of 2015. (Economic Times, 2014)

As per Nielsen report, the Online shopping segment has tremendous opportunity to grow as the percentage of online shopping via mobile is only 7%, which is far less in comparison to other use of mobile like SMS, Social Networking etc.

**Fig. 3 Activities performed on smart phone**



Source: Nielsen Mobile consumer report, 2013

### Market forerunner:

Looking into vast opportunity, many companies have their Shopping app and App only applications launched and are gaining good business because of that.

The forerunners in Indian Mobile Retailing are:

**Table 1. The forerunners in Indian online shopping**

<b>Sr. No.</b>	<b>Name of Organisation</b>	<b>Brief detail</b>
1.	Amazon	World leader in e-commerce market recently started operation in India, Now Indians can buy Books, CDS and Electronic at cheaper price from Amzon.in.
2.	Flipkart	Founded in 2004 with only Rs. 400000 now in 2014 tuned over 60,000 Crore company. One can not only buy books online through Flipkart, but also mobile phones & mobile accessories, laptops etc. After takeover of letsbuy.com now flipkart is largest player of e-commerce of India.
3.	Snapdeal	SnapDeal offers everything from local daily deals on rest aurants, spas, travel to online products deals. They offer you best price with free shipping.
4.	Paytm	Started with Mobile Recharge and Bill Payment website now Paytm selling everything from Home Decor, Clothing, Laptops to Mobile at killer price. In very short time period Paytm has grown very fast.
5.	E bay	eBay.in is the Indian version of the popular online shopping portal eBay.com – world’s online marketplace. Ebay has a diverse and passionate community of individuals and small businesses. Ebay offers used and fresh items with a wide network of international shipping.
6.	Myntra	Myntra.com is leading online retailer of lifestyle and fashion products. Myntra offers T-shirts, Shoes, watches and more at discounted price
7.	Shopclues	Shopclues is one of the best online stores that offers a wide variety of cameras, Computer accessories, Mobile, Gift, Jewellery, Cosmetics, toys, clothes, books and bag
8.	Pepperfry	Pepperfry is one of leading Indian website in selling lifestyle products ranging from men and womens clothing, home decor, jewellery, perfumes and cosmetics, furnitures, bags and accessories.
9.	Home Shop18	HomeShop18 is a venture of theNetwork18 Group, India’s fastest growing media and entertainment Group. They sell large range appliances, kitchen, cameras, mobiles, laptops, site, indian, gifts, apparel etc.
10.	Groupon	Groupon India launched in 2011 offers Products and Service deals at good discount.
11.	Zovi	Zovi is one stop destination for all shopping needs from Clothing to Accessories at very reasonable price.
12.	First Cry	Firstery.com India’s largest store for Kids selling 70000+ items from 400+ top International and Indian brands.
13.	Future bazar	It is owned and operated by Future Bazaar India Ltd futurebazaar offers you wide range with good price The people of behind this company are same from bigbazaar, pantaloon and ezone

The above mentioned list is a glimpse of growing online market and there are many more like sulekha, gadget guru, hush babies, bestylish, Yebhi, Indiaplaza, tradus, buy the price, infibleam etc. who are into online shopping. However, many of these have their own application which can be installed in the mobile and shopping can be done from the convenience of the client.

In Indian retail market, there are many companies who have taken initiative and are now looking forward to be the leader with good percentage of market share.

As per the report of Huffington post in association with the Times of India Group, we get an indepth on many features of Application and Browser share, market leaders in Application category and other. As per the information from Google Play store, the ranking some of the application received are as under:

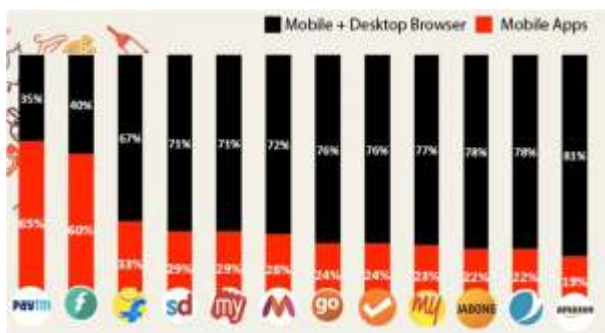
**Fig. 4 Top Free overall in playstore**

	Highest Rank*	Current Rank*	Featured by Google on Play Store
	1	7	Apps for Shopping
	8	15	Apps Starter Pack, Our Favourite Apps
	5	54	Apps for Shopping
	5	13	Apps for Shopping
	6	48	Never Featured
	16	52	Apps Starter Pack
	15	36	Apps for Shopping
	47	47	Apps for Shopping, App Starter Pack, Best Travel Apps
	44	62	Apps for Shopping
	119	189	Apps for Shopping, Best Travel Apps
	18	99	Best Travel Apps
	80	431	Best Travel Apps

Source: Huffingtonpost (Dec. 2014)

From the above chart it is clear that by end of 2014, Flipkart app was most liked followed by Paytm, Amazon, Snapdeal and Myntra. \An analysis of share of mobile apps. Provide clear picture of increasing demand of these app. The figure below reflects the same:

**Fig. 5 App Vs Browser Share**



Source: Huffingtonpost (2014)

From the above Fig. it is clear that Paytm and Freecharge have over 60% orders coming from their apps while Amazon seems to have the lowest share. However, even those highlighted with black include the order coming from mobile via Internet. (Huffingtonpost 2014)

The growth of some of these shopping app can be summarised as under :

**Table 2. Launch of App and its growth**

Sr. No.	Company	Details of App Launch and Growth
1.	Flipkart	Flipkart's app was available on Android in year 2012 but the real push came in the year 2014 when they launched the TV campaign for promoting the mobile app specifically. In October they celebrated Big Billion Day which led to strong growth followed by Mobile App Shopping Days in Dec 2014
2.	Amazon	Amazon launched an Indian app in Nov 2013 and they have grown pretty steadily from there on. They got a setback when Google removed their app from Play Store forcing them to launch a new app.
3.	Snapdeal	Snapdeal also had their app available in 2012 but the real push came in 2014 with over 98% downloads happening in last 12 months. Oct 14 was their best month with 2mn installs, thanks to Flipkart's Big Billion Day counter sale.
4.	Myntra	Myntra is one of the fastest growing shopping apps with over 4.5mn installs within eight months of its launch.
5.	Paytm	Paytm focussed on mobile early on their journey. However, 2014 saw them growing rapidly like others. They launched their TV campaign in Jul/Aug leading to the overall spike.

## Conclusion:

The shift from e-commerce to m-commerce and more engagement with mobile shopping, news and personalized apps are factors responsible for this rapid growth. The next wave of growth in the Indian mobile apps is being driven by the increased usage of smartphones coupled with low mobile tariffs bridging the digital divide between metros, non-metros and rural areas. Users' accessing the Internet through their mobile devices has become a key driver for the growth of mobile apps.

The average mobile app usage in India has grown by at least 131 percent and has outpaced the global growth rate. With this high level of growth, online shopping companies cannot take the risk of relying only on their website for shopping experience. They are bound to come with app and need to ensure that it has small space requirement, easy to use, user friendly and can assist the user in their shopping experience. They need to upgrade their app from time to time so that they can provide better shopping experience to their users.

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# Problems and Prospects of Women Worker in Unorganized Sector



**Nazia Abbas Abidi**

*Unorganized sector workers are those who do not have any job security, income security or social security and therefore extremely vulnerable to exogenous shocks. The problem of women worker in unorganized sector particular deserves special emphasis and focus in within the class of workers.*

*The main aim is to understand the socio-economic condition of women worker, nature of their work, their working condition, wage pattern, wage discrimination and many other difficulties that are faced by them at their workplace. Women workers are exploited through a lot of ways as less amount of salary compared to men for similar nature of work and the time a women worker spent on work. The major problem of women worker is the double burden of work. This double burden of work is even more arduous when they have to perform a reproductive role at home as well as long hours to obtain a subsistence wage at the center of employment. That is why women worker constitute a marginalized category within the class of workers in general, there are a layer of subordination determined by structural factors such as the initial condition of social status and economic sector to which they belong.*

*Key words:-Women workers, Unorganized Sector, Informal Sector, Exploitation*

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## INTRODUCTION

A woman is identified by wife, a mother, a sister, a daughter or daughter-in-law but never as an independent person. Our Indian constitution assures equality of men and women. Besides of so many efforts from past years, female sections of society are deprived in compared to male sections. To be born as a woman means to inhibit from early infancy to the last day of life, a psychological world that differs from the world of man. Much of the exasperation and discrimination in women's life from this fact. This overall picture is one of the greatest disadvantage for women worker in general and those working in unorganized sector. As a matter of fact, the problem of female worker is the index of the Indian labour in both the sectors, in organized as well as unorganized sector.

## Unorganized Sector- An Overview

The National Commission for Enterprises in the unorganized sector (NCEUS) , government of India defined the unorganized sector which consists all the unincorporated enterprises owned by individuals or households less than 10 total workers involved in sale or production of goods and service on proprietary and partnership. As an employment in organized sector requires certain minimum qualifications and most of the

educated women worker are drawn from middle class and higher class rich families a few women from lower class will get a chance to find the job in organized sector. The unorganized sector lacks all features of organized sector. It can be notified by the salient features that is seasonal employment, no employer and employee relationship, no well defined rights and lack of social security. Domestic paid workers, street vendors, constructions laborers, agriculture laborers and home based workers are engaged in unorganized sector.

### Nature of Unorganized Sector

- No restriction on entry and exit.
- Autarchy and resilience.
- Casual nature of employment with low capital investment per person employed.
- Superior strength of employers operating singly and in contribution.
- No record of income.
- It may be legal or illegal.
- Ownership is in family hands in unorganized sector.
- Ignorance of government towards this sector.

Almost 400 million people i.e. more than 85% of the working population in India are working in unorganized sector and of among these about 120 million are women.

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According to an estimate, by the National Commission on Self-Employed women of the total women worker in India are about 94% in informal or in unorganized sector whereas just 6% are in organized sector.

Objective, Scope & Limitations of the Study

### Objective

- To study the role of women worker in unorganized sector.
- To understand the nature of women worker in unorganized sector.
- To describe the present working condition of women worker in unorganized sector.
- To study the problems of women workers in unorganized sector.

### Scope of Study

There are a lot of problems faced by a women worker in unorganized sector it can be overcome by government policies or through the awareness of a woman because a lot of women are exploited physically as well as mentally. If single women in lower class family become aware about that she can make aware the whole society.

### Limitations

It is very tough for a researcher to survey the whole because of time and money constraints but the study shall cover broad parameters of unorganized sector female workers like domestic worker and construction laborers.

### Research Methodology

- The research is mostly based on secondary data.
- Secondary observations of various articles.

### Conceptual Discussion

According to census 2011 women constitute 48.46% of the total population in India and about 25.67% of women population as designated as worker. The most important part of unorganized sector is that most of the women labors are appointed as contract labors. Studies and research which are conducted from several domestic workers as well as women labors of unorganized sector it indicates the awful condition of women in these unorganized sectors. They regularly face discrimination and marginalization and do not share the fruit of development equally. The National Commission on Self Employed Women (1988), in its report, points out that the vast majority of rural women in the unorganized sector works in farms, looks after the animals are actively involved in food production, food processing, forestry, rural industry, factories and construction work. In addition to this they have the burden of bearing and

rearing children, collecting and fetching water, gathering fine woods, cooking and cleaning activities. The life of women in unorganized sector is too much tough. They are exploited in these sectors in various ways. Following problems are faced by a women worker in unorganized sector:-

- **Wage Discrimination and Poor Working Condition**

The women workers are paid lower and marginal wages than a male worker. Availability of work is irregular for women worker and when work is available they have to work for long hours. They have to work under very poor living conditions. Average wages of women worker is maximum Rs. 45 which much less than the fixed wage of Mahatma Gandhi National Rural Employment Program (MGNREGA) which is Rs. 150.

- **Absence of Child Care Facility**

Women working in unorganized sector have minimal child care facilities like crèches. Most of the women workers especially in unorganized sector are forced to leave their children at home, under the care of elder children, old people or neighbors. This causes a great anxiety and emotional strain.

- **Sexual Harassment**

It is a very serious hazard faced by a woman in unorganized sector. A large number of working women face sexual harassment at their workplace. Many of the women as a result find them vulnerable and are caught between glass ceilings of discrimination above the landmines of sexual harassment below. There are growing numbers of complaints from women working in factories and offices that they have to suffer affronts to their dignity ranging from verbal "passes" to physical assaults, and what surfaces as "complaints" is only the proverbial tip of the iceberg, the large mass of which remains submerged because of the unequal power situation in the workplace. Most women suffer the pain and trauma in silence.

- **Lack of Social Security**

The elements of job quality, job security, good working conditions and remuneration, social protections etc are missing in unorganized sector. Women are working the year without any regular employment and they are not entitled for any social benefits. They are working continuously eight to nine hours regular seven days without any holiday in the weekend. Even in unorganized sector women workers does not get any type of social status as they want to give their children a good education but due to lack of money they are unable to fulfill their dreams and wishes.

### • Health Problem

Health of an individual is closely related to his or her status in the society. Women in the unorganized sector get less money for their work, and they did not get any type of medical benefit that is provided by the employment rule. A large number of women worker complain of frequent headaches, back pain, mental disorders etc. These are due to poverty and poor nutritional status of women and the increased workload both. Lack of basic facilities like rest room, toilets etc causes a lot of physical problem as well as mental stress besides leading to urinary track infection (UTI) in women's. A lot of women who are working in industries like construction, bricks kiln, electronics industry etc suffer from gynecological problems, miscarriages, premature deliveries etc.

### • Problems of Domestic Workers

Women domestic workers constitute a large portion of today's migrant workers population. Working in the unregulated domain of private homes, mostly without the protection of national labor legislation, allow the female domestic worker to be maltreated by their employer with impunity. The biggest problem faced by the domestic worker across the country is their non-recognition of work. Wages are also not fixed for the domestic workers those who are working part time are getting in between six hundred to eight hundred and those who are working full time are getting in between twelve hundred to fifteen hundred per month.

### Estimates of Organized & Unorganized Workers (Male/Female) Employment by Industry.

Category	Male	Female	Total
Total Worker	309.4	148.0	457.5
Agriculture	151.2	107.7	258.9
Non Agriculture	158.2	40.3	198.5
Organized Worker	28.2	6.0	34.9
Agriculture	2.0	0.8	2.9
Non Agriculture	26.8	5.2	32.0
Unorganized Worker	280.6	142.0	422.6
Agriculture	149.2	106.9	256.1
Non Agriculture	131.4	35.1	166.5

It is not that there is no statutory provision to ensure fair working conditions for women in India. In fact, the constitution of India provides equal rights and opportunities for both the genders. In addition to that there are specific provision for the protection and welfare of working woman in many of the labor laws. The laws which are applicable for the woman worker in India can be broadly classified into three categories:-

1. Laws which are exclusively meant for women, like Maternity Benefit Act 1961 and Equal Remuneration Act 1976.
2. Laws which are meant for all workers but contain certain sections or provisions especially for woman. These include Factories Act, Plantation Act, and Mines Act etc.
3. Laws which are neither meant exclusively for women nor contain any special provision for women, yet they are great significance to woman worker in unorganized sector. These are Minimum Wages act 1948, Contract Labor Act 1972, Beedi & Cigar Worker Act 1966 and Inter State Migrant Worker Act 1979.

Provisions in the Constitution of India for Socioeconomic Development of Women Workers.

Article	Brief Description
Article 14	Men and women have equal rights and equal opportunities in political, economic and social behavior.
Article 15 (1)	Prohibits discrimination against any citizen on the ground of religion, race, caste, sex etc.
Article 15 (3)	Special provision enabling the state to make affirmative discrimination in favour of woman.
Article 16	Equality of opportunities in matter of public appointments for the citizen.
Article 39 (a)	State shall direct its policy towards securing all citizen men and women, equally the rights to means to livelihood.
Article 39 (d)	Equal pay for equal work for both men and women.
Article 42	State to make provision for ensuring just and humane condition for work and maternity relief.
Article 51 (e)	To renounce the practices derogatory and dignity of woman.

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is also a major step in the direction of providing security of employment to rural workers. But all of these acts are not working properly, and are not satisfactory implemented.

Measures for Empowerment of Women Workers in unorganized Sector

- Providing basic education so that they become aware of the schemes and facilities that are provided by the government.
- Make women aware of technical and financial assistance available to women entrepreneur.
- A proper training should be provided to women workers.
- There should be proper guidelines for recruitment process working hours and for health hazards.
- A trade union should be formed among women workers.
- Government should focus on promoting gender equality and empowerment of women.

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## Conclusion

Women workers have dual responsibility of home and work. There are a lot of reasons for the pitiable condition of women in unorganized sector like gender discrimination, poverty, lack of basic knowledge, ignorance of government, improper implementation of laws etc. For the betterment of women in unorganized sector Government have to come forward and implement the laws properly so that a women can gain the benefit from the law. Non Government Organizations (NGO's) can also play a pivotal role for the empowerment of women. The women themselves also need to be aware of social legislation which is available for their protection and their rights.

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# Organized Retailing in Rural India-Opportunities and challenges



Dr. Jay Prakash Verma

*An estimated 68.84% of the total Indian population living in villages makes rural India the 'next big thing' for businesses. The sheer size of rural India gives it a significant share in the total Indian market, which from the marketer's perspective, translates into a huge consumer base. However, just like everything else in India, rural India too is challenging. Consumption patterns in these rural areas are gradually changing to increasingly resemble the consumption patterns of urban areas. Some of India's largest consumer companies are serving one-third of their consumers from rural India. Owing to a favorable changing consumption trend as well as the potential size of the market, rural India provides a large and attractive investment opportunity for organized retailing companies. The paper has been inspired by the fact that even though the market attractiveness of rural markets has been accepted but very few of the retailers have actually made a successful entry into the market. An attempt has been made to understand the marketing issues underlying marketing of retail products in rural areas and what are the opportunities and challenges for retailers entering rural areas in a big scale. Various issues which need to be addressed to make rural retail services a success in rural areas in the country have been brought out. Thus, for success in organized rural retail, marketers have to be innovative in both product which they offer and the ways in which they tackle the challenges posed by rural markets.*

*Key Words: Organized retailing, Rural India, FMCG market, Opportunities, Challenges*

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## Introduction

After a long spell of shortages, which shackled consumer buying for decades, retail is becoming India's new mantra. The Sanskrit word "mantra" is not just "hymn" or "slogan"; it embraces aspiration and encompasses new India's way of life. While the retailing industry itself has been present through history in our country, it is only the recent past that has witnessed so much dynamism.

The Indian retail scenario is poised for a quantum leap. Not only are names set to dot the retail landscape but also new and emerging retail formats will drive the diversity of the fast changing retail race. Organized Retail means 'Big Stores' is a common myth and nothing can be further than the truth. In its very essence, organized retailing is about 'aggregating value' and what shape, size and configuration your customer facing entity takes is largely a function of your offer and proposition. On the other hand, unorganized retailing mainly includes of local kirana shops, owner managed general stores, street vendors, convenience stores etc. however, nowadays it can be seen that traditional markets are paving way for supermarkets, specialty stores and development of

departmental stores. A growing population, a young workforce and zooming consumer confidence is fuelling the expansion of the organized retail sector.

## Quantum jump in rural retail business

Demographic profile of rural Indian market:

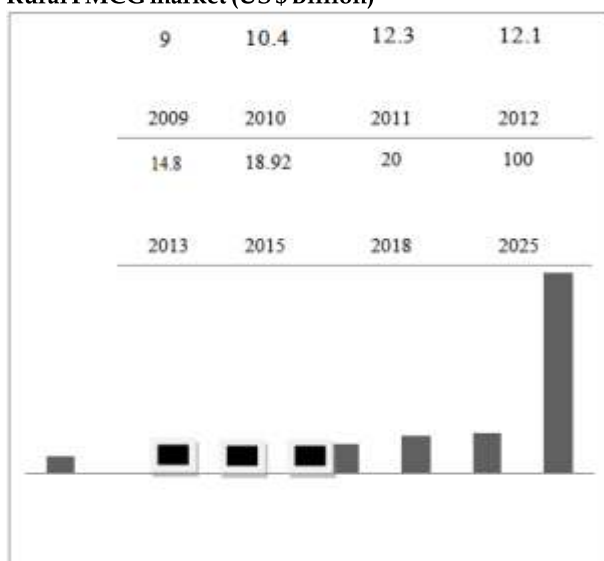
- No. of Villages: 638,691.
- Rural Population: 741 Million.
- There are total 3,697,527 retail outlets in rural India.
- Rural literacy rate (7 year and above) is 45%.
- The number of middle income and higher income household expected to grow up to 111 million.
- Rural market is growing up to 5 times than urban market.
- Investment in formal saving instruments: 6.6 million household in rural 6.7 million in urban.
- 145,98 villages with population less than 200 and 13,113 Villages with population over 5000.
- 7271 Villages with railway station.
- 1,38,000 villages with post offices; 15039 Villages with hospital

- 12 million rediff signup out of total 20 million are from rural area
- FMCG segment with an estimated annual size of <sup>1</sup> 65,000 cr.
- 32000 rural bank branches.

(Sources: Census of India)

In mid 1990s, the story of organized retail in India started in modest way in metro cities like Madras, Hyderabad and Bangalore – mainly in urban India. Today, the retail sector is witnessing exponential growth with retail development taking place not only in major cities and metros, but also in Tier-II and Tier-III cities including some of the rural and semi-urban areas. In India for a long time a large chunk of retail outlets were grocery shops which were unorganized. This pattern had been changing in recent years, in urban and rural markets. Of late, India's largely growing rural population has also caught the eye of retailers looking for new areas of growth. The rural market is no longer a non-player in the organized retail game. It is now accounting for over one-third of the market for most durable and non-durable products. Even manufacturers are developing new products with the rural consumers in mind besides using village oriented marketing strategies for brand promotions. Whether it is Rani Mukherjee promoting 'Munch' or Aamir Khan wowing village lads with 'Coca-Cola', organized markets now know where to put their money and how. Rural market is no longer a hypothetical one but is well researched by most companies looking to tap these boundaries. Therefore, the next phase of growth, after saturating urban retail markets, is expected to come from rural India which accounts almost half of the domestic retail market. Giants like HUL and ITC are focusing on the rural market as it constitutes over 33 percent of India's total FMCG consumer base.

#### Rural FMCG market (US \$ Billion)



Organized retailing, especially in rural India, is still in a nascent stage but not for long. With rising income level and improving lifestyle of rural consumer, the retail sector is promising a huge growth in rural India. A slew of supermarket chains, including those of the TATA and ITC, are set to storm the rural areas of the country as corporates realize the huge potential of the untapped market. ITC launched the country's first rural mall 'Chaupal Sagar', offering a diverse product range from FMCG to electronic appliances to automobiles, attempting to provide farmers a one-stop destination for all of their needs. Companies such as Godrej and DCM Shriram Consolidated are launching 'one-stop shops' for farmers and their communities. Godrej Agrovet has already set up 1,000 Aadhar stores across rural India by 2010.

#### Review of literature

To know the market as well as consumers is a challenging task. It is imperative for retailers to gain insights of rural consumers. Kulkarni (2011) emphasized that the marketers who want the effective penetration and reach in the rural markets need to understand the ever-changing nature of the rural markets because it has always been difficult to judge the rural market as well as rural consumers. The size of rural market is estimated to be 42 million households and rural market has been growing at five times the pace of the urban market. Rural India is at the centre-stage of all retail growth in the future. However it continues to suffer from lack of basic infrastructure. Close to 69% of India's total population, rural India faces the

daunting task of providing sustainable income and employment opportunities to a major section of the population, especially the lower income households. Absence of infrastructure makes rural markets fragmented, characterized by high costs of transactions and high information asymmetry.

As India moves into modern retailing with several changes with regard to its markets, brands and consumers there are unique challenges that a multinational company entering India has to cope up with, whether it is a FMCG company or a multinational retail. There are unique retailing aspects that need to be studied in detail by these companies.

#### Objectives of the study

- To study about the factors affecting organized markets in rural India
- To study about the opportunities and challenges faced by organized rural retailing in India.

#### Materials and Methods

The study is based on different literatures and analysis of

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organized retail market. The secondary sources of data have been used. Organized retailing is on continuous increase of its market share from the past. Retailing can be categorized as of different sectors like food and groceries, clothing and textiles, consumer durables, footwear, furniture and furnishing, catering services, jewellery and watches, books, music and gifts, mobile handsets and others.

## Result and Discussion

According to figures released by market researcher AC Nielsen, demand for personal care products grew faster in rural areas than urban areas during the period April-September 2009. Several FMCG companies such as Godrej Consumer Products, Dabur, Marico have increased their marketing efforts in rural India and small towns in order to establish a local distribution networks and increase visibility. 'Rural melas' are being organised by Godrej in order to access potential rural consumers. Major domestic retailers like AV Birla, ITC, Godrej, Reliance and many others have already set up farm linkages. Hariyali Kisan Bazaars (DCM) and Aadhars

(Pantaloan-Godrej JV), Choupal Sagars (ITC), Kisan Sansars (Tata), Reliance Fresh, Project

Shakti (Hindustan Unilever) and Naya Yug Bazaar have established rural retail hubs.

Hence, there are enormous opportunities for the retailers that can be enched if they enter rural markets with suitable formats in order to serve the rural consumers by focusing on all key elements. Retail marketing gets various opportunities to grow up in the Indian market. Not only retailing but manufacturers as well as suppliers, and buyers have various opportunities, some of which are mentioned below.

## Opportunities for the organized rural markets

### Growing Farm and Non-Farm Income

According to The National Council for Applied Economic Research (NCAER), India's annual per capita income almost doubled from Rs.23, 198 in 2004-05 to Rs.46, 492 in 2010-11. Rural growth far outstripped that in cities because of growing farm and non-farm incomes and government largesse in terms of loan waivers, guaranteed jobs and better support prices for crops. By 2015-2016, the rural income from non-farm and farm activities is expected to be 68 per cent and 32 per cent respectively compared with 60 per cent and 40 per cent respectively in 2007-2008. similarly, there is change in consumption of food and non-food articles among consumers in rural India. From financial year 1988 to 2010, the consumption of non-food articles have increased from 36 per cent to 46 per cent of total spends. During the same period,

consumption of food articles has been reduced from 64 per cent to 54 per cent of the total spends. Therefore, growing income of population in rural India will cause growth in consumption for food as well as non-food (car, bikes, fashion accessories etc.). So, there are clear signs of demand coming from rural segment of the country and therefore, a bouquet of opportunities for retailers to cater to their demand in the way it is required.

## Contract farming

The retail marketers directly purchase from farmers and reducing middlemen, thus provide proper cost to farmers and also set proper price for consumers. They also make contract with farmers to get proper amount of crops and vegetables. Rural India, home to seven out of 10 Indian consumers, will be the driving force for continued and sustained growth in the future. Reaching out to rural Indian consumers today has become easier today. Consumers in rural areas are using new technologies such as mobile internet, e-shopping and television channels, which will help increase brand awareness.

## What is in store?

Organized retail provides brands much needed visibility and platform for customer interaction. It also helps in launching of new product or product variant and in market penetration. It has wider product range and more frequent, speedier deliveries. Organized retail stores put stress on proper infrastructure like well-maintained building, air conditioning, trained employees, electronic machine, parking facilities and proper display of goods category wise. Here customers feel comfort, joy and entertainment. Purchasing becomes joy for him. Self-selection saves time and gives more opportunities and satisfaction. Fix cost removes the threat of misleading. They avail various discounts and promotional schemes presented by the manufacturers. They also get product of different varieties and of proper quality.

## Infrastructural improvements

Development of Infrastructure in rural areas is a thrust area to create values through engineering consultancy. Engineering consultancy can provide technical, managerial and on-site consultancy from conceptualization to final implementation of the projects. Various infrastructure projects under Bharat Nirman prospects have become lifeline to new markets, new business, new incomes, and above all, to new opportunities. Even a narrow road can be a highway to prosperity. Similarly each infrastructure project has its own advantages particularly rural connectivity Yojana ensure that every village in India has access to markets, to services, to opportunities, indeed, to prosperity which could be well tapped by organized retail marketers.

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## Acceptance

Rural people are also like urban people and have the same needs, desires and aspirations. The “rural-urban,” construct is born of convenience. Rural India is catching up when it comes to attitudes and aspirations. IT and telephone services have brought in new connectivity. The rural and the urban divide is shrinking. Rural people, especially the youth, share the same visions as their urban cousins and are adopting similar lifestyles. About 40 per cent of graduates passing out of Indian universities are from rural areas. They are the decision makers and are not very different in education, exposure, attitudes and aspirations from their urban counterparts. The effects of globalization are percolating to rural areas. The availability of satellite channels in rural India provided the required exposure to enhance acceptance of new brands.

## Online Marketing

As is the trend with urban India, consumers in the rural regions are also expected to embrace online purchases over time and drive consumption digitally. The rural regions are already well covered by basic telecommunication services and are now witnessing increasing penetration of computers and smart phones. Market research firms expect India's rural FMCG market to reach a size of US\$ 100 billion by 2025. The annual real income per household in rural India is forecasted to rise to 3.6 per cent 2025, from 2.8 per cent in the last 20 years.

## Sustainable market and a loyal customer base

A stable consumer base with high aspirations leads to higher affordability and consumption. Singh says, “There is long term sustainability in the rural growth story in India; we have also seen that the rural consumer is diverse. He is not only an intelligent customer who does not look only for price points but is also a value customer who understands what value is. Rural growth is going to be consumption driven, that is going to be food first, non-food later.”

## Challenges

As many as opportunities, so many challenges too exist for organized retailing in rural India.

Competition with local mom-n-pop stores selling on credit

While the world over the retail density is on the decline, the retail density in India is on the increase. This is because of the fact that small neighbourhood shops called kirana shops about eleven million in India.

It is a low cost structure, mostly owner operated, has negligible real estate and labor costs and little or no taxes to pay. India's unorganized sector competes with the organized sector in four main ways: Last mile delivery,

Store locations, Consumer relationship building, and Credit based delivery. Consumer familiarity that runs from generation to generation is one big advantage for the traditional retailing sector. They have been a part of the Indian shopping culture for several decades and even today organized retailing (modern retail outlets) contribute just 2-3% of the total retail sale in the country. Point of Purchase materials are used both by kirana shops and by organized supermarket retail outlets. This study investigates the impact of POP materials on kirana shop purchases and the purchases of consumers from supermarkets. Given the importance of POP material on the purchase of FMCG purchases, we feel that this study will be useful to bridge the gap between theory and practice and will provide valuable insights to managers involved in retailing.

On the other hand, organized sector have big expenses to meet and yet have to keep prices low enough to compete with the traditional sector.

## Demand fluctuation

Rural retail chains such as ITC's Choupal Saagar and Godrej-Future Group joint venture Aadhaar also have faced a tough time despite rural incomes and consumption rising steadily in the past few years. Farm incomes have been climbing because of higher support prices of wheat, paddy, sugarcane and other crops. Average wages under the National Rural Employment Guarantee Programme have risen to Rs 128 in 2012/13 from Rs 65 in 2006/07. The average monthly per capita spending in rural areas has jumped 36 per cent to Rs 1,430 in 2011/12 from Rs 1,053 in 2009/10 (National Sample Survey Organisation).

## Difficulty in formulating strategies

Setting up organized retail outlet in rural India is itself is a challenging task because its initial penetrating cost is really high, for instances cost of land, skilled labor etc. Retailer has to formulate the strategies which should be different from urban retail markets because their lives are mostly dependent on the income generated through agriculture and agriculture allied activities.

Retailer has to gain knowledge and insight of rural marketing, by understanding all these differences, the retailers can decide a merchandise-mix that matches the needs of rural consumers. Nowadays, operating cost for rural retailer has gone down, reason behind it is growing level of literacy in rural area but growing demand for different products leads to incur high operating cost. Product should be built or modified to suit lifestyle and needs of rural customer.

Ajay S. Shriram has given up. After a decade of trying to establish a chain of Hariyali Bazaar retail stores in rural

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areas, the chairman and senior managing director of DCM Shriram Consolidated Ltd (DSCL) has exited the business. "It was a wise decision," he says. "Organised retail in rural India is a difficult proposition." DSCL launched Hariyali stores in 2002. The stores sold farm products, groceries and household goods. By 2008 it had become the biggest rural retail chain in India with about 300 stores. Revenue from the business grew at a rapid clip and crossed Rs 850 crore in 2011/12. But it never made a profit. With each passing year it sank deeper into the red - the net loss touched Rs 106 crore in 2011/12. Widening losses prompted DSCL to rethink its rural strategy. Initially, it decided to go slow on expansion. When that didn't work, it shut down some stores. Eventually, it made a total exit last fiscal year.

### **Logistical difficulties**

Poor road connectivity and lack of proper transport facilities make it difficult to reach rural areas. Logistics and supply-chain management are not only expensive, but also inconvenient. Also, poor roads and the lack of a cold chain infrastructure hampers the development of food and grocery retail in India. The existing supermarkets and foods retailers have to invest a substantial amount of money and time in building a cold chain network.

### **Regional disparities and diverse buying habits**

S. Sivakumar, CEO of ITC's farm business, explains why organised retailers haven't benefited much from higher rural incomes and spending. "The income increases related to commodity prices and rural employment programmes are not necessarily happening within the micro-catchment area of a retail store," he says. R.S. Rekhi, CEO of Aadhaar, agrees. He says it "does not make economic sense" for large format retail to enter this segment because the rural population is scattered over a wide area. ITC, the country's biggest cigarette maker, opened its first Choupal Saagar rural hypermarket in 2004. The stores provide a range of products and services. By 2007 it had 24 such outlets. It hasn't expanded since then, though it had plans to setup 100 outlets. Sivakumar says any expansion will depend on reforms in agriculture. He says 21 outlets are profitable and the remaining three will likely turn the corner this year. According to him, organized retail typically does not help increase rural incomes but only meets consumption requirements. This makes business unsustainable.

### **Spurious brands**

Cost is an important factor that determines purchasing decision in rural areas. A lot of spurious brands or look-alikes are available, providing a low cost option to the rural customer. Many a time the rural customer may not be aware of the difference due to illiteracy.

### **Higher overhead and inventory expenses**

By understanding these differences, the retailers can decide a merchandise-mix that matches the needs of rural consumers. For instance, Aadhar Retailing subsidiary mainly stocks FMCG and Durable products but also stocks agri-input products to cater to farmer community and their needs. Lack of adequate infrastructure coupled with high penetration of small retailers makes retailing in rural markets highly fragmented.

So, for a retailer, before entering rural markets, it is very important to gain knowledge and insight of target consumers as well as markets. They need to formulate their strategies that could be different from urban markets, to encase given opportunities and address some of the challenges discussed above.

### **Conclusion**

Various management scholars and economists have addressed the issues regarding rural markets and consumers in India. But, very less attention has been given to explore the sustainable business proposition for retailers to access Indian rural markets. It requires the understanding of rural market and rural consumers and factors affecting rural retailing in India.

Products for rural market must be built or modified to suit the lifestyle and needs of the rural consumers, at the same time keeping in mind their paying capacity as well as their willing to pay. Some particular product strategies for the rural market are new and modified products altered for the rural requirements. For example Nokia develop affordable Mobile phones for rural markets with the unique feature of local language capabilities.

Secondly, the product has to be utility oriented. British Petroleum's energy cell manufactures and sells smokeless, biomass run stoves. Sophisticated packaging has to be avoided at the same time value packs need to be provided.

Again, rural pricing revolves around 4 C's, namely customer value, competitors prices, convenience and cost to company. Rural population due to its irregular income and limited resources is highly price sensitive. Ensuring a high market share and deep penetration will ensure large volumes thereby achieving overall economies. This overall price benefit has to be passed on to the consumer who requires value for money products. Typically Indian villages have a population ranging from a few hundreds to 5,000. A manufacturer has to decide whether coverage of villages with population less than 2,000 is lucrative enough or not.

Promotion aspect always creates a challenge in rural markets because of the fact that village have thin population density and are widely spread over large remote areas and poor media penetration. With fewer people having traditional media access and even fewer

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getting influenced by it non-traditional media vehicle like hoardings and wall painting, street plays and musicals are providing greater influence. Poor Media penetration has to be overcome by extensive use of local media, events, presence in high congregation areas like Haats and weekly bazaars, fairs etc. Wall writing, horse cart, bullock cart panels, pamphlet distribution are some other effective means of sending out a message. The entire communication and media strategy has to devise a system based on research findings.

Effective Rural Market Research is also a critical component for a successful rural marketing strategy. As scanty data availability fails to provide the market research benefits that are there in urban marketing. Most of the data available is owing to the private efforts of companies and are not readily shared. Moreover, the rural markets behave most differently from urban markets. So marketers cannot follow the same strategies that have been successful in the urban markets. While many marketers have tried to market their products in rural areas, just a handful of the same only has succeeded. A strong insight into rural consumer behavior and sensitivity to their values and beliefs is required to understand the rural market. Two steps are required to overcome this limitation. One, the private companies, who have successfully launched campaigns in rural areas, must share their data and findings. Their understanding of the rural markets can give valuable insights to newer organized ventures. Further research will also provide an impetus to the new ventures. Database creation and management will help in marketing, branding and promotional activities in the rural context.

So the question remains, by employing such strategies will rural retail chains match the success of their urban counterparts? The rural consumer base can become a source of revenue for many companies, even during economic slowdowns. But success will come to those only those who understand and exploit the dynamics of rural markets to their advantage. "Farmers want to understand the value proposition of brands in terms of cash savings and ease of product or service procurement," says Ankur Bisen, Head (Retail and Consumer Products) at

consultancy Technopak Advisors. "Retailers need to understand the income-expenditure cycle of farmers and link it to their products and services."

There is very huge potential for the growth of organized Retailing in India. The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them. The India Retail Industry is gradually inching its way towards becoming the next boom industry.

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# New challenges and realities for safety and security of the State, “Case of study of women police Ranchi”



Swati Minz<sup>1</sup>

*Women though have almost captured many fields in India still they lack behind in the police force of India which was reported by commonwealth Human Rights Initiative (CHRI). The report which basically surveyed the gender inequality came up with certain new angles which reflected light on the structural causes, policy lacunae and attitudinal issues within the police force and the society. basically which lighted the lack of women police in comparison with males which shows inequality and lacking far behind with male ratios in police ranks. Police system in any society has a difficult role to play. Police generally have to deal with complex problem like murder, assault and robbery. In dealing with these issues, police comes across many children and women involved in these activities both as victims and as offender. As the time passed, the need for more patient and sympathetic employees was recognized. To fulfil these requirement women police personal were recruited in police department. The aim was to change the term 'Police Force' to 'Police System'. In the Indian traditional society where women brought up in a patriarchy culture, it is important to better understand women's status in traditionally male dominated career like policing.*

*Key Words:-Gender Inequality, police force, police system, victims, requirement, patriarchy culture.*

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## Introduction

There is inadequate research available concerning the status and role of women working in law enforcement in India, either from social researchers or researchers on criminal justice issues. This paper aims to investigate the status of policewomen as a marginalized group in the Indian Police Society and the problems they face due to their gender. Various aspects of social life consequent to the women in police system are given here:

- Work nature exposes them to criminals, deviants and anti-social elements which are against the social norms.
- The nature of duties in policing makes them work at odd hours like late night or early hours in the morning.
- Policing requires 24 hours duty with no regular holidays and work schedule. This made it very difficult to maintain family responsibility along with the police work.
- Lack of acceptance is very common within male colleagues. They find it very difficult to see a women working with them with the same status and power.
- Police role exposes women to such environment which comprises men who are considered brutal. These contradictions in police role are not generally goes with the traditional feminine stereotyped attribute and typical role of housewife.

## Various new dimensions of police department:

### About “Shakti” App

- Shakti' is an initiative by Jharkhand Police for safety and security of women. This is an android based mobile application that will allow women to send a distress call to Police Control Room and their relatives/friends directly in case of any emergency.
- First download and Install the application in your android mobile phone. Then, register with the App by sharing your name, mobile number and minimum of three relatives/friends.
- Once registered, the user can send an alert by pressing the soft button 'HELP' on the home screen. As soon as the help button is pressed, it will be send an alert to the Police Control Room as well as their relatives/friends.
- Application and service are to be used only on distress. False reporting and misuse of any kind will be punishable under law.

### Operation MUSKAAN:-

As per the direction of the MHA. The CID started the 'Operation Muskaan' as the issue of missing children in Jharkhand represented one of the important challenges facing the police department. With rising numbers over a period of time it was felt that a comprehensive operation be launched to tackle this issue of policing in the state. The objectives of the 'Operation Muskan' were:

- (1) Rescue and Rehabilitation of the missing children.
- (2) Integrating the activities with Child protection activities in the state.
- (3) Capacity building of district level SJPU to tackle the issue of missing children.
- (4) Develop greater co-ordination of Social Welfare department functionaries, CWCs, SJPU, NGOs and community organizations at district level as part of the Integrated Child Protection Scheme operational throughout the country. The Status of Children Rescue/Recovery during Operation Smile (1st Jan to 15th May 2015), Operation Muskaan (1st July to 6 August 2015) and Operation Smile-II (1st Jan to 9th Feb 2016) of Jharkhand are as follows :

- Operation Muskaan (Phase-I) Total Rescued/ Found - 778
- Operation Muskaan (Phase-II) Total Rescued/ Found - 660
- Operation Muskaan (Phase-III) Total Rescued/ Found - 484

Total Rescued/Found First, Second and Third phase (Inside State + Outside State) = 1922

#### Operation Nirbhik "Hum Tum":-

In order to generate awareness amongst school going girls, their parents and the teachers about the crime against girl children, operation Nirbhik "Hum Tum" has been launched since September -2015 in the entire state by the CID, Jharkhand. In this operation, dedicated & well trained teams of lady police officers/constables visit different girl's schools & educate children, their teachers & parents regarding various legal provisions for protection of girls children in distress by way of distributing information pamphlets/ brochures, educative films & through active interaction. They are also provided with contact list of various agencies which are available for their help. Till now more than fifteen thousand (15000) school going girls have been covered under this operation.

#### Human Trafficking:-

Trafficking means the moving, selling or buying of Women and Children by any person (agent)/ agencies for recruitment, Transportation, transfer, harbouring or receipt of persons. By means of the threat or use of force or other forms of coercion, of abduction, of fraud, of the abuse of power or of the Vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purposes of exploitation i.e. sexual exploitation, forced

labour or services, slavery or practices similar to slavery or the removal of organs, within and outside a country.

Human Trafficking is an organized crime involving the overt or covert participation of several criminals at various places at different point of time Human Trafficking is a punishable offence under various section of IPC and section -5 of (ITPA) Informal Traffic (prevention) Act 1956.

There are eight AHTU established in eight district of Jharkhand for prevention of Human Trafficking.

Sl. No.	Name of District	Name of AHTU	Name of AHTU incharge	Mobile No.
1	Khunti	Khunti P.S. Campus	S.I. Aradhana Singh	9771368312
2	Dumka	Town P.S. Campus	S.I. Dilip Gagrai	9431991910
3	Simdega	Town P.S. Campus	S.I. Raje Kumar Kujur	9955792594
4	Gumla	Town P.S. Campus	S.I. Rajesh Kr. Singh	9955141521
5	Ranchi	Kotwali P.S. Campus	Insp. Vijay Kr. Singh	9431706158
6	Chaibasa	Sadar P.S. Campus	S.I. Banarashi Ram	9234229902
7	Lohardaga	Town P.S. Campus	S.I. Vinod Kumar	8809938655
8	Palamu	Sadar P.S. Campus	Insp. Kamlesh Singh	9431706244

#### Child Friendly Police Station:-

Child Friendly Police Station program has been started in the entire state of Jharkhand from December 2013. Based on JJ Act 2000, 21 indicators have been formulated for certification of the police station as CFPS. These 21 indicators mainly comprises of four general heads which are (1) basic infrastructure (2) process to be adopted when dealing with a child in need (3) orientation of police officers/ society towards a child & (4) resources required for the police station. Various training programs have been conducted involving police officers, SJPU in charges & CWOs. Till now 27 police stations have been certified as CFPS in Jharkhand.

**List of Police Stations for CFPS Certification:-**

S.No	Name of Thana	Name of District
1.	Sadar	West Singhbhum
2.	Mufasil	West Singhbhum
3.	Chakradharpur	West Singhbhum
4.	Goikera	West Singhbhum
5.	Manoharpur	West Singhbhum
6.	Nowamundi	West Singhbhum
7.	Nagar	Pakur
8.	Shikaripada	Dumka
9.	Mufasil	Dumka
10.	Nagar	Dumka
11.	Nagar	Deoghar
12.	Kunda	Deoghar
13.	Jasidih	Deoghar
14.	Mohanpur	Deoghar
15.	Saraikela	Saraikela
16.	Adityapur	Saraikela
17.	Gamharia	Saraikela
18.	Nagar	Saraikela
19.	Satgawan	Koderma
20.	Markachcho	Koderma
21.	Navalshahi	Koderma
22.	Jainagar	Koderma
23.	Chandwara	Koderma
24.	Rail Thana Ranchi	Rail Thana Ranchi
25.	Jaganathpur	Ranchi
26.	Tati Silwai	Ranchi
27.	Khunti	Khunti

**About Cyber Crime Police Station-**

The Cyber Crime Police Station of Jharkhand Police was inaugurated on 21 st March 2016 by the honourable DGP, Jharkhand, Sri. D.K.Pandey, IPS. It deals with serious and complicated Cyber crimes, which otherwise could not be properly investigated by the local police for want of technical expertise. Cyber Police Station also provides technical assistance to all the cases received by it or any of the Police Stations of Jharkhand. The SHO of Cyber Crime PS is Dy.SP Shraddha Kerketta, JPS and it is being supervised by S.P.( Cyber Crime ) Smt. Jaya Roy, IPS under the overall control of I.G. (C.I.D.), Smt. Sampat Meena, IPS & A.D.G.(C.I.D.), Shri Ajay Kr. Singh, IPS. Smt. (Er.)Mini Rani Sharma is the Chief Technical Officer of the Cyber P.S. The Station House Officer, Cyber Police Station is empowered to register FIRs, conduct further investigation and to lay final reports before the Court. The offences currently being investigated in the Cyber Crime Police Station are as follows:

- Unauthorized access & Hacking
- Trojan Attack
- Virus and Worm attack
- Denial of Service attacks
- Forgery
- IPR Violations
- Cyber Terrorism
- Banking/ Credit card Related crimes
- E-commerce/ Investment Frauds
- Cyber Stacking
- Identity Theft
- Data diddling
- Source code theft
- Tampering with Computer Source documents
- Social media abuse which may result in serious consequences
- Complicated Cyber offences done through Smart phones
- Pornography
- Breach of Privacy and Confidentiality and other computer related crimes
- E-mail related crimes: (a. Email spoofing, b. Email Spamming, c. Email bombing, d. Sending threatening emails, e. Defamatory emails, f. Email frauds)

**STRENGTH OF WOMEN POLICE IN INDIA**

In India, the first woman police officer was appointed in Kerala, in the Travancore Royal police in 1933. The first woman IPS officer was appointed in 1972. Of the 1,722,786 Police Officers in country today, only 105,325 are women across all ranks. This amounts, on an average to a mere 6.11% of the total police force in India, as of 1st January 2014( as per the date with Bureau of Police Research and Development, Ministry of Home Affairs). The numbers and proportion of women police officers vary significantly between the states, with Chandigarh having the highest (14.6%), followed by Tamil Nadu (12.4%) and Andaman & Nicobar (11.2%). Lowest among the states are Meghalaya (2.8%), Nagaland (1%) and Assam (0.9%). The numbers have grown, albeit marginally, in the last 5 years, yet they are woefully short of the 33% threshold recommended repeatedly by the Ministry of Home Affairs. In 2008, women made up 3.9% of the total police officers, which has grown to 6.11% in 2014.

Talking about the research area Ranchi Jharkhand the police distribution is as following:

Only 286 women are employed and posted at Ranchi as a policing career .Where 273 women comprises of

Havaldars and constables and 13 women police as officers. At Ranchi there are 44 police stations both including rural and urban areas which comprises of only 1 Mahila Thana.

No. of women police in Ranchi (2013)	Havaldars and Constables	Officers
286	273	13

**Table no. 1.1**

**Source: Data provided by SP office of Ranchi, Jharkhand**

## CONCLUSION

Some traditionalists have a rigid view on women in policing. For them women's work domain is within the boundaries of home and their role should be limited to it. Policing being a strength based profession is too tough to handle for women. But as change took place in every arena of society this field does not remain untouched by change. Women started to actively participate in such professions. It helps police women to recognize their potential and at the other hand it empowers the women who are suffering from various kind of violence. This change is still in the initial phase.

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# Providing educational facilities to all : A mode for inclusive growth



Sandip Sanyal<sup>1</sup>

*In India, the hope for education for all got a boost through the culmination of efforts and the enactment of the Right to Education (RTE) in the year 2009. This is a constitutional directive principle of state policy (formerly Article 45) that ensures free and compulsory education for children up to age of 14 years. The Indian Govt. initiatives in planning stage shows that school education shaped the future of India between the 'have's' and 'have-not's' increasing the divide of inequality. The role of NGOs, civil society groups, corporate foundations therefore supplements the implementation process though it has not made a steady progress. The challenges and disparities with the solution centric approach hence are synthesized with best practices cited from international studies. The outlined approach will be a stepping stone for overcoming the challenges in educational facilities for all which fuels entrepreneurship. The aspect of the people involvement and the participation of non-state players contributing to all sectors of education in India aid's the quality of education a reality. In this paper, we will try to look at how evolving education landscape for all is a pre-requisite step in order to reach up to the vision of Start-up & Stand-up India. This model will be applied for Jharkhand keeping in mind the inclusive approach to benefit all and aim for a holistic growth*

*Key words:-RTE, Inequality Education Approach, NGO.*

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## Introduction

Education allows individuals to attain their full potential both as an individual human being and as responsible citizen of society. Although referred to as driver of a nation's economic development Education often does not get the right priority. Since the time of independence, there had been concern about the standard of education that is needed to be provided in India and especially for the vast majority of children who belong to under privileged households. Despite adoption and implementation of some sound educational policies by the Government of India, education has not much progressed in the country when compared to other nations that started their journey with similar state and time in 1950s . One of the main reasons was that people failed to realize the benefits of education and its contribution to the growth of the country. However, the scenario has changed for instance Government of India has now recognized Right to Education till the age of 14 to be one of the fundamental rights in 2009. Indeed, compared to previous census of 64.8 % literacy rate, as per latest census 74% of the population is now literate. In order to ensure for greater efficacy of the RTE the Government is now inviting private sectors to actively participate. Apart from providing financial resources the Government is expecting private sectors to be sharing

their non-financial resources and technical know-how for ensuring holistic economic development . This particular paper therefore tries to explore the present education system in India, the various drives taken by the Government for creating employment opportunities so that the educated youth can effectively contribute to economic growth in future. In order to probe deeply into the subject matter and to come up with a new model of inclusive growth through education for all, a case study of Jharkhand has been presented in this paper.

## Evaluating Education System in India

The education system of India is gradually evolving with increasing focus on basic or elementary education. There has been consistent rise in literacy rate from mere 18 % in 1951 to commendable 74% in the year 2011. Over these 60 years efforts have been made in universalizing the elementary system of education. Since 1951 the number of elementary schools has grown quite significantly. According to the growth and progress in elementary level of education has been largely due to the initiatives taken by the Government [refer to appendix A]. Implementation of schemes like Mid Day Meal Scheme in 1995 and Sarva Shiksha Abhiyaan in 2001 can be given credits for promoting and expanding elementary education in India.

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Despite making significant progress, there still remains lot to be achieved for establishing and effective functioning of elementary education system. There are several factors currently working behind low quality education in the elementary level. To great extent in reality the state has failed to ensure for compulsory and free education for all children irrespective of their caste, class, gender and social status . There is also low level awareness of plans and programs declared by government along with lack of community involvement in large scale. The programs that are implemented often have limited focus on learning outcomes. There is also lack of effective systems of performance monitoring. The elementary schools are also found to be lacking in adequate infrastructural facilities. There is also shortage of good quality teachers. At the implementation level often the coordination between planning and effective implementation is poor. Another major shortcoming is that child labour still persists and there is lack of interest among parents to send their children to school instead for work. There is also lack of accountability as a result of which the implementation process has not been quite effective .

#### **RTE Act and General Opinions of Stakeholders**

The RTE act was passed in 2009 and is now recognized to be as fundamental right for any Indian citizen to receive free and compulsory basic education between the age group of 6 and 14. Although for promoting quality education there is presence of consensus with respect to development of education sector, there are several areas where several divergent views have got expressed. Lack of accountability is still a major shortcoming of the act. According to the RTE act seems to be more about controlling the private institutions rather than strengthening the government institutions. However, again, the private sector was not adequately represented during formulation of the act. Prior to the act educational policies like National Policy on Education and Nai Taleem has been quite successful and were considered to be quite progressive in nature . The Act on the other hand seems to include none of the key elements of the policies.

According to despite the fact that there has been significant progress in education system, there is ample evidence that indicates large section of literate population remains to be unemployed or unemployable. School education is indeed responsible for laying foundation for development of skills useful for seeking employment in future. In this context, right to free elementary education is a commendable achievement . But, considering RTE and its effectiveness in contributing employment and economy, there are some key reservations with respect to factors like the standard and quality of education, good governance, learning outcomes and accountability.

#### **Participation of Non-State Players**

When it comes to the context of involvement of private players, it is usually about the corporate investments and foundations. However, there are several other non-state players like NGOs, international corporate foundations, societies, private trusts that have played vital roles in setting up educational institutions.

On the other hand, according to , private sector involvement in education segment with respect to the context of privatization, a difference between public and private sector can be perceived. The Indian constitution for instance mandates state sponsored education institutions to ensure education for all. On the other hand, for private sector education is imparted to the students who are considered to be consumers. This very difference of perception often leads to unclear understanding of the actual role to be played by the private players in the Government initiated education drives like RTE.

#### **Education Status in Jharkhand**

Bringing improvement in education sector for Jharkhand is important for both the state and the nation as a whole. This is because the country is striving towards attaining of universal elementary education. According to , perhaps no other nation apart from China will enjoy as much dividends as India for having such large population of youth in the coming years. So, it becomes imperative that by caring for India's children, protecting and supporting them to become citizens of developed India.

The identified challenges of establishing quality education are known to be severe in backward states of the country, especially the ones that have significant tribal population like Jharkhand. The Indian state of Jharkhand is relatively new and small. The state was created as a result of bifurcation of the southern part of former state of Bihar in the year 2000. Though rich in mineral, the state comprises largely of rural and tribal population. According to records, the per capita income of the state is found to be even less than half of per capita income of richer Indian states like Maharashtra, Gujarat, Punjab and Haryana. The poverty ratio is identified to be second to the poor state of Orissa . The statistic clearly indicates that the riches have not percolated deep into the vast bottom level of population. There is also presence of wide income disparities highlighting the enormous rural urban gap within the state. Moreover, poverty is not only concentrated in the rural areas but also seen specifically present among the SC and ST population of the state. According to the study of there is high correlation between income and education. It has been noted that poverty is considered to be one of the prime factors behind poor educational levels among the population. Tendency of parents for non-enrolment of their children into schooling and students dropping out is often linked to low income and poverty.

The thrust for reinforcement of education through various government initiatives like the Sarva Shiksha Abhiyan and the recent RTE have boosted the rate of enrolment substantially. Further, the growing enrolment rate of children to schools has led to lowering of child labour all across the country. The state of Jharkhand is also found to be motive towards similar direction along with the nation. Despite making progress, the state continues among one of the worst states with respect to EDI or educational development index. The index comprises of thirteen indicators along with four sub-indices consisting of infrastructure, access, outcomes and quality of teachers. The infrastructure index has shown some improvement; while there have also been some gains in teachers' index in both primary and secondary level. Despite reflecting an improve in the indices Jharkhand still remains at rank 34, second to only Bihar, among 35 Indian states and union territories combined. The Jharkhand rank status therefore clearly reflect the fact that some effective inclusive educational models are needed to be adopted in order to ensure better educational facilities for the poor and the youth of the state in general.

#### **Education for Skill Development Initiatives**

The SDIS or Skill Development Initiative Scheme which is based on Modular Employable Skills was launched by the Ministry of Labour and Employment in the year 2007-2008. The scheme was launched with the objective of meeting increasing need for skilled manpower for industries by conducting short term courses. According to , the level of education and skill set development attained by the workforce directly makes an impact on productivity and also ability of the industries to adapt with the continually changing industrial environment. However, it has been found that in majority of cases the Indian workforce does not have standard marketing skills. Therefore, the lack of marketable skills has turned out to be a major impediment in obtaining decent employment and consequently improving the economic condition. Also, large numbers of youth who are school drop outs ultimately end up have no proper access to skill development for the purpose of improving their employability. It has been identified that specific entry requirements for obtaining education and long duration of courses of any kind of formal system of training are considered to be main impediments for those individuals who attain low education level and acquire limited skills for livelihood. Therefore for the scheme a cluster approach has been considered so that it can reduce child labour. The parents of children can also be enrolled for skills development training so that there can be improvement in their quality of employability.

The SDIS has been implemented with the objective of providing vocational training to school dropout youth, individuals who are currently employed ITI graduates and similar others for bringing about improvement in employability. In order to offer vocational trainings, the

scheme strives to optimally utilize the infrastructure that is available with public and private authorities. Under this scheme the skill sets of individuals can be tested and also certified. The scheme is also implemented with the objective to ensure capacity building in areas dedicated to competency standards development, development of course curricula, assessment standards and learning material. As per the scheme the following are the various areas of skill development where training would be imparted.

- a. Institutional Training - for ensuring craftsmen training through with the aid of ITI or Industrial Training Institute
- b. On Job Training - for instance apprentice training
- c. Initiatives for Skill Development based on MES or Modular Employable Skill

Apart from SDIS initiatives the government has taken several other initiatives like implementation of Project Management, Monitoring and Evaluation processes. The formation of state committee has been processed for ensuring efficient coordination among various stakeholders like the industries, state governments, other associated ministries of government, trade unions. Such coordination is required to guide and advise the implementation of the proposed project. The state committee is chaired by the Principal or Secretary of Labour and Employment to respective state. This particular committee is expected to comprise of major stakeholders. A project management cell known as National Project Management or NPMC in the DGE&T Headquarters and six Regional Cells in the Regional Directorate of Apprenticeship Training have been established. These cells are responsible for process of implementing and also monitoring of activities that are related to the MES or the SDI scheme. The regional cells and also NPMC are considered to be under the administrative control of Directorate General of Employment and Training within the Ministry of Labour and Employment. For this scheme the Ministry of Labour and Employment is known to be the coordinating agency. It has been found that the DGET is known to have highest access, authority and permission in the SDIS. The RDAT is known to be having access to the next level just after the DGET.

The Regional Cell is known to be responsible for periodical inspection of VTP or Vocational Training Providers. On the other hand, the Assessing Bodies or the AB is responsible for conducting trainings and assessment for candidate registrations, result verification of candidates and issuing of certificates for various successful candidates. Each of the Regional Cells at the RDAT level consists of project Coordinator or the SDI who is of the level of Joint Director. He would be assisted by Assistant Project Coordinator or SDI who is responsible for implementation of schemes within the respective regions.

### Start-up Stand-up India Initiative in Jharkhand

Stand-up India initiative along with Start-up India campaign is set to create for 2.5 lakh of SC and ST entrepreneurs. The Stand-up India initiative is set up for promoting entrepreneurship among the women, the SC and STs. The scheme is based on the action plan implemented for promoting bank financing of start-up ventures for boosting entrepreneurship and also for encourage start-ups leading to further job creation .

Based on the pattern of Central government's campaign for Start-up India, the state government of Jharkhand has introduced the Start-Up Jharkhand. For the project a total amount of Rs 50 crore has been allocated for encouraging entrepreneurs belonging to different sectors of the society. Incubation and Innovation centres are set up at the cost of Rs 10 crore. The initiatives are to be strengthened in sectors of Health, Information Technology, Agriculture Tourism, Biotechnology, Agriculture and alternative energy. An innovation lab would also be set up with the aid of IIM Ahmedabad for health, sustainable agriculture .

### Proposed Inclusive Education for All Model

Despite making several efforts there Government has not been able progress far long in education sector due to presence of several shortcomings. Majority of the shortcomings like lack of initiative in proper implementation of educational and vocational schemes or accountability are mainly present due to lack of coordination between public and private agencies. The following model will be helpful in overcoming the identified shortcoming by clear demarcation of the roles that are to be played by the Government and the private sector agencies in the education and employment segment.

As per the proposed model the government can occupy the driver's seat for implementation of government initiated scheme like the RTE. On the other hand, the non-state players or the private players can take up the enabling role to support the initiatives taken by the government. While implementing the schemes a key objective like child rights in case of RTE can be kept central to the entire process of planning. Based on the objective, different options associated with the scheme can be formulated and finalised. For instance in case of child rights as central to the planning process of RTE, different options for improving quality of education can be considered. As a result of which the scheme should also comprise of other essential components like development of infrastructure, bringing about improvement in pedagogy, management and monitoring. Community participation is another major component of ensuring quality education. The community participation might include the activities of non-state actors in the education system who then can expand the benefits towards vocational or skill set training for better employability

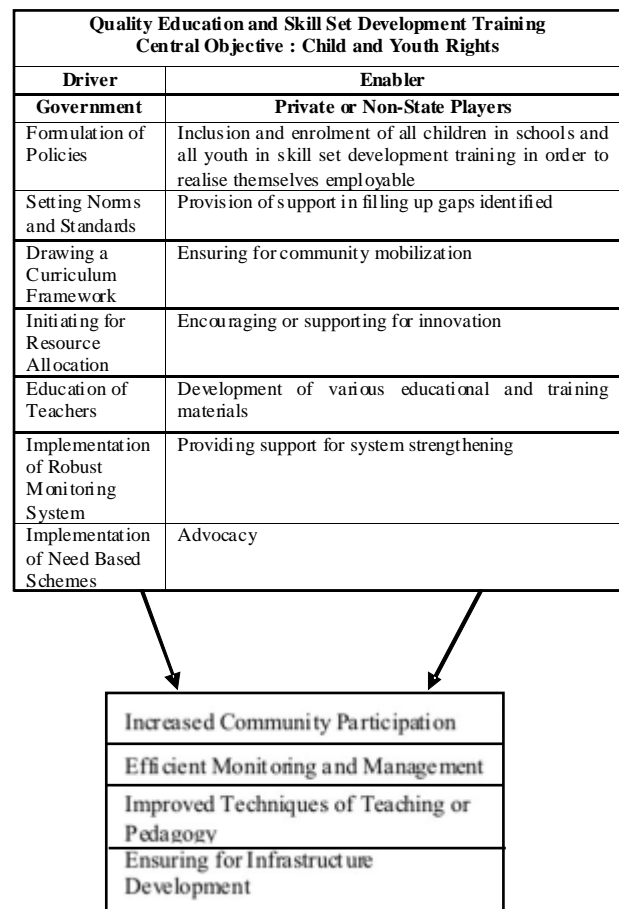


Figure 1: Proposed Model for Inclusive Education

The model tries to reach out to every level of society that can be included with the education system. Education in India and especially in Jharkhand is closely associated to poverty. As a result of which special attention has been given on community participation along so that private players can actively participate in the drive by contributing their financial and technical resources in return of high quality man power. There is doubt in the fact that quality man power is the major resource for running business and industries.

### Conclusion

This paper identifies several issues persisting in the Indian education sector. Child labour, poverty, lack of infrastructure and operational loopholes like lack of accountability, motoring during scheme implementation are some of the major issues that have led to not so satisfactory education environment in India. As education is directly related to economic growth of the country, future of the country seems to be bleak in case no serious steps are taken to improve the education sector. By brining improvement in the education segment, the country will be able realize its growth based schemes like Startup and Standup India all the more successful. In order to enhance

the standard of Indian education segment a model comprising of well demarcated public private participation can be adopted.

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Appendix A  
Figure: Progress in education in India since 1950

Statistic	1950-1951	2004-2005
Number of elementary schools	223,600	1042,251
Number of teachers in elementary schools (in millions)	0.6	3.8
Enrolment in primary schools (in millions)	19.2	130.8
Enrolment in upper primary schools (in millions)	3	51.2

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# Augmenting Productive Asset creation In Jharkhand: A Resource-Based View



Rakesh Ranjan<sup>1</sup>

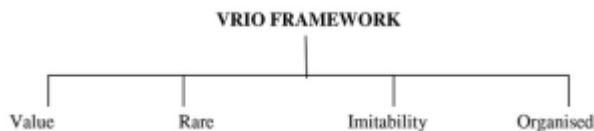
*Jharkhand, despite having abundant natural and human resources, still lag behind on different indicators of economic and social development. The problem lies in imposing solutions which are devoid of any connect with inherent strengths and capacity of the people and region. Therefore, a feeble response on the part of common or vast majority of rural people to all the development efforts, whether industrial or social. The resultant effect is the social strife, especially in rural areas. Moreover, the high urbanization and industrialization rate has led to the tremendous exploitation of native population in the form displacement and social evils. The need is to adopt an approach which is sustainable and balances the aspirations of people with the preservation of rich social, cultural and economic assets. The Resource –Based View (RBV) is an inside-out approach to development which takes into account the inherent resource capacity, be it in natural, human and social field, in creating a roadmap which is responsive to people's need and able to capture their aspirations and full potential. The entire set of public policy, private investment and innovative programmes have to be mobilized to achieve this mission. One strategy would be identifying and developing clusters of assets having economic and social development worth. This paper will analyze and present an alternative development perspective of Resource –Based View in augmenting productive asset creation in Jharkhand.*

**Key words:** resources, development, economic, social, inside-out approach.

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## Introduction

Resource Based view (RBV) is a device used to assess the available amount of an entity strategic assets. It is based on the idea that the effective and efficient application of all useful resources helps determine its competitive advantage. The resource-based view focuses on strengths and weaknesses, in contrast to the outside –in approach of competitive advantage which focuses on opportunities and threats.<sup>1</sup> (Barney, 1991). VRIO framework is toll to assess the strategic value of the asset class. (Fig-1)



If we superimpose the VRIO framework on the available asset that the state of Jharkhand is having, we are able to make and assessment of the potential and find any gap in its utilisation. The inherent strength of Jharkhand is its mineral and forest resources and governance of the mentioned resources. (Fig-2)

Resources	Valuable?	Rare?	Imitable?	Organization?	Implication
Mineral Resources	Yes	Yes	No	No	Unexploited competitive advantage for Jharkhand
Forest Resources	Yes	Yes	No	No	Unexploited competitive advantage for Jharkhand

## Mineral Resources

Jharkhand has immense mineral resources. The state owns about 40% of total mineral resources of India. The State occupies 1st position in coal reserve, 2nd position in Iron ore reserve, 3rd position in copper ore reserve, 7th position in Bauxite reserve and is also the producer of prime coking coal. Limestone, Dolomite, Manganese, Mica, China Clay, Graphite, Soap stone, Fire Clay, Coal Bed Methane, Uranium, Apatite, Quartz, Feldspar, Gold are other important minerals available in the state.<sup>2</sup>

The objective should be to exploit the potential of mineral resources for the rapid development of state taking into consideration the inclusive approach towards all the stakeholders. Being located mostly in rural areas, the mining industry is in a position to fast-track development by improving quality of life, supporting local entrepreneurial activity and social welfare work. The

industry can also collaborate with local government institutions in achieving government developmental goals. The co-ordination mechanism between mining companies and local self-government institution should be established early in different project for a social and environmental friendly development. Moreover, direct effects of mining on the economy in terms of end-user utilization, jobs, and taxes are well known. The preamble of the new mineral exploration policy says that the detailed exploration to uncover the mineral potential is crucial for the growth of the Indian economy.<sup>3</sup>

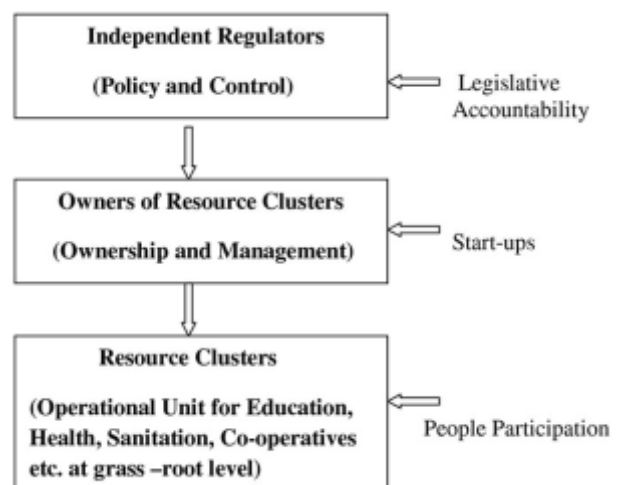
#### Forest Resources

The total forest cover area of the state is 23,605 km which is 29.61% of the geographical area of the state.<sup>4</sup> Jharkhand being a hilly state requires forests which catches runoff water rather than letting it roll across the surface. Forests are essentials for replenishing groundwater supplies that are important for drinking and irrigation. Economic benefits are measured in the value of the production of goods and services from forests. Economic value of wood and non-wood forest product is very vital for sustenance of particular way of life. The livelihood of many people in the state is dependent on wood and non-wood product like resins, fruits etc. Socially, the benefits of forests for maintenance of a tribal way of life may be most important.

New forest policy, 2016 (draft) says, "Large-scale expansion of agro-forestry and farm forestry should be encouraged through commensurate incentives and operational support systems such as lowering the input costs and enabling access to reasonably priced quality planting material." It calls for developing "sound ecotourism models" with the focus on conservation while supplementing the livelihood needs of local communities. "Ensure that tourism is responsible, does not negatively impact wildlife and its habitat and maximizes the income of the local community," the policy says.<sup>5</sup>

#### Resource Governance: A Roadmap

Governance of resources starts with their mapping and envisioning of a desired state where these resources could be used in an optimal way for the benefit of people. The job of envisioning can be done by involvement of local people, academicians and interest groups. The mapping of existing resources variety and depth is essential for starting any kind of development initiative. The entire state can be divided strategically into different clusters having concentration of mineral and forest resources. These clusters will have an indigenously developed scheme of services for the people; be it agriculture, education, health sanitation, drinking water, road, transport, IT connectivity, co-operative market etc. monitored and operated by owners of the resource clusters. In most of the cases these owners could be start-up companies accountable to the independent regulators. (Fig-3)



#### Conclusion

Resource-based view provides the criteria for determining the class of natural assets of state which can be the source of competitive advantage. The goal should be develop an "investment perspective" to augment the productive use of the state's huge natural resources. Another goal should be commitment and engagement of people to recognize the value of the resources and nurtured it for the benefit of society as a whole. The operational aspect of realizing this goal would be to create empowered governance structure, including start-up ecosystem, to manage resource clusters.

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# Indian Banks: It's Lending Scenario for SME Sector



Akinchan Buddhodev Sinha<sup>1</sup>

*Financing is essential at every phase of a business life cycle. Right from the inception to expansion, finance is a vital component. It has been observed quite often that business with tremendous growth potential fails to gain strong foothold due to paucity of both long-term and short-term sources of finance.*

*India being one of the fastest developing economy of the globe and going by the estimates of World Bank, which states that India will grow by a robust 7.8 percent in 2016 and 7.9 percent in the next two years, it is crystal clear that India is all set to scale astral heights. But ascending the heights of economic growth is only possible when there is a holistic growth, wherein the small and medium enterprises sectors have to play a vital role. But they can only give their best when they are provided with adequate financial succour. In view of this, it is of paramount academic and research interest to delve deep into the financial assistance provided to SME Sector of India.*

*Keywords: Growth of SME Sector; Financial constraints of SME Sector; Banks approach towards SME lending; Regulations / Laws governing SME Lending; Indian business environment- Stimulating or Stifling SME Growth.*

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## Introduction

### Growth of SME Sector in India

Small and Medium enterprises play a crucial role for the growth of Indian economy by contributing approximately 45% of the industrial output, 40% of exports, creating 42 million in employment, generating one million jobs every and manufactures more than 8000 quality products for the Indian and international markets.

Numbering more than 48 million, SMEs have witnessed a stable pace of growth at 4.5% in last some years. However, funds focusing on SMEs are facing bottlenecks in raising money, among other challenges. The truth is that despite the fact that this sector plays a crucial role in providing an impetus to the overall GDP, it is still ignored by the Government.

The Indian Economy is expected to grow by more than 8% per annum until 2020. It can become the second largest in the world, ahead of the United States, by 2050, and the third largest after China and the United States by 2032. However Industry experts believe this target would be difficult to achieve without the active participation of the SME sector. According to Chandrakant Salunkhe, President of the SME Chamber of India, out of the total exports in India, 43% is regards to exports from SME

sector. It is anticipated that the figure will go up by at least 47-48% by 2018.

Small Industries Development Bank of India (SIDBI) offers loans to SMEs without collateral to the extent of INR 1 crore. However, many are of the opinion that the limit needs to be enhanced to INR 2.5 crore. Government is in the process of taking several measures to provide impetus to manufacturing sector, as it would assist in job creation and strengthen India's economy. Currently SMEs share in the manufacturing sector is merely to the magnitude of approximately 7%. This is extremely essential as it possess the potential of employment generation both directly and indirectly. The Central Government has established National Manufacturing Competitiveness Council to suggest methods with the objective of enhancing competitiveness in the manufacturing sector. The Government has already announced a National Manufacturing Policy (NMP) that aims at raising the share of manufacturing to 25% of GDP by 2022. The NMP envisions the setting up of national investment and manufacturing zones, which are industrial townships, benchmarked to the best manufacturing hubs in the globe.

In India, MSMEs are in big numbers, diverse in type of business and located across the remote geographies of a

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vast country. A substantial portion of the MSMEs are informal and need important changes in philosophy and approach to be able to develop and deliver a new wave eco system which facilitates their development and seize the emerging domestic and global opportunities.

### **Review of Literature**

Several studies have been carried out in area of financing SMEs. There is great role of hard data like financial information and soft data like feedback from vendors in comprehending the risk credit risk of business while lending to SMEs (Banerjee et al., 2003). A study conducted by Bhattacharya et al. (2000) have observed that banks considers SMEs as unprofitable and non-lucrative undertakings, thus have some reluctance while providing financial assistance to SMEs. Also banks consider SMEs as high risk borrowers due to their inadequate assets, high mortality rates and low capitalization. The two reasons why issue like bank competition and credit availability matters most to SMEs are as- a) SMEs are more susceptible to information related problems and b) SMEs are much dependent on banks than large enterprises (Carbo et al., 2008). A study done by Haselman and Wachet (2007) in 20 transition economies reveals that foreign banks show more proclivity towards lending of loans to SMEs, if creditor protection is robust. Also, Clarke et al. (2005) finds that some foreign banks lend more money to SMEs than domestic banks. On the contrary, Weller (1999) argues that mammoth foreign banks are not willing to lend finance to SMEs, small traders, farmers and informal sector but they lend to serve less risky undertakings, such as, transnational corporations (TNCs) and big corporate groups.

### **Objectives of the study**

- 1) To comprehend financial constraints witnessed by Indian SME sector, regulatory structure and Government initiatives towards SME lending.
- 2) To ascertain whether there is a significant difference in the lending pattern of public sector banks, private banks and foreign banks.

### **Research Methodology**

- 1) F-test (One Factor Model)- This statistical tool will help in ascertaining whether there is a significant difference or not in the lending pattern of public sector banks, private sector banks and foreign banks.

### **Limitations of the study**

- 1) The study is based on secondary data.
- 2) There are other statistical tools also to analyze the lending scenario of banks and financial institutions to SME sector but due to certain technical constraints in this research paper only one statistical tool, i.e. F-test (One Factor Model) is used.

### **Financial Constraints and Regulatory / Government Initiatives towards SME Lending**

Small and Medium enterprises are like growth engine of Indian economy. In view of this, Government of India has initiated numerous measures to develop the sector, like, erstwhile definition of 'Small Scale Industries' was enlarged by enhancing investment ceiling in plants and machineries from INR 1 crore and trading activities have taken in the ambit of MSMEs by enactment of Micro, Small & Medium Enterprises Development (MSMED) Act from 2nd of October, 2006. Also the act recognizes the term 'Enterprises' instead of 'Industry' to cover service in MSME segment.

In order to broaden the scope of micro and small enterprises (MSEs), the threshold of investment in plant & machinery and equipment for MSEs was recommended to enhance from the limit of INR 50 Lacs & INR 800 Lacs for manufacturing MSEs and INR 20 Lacs & INR 300 Lacs for MSE under services respectively by Nair Committee in its report dated 21st of February, 2012.

As mentioned that SME is Gen-Next engine of economic development and it is solution to accomplish 12th Five-Year Plan with special reference to create employment and export opportunities for the country. Also this sector possesses substantial potential of banks finance for sustainable growth. But despite having growth potential, the financing barriers of SMEs can be classified into two categories- a) Reasons for SMEs being unbankable and b) Reluctance of banks towards providing credit to SMEs.

- a) Reasons for SMEs being unbankable:
  - i) Small ticket size and high transaction cost
  - ii) Absence of entrepreneurial experience and failure in bringing promoters contribution.
  - iii) The magnitude of risk being high, as due to either low or no credit rating, high rate of diversions / siphoning off the funds and absence of collaterals.
  - iv) Weak and insufficient marketing and globally uncompetitive due to lack of product branding.

Credit guarantee in India commenced in 2000 with a well defined scheme- Central Government Guarantee against the default for loans to SMEs that are extended without any collateral, up to 75 percent of the credit loss to the lending bank. Even new enterprises in absence of performance record could avail this facility, if the proposal meets the credit requirements of the lending bank. However, even after lapsing of considerable time, most banks have not popularised this product, and are quite unwilling to freely extend collateral-free loans to SMEs.

Public sector banks have been the initiator in offering financial assistance to several MSMEs which can

approach banks for loans under various schemes. The government of India has displayed robust commitment to double the credit flow to this sector in the next five years. In this regard, RBI has mandated scheduled commercial banks to attain 20% year-on-year credit growth to the MSME sector. MSMEs needing financial assistance can approach the banks for assistance as per the specific schemes constituted for various forms of financial assistance. Please refer exhibit 1 to know about the schemes offered by multiple banks. Similarly, at state level also several schemes / institute have been launched that offers various assistance to MSME sector.

With the passage of time, MSME sector have started receiving succour from another significant quarter, i.e. Venture Capital Funds. Venture capital is a means of equity financing for fast growing MSMEs. Venture capitalists provide funds after carefully dissecting projects. Venture capital basically provides financial assistance through equity-linked capital investment. It also offers mentoring support and other value addition to enable funded companies to accomplish rapid growth and attain and maintain their competitive edge in domestic and international markets. The following parameters are taken into account by venture capitalists before offering financial assistance to MSMEs-

- a) Robust and committed core team.
- b) Growth potential
- c) Long-term competitive advantage
- d) Viable business plan
- e) A clear exit plan

Even Government of India recognizing the financial needs of SME sector, it has promoted venture capital funds through public sector banks and Central Government controlled development finance institutions. The venture capitalist funds are- SBI Capital Markets Ltd. (SBICAP); Canbank Venture Capital Fund Ltd. (CVCFL); IFCI Venture Capital Funds Ltd., SIDBI Venture Capital Limited (SVCL) etc. Broadly these venture capital funds companies provide the following services- Structured Debt Placement, Stressed Assets Resolution, Merger & Acquisition, Project Advisory and Loan Syndication, Corporate Advisory Services etc.

At this juncture, it is important to discuss some excerpts of the Report of the Committee whose formation was announced in the Union Budget FY 2014-15. The committee was formulated to observe the financial architecture of the MSME sector. It was established by Department of Financial Services, Ministry of Finance vide notification dated September 26, 2014. The Committee's approach to the financial architecture for MSME comprises of the following essential components-

- a) Encouraging registration;
- b) Opening of bank accounts;
- c) Access to equity financing;
- d) Creating a platform for receivables financing;
- e) Expanding and enhancing guarantee cover;
- f) An increasing distribution and reach to cover the large number of micro, small and medium enterprises (MSMEs) in the country through a wider base of financial intermediaries.

The Committee envisioned creation of an apex policy administration authority to oversee administration of policy as observed in several countries with a well-developed MSME ecosystem. The Committee recommendations emphasised upon creation of a financial architecture for the MSME sector that would use technology driven platforms to drive inclusion in financing of numerous MSMEs which do not have credit reach. This will assist in accomplishment of the Make in India goal as articulated by the Prime Minister and be in consonance with the Government's Digital Mission.

Simple registration/facilitation procedures, universal financial inclusion, strong guarantee programmes and a wider distribution network should enhance the connect between unbanked MSMEs and the financial system. Based on the recommendations of the Committee, bank credit to the MSME sector which was INR 10 lakh crore as of March 2014 could scale up to as much as INR 30 lakh crore in five years. The Committee recommendations would result in:

- a) Reducing operating costs;
- b) Augmenting existing credit analysis processes with use of payment information for assessing credit worthiness;
- c) Reducing credit costs for financiers;
- d) And reducing borrowing costs for MSMEs

The important recommendations to accomplish the above goals are-

- a) Creation of an apex authority which would be called the National MSME Authority under the Ministry of MSME. It will assist in ensuring a single point resource centre which will be a nodal agency to execute and administer programs, benefits and grievance redressal, facilitate ease of doing business, registration & inclusion and to design policy and implement the series of initiatives articulated in this report, there is a requirement for an apex authority to be set up. The Authority will establish and administer an appropriate centralised and integrated National MSME Portal to target universal registration of

MSMEs through an online, mobile-enabled simple one-page registration/facilitation form for MSMEs based on self-declaration with a simplified set of rules and documents, and issue a unique identifier, or Udyog Aadhar to the MSME. This should be augmented by simplified mobile app based registration. Apart from this, it the authority will look into the following activities also-

- i) Build flawless linkages with other pertinent departments / authorities to streamline other facilities, registrations and approvals.
- ii) Setup linkages between the portal and credit providers and guarantee / insurance providers.
- iii) Act as a resource centre for all central government and state government MSME schemes across the country.
- iv) Coordinate with institutions providing equity finance, guarantees and financial assistance to improve the programmes funded by the government.
- v) Enhance ease of doing business through accreditation of agencies to expand its own distribution reach.
- vi) Focus on advocacy and capacity building by leveraging skilling and research initiatives already in place.
- vii) Act as a grievance redressal forum.

The Ministry of MSME has operationalised a national portal for online registration of MSMEs through the District Industries Centres (DICs). The portal is planned to be linked with other departments of state governments for taxation, power, utilities and pollution control among others.

- b) Financial inclusion of MSMEs in time bound manner: In order to attain the objective of universal financial inclusion of MSMEs, every MSMEs needs to use the aforesaid registration portal to ensure that every registered MSME possess a bank account. This can be an existing business banking account, and where bank account details are not available the process can facilitate opening a new business banking account with the information provided, including the ability to open a bank account entirely online using eKYC (electronic validation of KYC requirement). The bank account should be linked to the Udyog Aadhar.

To facilitate ease of doing business certain changes in the Companies Act, the Limited Liability Partnership Act and the Income Tax Act could be undertaken are suggested to provide simplified compliance, presumptive taxation and simplified dissolution for MSMEs.

- c) Accelerate the flow of equity to the MSME sector by operationalising the ` 10,000 crore fund proposed in the Union Budget FY2014-15. The fund can be further leveraged multiple times to mobilize additional

capital from private and institutional sources by increasing the eligible pool of domestic investors, providing appropriate tax incentives to qualified investors, as may be determined by regulatory authorities, for equity investment in small enterprises and formulating an easy exit policy to stimulate innovation and risk taking to start new enterprises. Simultaneously, there is a need to bring in a level playing field for domestic equity financing as compared to foreign investors investing in start-ups/MSMEs. The divergent treatment of capital gains compared to mutual funds and listed equity may also be removed. The measures to enhance flow of equity to the MSME sector and changes suggested to Section 56 (2) (viiia) and (viiib) of the Income Tax Act have been detailed in the chapter on equity financing.

- d) Encourage establishment of an effective, online, technology-driven receivables financing platform with wide participation by credit providers, MSMEs, corporate and government units. This would be a key component of the new architecture, as permitted under the Trade Receivables Discounting System (TReDS) guidelines issued by the Reserve Bank of India (RBI). A strong receivables financing platform in the form of TReDS can lower the corpus requirement for guarantees for MSMEs. The bill acceptance and payment history data from TReDS should flow to credit bureaus to rate payment behaviour of corporate and government units. Initiatives to achieve a robust receivables financing platform by providing strong operating guidelines for the proposed TReDS platform have been covered in depth in the chapter on receivables financing.
- e) Expand coverage under and enhance effectiveness & utilization of credit guarantee/insurance schemes and make the programmes accessible to a wider set of credit providers, up to and including select NBFCs and micro finance institutions. For this purpose, a seven fold increase in the corpus from INR 4,000 crore to about INR 28,000 crore over the next five years may be considered. The Ministry of MSME could determine the corpus required for guarantee schemes targeted at MSMEs based on the above estimate and augment the corpus in yearly tranches over the next five years. Of this, an amount of INR 5,000 crore could be considered in the forthcoming year. Other measures have been spelt out in detail in the chapter on guarantee and insurance schemes.
- f) The financial architecture to serve the MSME sector should encompass a wider and deeper set of entities which will include scheduled commercial banks, non-bank finance companies, micro finance institutions, cooperative banks, the proposed new small finance banks and the proposed Post Bank of India. These entities could leverage outreach points outside the

formal financial system (akin to the banking correspondent model) to enhance access to financial services through a hub-and-spoke approach, as also leverage the National MSME Portal to expand access. The post office network has 1,55,000 offices currently offering savings to individuals under the Post Office Savings Bank (POSB) small savings scheme. The proposed Post Bank of India (PBI) could become an effective channel for financial inclusion and delivery of credit to MSMEs. We understand that one of its key objectives could be to serve the MSME sector as well as individuals such as artisans, farm owners and rural micro enterprises. It could form an important part of the distribution architecture and boost potential employment generation through micro enterprises.

The Committee received inputs from an industry body and one of the Committee members on the need to develop additional sources of formal finance for the MSME sector through a structure that would include in its ambit the existing non-institutional last mile financiers. The suggestions proposed an organisation on the lines of the National Housing Bank for registration and supervision of a new category of dedicated Small Business Finance Companies, registration of non-institutional last mile financiers and other activities to promote flow of funds to the MSME sector. The proposal was discussed with the Ministry of Finance and the RBI and in view of the underlying risks associated with such a lightly supervised structure, the above structure was not considered feasible.

- g) Encourage expansion in coverage of credit bureaus to include a wider range of credit institutions and a wider range of transaction records to facilitate a better credit and payment history of the buyer and the seller. This is particularly relevant for MSMEs which seek credit from the formal financial sector for the first time and do not have a credit history.

#### **Lending pattern of public sector banks, private sector banks and foreign banks to SME sector**

In this section, an effort is made to comprehend the lending pattern of three forms of banks, viz; public sector, private sector and foreign banks to SME sector in India. Since finance holds the key of starting a business enterprise, sustainability and growth.

**Null Hypothesis (H0):** There is no significant difference in the lending pattern of public sector banks, private sector banks and foreign banks to SME sector

**Alternative Hypothesis (H1):** There is a significant difference in the lending pattern of public sector banks, private sector banks and foreign banks to SME sector.

Years	Public Sector Banks (INR crore)	Private Sector Banks (INR crore)	Foreign Banks (INR crore)
2005	67,800	8,592	6,907
2006	82,434	10,421	8,430
2007	1,02,550	13,136	11,637
2008	1,51,137	46,912	15,489
2009	1,91,408	46,656	18,063
2010	2,78,398	64,534	21,069
2011 (provisional)	3,76,625	87,857	21,461
2012	3,96,343	1,10,514	21,760
2013	5,02,459	154,732	30,020
2014	6,15,976	2,00,138	30,020

Note: For simplicity in computations, the figures have been divided by 100 and rounded off to nearest decimal place.

Years	Public Sector Banks (INR crore)	Private Sector Banks (INR crore)	Foreign Banks (INR crore)
2005	678	86	69
2006	824	104	84
2007	1026	131	116
2008	1511	469	155
2009	1914	467	181
2010	2784	645	211
2011 (provisional)	3766	879	215
2012	3963	1105	218
2013	5025	1547	300
2014	6160	2001	300
<b>Total</b>	<b>27651</b>	<b>7434</b>	<b>1849</b>
<b>Mean</b>	<b>2765 (X1)</b>	<b>74 (X2)</b>	<b>18 (X3)</b>



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India's competitiveness. Yet, there is still a lot to be done.

What is heartening to note is that India scores relatively well in terms of access to finance for developing businesses and investing in the economy. Now India's entrepreneurs are getting better access to bank accounts, credit, venture capital, and equity markets than their counterparts in most peer countries. But the grey area is, that access to finance still remains limited for low income individuals, especially women. Approximately 400 million people remain out of banking network in India and disconnected from the financial system despite impressive gains in recent years.

India has to do a lot with respect to fostering entrepreneurship. It occupies the last place in the ranking of small business ownership, as budding entrepreneurs are restrained by red tape and an inefficient justice system, with relatively low rankings for indicators such as the time and cost of commencing a business, enforcing contract and resolving insolvency (please refer exhibit 3).

Last but not the least, to provide fillip to growth of SME sector, India has to capitalize on digitalization. India has been slipping behind other countries in developing Asia over the last decade. Until 2007, internet usage was in line with median performance of other economies in the region. Since then, countries like, Thailand and the Philippines have experienced a significant enhancement in the uptake of ICTs. Connecting India will imply investing in both physical and human capital to bridge the gap between the emerging markets. ICT could play a pivotal role in accomplishing India's dream to become a global manufacturing hub. Furthermore, ICT could generate wonders in improving productivity in agriculture and the services sector, while strengthening basic services among the rural populace. SMEs will thrive, if essential enablers powered by SMAC technologies are created in integrated ecosystems to support their following requirements.

- i) Accessibility of expert knowledge and best practices.
- ii) Financial independence and risk mitigation.
- iii) Targeted marketing reach and sales.
- iv) Operational excellence across locations.
- v) Efficient provisioning of services.
- vi) Real time insights and decision-making

Spurred by the 'Digital India Revolution', the MSME sector is perched to act as a catalyst in ushering socio-economic metamorphosis. India's GDP is estimated to touch 8.5 percent, with the country likely to be a USD5 trillion economy by 2025 according to research analyst KPMG.

Some of the noteworthy measures initiated by the corporate to provide momentum towards digitization among SMEs are as follows-

- a) Every year, CeBIT India 2015, a global technology and business event, provides an ideal platform for MSMEs to connect with global industry leaders in the electronics and software ecosystem.
- b) Google India has announced the launch of an India-wide initiative to help small and medium enterprises (SMEs) to go digital without huge expenses. SMEs will be offered the option to gain an online presence on Google search and Google Maps without having to invest in a website or domain. As part of this new initiative, Google India aims to get 20 million SMEs online by 2017 by using a simple mobile-based app called Google My Business. Out of the total 51 million SMEs in India, less than 5 to 6 percent have online presence. With this new product, Google aims to bridge this gap.
- c) As per the Facebook research and analysis, Facebook is still a lucrative network for small business owners and merchants, even though organic growth is nearly non-existent. Earlier this year Facebook informed that 40 million SMBs have active Facebook Pages. Facebook's Small Business Boost program has been designed to arm Indian businesses with the knowledge, skills and technology required to stay innovative and connect with customers at home and abroad, a company statement said.
- d) SAP Business One and also SAP Business ALL-in-One application are specifically built for the SME market to bring the application to the smaller companies in a very cost effective way. "The SME would be attracted to HANA Cloud platform which is a boon for the entrepreneur to start with.

Another significant regulatory development has been the inclusion of the concept of One Person in Indian Companies Act, 2013. The introduction of One Person Company in the regulatory structure is a step that would engender corporatization of micro business and entrepreneurship with a simpler legal regime so that small entrepreneur is not forced to devote substantial time, energy and resources on complex legal compliances. This will not only assist in contribution of individual capabilities towards economic growth, but also generate employment opportunity. As per provision of Section 2 (62) of the Indian Companies Act, 2013 defined "One Person Company" means a company which has only one person as member. The idea of One Person Company (OPC) was mooted, in the report of Dr.J.J.Irani Committee. The Irani Committee briefly referred to OPC in its report. In Chapter III titled, "Classification and Registration of Companies", the committee suggested multiple classification as given hereunder-

- a) On the basis of size: Small companies and other companies.
- b) On the basis of number of members: One Person

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Company; Private Companies and Public Companies.

- c) On the basis of control: Holding Companies, Subsidiary Companies and Associate Companies.
- d) On the basis of liability: Limited by shares and guarantee and Unlimited.
- e) On the basis of manner to access to capital: Listed and Unlisted companies.

Once OPC gains ground in India it will offer following benefits- Minimal paper work and compliances; Ability to form a distinct legal entity with just one member and provision for conversion to other forms of legal entities by induction of more members and amendment in the Memorandum of Association.

The One Person Company concept will bring halcyon days for small traders, entrepreneurs with low risk taking capacity, artisans and other service providers. The OPC would provide a launch pad for such entrepreneurs who desire to showcase their abilities in the global arena.

Privileges available to OPC are as follows:-

- i) OPCs would provide the start-up entrepreneurs with new business idea.
- ii) OPC provides an outlet for the entrepreneurial impulses among the professionals.
- iii) The advantages of limited liability. The most significant reason for shareholders to incorporate the 'single-person company' is certainly the desire for the limited liability.
- iv) OPCs are not proprietorship concerns; hence, they give a dual entity to the company as well as the individual, guarding the individual against any pitfalls of liabilities. This is the fundamental difference between OPC and sole proprietorship.
- v) Unlike a private limited or public limited company (listed or unlisted), OPCs need not bother too much about compliances.
- vi) Businesses currently run under the proprietorship model could get converted into OPCs without any difficulty.
- vii) OPCs require minimal capital to begin with. Being a recognized corporate, could well raise capital from others like venture capital financial institutions etc., thus graduating to a private limited company.
- viii) Mandatory rotation of auditor after expiry of maximum term is not applicable.
- ix) The annual return of a One Person Company shall be signed by the company secretary, or where there is no company secretary, by the director of the company
- x) The provisions of Section 98 and Sections 100 to 111 (both inclusive), relating to holding of general

meetings, shall not apply to a One Person Company.

- xi) A One Person Company needs to have minimum of one director. It can have directors up to a maximum of 15 which can also be increased by passing a special resolution as in case of any other company.
- xii) For the purposes of holding Board Meetings, in case of a one person Company which has only one director, it shall be sufficient compliance if all resolutions required to be passed by such a Company at a Board meeting, are entered in the minutes-book, signed and dated by the member and such date shall be deemed to be the date of the Board Meeting for all the purposes under this Act. For other One Person Companies, at least one Board Meeting must be held in each half of the calendar year and the gap between the two meetings should not be less than 90 days.
- xiii) The financial statements of a one person company can be signed by one director alone. Cash Flow Statement is not a mandatory part of financial statements for a One Person Company. Financial statements of a one person company need to be filed with the Registrar, after they are duly adopted by the member, within 180 days of closure of financial year along with all necessary documents.
- xiv) Board's report to be annexed to financial statements may only contain explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report.

#### Exhibit 1

##### List of scheme/institute and Nature of assistance

Name of scheme/institute	Nature of assistance
National Small Industries Corporation (NSIC)	Financial and marketing assistance to the small scale unit supplying requisite machinery

	on hire purchase and leasehold basis	(SIDBI) (Eastern Regional Office)	sector, and co-ordination of the functions of the institutions engaged in the promotion and financing or developing industry in the small scale sector. SIDBI also refinances institutions such as state financial corporations (SFCs), state industrial development corporations (SIDCs), and commercial banks against loans granted to the small-scale sector. SIDBI also acts as financier for small-scale projects directly on a selective basis.  Products and services offered by SIDBI may be broadly classified:
Small Industries Development Agency (SIDA)	Single window service for SSI units		
Credit Linked Capital Subsidy Scheme (CLCSS) (by various banks and institutes)	Facilitates technology up gradation of micro and small enterprises. The scheme provides 15% capital subsidy on institutional finance availed by them for induction of well-established and improved technology in approved subsector products. The maximum limit of loan for calculation of capital subsidy under the scheme is 100 lakh INR with a maximum subsidy of 15 lakh INR.		
PMEGP Training Programme	Beneficiaries can set up micro enterprises by availing of margin money subsidy of 25% (35% for special categories) of the project cost in rural areas. The maximum cost of the projects assisted under PMEGP is 25 lakh INR in the manufacturing sector and 10 lakh INR in the service sector.		
Small Industry Development Bank of India	Promotion, financing and development of the small scale		
			<b>Institutional:</b> Focuses on refinance schemes, like Mahila Udyam Nidhi, finance to small transport operators, technology up gradation fund for textile units, loans for acquisition of ISO certification, self employment loan for ex-servicemen, single window finance for short term credit, all of

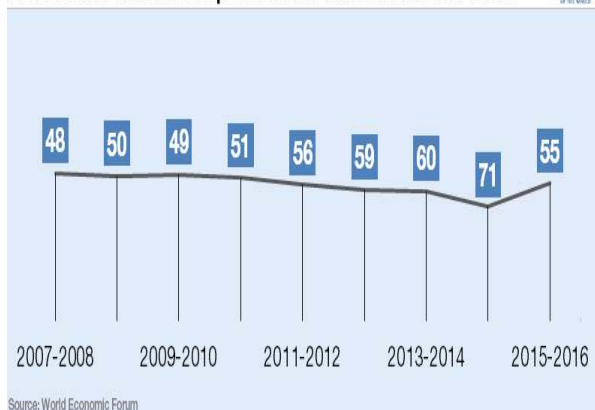
	<p>them operated through SFCs or SIDCs or primary lending institutions or Banks or other microfinance institutions, depending upon the category of loans.</p> <p><b>Promotional:</b> SIDBI acts as a nodal agency for several Government schemes such as Technology Up gradation Fund Scheme for the textile sector, Integrated Development of Leather Sector Scheme for the leather sector and Modernization/Up gradation of Food Processing Industry.</p> <p>SIDBI Venture Capital Fund Ltd (SVCL) manages two funds set up by SIDBI at the national level.</p> <p>The National Venture Capital Fund for Software and IT Industry (NFSIT) is worth 100 crore INR, established with</p>		<p>the focus of supporting incubation projects of small-scale units in the IT and related business.</p> <p>The SME Growth Fund has a corpus of 500 crore INR which targets growth-oriented businesses in the areas of life sciences, retailing, light engineering, food processing, IT, infrastructure related services, healthcare, logistics and distribution, for making primary equity and equity related investments.</p>
		National Bank of Agriculture (NABARD)	Assistance and refinance to farm and rural development agro processing sector
		Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)	CGTMSE, established jointly by SIDBI and the government of India, extends credit facilities to the micro and small enterprises sector. The mandate is:

	<p>Credit facilities, including term loans, fund and non-fund based working capital facilities up to 1 crore INR extended to micro and small enterprises are guaranteed up to 80% of the amount in default, subject to a maximum of 65 lakh INR. With regard to loans up to 5 lakh INR to micro units, the coverage is 85%. Loans guaranteed under the scheme carry zero percent risk weight and provision for the lending institution for the guaranteed portion. The scheme also facilitates lending institutions by the evaluation of the credit proposals on the basis of intrinsic merits of the projects, rather than merely on adequacy of collaterals.</p>		<p>of Indian firms. The bank's lines of credit (LOC) extend to commercial banks, financial institutions, regional development banks, and entities overseas serve as a market entry mechanism to Indian exporters and provide a safe mode of nonrecourse financing option to Indian exporters. The bank offers buyer's credit and supplier's credit for exports on deferred payment terms. These facilities help SMEs, to offer competitive credit terms to the buyers and to explore newer geographical markets.</p>
Reserve Bank of India Rural Planning and Credit Dept	<p>Providing refinance to nationalised banks and financial institutions in the industry sector and framing of policy decision in the working of banks</p>		
Exim Bank	<p>Credit facilities are available for financing all stages of the export cycle</p>	TUF	<p>TUF facilitates those SMEs that look to improvise their technological skills. It provides 15% margin money subsidy for the SSI textile and jute sector in lieu of 5% interest reimbursement on investment in TUF compatible specified machinery subject to a capital ceiling of 200 lakh INR and ceiling on margin money subsidy 15 lakh INR. A minimum</p>

	of 15% equity contribution from beneficiaries is ensured.		capital) not exceeding 50 lakh INR in case of new projects. No interest is charged on the loan component except service charge of 5% p.a.
CLCSS	<p>Under CLCSS, tiny units with investment in plant and machinery of less than 10 lakh INR are eligible for a loan support of upto 8 lakh INR.</p> <p>Tiny units with investment in plant and machinery between 10 lakh INR to 25 lakh INR are eligible for a loan support of upto 20 lakh INR.</p> <p>Small units with investment in plant and machinery of above 25 lakh INR are eligible for a loan support of upto 40 lakh INR.</p>	Scheme of Fund for Regeneration of Traditional Industries (SFURTI) through Coir Board	75% for CFC, technology up gradation, product development and 100% for capacity building, market development with component-wise ceiling. The components of funding are technology up gradation, setting-up of common facility centres (CFCs), development of new products and designs, new and improved packaging, etc, market promotion activities, capacity-building activities, other activities identified by the implementing agency (IA) as necessary for the development of the cluster
Interest subsidy scheme of IPR, which works effectively with the active assistance of banks and financial institutions	The interest subsidy scheme helps in dispensation for labour-intensive industry by extending the facility of 2% interest subvention for handlooms, handicrafts, carpets and small and medium enterprises (SMEs).		
NEF	Under NEF, loans are given to firms with a project cost (including margin money for working		

## Exhibit 2

### Evolution in Global Competitiveness Rank since 2007-2008



## Exhibit 3

### Starting a business in India



Source: World Economic Forum

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# IMPACT ASSESSMENT OF COLORS USED IN PROMOTIONAL SIGNS IN RETAIL OUTLETS OF RANCHI ON CONSUMER DECISION MAKING PROCESS



Mr. Adarsh Manish Tigga

## Abstract

*This study investigated the effect of colors used for promotional signs on consumer decision making process in retail outlets of Ranchi. Different colors are used for sending different messages and to every color the consumer tends to react differently. An experiment was conducted in big retail outlets/supermarkets of Ranchi like Pantaloons, Big Bazaar and Reliance Trends wherein the promotional signs were displayed in different colors and after the customers had went through the section(s) completely, they were asked to fill up a small questionnaire in which they had to indicate the promotional signs and the color of signs that they noticed in the sections they visited. The promotion recall varied across different colors for all customers. The customers tend to recall only those promotions that had colors with higher appeal. This difference in behavior occurs because different colors hit the customers' neural level in different manner thus generating different stimuli and different emotion for each color creating varied responses in terms of likeness and recall of different promotional signs. This difference in response is explained by the concept of color psychology and the application of colors for marketing of different products is explained by Sensory Marketing concept.*

## Introduction

The foundation of all marketing strategies has always been laid on the traditional 'marketing mix': Product, Price, Place and Promotion. For the very simple fact that a balance of all these factors is required for success of any marketing plan it has been termed as marketing mix. Though if any of these factors are missed no marketing plan will succeed, Promotion is what brings the customers in. Marketers use different strategies for catching the eyes of the customers. Promotion activities applied by the marketers make their brands and products prominently stand out in the ocean of competitors and hence promotion becomes one of the most important areas to study.

A promotion activity attempts to target on any of the six buyer readiness stages that consumers typically pass through on their way to making a purchase. These stages in the chronology are awareness, knowledge, liking, preference, conviction and purchase. A marketer needs to know where the target audience is and accordingly design promotion activity to move them further. Any promotion activity will need to communicate with the consumers in right way to affect their buying decision process and for communicating different media

are used. Most vastly used is the print media. The print media is comprised of two things: message and colors. Both of these are important for the success of any promotion activity using print media. The message or the content does the final impact on the consumers' minds but the colors play the most important task of attracting the consumers. Initial likeness towards any print ad is driven by the colors. Hence understanding the color psychology of consumers is very important for marketers (Neidlinger). The consumers have different reactions for different colors because the emotions that are triggered by different colors vary across consumers.

This study tries to build uniformity in the likeness of colors among the consumers and identify which colors grabs maximum attention of the consumers and stays in their minds for long.

## Literature Review

The consumers' reaction to certain situation depends on the emotion that is triggered inside them. These emotions are generated as a result to certain sensations felt by the consumers. So, different sensations will trigger different emotions and they'll give different reactions as a result. The store atmosphere acts as a medium to create an affect where colors, sounds, etc are capable of arousing intrinsic

reactions which in turn enhance the probability of purchase. (Kotler)

Stronger the sensations are felt, more intense will be the emotions triggered. There are basically two types of emotions: Basic and Complex. Basic ones are not long lasting but Complex emotions are long lasting and are based on memories and experiences. Marketers target on triggering complex emotions via different marketing campaigns. (Schmitt)

Different colors are capable of triggering different emotions in individuals. The colors hit differently at the neural level on individuals which as a result influences the variation in reaction of individuals to different colors. (Eiseman)

Various memory retention studies suggest that the consumers are 78% more likely to recall a message printed in color than in black & white. (Pantone Institute) Problem Definition

As it has been stated that different colors have a tendency to generate different kind of emotions and reactions in individuals, identification of these variations is very important for marketers to understand the color psychology of consumers and then chose appropriate colors to generate the emotions that they wish to.

This study tried to identify which color(s) succeeds in grabbing the attention of the consumers and stays for long in their memory in big retail outlets.

### Objectives

Objectives of this study are:

- To identify which color grabs the attention of the consumers most
- To the mental ladder of colors in the minds of the consumers
- To understand which colors has a long lasting recall effect on consumers' minds

### Methodology

#### Research Design

The study used Descriptive design for understanding the color psychology of the consumers. The study was conducted in Ranchi's Big Bazar, Pantaloons, and Reliance Trends. Promotional sign boards in 7 different colors (Purple, Yellow, Green, Red, Black, Blue, and Brown) were displayed in the store in various sections and after the consumers had been across the sections and selected what they wanted to purchase, right after billing was done they were approached to give their responses.

#### Sampling

The population is the people of Ranchi who visit big retail shops like Pantaloons, Big Bazar, and Reliance Trends for shopping. Random sampling technique is used for the study.

### Collection of Data

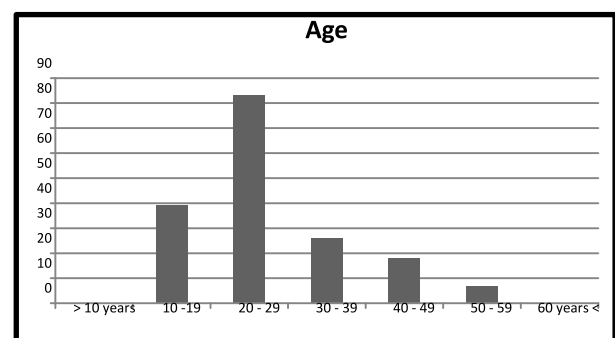
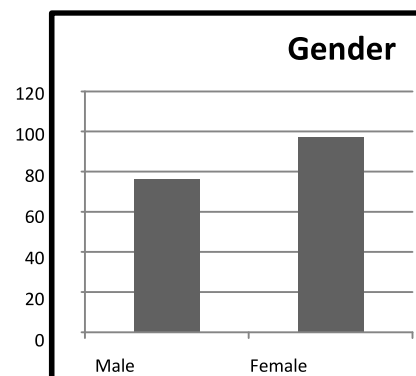
The data collection was done by asking random consumers who had visited the outlet to fill in their responses in a simple one-page questionnaire wherein they were asked to indicate the colors (in promotional signs) that they remember were displayed inside the store and also the ranking that shows the order that they remember these colors in.

### Results & Findings

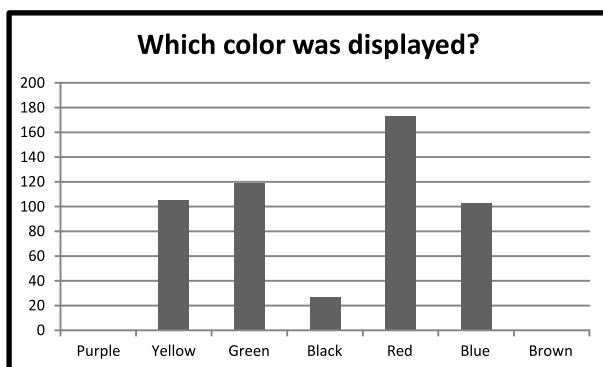
A total of 173 participants filled in their response out of which 76 participants were male and

97 were female. The age dynamics of the participants is: below 10 years = 0, 10-19 years =

39, 20-29 years = 83, 30-39 years = 26, 40-49 years = 18, 50-59 = 7, 60 and above = 0.



Where the participants had to show their recall for all the seven colors, maximum of participants (173) indicated that they have seen Red colored signs, 119 participants indicated that they have seen Green colored signs, 105 participants indicated that they have seen Yellow colored signs, 103 participants indicated that they have seen Blue colored signs, 27 participants indicated that they have seen Black colored signs, and 0 participants indicated that they have seen Brown and Purple colored signs. This shows what colors are being registered in the minds of the consumers and certainly Red is the color which has got maximum response.



Further, participants were asked to indicate the rank for the same colors on a scale of 1 to 7. This was to understand the mental ladder of consumers' minds. The rankings were further analyzed with the help of SPSS. For the purpose of analysis Friedman's Test for Mean Ranks was performed and results obtained can be found below.

**Friedman's Test for  
Mean Ranks**

	Mean Rank
Purple	6.04
Yellow	2.10
Green	3.10
Black	4.80
Red	1.10
Blue	3.91
Brown	6.96

The results of the Friedman Test show that the order in which the colors are stored in the mental ladder of consumers' minds is Red, Yellow, Green, Blue, Black, Purple, and Brown. This means that even though all the colors were displayed in the store the minds of consumers' record the colors that appeal them the most in the order above.

**Descriptive Statistics for Friedman's Test**

	N	Percentiles		
		25th	50th (Median)	75th
Purple	173	6.00	6.00	6.00
Yellow	173	2.00	2.00	2.00
Green	173	3.00	3.00	3.00
Black	173	5.00	5.00	5.00
Red	173	1.00	1.00	1.00
Blue	173	4.00	4.00	4.00
Brown	173	7.00	7.00	7.00

**Test Statistics<sup>a</sup>**

N	173
Chi-Square	979.203
df	6
Asymp. Sig.	.000

a. Friedman Test

Hence, it can be inferred that the colors hit the consumers subconsciously at their neural level making them register different colors in their minds in a mental ladder wherein different colors bear different ranks. The top most color, Red, has the maximum tendency to grab attention and even stays for long in the minds of the consumers. The marketers need to account this while making any promotion activity to enhance the visibility, attractiveness, and recall by affecting one of the five senses i.e. visual of sensory marketing.

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# Human Resource Practices in the Modern Era : The Evolving Role of Information Technology



\*Soumitro Chakravarty



\*\*Dr. Umesh Prasad

*In the present technological environment the impact of Information Technology has been immense across various sections with Human Resources Management being no exception to this trend. Effective & Efficient management of Human Resources is one of the most important aspects for organizational growth, productivity and fostering of a proper work culture. The advent of Internet and other related technologies have dramatically changed the way organizations view IT as a tool for their various operations and activities and the HR manager of a given organization has also been receptive towards IT and this has resulted in a paradigm shift towards the way routine HR related activities like recruitment, training, and developmental activities in a modern day organization are carried out in today's times.*

*The present paper tries to examine, evaluate and analyze the role of IT in HR practices and trace its evolution over the years. The paper takes a look at various organizations, both in the Indian and World context and tries to appreciate the differences that have been brought about through employing IT in the HR activities. The contextual issues and future of IT in HRM are also discussed with scope for future research in this ever evolving area.*

*Keywords: Human Resource Management (HRM), Human Resource Management System (HRMS), Human Resource (HR), Information Technology (IT), Organizations, Managers.*

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## Introduction

Over the last few decades the HRM function in modern day organizations has gone through some radical changes and in recent times there has been a great deal of emphasis being put upon the strategic dimension of the function that is a very important part of management across all types of organizations irrespective of their size and nature.

The smooth and effective functioning of the HR department is crucial to ensure that the needs of the customers are met and the organization never faces a shortage of well-trained, qualified and skilled work-force (Becker, Brian E., et al. 1998).

In the recent times it has been demonstrated by researchers globally that technology and HRM influence each other very closely and it is now a prerequisite that HR professionals should be updated with the latest trends in technologies to ensure competitive growth and survival of their respective organizations (Boselie, P. et al. 2005).

## The role of IT in modern day HRM

It has been emphasized time and again by various

researchers that the role being played by IT has played a very crucial role in enhancing the effectiveness of the HR function in modern times.

It will not be an overstatement to say that in the modern era the trend has been a paradigm shift from HR to e-HR with IT acting as the enabling force in ensuring that an organization leverages its full potential and reach in terms of attracting, retaining and developing talent pool (Paauwe, J. 2009).

Information and Communication Technologies (ICT) has revolutionized the way communication is being managed and utilizing it to the fullest extent possible through various social networking sites and other communication enabling technologies the HR manager in today's times has the option of selecting talents from all around the world with a very little time required for the same.

Customized requirements are being placed on the social media and within very limited time huge numbers of prospective applications arrive out of which the selections are to be done. Even in the selection process the IT enabling technologies play a very important and facilitating role (Paauwe, J., & Boselie, P. 2005).

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Further, IT has also revolutionized the manner in which training is being carried out. The concept of e-Learning has revolutionized the HR training scenario. There are customized learning modules which organizations can develop at very affordable rates and make available to their employees to enhance their skills and productivity.

The biggest benefit of using IT in HRM to organizations is the freeing of HR staff from intermediary roles, thus enabling them to concentrate on strategic planning in human resource organization and development. IT can automate other routine tasks such as payroll processing, benefits administration, and transactional activities, so that HR professionals are free to focus on more strategic matters such as boosting productivity.

In the present context of increasing globalization, employing organizations and their environments have become increasingly complex. Managers in these organizations face growing difficulties in coping with workforces that may be spread across a variety of countries, cultures and political systems. Given such trends, IT has considerable potential as a tool that managers can utilize, both generally and in human resourcing functions in particular to increase the capabilities of the organization.

#### **IT in HRM: The present day trends**

Given the scope of human resource management functions, an effective HRMS must address a range of administrative, statutory, functional and technological requirements in order to enable the HRMS to support the partnership between HR professionals, program managers, finance staff, executives and employees; while also providing accurate, reliable information for organization-wide planning and decision-making. Companies are also advised to establish long-term relationships with technology vendors.

Surveys have shown that more than 90 percent of HR departments operate with some form of computerized HRMS. In a survey undertaken by the Institute of Manpower Studies, a number of key changes were found to have an impact on the use of HRMSs. These changes included the development of the HR function itself, which resulted in the closure of many centralized IT functions, and today, the majority of HR applications are networked (Turnbull, P. B. P., Blyton, P., & Turnbull, P. J. 1992).

Also, by integrating financial and HRMS applications, the value of the HR function itself has increased for the organization as a whole and now, in the best administrative systems, HRMS is a subset of ERP software solutions. One of the key values of enterprise applications is that they force companies to adopt a cross-functional view of the organization and lead to the integration of

information and processes (Purcell, J., & Kinnie, N. 2007).

With the "e-wave" also reaching the area of HRM, the terms e-HR or e-HRM are being used increasingly when referring to the next development stage in IT-based HRM. A recent development in the functionality of HRM systems has been the transition from client/server-based systems to Web-based access. This has resulted in new options for "self-service" routines for various HR functions. In terms of e-business, the implications for the HR function are not yet fully visible, but it is certain that e-HR will revolutionize the HR function within the next few years. The main challenge in e-HR is the alignment of processes in the HR function according to the future e-business challenge. In most companies, the shift to e-HR from a paper-intensive environment represents a significant cultural change, particularly for employees. These e-HR systems also offer various search capabilities, such as those for conducting organization-wide searches related to global staffing as well as extensive report generation options (De Leede, J., & Looise, J. K. 2005).

#### **IT in HRM: The way ahead**

As a consequence of the advancement of information technologies and evolution of e-HR organizations have become more competitive by reducing costs and improving productivity, quality and profitability in HRM area. Modern businesses and industries are taking suitable steps for the implementation of IT in the key area of the management of human resources by enabling the employees to make their optimum contribution to the gaining of a competitive advantage.

Future empirical studies should examine the impact of IT on more HR functions in different organizations in other parts of the world to make a comprehensive assessment. Furthermore, in developing economies empirical studies need to be carried out in breadth and depth in terms of HRM functions and IT tools to effectively appreciate the role of IT in HRM and leverage its potential even further.

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# The role of Information and Communication Technologies in the Banking Sector – an Empirical Assessment



\*Dr. Umesh Prasad



\*\*Soumitro Chakravarty

*The present era in business is a one that is dominated by Information & Communication Technologies (ICT). ICT has broken all barriers and it has without doubt emerged as a potent and really indispensable tool that has been playing a stellar role in maximizing the effectiveness and efficiency of all aspects of business. Banking industry has been a notable recipient of the benefits that ICT has to offer and ICT indeed has been an architect of this industry's transformation through the rapid and dynamic innovations that it has brought about changing the face of modern day banking in a most drastic manner. It is common knowledge that integrating ICT in banking activities has resulted in a marked improvement across various parameters like better maintenance of customer services, efficient record maintenance, flexibility in working hours and faster over-all services 24X7.*

*The present paper analyzes the tremendous impacts that ICT has had on the banking sector and it also tries to explore the areas which are yet to be fully exploited thereby suggesting the way forward towards further research in the area.*

*Keywords: Information and Communication Technologies (ICT), Banking, Customer Services, Technology, Economy.*

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## Introduction

Banking, which is a very important component of the economy of any nation, has gone through remarkable changes in its nature, scope and way of conducting business over the last few decades.

The arrival of internet and other related communication technologies have changed the face of modern day banking. In today's time it's a prerequisite that for business growth and survival that a bank should be in tune with latest developments in the technology front and leverage the potential of IT to service its clients in a more efficient manner.

## IT in Banking: The present scenario

New age business environment is very dynamic and undergoes rapid changes as a result of technological innovation, increased awareness and demands from customers. Business organizations, especially the banking industry of the 21st century operates in a complex and competitive environment characterized by these changing conditions and highly unpredictable economic climate. Information and Communication Technology (ICT) is at the centre of this global change (Berger, A. N., Hanweck, G. A., & Humphrey, D. B. 1987).

The application of information and communication technology concepts, techniques, policies and implementation strategies to banking services has become a subject of fundamental importance and concerns to all banks and indeed a prerequisite for local and global competitiveness. ICT directly affects how managers decide, how they plan and what products and services are offered in the banking industry. It has continued to change the way banks and their corporate relationships are organized worldwide and the variety of innovative devices available to enhance the speed and quality of service delivery (Angbazo, L. 1997).

The quest for survival, global relevance, maintenance of existing market share and sustainable development has made exploitation of the many advantages of ICT through the use of automated devices imperative in the industry.

Information Technology (IT) is the automation of processes, controls, and information production using computers, telecommunications, software and ancillary equipment such as automated teller machine and debit cards. It is a term that generally covers the harnessing of electronic technology for the information needs of a business at all levels. Communication is the conveyance or transmission of information from one point to another

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through a medium (Hellmann, T. F., Murdock, K. C., & Stiglitz, J. E. 2000).

An example of how ICT has had an impact on the Banking Industry is that its emergence allows banks to apply credit-scoring techniques to consumer credits, mortgages or credit cards. Hence, products that used to be highly dependent on the banks' evaluation of its customers have now become more standardized. Other examples of ICT impact on the Banking Industry include the increased process efficiency, which can reduce costs in banks, and the branch renewal, where focus is gradually shifting away from traditional brick and mortar banks towards the dual-bank concept presented earlier.

ICT enabled services being employed by banks

An important indicator of the general uptake of Information and Communication Technology (ICT) in the Banking Industry relates to the use and availability of Internet. Internet access is a precondition for e-Business, as this is the main channel for e-banking. The general availability of Internet allows for the analysis of overall ICT-readiness in the Banking Industry.

The application of networks is a vital part of an effective ICT-enabled system, which is especially true in the case of banks with a branch network. Local Area Network (LAN) may also be seen as a basic indicator of the minimum infrastructure required to enable companies to conduct e-banking at a substantial level. Wire-based LAN is currently the dominating technology (Kim, D., & Santomero, A. M. 1988).

Instant notification of transactions made was another innovation brought by ICT through the use of smart phone in conjunction with the internet facility in the Banking Industry.

The Banking Industry is currently being renewed in many areas. One of these areas relate to the digitalization of formerly paper-based processes. Electronic mail is increasingly being applied for especially non-legal correspondence like account statements, marketing and sales (Hanacek, P., Malinka, K., & Schafer, J. 2010).

The security issue is of special concern in the Banking Industry, as banking is highly based on trust from its customers. Hence, the risk of hackers, denial of service attacks, technological failures, breach of privacy of customer information, and opportunities for fraud created by the anonymity of the parties to electronic transactions all have to be managed. Depending upon its nature and scope, a breach in security can seriously damage public confidence in the stability of a financial institution or of a nation's entire banking system. Hence, by introducing the appropriate security measures and putting security concerns at ease, the BI might be able to

attract the segments among consumers who previously were not inclined to use e-banking. Furthermore, it is also in the banks' own interest to improve security, as digital fraud can be costly both in financial losses, and in terms of the damage it does to the brand of the bank in question (Welch, B. 1999).

The common concern among users of e-banking is related to the authentication of users and data connections. The use of digital signatures is not as common as PIN codes or encryption, and reason is the fact that digital signature is relatively new technology.

Conclusion and suggestions

Adoption of ICT has influenced the content and quality of banking operations. From all indications, ICT presents great potential for business process reengineering of Banks. Investment in information and communication technology should form an important component in the overall strategy of banking operators to ensure effective performance. It is imperative for bank management to intensify investment in ICT products to facilitate speed, convenience, and accurate services, or otherwise lose out to their competitors. The banking industry presents ICT providers with great opportunity to market their innovations. Success in this area however depends on how they can customize their services to appeal to the ready minds of various stake holders in the industry.

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## Stand-up to Trickle Knowledge down: an Agenda for Opening Legal Clinic



P K Bhattacharyya



Dr. Sukanta Chandra Swain



Dr. Rumna Bhattacharyya

### Abstract

*Fresh degree holders in Law education are not proficient enough to flourish in their profession particularly in the initial days of their career. But those who endure the rough phase of the profession, find it very ease and comfortable subsequently. On the contrary, those who succumb to the pressure and so-called negativity of the job, divert their profession leaving the one for which they were certified. It has become an example for the prospective legal degree holders not to land into the legal education. And if somebody goes for it, put it just as ornamental. This trend is not true reflection of the inherent traits of the profession. In order to wipe out this fallacious perception, the study is conceived. This study aims at the communication of knowledge gained through individual 'EXPERIENCE' - Stand up in order to per-me-ablate the same to the weaker section of the society in terms of their standup breakthrough come-up at par standard of the upper section of that society. As per the doctrine of conduction of Heat-Energy, the heat transmits from the higher temperature to lower temperature. Likewise Higher knowledge through purely private 'start up' must flow to the weaker section -brain -stand up as the absolute theory of social Equilibrium. This study is the outcome of purely intrinsic enterprise to propagate the concept of opening, 'LEGAL CLINIC' for the arousal of legal Awareness among the down-trodden-section of the society.*

*Key Words: Stand-Up, Knowledge, Trickle Down, Agenda, Legal Clinic*

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### Introduction:

The concept of stand-up India has been conceived for twin purpose of promoting Greenfield enterprise and supporting weaker section of the country through bank finance. While through this scheme, enterprise dealing with tangibles has got wide visibility, service sector, particularly education sector has not been the point of attraction for the financier. And in education sector, Law Education has not been thought of in the context of stand-up. However, on the basis of empirical fact, the idea has been conceived to go for stand-up in trickling down law education to the downstream. For the purpose, legal clinic-cum-academy established at Dhanbad (Jharkhand, India) has been considered from where 200 law college students and fresher in legal profession have been taken as respondents for this study.

'Struggling' in initial phase is inherent in the legal profession. As a result, a good number of potential aspirants don't join legal profession in spite of having the degrees. Moreover, many don't dare to join law education

owing to transparently visible dark side of the profession. However, considering the complicacies in the society, like health issues, every now and then, one or the other will have legal issues. Thus there is considerable demand for legal profession, alike the demand for doctors concerning health issues. While for health issues, customers (patients) go to the clinic run by the doctor/s, for legal issues, the potential lawyers or fresh lawyers go to the clinic of veteran lawyers to get trained and make use of that training for the service of the clients. In fact, in case of clinic of a doctor, the patients get direct benefit but in case of legal clinic, the clients get indirect benefit via the fresh or potential lawyers. Owing to paucity of time and inaccessibility, a veteran lawyer, may not serve the needy clients. But by virtue of his/her training, may be, trainees of his/her clinic could be able to serve the needy clients. But the concept of legal clinic has not got the identity yet and hence there is a gap between the demand and supply of quality law professionals. While there are many lawyers in every court who struggle to get clients just to maintain their bare living, some lawyers are there who

have the liberty of saying 'no' to many clients and lead a decent living.

Keeping the above on the backdrop, the paper aims at the communication of Legal academic knowledge from the non collegiate advocate to the recipient-fresher's; alike theory of conduction of Heat-Energy from Higher temperature to lower-end since the Law is eternal energy' as the best EQUALIFHER in the world of Radical Democracy on the basis of the Constituent Assembly became the 'nucleus' in Making of the Constitution of India in the year 1934-1935.  $E=mc^2$  (by Albert Einstein) is applicable to energy of legal clinic. In fact, this paper advocates establishing legal clinics in required number so that the skill of veteran lawyers will trickle down to the fresh and potential lawyers who will take the benefits to establish themselves in legal profession leading to surge in supply of quality lawyers. This, in turn, benefit the society at large as the clients will get quality legal service and the price for the service will definitely be less, as there will be more supply of quality service provider. Since the idea has not been tapped properly, in order to sponsor the deprived section like SC/ST or neglected section like women, this concept must be promoted through 'stand-up India'.

#### Response from the Legal Clinic Participants:

As mentioned in the previous section, 200 fresh and potential lawyers participating in a Dhanbad (Jharkhand, Ranchi) based legal clinic have been interviewed in order to know the need for such legal clinics and benefits there from. All the participants are in the age-group 20-30 years.

#### Whether Participants like Collegiate Teachers or Non-Collegiate Teachers?

In order to unfold whether the participants prefer teachers they are/were having in their colleges (collegiate teacher) or the teacher they are getting in the clinic (non-collegiate teacher), this question was kept and it is found that most of the participants prefer non-collegiate teachers. However, 30% of the participants, as presented in chart-1, feel both are important but while the former help in gaining knowledge to obtain degree the latter help in honing skill to have livelihood. Although they need both set of teachers, from their response, considering the importance of their contributions, it seems, they are more inclined towards the non-collegiate teachers. Thus it is inferred that there is a great need of legal clinic that will supplement the classroom teaching to strengthen the employability of the law degree holders.

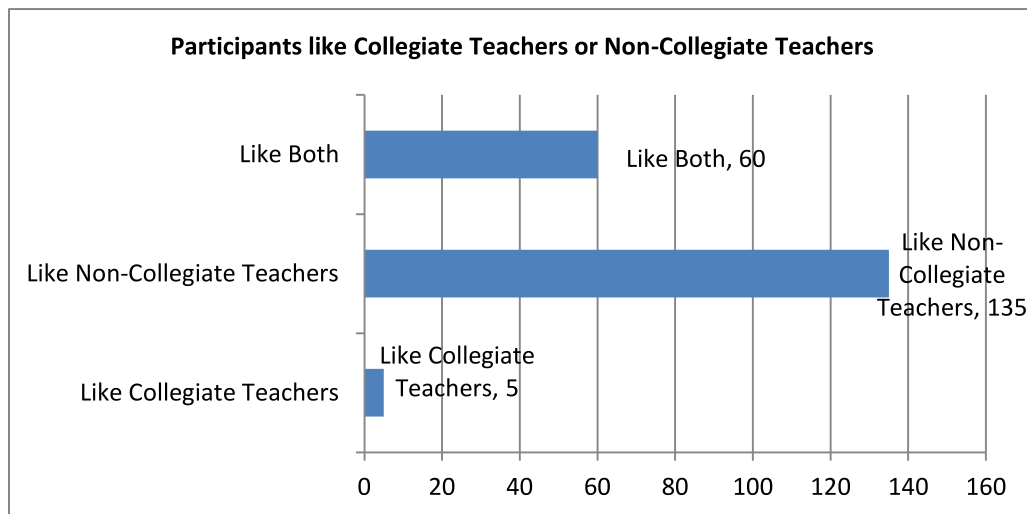


Chart-1; Source: Primary Data

### Whether Participants mind to pay more in joining Coaching Institutions?

Coaching institutions are in small scale but suggested legal clinics are basically in large scale in the sense that joining coaching institutions means, one need to pay more because of small intake, for economic viability, they charge bit more. On the other hand, because the intake will be large, with very less charge also, the clinics can run and make it viable. In order to know whether the participants can pay more to join coaching institutions, this question was put. It is found that 25% of the participants responded that they won't mind to pay more but they need to learn as per the expectation. These 25% are basically from well-to-do families. On the other hand, 75% of the participants look at the cost factor as presented in chart-2. As such, those who are caring for the cost will definitely advocate the clinics and those who are care free towards cost also, since they are cautious about the quality, may be on comparison, they may be inclined towards clinics also.

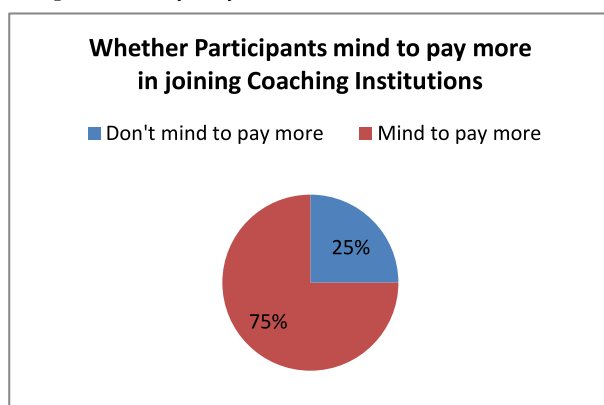


Chart2; Source: Primary Data

### Satisfaction level of the Participants on Clinic Inputs

In order to know whether the participants are satisfied with the inputs given by the clinic they have joined, 5-point Likert scale was used and it is found that the average rating has come up 4. It means participants are mostly satisfied. The detailed responses are presented in the chart-3.

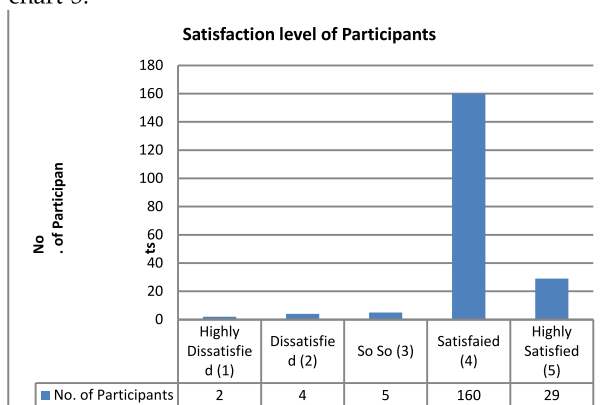


Chart3; Source: Primary Data

### Suggestions by the Participants

Although almost all the participants are satisfied with the inputs they receive from the legal clinic, owing to their high expectation level, they suggest the following;

- There must be multiple clinics in a locality in order to avoid clumsiness.
- There must be a line of linkage between the clinic and colleges in order to have integrated learning environment.
- Legal clinics must be embedded with modern technology in order to access the benefit everywhere and anywhere.
- There must be learning management system implemented so that the clinic will be there every time with the participants.
- Outcome-based learning should be implemented so that every participant will have proper value addition in the form of knowledge and skill.
- Each participant should be given the chance to every activity in the legal arena and exposed to the Court.
- Mentoring system must be there in order to provide hand-holding to them like the nurses in the clinics of health care.
- Timely up-gradation of clinical instruments such as books, journals, etc.
- Inter-clinic exchange of talents and participants in order to inculcate adaptability to cultural variations.
- Participants' feedback system needs to be there in order to develop the teaching-learning process.
- Along with legal training, there must be proper training regarding values and ethics both personal and professional.
- In order to make the clinical facilities very common and popular, there must be governmental intervention in the form of support and promotion.
- Stand-up India' move may have a special drive for legal clinic.

### Conclusion:

Legal-academic-knowledge is a living organic substance that can be transferred from one to another without any decay at the source. In fact, the source gets sharpened in the process of transfer so also the destination. Teacher-and-taught Relationship is eternal and perpetual. Therefore, there should not be any constraint relating to payment to have quality education. This can be addressed by the legal clinics. In the Legal world, the more you read, the more you forget. Hence there is the need of Legal clinics. For an advocate, everything ends up in Books (Readers trekker) in the Legal world. Legal-Knowledge is developed by regular academic debate/Seminars in

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professionalism. Hence legal clinics are last resorts. There is a wide scope in Jharkhand to explore Legal Teaching profession by individual startups of Legal Clinics. Jharkhand with abundance of resources of all sort, will give boundless in terms of professional outcome, efficiency and satisfaction.

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# Challenges and Hindrance in Adoption of Schemes like Startup India: A Case Study on Entrepreneurship



Praveen Kumar

## Abstract:

*This paper aims at challenges and hindrances faced in lieu of scheme startup India. Startup scheme was launched by the Indian Prime Minister on 16th January 2016 at Vigyan Bhavan, New Delhi under the Department Of Industrial Policy and Promotion (DIPP). Startup India is a flagship programme aiming at building strong ecosystem for nurturing Innovation and leveraging it for sustainable economic growth & development with job creation. This whole programme aims at primarily on simplification and handholding; funding and nurturing and support by incubation centres at premier Institutions in India. In Indian society, caste specific (Marwari, Gujrati, Bania etc) entrepreneurship model is in vogue and plenty but lacks mostly the innovation and are repetitive in nature. For economy to grow and develop it is important for Innovative Product and Business model to create fresh opportunity at small and medium to cater sustainability. This innovation has to spread across all vertical from high end technology and IT to manufacturing, healthcare, education agriculture and social sectors.*

*The prime challenge faced by the start-ups and entrepreneurs is apathy and mistrust by the financial institutions. The attitude of entrepreneurs also remain at short term gain rather than rather than long term plan to continue and grow.*

*The case study is about the challenges faced by an entrepreneur at Ranchi and how he is struggling for finances and operations etc. Getting funds and lack of proper bank loan guideline is creating trouble the most. Ecosystem of startup may be able to provide conducive atmosphere for him to sustain and grow in his venture*

*Keywords: startup, innovation, mindset, finance, entrepreneurship*

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## Introduction

Startups are not just any other venture. It is the venture of hope and ideas from the person capable of ideating and executing. Entrepreneurs entering into a venture see the ray of hope of possibility and optimism and make them start. They sell their ideas to possible investors and for this their belief system has to be strong about the idea. This strong belief gets translated into other person belief for him to be convinced to nurture and support the venture financially and otherwise. He has to set a clear set of objectives for the future course of action so that he can be specifically monitor the progress with reference to time and achievement. He sets the pace and correct the direction for expected outcome.

Personality wise he needs to have poise and composure as the journey takes off so that in times to come when venture grows as expected and beyond his imagination his composure is maintained and he is able to give direction.

Entrepreneurs may have to undergo unexpected shocks during his venture. His training, motivation and character come to rescue at those difficult times. He needs to act as a shock absorber for his venture and team.

Entrepreneurship is nothing new to Indian context. In the vedic varna system the viashya community is known to have business venture. The cast specific to business like baniyas and marwaris are known to be in venture and they have a family lineage system of learning curve for the venture. However these business are mostly repetitive in nature and lacks the innovation to start.

Startup India in that reference is an Innovation driven model and a compliance from the Govt authority is mandatory to be categorized for Startup venture.

## Review of literature

Prime Minister Shri Narendra Modi unveiled an Action

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Plan for Startups on 16 January, 2016 highlighting various initiatives and schemes being proposed by the Government of India to build a strong eco-system for nurturing innovation and empowering Startups in the country. The Action Plan proposes a 19-point action list which will enable setting up of incubation centres, easier patent filing, tax exemption on profits, setting up a Rs.10,000 crore corpus fund, ease of setting-up of business, a faster exit mechanism, among others.

The startup India is an initiative of the Government of India to build a strong eco-system for nurturing innovation in order to accelerate economic growth and generate employment opportunities.

For this purpose, "Startup" has been defined to mean an entity incorporated or registered in India, with an annual turnover not exceeding Rs.25 crore in any preceding financial year, and working towards innovation, development of new products, or services driven by technology or intellectual property.

Additionally, it has been provided that the entity:

- should not be formed by splitting up, or reconstruction, of a business already in existence;
- shall cease to be a Startup if its turnover exceeds Rs.25 crore in any preceding financial year, or it has completed 5 years from the date of incorporation/ registration.
- will be eligible for tax benefits only after a certificate is obtained from the Inter-Ministerial Board set up by the DIPP for this purpose.

The key proposals of the Action Plan are:

#### General Initiatives

##### Compliances based on Self-Certification

- Compliance pertaining to 6 labour and 3 environmental laws will be allowed to be self-certified through the Startup mobile app.
- No inspections will be carried out under labour laws for a 3 year period.

Startups classified as White Category as defined by the Central Pollution Control Board will be allowed self certification under environmental laws, with only random checks proposed.

#### Startup India hub

- Government to set up a Startup India Hub which will be a single-point of contact for Startups.
- Such hub will enable knowledge exchange by collaborating with various stakeholders such as the Central and State Governments, legal partners, consultants, universities, R&D institutions and assist in the funding process.

#### Establishment of Fund of Funds with a corpus of Rs.10,000 crore

- Government to set up a Fund with an initial corpus of Rs.2,500 crore and a total corpus of Rs.10,000 crore over a period of 4 years.
- Such Fund will not invest into Startups directly, but capital of SEBI registered Venture Funds.
- Such Fund will be managed by a Board with private professionals drawn from industry bodies, academia, and successful Startups.
- The Venture Fund may obtain up to a maximum of 50% of the fund size from the Fund of Funds, provided it has already raised the balance 50% of the stated fund size.

#### Credit Guarantee Fund for Startups

- Credit Guarantee Fund aims to catalyse entrepreneurship through credit to innovators across all sections of society.
- The Credit Guarantee mechanism shall be rolled out through the National Credit Guarantee Trust Company/ SIDBI with a budgetary corpus of Rs.500 crores per year for the next 4 years.
- Startup fests
- Introduction of Startup fests to bolster the Startups ecosystem and provide a platform to showcase ideas and work with a larger audience.
- As a part of the "Make in India" initiative, the Government proposes to hold one fest at the national level and one fest at the international level in an international city on an annual basis.
- Such fests would help in showcasing innovation and provide a platform for collaboration thereby connecting with investors, mentors, incubators, exhibitions, product launches, etc.

#### Launch of Atal Innovation Mission ("AIM")

AIM proposes to promote entrepreneurship through Self-Employment and Talent Utilization ("SETU"), wherein innovators would be supported and mentored to become successful entrepreneurs. This would be achieved through:

- Establishment of sector specific incubators;
- Establishment of 500 tinkering labs;
- Pre-incubation training
- Strengthening of existing incubation facilities;
- Seed funding to high growth startups.

AIM also proposes to promote innovation through:

- Institution of innovation awards (3 per State/UT and 3 at National level);

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- Providing support to State Innovation Councils for awareness creation and organizing state level workshops/conferences;
  - Launch of Grand Innovation Challenge Awards for finding low cost solution to India's pressing problems.

#### **Set up of Incubators**

- To leverage private sector expertise in the set-up of incubators, it is proposed that 35 new incubators be set up in existing institutions.
- Funding support of 40% (subject to a maximum of Rs.10 crore) is proposed to be provided by the Central Government for establishment of new incubators in existing institutions; balance funding to be committed by the respective State Government and private sector.
- 35 new private sector incubators will also be set up with a grant of 50% (subject to a maximum of Rs.10 crore) provided by the Government.

#### **Innovation centres**

- In order to augment incubation and R&D efforts, 31 centres of Innovation and entrepreneurship will be set-up/ scaled up for providing facilities to over 1,200 Startups, at national institutes.
- These 31 centres will include 13 Startup centres and 18 technology business incubators to be set up/ scaled up at IIMs/ NITs/ IITs.

#### **Research Parks**

- 7 new research parks are proposed to be set up with an initial investment of Rs.100 crore each.
- These parks shall enable companies with a research focus to set up base and leverage the expertise of academic/ research institutions.
- Promote entrepreneurship in biotechnology
- 5 new bio clusters, 50 new bio incubators, 150 technology transfer offices and 20 bio connect offices will be established through Biotechnology Research Assistance Council (BIRAC).
- Biotech Equity Fund – will be set up in partnership with National and Global Equity Funds to provide financial assistance to young Biotech Startups.
- Innovation focused programs for students
- Innovation core program shall be initiated to target school kids with an outreach to 10 lakh innovations from 5 lakh schools. Further, 10,000 innovations will be provided prototyping support and the top 100 would be showcased at the Annual Festival of Innovations at the Rashtrapati Bhavan.

#### **Tax Insights**

- A Grand Challenge Program – NIDHI (National Initiative for Developing and Harnessing Innovations) to be initiated to support and award Rs.10 lakhs to 20 student innovations from Innovation and Entrepreneurship Development Centres.
- Uchhattar Avishkar Yojana scheme will have an earmarked fund Rs.250 crore per annum towards fostering “very high quality” research amongst IIT students.
- Annual Incubator Grand Challenge
- In order to assist in building world class incubators, the Government proposes to initially identify and establish 10 incubators with financial assistance of Rs.10 crore each.
- Further, an annual “Incubator Grand Challenge” will be held to identify incubators who can become world class.

#### **Regulatory**

##### **Mobile App and Portal**

A Mobile App and Portal would be launched by 1 April, 2016 to provide on-the-go accessibility for:

- Registration of Startups through a simple form and obtaining certificate.
- Filing of compliances and obtaining information on various clearances/ approvals/ registrations.
- Provision of a platform for collaborating with other stakeholders such as venture funds, incubators, academia, mentors etc.
- Applying for various schemes of the Government under the Startup India initiative.

##### **Faster Exit for Startups**

- The Insolvency and Bankruptcy Bill 2015 (“IBB”), will allow fast
- Employment and Talent Utilization (“SETU”), wherein innovators would be supported and mentored to become successful entrepreneurs. This would be achieved through:
  - Establishment of sector specific incubators;
  - Establishment of 500 tinkering labs;
  - Pre-incubation training
  - Strengthening of existing incubation facilities;
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- 35 new private sector incubators will also be set up with a grant of 50% (subject to a maximum of Rs.10 crore) provided by the Government.
- The Startups will have to demonstrate their capability to execute the project as per requirements and should have their own manufacturing facility in India.

## Tax

### Capital gains tax exemptions

- A capital gains exemption mechanism has been proposed for investors (class of investors to be specified) investing in the Startup ecosystem.
- Capital gains invested in "Fund of Funds" recognized by the Government shall be exempted.
- Further, existing capital gains exemption for investment in newly formed manufacturing Micro, Small and Medium Enterprises (MSMEs) by individuals shall be extended to all Startups.
- For Startups, investment in computer or computer software (used in core business activity) to qualify as purchase of "new assets".

### Income-tax exemption for 3 years

- Income-tax exemption proposed for Startups for a period of 3 years.
- Exemption subject to non-distribution of dividend by the Startup.

### Tax exemption for investments made above Fair Market Value (FMV)

- Investments made by incubators in Startups proposed to be insulated from the rigors of Section 56(2) (vii b) of the Income-tax Act, 1961. Any consideration received by Startups for issuance of shares over FMV to

incubators, not to be taxed in the hands of the Startup.

- The term "incubator" is yet to be defined for the above purpose.

## THE CASE:

This case is about an entrepreneur who started a restaurant at a very prime location in Ranchi, the state capital of Jharkhand, India. The entrepreneur is an MBA from a tier-2 college in India significantly well known. He is good in social skills. He has been in service at sales profile for last 5 years in different consumer durable segment. He got married and had two daughters. Though his earning may be considered good enough to sustain a decent life style for present, his anticipation for future major expenses like marriage, education and health has pushed him towards the thought of generating higher income.

During a casual interaction with his uncle, he proposed a business plan with a lot of conviction and confidence of opening a humble restaurant / eatery serving limited high sale items and expressed a desire of finance. His uncle who is relatively well to do had agreed to support and invest in the venture primarily without any specific preconditions. His brother in law had an experience in the similar line of business and had assured technical support like sourcing manpower, infrastructure etc.

His uncle was interested in investment in the venture as he had some idle capital and has a vested interest of getting some assured return and settling his one of the son on the business which he did not made clear at the initial phase. His uncle expressed his ability and willingness to invest to the tune of Rs 10 Lakh. His initial plan to start with a small eatery would have hardly required a capital investment to the tune of Rs 4 Lakh. Since he had a surplus capital available he expanded his plan to increase the product offering portfolio horizontally and started in the plan for a full fledged restaurant. For which he had no experience of the nuances of management at that level. His expenditure for the rent went from anticipated Rs20,000 to Rs 80000 per month the manpower requirement also increased infrastructure investment was also made at higher than expected.

One fine day with good intention the restaurant business started with all the best wishes. Initially many people visited the restaurant for trial and many friends visited gestural. As the manpower was not very professional and production infrastructure was also not very much set the consistency in quality in taste and hygiene was a want at many occasions. Later on attrition of manpower was also observed and change in the hand of the chef and lack of professional hotelier was also creating challenges. His investor uncle had started interest in operational issue and made his one of the son involved in the business. His uncle's direct interaction with the staff made him feel

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marginalized and triggered a clash of ego for various demonstration of position of superiority by both of them. The conflict rose to such an extent that his uncle offered to withdraw the investment and suggested to find the alternate investor. He called for the meeting with his friends who were either bankers or well to do in search of potential investors. None of them offered to invest or extend loan for the way the operation was done at the restaurant. The major reasons were mostly during their visit to restaurant they had experienced the sub standard food, non professional outlook of the staff and his communication about the sales or customer footfall were not matching with the reality as observed and perceived by the potential investors.

His uncle had started squeezing his resources for operational expenditure. There were many want of required infrastructure, lack of skilled manpower, division of labour, clear standard operating procedure, training in the staff to sustain the standard of quality and cross sales and up sales by the order taking staff, and the awareness of the same in the management. Since there was an ownership conflict in the want of clear communication of dos and don'ts, or a formal memorandum for the venture, social loafing started to surface. In the insecurity of resources he got in a habit of getting credit with 3 suppliers of grocery. He was not keeping an analysis of the data on sales and order. He was also not maintaining an optimum stock and was not ordering the materials based on EOQ(Economic Order Quantity) based on ABC analysis of inventory. He has created a portfolio of three suppliers to increase his credit limit. He is right now putting a lot of time in the business but it is observed by the friends that his investment of time and effort is less on learning of the core strategic skills and more on handling operational issues and damage control. His friends are of the opinion that as he has not put any capital of his own, he does not perceive any risk. Some of operational errors like ordering equipment with full advance which was not required at that time was returned but refund is still awaited (equipment worth Rs 1.75 Lakh) has put strain on the capital.

It has been 4 months now since the restaurant has opened, many a time occupancy observed is around less than 25 percent. Good news is that food quality is improving in couple of last experiences.

#### **Take away from the case:**

Return on Capital:

Why : Capital has a cost borrowed from the Financial Institution(FI) or Individual on Interest. Even if it is not costing any interest there is a foregone interest which the Capital would have otherwise earned or Opportunity Cost for the Capital.

How: He has to decide the portfolio. It is pertinent to be able to judge the level of diversification (horizontal and vertical) of startup for maximizing the probability of increasing the Return on Capital.

When: It the time frame which is the most important factor in any business to achieve the Break Even Point and subsequently the profit.

#### **Conclusion**

Startup India has the potential to transform India by utilizing technology and Innovation. This is bound to encourage the youth to create jobs for many rather than searching one for self. Incentives like tax holiday for three years and liberal policy of compliance by self declaration is going to be of great help. Simpler exit policy and cheap patent is going to prove major relief for startups and going to encourage the entrepreneurship and investment leading to job creation. The case study suggest the practical dos and don'ts for any venture including startup. It is always better to learn from the others mistake rather than doing oneself.

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# The ICFAI University, Jharkhand

## About Us

The ICFAI University, Jharkhand (IUJ) was established under the provisions of the Institute of Chartered Financial Analysts of India University Act, 2006 (Jharkhand Act No. 08 of 2007), vide Notification dated June 17, 2008 of the Government of Jharkhand. The University is sponsored by the Institute of Chartered Financial Analysts of India (Icfai), a not-for-profit educational society established in 1984 under the Andhra Pradesh (Telangana Area) Public Societies Registration Act, 1350 F (Act No.1 of 1350F) with the objective of imparting training in finance and management to students, working executives and professionals in India

The IUJ is included in the list of universities maintained by University Grants Commission (UGC) under section 2(f) of the UGC Act, 1956 vide their letter no F.8-17/2009(CPP-I) dated 01 Dec 2009.

The University believes in creating and disseminating knowledge and skills in core and frontier areas through innovative educational programs, research, consulting and publishing, and developing a new cadre of professionals with a high level of competence and deep sense of ethics and commitment to the code of professional conduct.

## Faculties of the IUJ

The IUJ has two faculties; i) Faculty of Management Studies (FMS) and ii) Faculty of Science & Technology (FST). While FMS is committed to provide quality education and training along with research in the field of management by helping the students to develop business and personal competence through their exposure to real business problems, case-based analysis and industrial interaction, FST is devoted to offer advanced industry-oriented education in the field of technology.

### FMS offers;

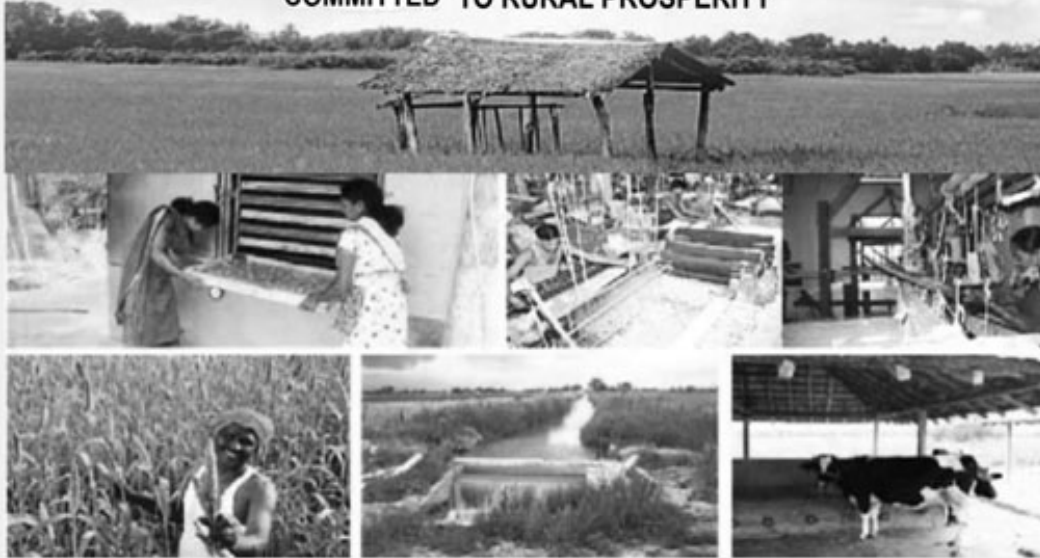
- **MBA** (Masters of Business Administration), a two year campus based program for graduate students,
- **M. Com.**, a two year campus based program for graduate students,
- **MBA-WP** (Masters of Business Administration for Working Professionals), a two year campus based program for working graduates,
- **M. Com-WP**, a two year campus based program for working graduates,
- **BBA** (Bachelor of Business Administration), a three year degree program for the students of Class 10+2,
- **BCA** (Bachelor of Computer Application), a three year degree program for the students of Class 10+2 on merit basis,
- **B. Com. Honours** in Banking/ Financial Services/ Insurance, Accountancy and Computer Application, a three year degree program for the students of Class 10+2 on merit basis, and
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### FST offers;

- **B. Tech.** (Bachelor of Technology), a four year degree program for the students of Class 10+2 Science (PCM group) on merit basis.
- **B. Sc. Honours** in Computer Sciences, a three year degree program for the students of Class 10+2 Science on merit basis, and
- **Diploma in Engineering**, a three year Program for the students of Class 10 on Merit basis.



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The Contents in this Issue are well-written, comprehensive and well-researched		
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