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# RESEARCH JOURNEY

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Multidisciplinary International E-research Journal

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December : 2017  
SPECIAL ISSUE - XXII

**Guest Editor**

Prin. Dr. Dilip Shinde

**Chief Editor**

Dr. Dhanraj Dhangar

**Executive Editor**

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## **Commerce and Management**



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- Executive Editor



## **GST: IMPACT AND IMPLICATIONS ON VARIOUS INDUSTRIES IN INDIAN ECONOMY**

**Dr Ritu Jain**

Post-Doctoral Fellow

Department of Economic Administration and Financial Management

### **Abstract :**

*GST that is Goods and Service Tax is the latest kind of Indirect Tax which is proposed to be in force from 1st July, 2017 which is already in force on many countries around the world and they all were considering it as their sales Tax system. The GST will be the levied on the manufacture, sale and the consumption of goods and services in India. It is said to be the biggest form of reform in the indirect taxation aspect ever since 1947. The council of the GST will be headed by the Union Finance Minister that is currently Arun Jaitley. The main purpose of GST is to bring about the single tax system for the manufacture and the sale of goods at the both central and the state level in the country. The GST is mainly implemented to remove all other taxes like VAT (Value-Added Tax), Excise duty and Sales Tax. The Tax will be very much useful for the consumers in the aspects of payment of Taxes that is, we all have to pay separate tax at state level and at central level for the goods and services purchased and after the GST there will be only one tax to be paid for the goods and services consumed which is the Goods and Services Tax (GST). This paper brings out about the overview of the concepts of GST and its impact and implications on the various Industries in the Indian Economy. Through this paper we can be in a position to understand about the concepts, objectives, impact and the implications of the Goods and Service Tax in India.*

**Keywords:** Indirect taxation; Goods and Service Tax; Marketing; Structural equations

### **Introduction**

GST is the crucial form of Indirect Taxation which is said to be the indirect taxation reform ever since our Independence. The GST is said to bring about the economic integration said by our Union Finance Minister Arun Jaitley during the Budget speech at 2016. The Goods and Service Tax is levied on the manufacture, sale and consumption of the goods and services. Through the implementation of GST, all other taxes like Value Added Tax, Sales Tax will be removed and a uniform tax system on goods and services will be followed.

The legal procedures in implementing, consent from all the states, proper literacy on the concept of GST are the challenges associated with the implementation of GST.

### **Objectives of Gst**

1. To remove the cascading effect of taxes that is through this Single taxation system (GST) the tax on taxes will be removed easily.
2. To reduce the Tax evasion and Corruption
3. To bring about the consumption based tax instead of manufacturing



4. To absorb various Indirect taxes and to bring a single system of taxation
5. To remove the prices of goods by having a uniform system of taxation over the country.
6. To increase the GDP by the exclusion of cascading effects of Taxation.

### **Methodology**

This study is descriptive in nature and it used the exploratory technique. The data for the study were gathered from the secondary sources such as journals, articles published online and offline on various newspapers and websites.

### **Concept Overview - Gst At A Glance**

#### **Goods and Service Tax-Explained**

The GST is the proposed Indirect tax system which is levied on the manufacture, sale and the consumption of goods and services. It will replace all the indirect tax systems such as sales tax and value added tax. The main purpose of GST is to bring about the single uniform system of taxation in the manufacture, sale and the consumption of goods and services in India.

The GST is said to reduce the level of Tax evasion and the corruption and it also reduces the tax burden of the public.

#### **Proposed GST Rate**

The rate of the proposed Goods and Services Tax for the certain goods and services are laid down by the government which is as follows.

1. For Goods the Total GST rate is 20 % in which 12% of the tax is levied by Central while remaining 8% will be levied by the state.
2. For Services the Total GST is 16% out of which 8% is for the Central and 8% is for the state.
3. For the essential Goods the GST is levied at 12% in which is divided equally that is 6% for Centre and 6% for state.

Currently, it is collected in the form of VAT which is 26.5% that is Central Value Added Tax is 14% and State VAT is 12.5%.

The above mentioned percentage of Goods and Service Tax is just a proposed value it may subject to change as per the revisions make up by the Executive Committee and the government.

#### **Products not covered under GST**

The Goods and Service Tax does not include certain products they are as follows.

- Petroleum Products
- Alcohol
- Tobacco Products

#### **Need and Importance for GST**

- To bring about the uniformity in the System of Indirect taxation.
- To remove the cascading effects of Tax.
- To bring about the economic integration.





- Generally, the Taxes are imposed at various rates among various states in India.  
So, there is a huge loss of revenue to the central as well as state government. Through GST a uniform tax rate is followed all over the country and so that there will no such loss of revenue.
- Reduces complexities and increases more number of economic transactions.
- The GST brings about a competitive pricing. As all the products are taxed uniformly across the country, the various forms of indirect taxes will remove and which in turn will reduce the tax burden of the consumers. This will reduce the prices of the products and increases the consumption which in turn will be more beneficial for the companies.
- Generally, the main aim of GST is to bring about the single tax system which will reduce the cost of production for the manufacturers, So that it will be a big boost for those producers who made their products at lower cost and involves in international trade that is exports.
- As it is the Single Tax system, the tax burden for starting industrial units will be reduced; As a result when more industries were created it will ultimately result on more employment.

### **Impact of Gst on Various Sectors**

The GST is said to have a positive impact on the economy as a whole. But when it comes to sectoral-wise classification, the GST have both positive as well as negative impact on each of the sectors. Here are some sectors given and its GST is given below

**Technology (Information technology and ITeS):** The GST system of indirect taxation has made the duty on the manufacturing goods from 14% to 18-20%. As a result, the prices of the software products will be at high which will give either a neutral or slightly negative impact on the Technology Sector as a whole. But they will be benefited through the reduction of tax and benefits of other industries and can somewhat mitigate it.

**Telecommunications:** The telecommunications sector is presently paying the tax at the rate of 14% which is expected to be increased during the GST regime. And, it is assumed to be around 18% which will be expected to be passed over to the customers and this gives a picture that GST will adversely affect this sector.

**Pharmaceuticals:** Presently, the Pharma companies are paying taxes around 15.20%. Since, there is no clear picture of tax treatment for Pharma if it is less than 15% it would be a positive impact on the Sector but if it is above 15% then it will cause some slight negative impact.

**Automobiles:** The Automobile industry is currently paying a tax rate of a range between 30-45%. And it is expected that after GST the rate will be around 18% which will be a huge positive for the automobile industry and which will be profitable to both the Manufacturers/ dealers and the ultimate consumers. The standard and the social status of the consumers get uplifted. There will be a huge boom in the Automobile Industry as a result of implementation of Goods and Services Tax.

**Financial Services:** The Financial services such as banking, Stock Trading firms are currently paying 14.5% as VAT which is likely to be increased to 18 to 22% in the near future under the GST regime. And the services are likely to be costlier.



Textiles: Currently, the Textile industry is paying the tax at the rate of nearly 12.5% plus surcharges and which varies upon the MRP of the products. Since there is no clear idea about the tax rate of this industry under the regime of GST it is expected at the rates of 15% which will be having a moderate impact on the industry.

This moderate impact may either be neutral or slightly negative when compared to the other present system of taxation. But they will be benefited through the reduction of cost in transportation, savings etc.

Media and Entertainment: The tax rate for the Media is around 22% as of now and since the authority for the levy of taxes remains to be the right of the local bodies, it is expected that the cinema fares are expected to come down after the GST regime and the cost of DTH and cable television services are likely to become costlier. There is somewhat either neutral or slightly negative impact of GST on the Media and Entertainment Industry.

Consumer durables: The current of tax rate of this industry is around the range between 23-25%. And under the GST regime it is considered to be lower around 15% which will be positive impact to this industry.

Real estate: Real estate contributes about nearly 7.3% of India's GDP and it is the largest generator of employment immediately after IT. Real estate is said to get a positive impact under the GST regime immediately after its implementation. It is expected that since there is a single system of Taxation under GST, all other forms of indirect taxation will be removed which results on reduction of property prices and the cost of construction. Thus, we can have a positive impact of GST on the Real estate sector.

### **Problems in Implementing GST**

There are certain challenges and problems in implementing the GST in India. Some of them are as follows.

1. There is no such clear picture about the GST both to the government and to the general public.
2. There is no cooperation between the Central government and the state government in implementing the GST. Even though, if implemented the levy of Tax remains on the part of the state.
3. The State government generally refuses to accept it. As the states levy taxes on the Destination principle i.e. (the state in which the product or service is sold or rendered), so in order to lose the revenue they were avoiding it.
4. The Revenue Neutral Rate (RNR) is the key factor responsible for the effective implementation of GST. But under GST, we could not say that the revenue remains same as that of the current system of taxation.
5. Loss of revenue to the state. If we buy any product the VAT @ 14.5% is included towards it, after the GST regime, there will be no VAT then it results on the loss of revenue to the state.

### **Suggestions And Recommendations**

- To provide literacy and awareness about the GST
- Effective spending on efficient Tax administration staff



- Well maintenance and frequent follow ups of GSTN (Goods and Service Tax Network) portal for better relationship with various stakeholders.
- In order to avoid the unnecessary loss of revenue to the state government, the central government may think about the considerable percentage of GST which will be helpful for all stakeholders of GST.
- Consent from all states and suggestions from every state for betterment of GST and the source of Tax revenue.

### **Conclusion**

The GST is very crucial tax reform since independence of India, so it must be better handled with utmost care and analyzed well before implementing it. And, the government both central and state have to conduct awareness programs and various literacy programs about GST to its various stakeholders.

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## AWARENESS OF CASHLESS PROGRAMME: A CASE STUDY OF BILASPUR CHHATTISGARH

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Manharan Anant<sup>3</sup>

### Abstract :

8th November 2016 is a landmark in the economic history of India. This is the day on which demonetization of Rs 500 and Rs.1000 currency notes by Hon'ble Prime Minister of India Narendra Modi were announced. The announcement was so sudden and kept people unprepared for that some media termed it a surgical strike on black money. The two currency notes ceased to be legal tender from 8th midnight, though they were allowed use in some selected outlets and institutions like petrol pumps, hospitals, railway counters etc. On 8 November 2016, Prime Minister of India, Narendra Modi, launched Cashless Programme & this programme was added with Digital India . The main objective of cashless programme was to stop the corruption & digitally literate the population of India. Thus, Modi government is targeting to create digital awareness & join with digital cashless programmers. The cashless transaction system is growing day by day, with globalization of market and with growth of banking sector more people are moving from cash to cashless system. The cashless system is not ornamental but essential requirement of today's society. All the online market basically depends on cashless transaction system. It will be very convenient for everyone if cashless transactions are widely accepted. The cashless transaction is not only safer than the cash transaction but it is less time consuming. Government want to be establish smart policing cell, a regulating authority like IRDA, SEBI for online transaction to preventing hacking, fraud and cheating and also establish a fast track court for quick justice.

**Kew Word:** Demonetization, Cashless, Online Transaction, Digital Transaction, cashless Programme.

### Introduction :

Digital India is a campaign launched by the Government of India to ensure that Government services are made available to citizens electronically by improved online infrastructure and by increasing Internet connectivity or by making the country digitally empowered in the field of technology. It was launched on 1 July 2015 by Prime Minister Narendra Modi. The initiative includes plans to connect rural areas with high-speed

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internet networks. Digital India consists of three core components. The major objective of Digital India is to equip rural areas of the country with paramount digital infrastructure, digital delivery of services, and digital literacy. The responsibility of handling the working of the project has been delegated to the Digital India Advisory group, chaired by the Ministry of Communications and IT. Services relevant to Healthcare, Education and Judicial services are all subsets of the assignment.

Cashless is one of professed role of Digital India. As part of promoting cashless transactions and converting India into less-cash society, various modes of digital payments are available. A cashless payment system in India describes an economic state whereby financial transactions are not conducted with money in the form of physical banknotes or coins, but rather through the transfer of digital information (usually an electronic representation of money) between the transacting parties. Cashless societies have existed, based on barter and other methods of exchange, and cashless transactions have also become possible using digital currencies such as bit coin. However this article discusses and focuses on the term "cashless society" in the sense of a move towards, and implications of, a society where cash is replaced by its digital equivalent - in other words, legal tender (money) exists, is recorded, and is exchanged only in electronic digital form. Cashless India is a recently introduced phenomenon targeted to bring a sea change in the country's economy by the Indian government, transforming the cash-based economy into cashless through digital means. Cashless India is a mission launched by the Government of India led by Prime Minister Narendra Modi to reduce dependency of Indian economy on cash and to bring hoards of stashed black money lying unused into the banking system. The country embarked upon this transition to a cashless economy when the government took the revolutionary step of demonetisation of old currency notes of Rs 500 and Rs 1000 on November 08, 2016. It saves the government substantial costs in printing and circulation of currency notes.

## Literature Review

Annamalai, S. and Muthu R. Iiakkuvan (2008) in their article "Retail transaction: Future bright for plastic money" projected the growth of debit and credit cards in the retail transactions. They also mentioned the growth factors, which leads to its popularity, important constraints faced by banks and summarized with bright future and scope of plastic money.

Alvares, Clifford (2009) in their reports "The problem regarding fake currency in India." It is said that the country's battle against fake currency is not getting easier and many fakes go undetected. It is also stated that counterfeiters hitherto had restricted printing facilities which made it easier to discover fakes.

Ashish Das, and Rakhi Agarwal, (2010) in their article "Cashless Payment System in India- A Roadmap" Cash as a mode of payment is an expensive proposition for the Government. The country needs to move away from cash-based towards a cashless (electronic) payment system. This will help reduce currency management cost, track transactions, check tax avoidance / fraud etc., enhance financial inclusion and integrate the parallel economy with main stream.

Bansi Patel, Urvi Amin in their article "Plastic Money : Roadmap Towards Cash Less Society" the world glance as per technology changes suitable changes should be adopted by



the economy. And among all the changes in economy lead to some drastic changes in to the transaction. Now days in any transaction Plastic money becomes inevitable part of the transaction. And with it life becomes more easy and development would take better place. Relating to Indian scenario how the plastic money took place in the banking world would be focus by the researcher over here. And along with the plastic money it becomes possible that control the money laundry and effective utilization of financial system would become possible which would also helpful for tax legislation. Jain, P.M (2006) in the article “E-payments and e-banking” opined that e- payments will be able to check black money. Taking fullest advantage of technology, quick payments and remittances will ensure optimal use of available funds for banks, financial institutions, business houses and common citizen of India. He also pointed out the need for e-payments and modes of e-payments and communication networks.

Nayak, Tapan Kumar and Manish Agarwal (2008) in their paper “Consumer’s behavior in selecting credit cards” discussed about the factors influencing the selection of credit cards among consumers. The major factors points out by them are service offers, promotional offers, interest benefits, cash benefits, ease of payments, payment charges, card benefits and time benefit.

R. Shenbagavalli, A. R. Shanmugapriya, and Y. Lokeshwara Chowdary , in their studies “Risk Analysis of Credit Card Holders” time has come were the customers need to know the degree of risk involved in the usage of plastic money, and the study had helped to identify the factors and the degree of risk exposed and the protective measures available to minimize the financial and operational risk. It’s clear from the study that the awareness of the customer is comparatively less and the credit card issuing banks are processing a strategy to educate the users of credit card.

Reddy, Ramakrishna (2006) in his article “Card products in India,” commented about the reasons for not attaining full growth potential among card products and suggest remedies for growth in this field for the benefit of all players.

Saha, Tapash Ranjan (2006) in the article “Debit cards overtaking credit cards in India”, provided comparative features of both credit cards and debit cards and its volume of transactions from 1995 to 2005, shows that debit cards growth is out placing the credit cards. Srinivas, N. (2006) in his study “An analysis of the defaults in credit card payments”, has tried to analyze the socio-economic profile of the defaulters of credit cards, to identify the set of factors which contributed to such defaults and suggest relevant measures to minimize the default cases. Analysis of reasons indicated that economic hardship is the major Reason identified by majority of the sample units follows by rigid payment structure and loss of job/business. The main suggestion is that the banks concerned should redesign the payment structure of credit card defaulters in a flexible and affordable installment.

V. Vimala, in her studies “The Impact of Credit Cards on HDFC Bank Customers in Shimoga – An Evaluative Study” the role of credit card services and its impact in the development of credit card services was analyzed. The banking products and services is the key activities for the development of the Banking sectors. The study contributes to increase the quality services and usefulness from the innovations of banking, products in India.



## Overview of the Case Study

8th November 2016 is a landmark in the economic history of India. This is the day on which demonetisation of Rs 500 and Rs.1000 currency notes by Hon'ble Prime Minister of India Narendra Modi were announced. The announcement was so sudden and kept people unprepared for that some media termed it a surgical strike on black money/Indian currency. The two currency notes ceased to be legal tender from 8th midnight, though they were allowed use in some selected outlets and institutions like petrol pumps, hospitals, railway counters etc. We will remember this day and continue to pass on the story to generations to come. It will be difficult to forget, primarily not because of the stated objectives of the demonetisation move but mainly because of the sudden jerk we received and difficulties we faced in the form of long queues in front of ATMs, banks, closed ATMs, withdrawal limits, frequent changes in rules and confusion, seeking change for Rs 2000 notes, very limited availability of small denomination notes, wasting precious time etc. Tackling black money, terrorism, cutting cost, digital economy, bringing transparency etc are the arguments in favor of demonetisation.

The objectives are good and impact is large. However, the biggest argument against demonetisation is its implementation. It has been found to be poorly, implemented causing sufferings and inconveniences to many. The Supreme Court, the highest institution of justice took notice of these sufferings and sought explanation from the Central Government from time to time. Poor implementation gives grounds to the opposition parties and many citizens to raise their voices against it and asked even for its roll back. However, as of now, and likely to be forever, the government is very clear and stood firm on its demonetisation decision saying NO ROLL BACK! The government, at present, is giving its best efforts in making Indian economy CASH-LESS or LESS CASH to achieve its ultimate objectives of demonetisation mentioned above.

Available Banking and Mobile technology is greatly helping in shaping the policy for cashless or less cash society. The government has already taken various steps in this regard. To mention some: Incentives for transaction through Debit/Credit/Purchase cards in Petrol Pumps, Railway Stations etc. GOI to provide 02 POS Machines each for 1 Lakh villages through NABARD Mandatory opening of accounts for tea garden workers who were so far paid their weekly or fortnightly wages in cash were undertaken by District Administration, NABARD, Banks and Tea Garden Management, in a mission mode especially in Assam. Simplified account opening under Pradhan Mantri Jan Dhan Jodaya (PMJDY) was a handy tool for mass opening of accounts in the tea gardens. Establishment of more Customer Service Points (CSPs) by Banks, Ordinance for payment of salaries of workers of Government departments through cheques and electronic mode must be applied. The NEXT BIG STEP the Government can take to further hasten the process of CASH-LESS or LESS-CASH economy is targeting and covering selected sectors with Point of Sales (POS) in a mission mode within a time frame. The following are suggested Start with all licensed business establishments and shops. These are the points/places where the mass spend major portion of their incomes. Subsidies POS machines for those who apply for them within a time frame set by government. For meeting required subsidy amount and training, create a special Fund from the proceeds of Demonetisation Exercise which can be parked with MUDRA. The fund can be named Digital India Fund or Less-Cash India Fund etc. The Fund can be



implemented as Credit Linked subsidy scheme for those who do not have capital for the POS and want to avail loan. For others who have capital, only subsidy can be availed. Henceforth make POS machine mandatory for issuing trade licence Short duration massive Trainings and awareness in POS handling for applicants who required Covering licensed traders and business establishments with POS machines would be a great step in achieving less- cash or cash-less economy. We look forward to seeing soon people swiping debit/credit cards for tamul, bididi, rajnigandha, Pan, cigarette, bagpiper, Old Monk, beer, Samosa, mineral water, chocolates, Dal, Sugar, tea leave, medicine etc in small and big business establishments. Next targets can be taxi, auto drivers, vegetable, fish vendors etc, Whether we are comfortable or not, we are moving towards cashless society and or Less cash Society and there is no reverse gear for this unless a something beyond human control to stop this move .

### **Features of Cashless Payment System**

1. It will be very convenient for everyone if cashless transactions are widely accepted. No hassle to carry cash and less risky. We have seen in other countries you hardly need to carry any cash as most of the transactions can be cashless.
2. You can view history of your expenses easily and manage your budget smartly.
3. All cashless transactions become above ground and visible / traceable. So they are taxable (less black money) and also encourage people to transact legally and pay taxes.
4. Tax collections will increase significantly and that revenue can be used for the benefit of society - building infrastructure, helping poor and less privileged people, education, health care etc. It can be used to lift Indians out of poverty and also fuel economic growth.
5. As tax collection increases; tax rates can be reduced (as tax net becomes wider) and tax rules simplified.
6. It will be difficult to have counterfeit currency and / or support criminal activities and terrorism.
7. Much better data of India's GDP including informal and service sector to understand what sectors are growing and where support is needed.
8. Less need to print paper currency and replace it so reducing those costs.

### **Hypothesis & Objectives of the Study**

#### **Hypothesis**

There is no significant relationship between respondents gender and Income towards cash less payments.

There is no significant relationship between respondents age and Income towards cash less payments

#### **Objectives of the study**

1. To study the awareness and preference towards the usage of digital payment in india
2. To find out the impact of various demographic variables on the usage of digital payment.
3. To study the factors influencing to opt for digital payment.
4. To examine the factors refraining the usage of digital payment.





### Statement Of The Problems

Within the last decade or so, our world has become rapidly more digitalized. For example, we now have internet purchases, and social interactions made via short message service (SMS), e-mails and social networks on the Internet. Two important factors that have contributed to this development are the use of mobile phones, and the use of the Internet. We are more 'on the go' than ever and get things done while we are on the go via our digital services turning the world to a mobile village. A part of the above mentioned digital purchases is digital payments. And when everything else is mobile, the payments have to be mobile too; we have to be able to pay for goods and services no matter where we are. Thus there is a need for an electronic wallet, an e-wallet, with which mobile payments can be made. It is therefore relevant to pay attention towards mobile payment option as cashless payment.

### Methodology

**Sample size:** The sample size was determined both by qualitative and quantitative approach. This study was conducted in the urban area of BILASPUR city, which is located in the South East of Chhattisgarh. The sample size of the study was 60 respondents, consisting of Urban population. The respondents were the users of Mobile wallets. The questionnaire were distributed among 100 respondents, but we received only 60 valid responses.

**Tools for Data Collection:** Primary data and secondary data have been used. Primary data was collected through the structured questionnaire and the secondary data was collected from various Books, Journals, Articles, Newspapers, Magazines and Websites. The data collected were further analyzed by using statistical tools like Percentages.

**Period of the study:** The data were collected from the date of 03/01/ 2017

### Data Analysis & Interpretation

**Table 1 Demographic profile of the respondents**

	Categories	Count	Percentage
Age	21-30 Years	45	75.0
	33-40 Years	9	15.0
	41 to 50 Years	3	10.0
	51 & above	3	10.0
Gender	Male	32	53.3
	Female	28	46.7
	Intermediate	10	16.6
Education Level	Graduate	17	28.4
	Post Graduate	33	55.0
Annual Income			
	Rs.100000 to Rs.200000	29	48.3
	Rs.200001 to Rs.300000	17	28.3
	Rs.300001 to Rs.400000	8	13.4
	Above Rs.400001	6	10.0



Profession	Service	30	50.0
	Business	10	16.6
	Professional	15	25.0
	Any other	5	8.34

75% of the respondents are in the age group of 21 to 30, 53.3% of the respondent are Male, 55% of the respondents are post-graduates, 50% of the respondents have been working in service area and 48.3% of the respondents earn annual income ranging from 100001 to 200000.

**Table 2 Preference regarding usage of M-wallet for purchasing products/services.**

Products /services	No. of respondents	Percentage
Books	4	6.7
Movie Tickets	6	10.0
To pay bills	10	16.7
Railway/Bus reservation	5	8.3
Cloths	2	3.3
Recharge Mobile or DTH	12	20.0
To transfer money	17	28.3
Electronic products	4	6.7

As per the above table, 28.3% majority of the respondents preferred to use Mobile wallet payment to transfer money followed by Recharging mobile or DTH payment and so on.

**Table 3 Factors refraining the usage of Mobile-wallets.**

Factors refraining the usage of M-wallets	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
Prefer to use other cashless payment option	0	06(10%)	9(15%)	20(33.3%)	25(41.7%)
concerned about the security of mobile payments	5(8.3%)	7(11.7%)	8(13.3%)	10(16.7%)	30(50%)
don't see value of using mobile payments	5(8.3%)	9(15%)	24(40%)	12(20%)	10(16.67%)



Possibility of information theft during wireless transmission at point-of-sale	5(8.3%)	5(8.3%)	7(11.7%)	23 (38.3%)	20(33.4%)
The cost of data access on wireless plan is too high	8(13.3%)	4(6.7%)	9(15%)	17(28.3%)	22(36.7%)

From the above table No.3 it shows that 50% of the respondents are strongly agree that they are concerned about the security of Mobile payments and 42% prefer strongly agree that they prefer to use other cashless payment option.

**Table 4 Chi-Square Test on association between preferable products/Services by the Respondents and their opinion about overall usage of Mobile payments**

Preference regarding usage of M-wallet for Purchasing products/services	Low (n=33)	High (n=27)	Total (n=60)	Statistical Inference
Books	4(12.1%)	0	4(6.7%)	
Movie Tickets	3(9.1%)	3(11.1%)	6(10%)	
To pay bills	4 (12.1%)	6(22.2%)	10(16.7%)	
Railway/Bus reservation	1 (3%)	4(14.8%)	5(8.3%)	X <sup>2</sup> =8.073

**Research hypothesis:** There is a significant association between preferable products/services by the respondents and their opinion about overall usage of Mobile payments

**Null hypothesis:** There is no significant association between preferable products/services by the respondents and their opinion about overall usage of Mobile payments.

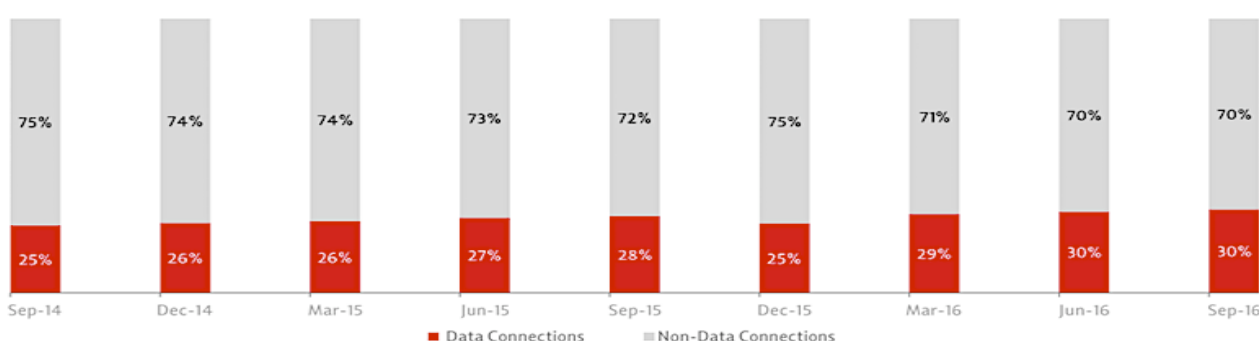
**Findings:** The above table reveals that there is no significant association between preferable products/services by the respondents and their opinion about overall usage of Mobile payments.

## September 2016

### Mobile Internet In India

#### Data Vs Non-Data Connections

Among the top four telecom operators, 30% of the total mobile connections are enabled for Mobile Internet.





## **Data Presentation & Data Analysis**

### **Awareness of Cashless Programme**

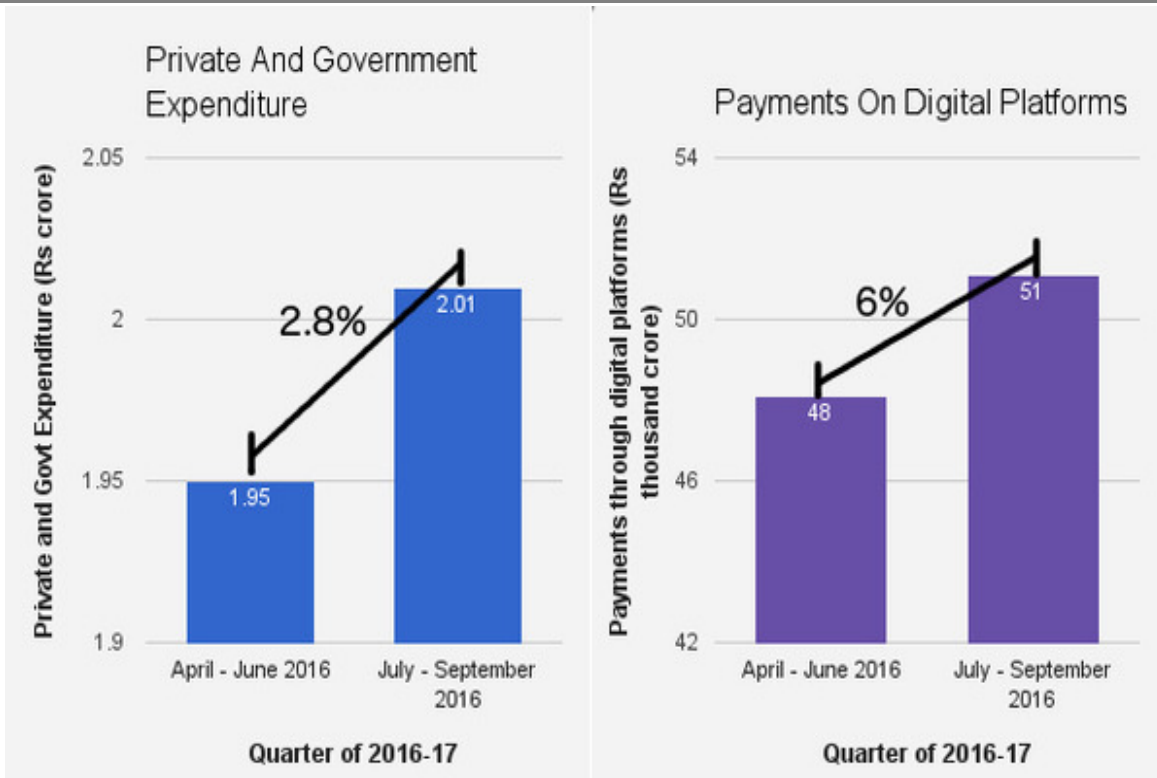
On 8 November 2016 , Prime Minister of India, Narendra Modi, launched Cashless Programme & this programme was added with Digital India . The main objective of cashless programme was to stop the corruption & digitally literate the population of India. Thus, Modi government is targeting to create digital awareness & join with digital cashless programmers. After the launch cashless programme Since January 3 2017 We was Started our project work We visited 4 rural areas for creating awareness of digital india under cashless programme We visted to rural schools students as they are pillars of india. The name of ourvisiting rural areas is Village Hardikala Tona , Village Nagrowri, Village Sarwaani , Village Limtari these villages is reachable from Bilaspur city under 15 km distance. When We started to know current status of rural people & students about digital India cashless programme, their response was not good 80% students does not know about cashless programme. Thereafter First We taught rural students for awareness of cashless programme What is cashless? , Role & Objective of cashless programme, What is the advantages & disadvantages of cashless system ?, How to use digital payment system? Why it's important cashless programme?

all basic question We gave answer to village students & also provided basic information to rural students about computer & internet . We found 80% students in these areas doesn't not known about basic computer & uses of internet like digital payment & purchase( ex- Patym, Amazon etc.) So was not possible to make growth of digital India development in rural areas So We performed the 1 weeks awareness of “ Digital India Cash Less Programme” in rural areas school students .After this pattern of oursocial work WE got benefits for our research project Data Collection. After our teaching we got good responses from rural school students & 85 % rural students learned from me about digital India cashless programme how to use patym, amazon, basic computer, internet social website Facebook , Gmail etc .WE hope assuming that visit to rural areas for cashless awareness programme was successful.

## **Diagrammatic Presentation of Data**

### **1. Digital transactions faster than growth in consumption**

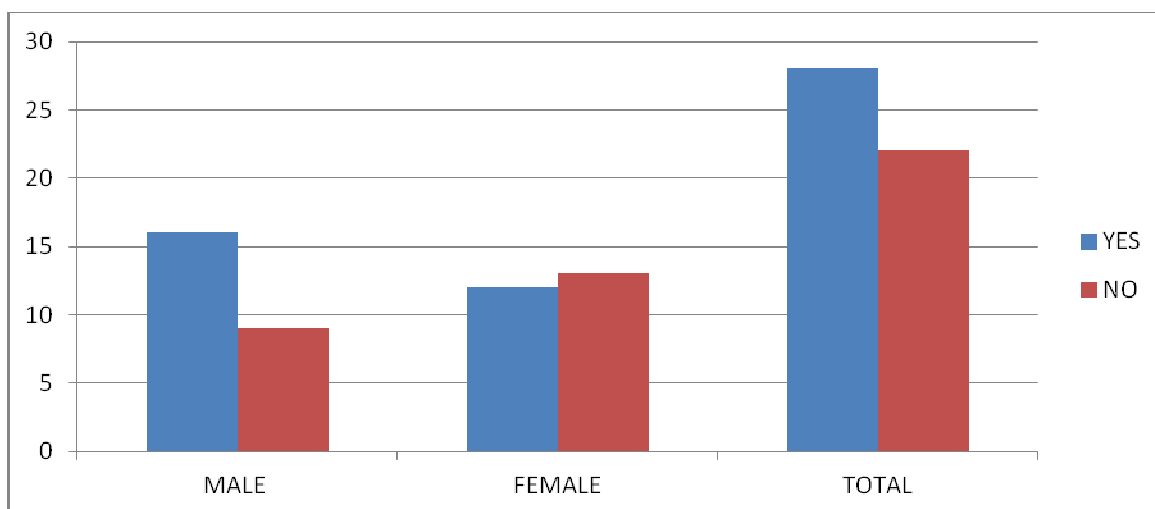
Consumption of goods and services by people and the government in the second quarter of the financial year 2016-17–July 1 to September 30–grew 2.8% over the previous quarter (April to June), according to data from the central statistics office.



**1. Below the Table Showing Satisfaction of People From Cashless System in India**

TABLE NO.1

	YES	NO
MALE	16	9
FEMALE	12	13
TOTAL	28	22



**Bar Diagram of Satisfaction of People From Cash less System in India.**



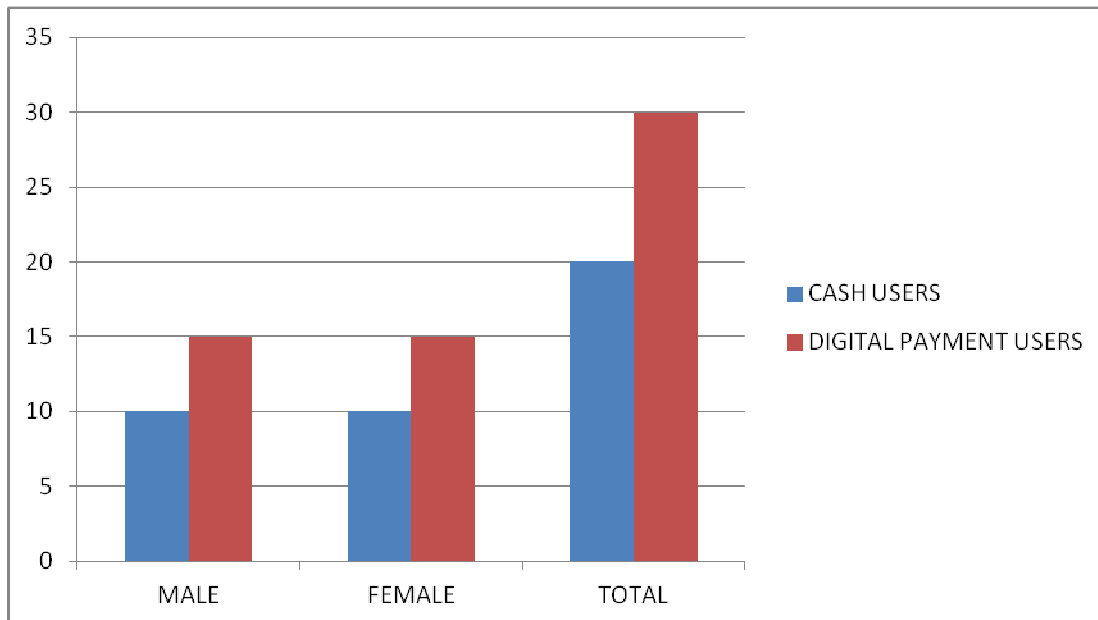
**Interpretation**

1. Maximum No. of Respondent is Satisfied with their Cashless System.
2. Few No. of Respondent is not Satisfied with their Cashless System.
3. Its Challenges Sources at Male & Female both are satisfied therefore hypothesis is true .

**2. Below the Table Showing Digital Payment Use by the people**

TABLE NO.2

	CASH USERS	DIGITAL PAYMENT USERS
MALE	10	15
FEMALE	10	15
TOTAL	20	30



**Bar Diagram of Cash Users & Digital Payment Users**

**Interpretation :**

1. Maximum No. of Respondent is used digital payment System.
2. Few No. of Respondent is not use digital payment System they are only use Cash.
3. Its Challenges Sources at Male & Female both are used digital payment therefore hypothesis is true .

**Advantages & Disadvantages Of Cashless System**

**Advantages:-**

1. A cashless economy will allow less tension of tackling a wallet full of notes along with us, which is not at all safe in a world full of anti-socials. We can rather use our mobile as a one-stop solution for all kinds of transactions suchas bill payments, fees payments, funds transfer, recharge, etc.



2. It will ensure a 'black-money free India' or rather the so-called 'parallel economy' where people bypass the banks to gather money in their closets at home without coming under the purview of tax will suffer a setback.
3. Crime rates have already started diminishing due to cash ban as most of the terrorist activities are funded with black money that has bore the brunt of this. In addition to this, other crimes such as burglary, extortion, bank robbery, etc. are also declining.
4. One of the biggest advantages is the increase in the span of the income tax. Due to least involvement of cash, transactions have to be done through banks where proper KYC verifications will be done prior to banking transactions and hence, it will be easier for the Government to monitor and mend the income tax evasion by the unscrupulous persons. This will, in turn, enhance the revenue received by the Government.

#### **Disadvantages:-**

1. The cashless economy will see a hike in the hacking of the personal information over the internet such as credit and debit card numbers, PINs, passwords and other sensitive information due to an increase of digital transactions. In short, cyber crimes will escalate like anything if proper internet security measures are not taken.
2. The poor section of India who is in majority and is scarcely covered under conventional banking system will suffer a lot, as they are solely dependent on cash for their daily wages.
3. Sectors such as real estate, retail, restaurants, cement and other MSMEs, where huge cash transactions are involved are going to be affected terribly.
4. Inadequate internet infiltration, low internet speeds, limited smartphone and broadband penetration, very less PoS machines are the roadblocks towards achieving full digitalization that is here the main substitute for cash transactions.

#### **Suggestions Of The Cashless System In India**

1. Internet services connectivity have to be improved in every part of our society for better cashless transaction .
2. To provide more security in online transaction.
3. The uses charges on swipe machine should be removed
4. Ban all cash donations to political parties
5. All ATMs should provide withdrawal and deposit facilities through biometric.

#### **Conclusion**

The cashless transaction system is growing day by day, with globalization of market and with growth of banking sector more people are moving from cash to cashless system. The cashless system is not ornamental but essential requirement of today's society. All the online market basically depends on cashless transaction system. The cashless transaction is not only safer than the cash transaction but it is less time consuming. It's also reliefs from the hazards of caring paper-money. It also helps in systematic recording of the all the transactions. So, undoubtedly it can be said that the future transaction system will be cashless transaction system. After the Demonetization in India, the economy is moving towards digital economy,



which may bring more transparency in the economic transactions. Government want to be establish smart policing cell, a regulating authority like IRDA, SEBI for online transaction to preventing hacking, fraud and cheating and also establish a fast track court for quick justice.

### **Bibilography**

1. In this Project Report the Primary Data is collected through various sources like, Survey Report from U.T.D , Bilaspur University, and We visited rural areas like Villages, Hardikala tona, Nagrowri, Sarwani, Limtari e.t.c

In this Project Report, Secondary Data is collected from the following website.

2. en.wikipedia.org
3. cashlessindia.gov.in
4. [www.indiacelebrating.com](http://www.indiacelebrating.com)
5. www.business-standard.com
6. [Vijay Patwardhan www.quora.com](http://Vijay Patwardhan www.quora.com)
7. <http://www.iaeme.com/MasterAdmin>
8. tech-files.com/mobile-payment-apps-cashless-transaction







## RECENT TRENDS AND EMERGING BUSINESS, MANAGEMENT AND TAXATION

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Nowadays business has a totally different perspective with increasing importance of technological innovation and online business, e-commerce sector is on boom which transformed traditional trading style into new electronic market place. Indian economic future lies in startups, this is a era of million startup, and young entrepreneur's first choice and preference are business through e-commerce.

At present scenario business environment in India is surrounded by revolutionary changes in operational, regulatory and taxation issues. There is a new revolution in Indian taxation system. The government has tried to bring standardization, centralization in indirect tax system. In this line goods and service tax was implemented in India in 1<sup>st</sup> July 2017, 122<sup>nd</sup> constitution Amendment Act Bill.

GST is governed by GST council and chairman is the Finance Minister of India.

GST tax slabs for goods and services are- 1) 0% 2) 5% 3) 12% 4) 18% 5) 28% in this paper we will be discussing various emerging business trends and GST implications in these trends.

### **An overview of GST-**

As in our previous indirect tax system there are multiple tax with different tax rates levied by central as well as state government.

Various tax levied by central Government before GST-

- 1) Central Excise duty
- 2) Duties of Excise (Medicinal and Toilet preparation)
- 3) Additional duties of Excise (Goods of special importance.)
- 4) Additional duties of customs (commonly CVD)
- 5) Additional duties of Excise (textiles and textiles products)
- 6) Special additional duty of customs (SAD)
- 7) Service tax.
- 8) Central Surcharges and Cesses.

### **Various tax levied by State Government Before GST-**

- 1) State VAT
- 2) Central Sales tax
- 3) Luxury tax
- 4) Entry tax (all forms)
- 5) Entertainment and Amusement tax (Except levied by local bodies)
- 6) Taxes on advertisements.
- 7) Purchase tax



- 8) Taxes on Lotteries, betting and gambling
- 9) State surcharges and cesses.

The new GST structure is two tier levied by both central and state there are three different types of tax levies in GST-

- 1) CGST- Central Goods and Service tax.
- 2) SGST/UTGST- State Goods and Service tax / Union Territory Goods and service tax.
- 3) IGST- Integrated Goods and Service tax.

SGST would be leviable along with CGST on supply of goods made by a registered person with in a state.

UTGST would be levied along with CGST on Supply of goods made by registered person with in a Union territory But in no case both SGST and UTGST will be Levied.

IGST will be levied on import or Inter state supply of goods & service. IGST will be equal to sum up of CGST and SGST/ UTGST

$$\text{IGST} = \text{CGST} + \text{SGST/UTGST}$$

The credit on above tax would be available throughout the entire supply chain and ultimate burden would be borne by customer.

By implementation of GST there will be uniformity in tax. Previous tax system adversely affect the various emerging business and latest business trends in India .

### **Impact of GST in Newly Make in India concept of Government and Manufacturing Sector.....**

The Manufacturing sector was adversely affected by previous tax system and flow of foreign investment to this sector. Make in India came into existence on 26<sup>th</sup> September 2014, basically to increase share in manufacturing sector from 15% to 25% As “Make in India is a dream project of our prime minister . To make our country a manufacturing hub it is important that foreign investors find India as conducive to do business.

As the previous indirect tax had multiple tax at different states and with cascading effects of these tax it result in high compliance cost as a result many foreign investments turned to china as they found china is more attractive than India.

The various implications of new government tax system GST in make –in –India projects and manufacturing sector -

1. GST will reduce cost of manufacturing from both tax point of view and compliance side also.
2. As due to previous tax system the transportation trucks spend 35% of there time at border check posts waiting for clearance of documents but after GST Logistics sector will benefit and will help in management process.
3. GST will make our products competitive in national as will as international level .



4. Companies use to keep separate depots/ warehouse in each state to cater to dealers and distributors which adversely affect down stream supply chain, after GST state boundaries will not exist this will make companies free to cater there dealers .
5. GST is realizable at net input GST and output GST on quarterly basis so greater accounting measures.
6. As goods will be sold across state without any additional tax so marketing approach should be very strong.
7. Due to changes in tax the overall pricing of a product may change.
8. Manufacturing concerns may get higher margins due to good procurement, warehouse and distribution.

So with free State boundaries and diminishing cascading effect of tax GST will give an opportunity of a manufacturing concern to make a new efficient operating model. In this line Niti Ayog's framework 2015, Government focus on 5 areas-

- a) Railway
- b) Roads
- c) Sagarmala projects
- d) Inland waterways
- e) Housing for all by 2022.

#### **Impact of GST in E-commerce :**

The retail industry has also undergone a tremendous change by use of personal computer and internet penetration, an estimated 10% increase in online – shopping market is captured by e- retailing . Impact of new tax system GST in e- commerce business as with availability of input tax credit, the cascading effects at very point from production of sale will minimize.

E-commerce means the supply or receipt of goods or services over an electronic network As before GST there is multiple tax imposed on goods and services with different tax rates which result in low revenue and entry tax act as a trade barrier.

#### **Implication of GST on e- commerce industry-**

- a) With the adment of GST the entry tax has been abolished due to which there is no trade barriers which existed in previous tax structure.
- b) It is mandatory for all e-commerce operators to collect tax at 2% as TCS on net value of sales, it will encourage compliance and government will be able to track suppliers.
- c) Mandatory registration of seller's and availability of composition scheme irrespective of threshold limit of Rs 20 Lakhs.
- d) E- commerce company's will have increase credit , they can avail input tax credit to cover goods and services used by e- commerce companies. In long run e- commerce sellers will streamline their operation and will have increased business growth .

#### **Impact of GST in startup business :**

According to NASSCOM India report 2015 total startups are – 10,000.



**Sector Concentration-**

**Technological based (Online based)**

- 1. E-Commerce - 33%
- 2. B2B - 24%
- 3. Consumer internet - 12%
- 4. Others - 21%
- 5. Mobile apps - 10%

**Non Technological based (Non online based)**

- 1. Engineering - 17%
- 2. Construction - 13%
- 3. Agri Products - 11%
- 4. Textile - 8%
- 5. Printing & packaging - 8%
- 6. Transport & logistics - 6%
- 7. Out sourcing & support - 5%
- 8. Others - 32%

This makes INDIA third largest startup hub. After the adment of GST startups has really got boost in there functioning.

**Implication of GST in startups-**

- 1. Under GST threshold limit is 20 lakhs, so many small startups are exempted from tax.
- 2. Simpler taxation as startups have low budgets and less time and manpower to devote in various tax regime but after GST it is easy for them to file returns.
- 3. Ease to start business – as registration is centralized it will make starting a business and expanding it in different states much simpler.
- 4. Improved logistics and faster delivery of services as no entry tax is charged for goods manufactured or sold in any part of INDIA, so there is no toll checks which means transportation will be easy and logistic cost will be reduced by 20% (According to CRISIL report)

India is a global manufacturing hub and small and medium enterprises form around 90% of the industrial units in India. Various pros and con’s of impact of GST in startups –

S.N.	Pros	Con’s
1	Ease to do business	Blocked working capital
2	More expanded market	Technological restrictions
3	Low logistic cost	Restrictive composition levy
4	Only one tax levied	
5	More exemption limit	

**Basic advantage of GST for startups –**

- 1. Goods can be transported easily.
- 2. The function of business requirement is only supply chain.
- 3. Storage and transportation cost will be minimized.



A simplified tax structure and unified market will improve operational efficiencies specially of micro, small and medium enterprises.

### Conclusion :

Government of India has tried to make huge change in business environment of India which gives more importance to simplifications of tax and helping Indian Industrial units, E-commerce sector, retail sector by launching various new project to boost development of various upcoming business trends in India and bring more foreign investment.

Government is promising to provide a conducive environment for investors. Panels have been formed to help and provide consistent efforts in creating investors friendly environment, It is expected that manufacturing sectors could reach USD 1 trillion by 2025 with the sector accounting for around 25% of the GDP and creating 90 million domestic jobs by that period.

The recent government policies has made an ease to business in by changing the taxation policy in India. The one nation one market and one tax policy has given boost for various emerging business in India.

As this era is of Innovation and electronic revolution many new business are emerging and many are dominated by E-commerce. This is the era of million startups and global venture capitalism. And with the support of Indian government and its various policies. I am sure Indian emerging business will have new horizon's and a very bright perspective ahead.

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## **CORRUPTION MENACE SCENARIO IN THE GLOBAL ECONOMY: PUBLIC ENEMY NO 1**

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### **Abstract :**

*The extensive role of the Indian state in providing services and promoting economic development has always created the opportunity for using public resources for private benefit. As government regulation of business was extended in the 1960s and corporate donations were banned in 1969, trading economic favours for under-the-table contributions to political parties became an increasingly widespread political practice. During the 1980s and 1990s, corruption became associated with the occupants of the highest echelons of India's political system. Corruption is not just limited to administration. It is very much prevalent even in legislation and judiciary so much so that it is probably the biggest challenge and needs to be eradicated from its grass root. For the same purpose the Prevention of Corruption Act, 1988 has been enacted. This paper throws light on the menace that is created out of corruption and the other aspects of the same.*

**Key words :** *corruption, index, areas.*



### **Introduction :**

Corruption is not a new phenomenon in India. It has been prevalent in society since ancient times. History reveals that it was present even in the Mauryan period. Great scholar Kautilya mentions the pressure of forty types of corruption in his contemporary society. It was practised even in Mughal and Sultanate period. When the East India Company took control of the country, corruption reached new height. Corruption in India has become so common that people now are averse to thinking of public life with it.

Corruption has been defined variously by scholars. But the simple meaning of it is that corruption implies perversion of morality, integrity, character or duty out of mercenary motives, i.e. bribery, without any regard to honour, right and justice. In other words, undue favour for any one for some monetary or other gains is corruption. Simultaneously, depriving the genuinely deserving from their right or privilege is also a corrupt practice. Shrinking from one's duty or dereliction of duty are also forms of corruption. Besides, thefts, wastage of public property constitute varieties of corruption. Dishonesty, exploitation, malpractices, scams and scandals are various manifestations of corruption.

Corruption is not a uniquely Indian phenomenon. It is witnessed all over the world in developing as well as developed countries. It has spread its tentacles in every sphere of life, namely business administration, politics, officialdom, and services. In fact, there is hardly any sector which can be characterized for not being infected with the vices of corruption.



Corruption is rampant in every segment and every section of society, barring the social status attached to it. Nobody can be considered free from corruption from a high ranking officer.

More than one person in two thinks corruption has worsened in the last two years, according to the world's largest public opinion survey on corruption from Transparency International, but survey participants also firmly believe they can make a difference and have the will to take action against graft.

The Global Corruption Barometer 2016 is a survey of 114,000 people in 107 countries and it shows corruption is widespread. 27 per cent of respondents have paid a bribe when accessing public services and institutions in the last 12 months, revealing no improvement from previous surveys.

Still, nearly 9 out of 10 people surveyed said they would act against corruption and two-thirds of those who were asked to pay a bribe had refused, suggesting that governments, civil society and the business sector need to do more to engage people in thwarting corruption.

The Global Corruption Barometer 2016 also found that in too many countries the institutions people rely on to fight corruption and other crime are themselves not trusted. 36 countries view police as the most corrupt, and in those countries an average of 53 per cent of people had been asked to pay a bribe to the police. 20 countries view the judiciary as the most corrupt, and in those countries an average of 30 per cent of the people who had come in contact with the judicial systems had been asked to pay a bribe

### **Literature Review :**

The growing importance of corruption is based on the consensus that the development of the country needs good governance. So in the study of corruption related factors, the relationship between corruption and the development is the first to enter the vision's field. Mauro (1995) analyzed the corrupt data of over 70 countries in the world and concluded that corruption led to low investment and affected economic growth. Treisman (2000) found the causal relationship between the economic development and reciprocal causation of corruption through the study of the per capita GDP . Compared with the developed countries, the poor countries are more common. Bardhan (1997) pointed out that corruption had a devastating effect on the economy, while it cannot be denied that corruption has a positive meaning in some areas .Farooq and Shahbaz et al. (2013) shows that corruption is an obstacle to economic growth by building a time series model . The relationship between inequality and corruption is also controversial. By studying the cross section data of 37 countries (using the Gini coefficient as the measurement scale), Gupta and Davoodi et al. (1998) pointed out that corruption has increased the income inequality and increased poverty .

### **Types of corruption :**

Corruption is increasingly associated with bribery, which is arguably the most prevalent and costly practice. As a result, most anti-corruption efforts focus on checklists to prevent active (giving) and to a much lesser extent, passive (receiving) bribery.

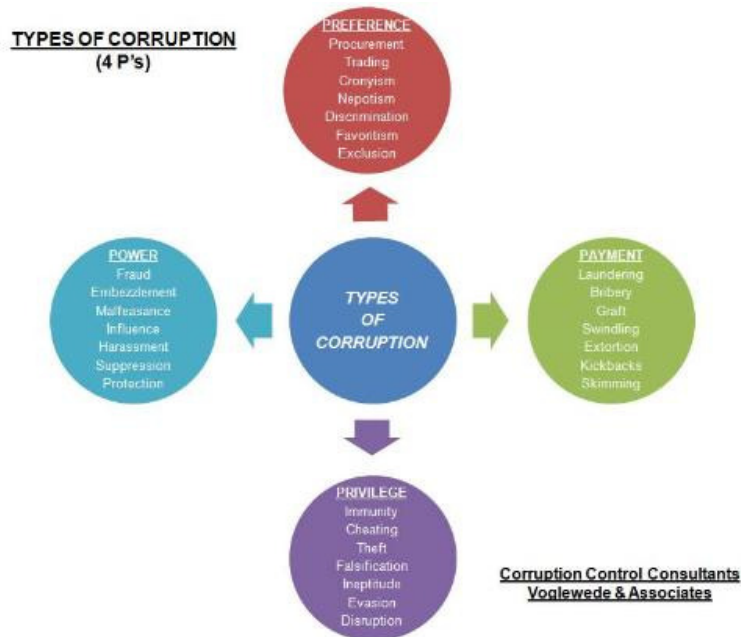
In reality, there are many different types of corrupt practices, all of which fit the classical definition of *misuse of*



resources for personal gain, and each of which requires different solutions.

Several approaches have been used to classify and distinguish among these different types of corruption, and group them in attempts to find common solutions:

- 1) FACT (corrupt practices by Favoritism, Authority, Competence and Tribute).
- 2) 4 P's (Preference, Power, Privilege and Payment).
- 3) MAPP (Money, Assets, People and Power)



**Corruption: Impact**

<b>CORRUPT PRACTICES</b>			
<b>MONEY</b> <ul style="list-style-type: none"> <li>• Bribery</li> <li>• Gratuities</li> <li>• Kickbacks</li> <li>• Skimming</li> <li>• Tainted loans</li> <li>• Embezzlement</li> <li>• Fraud</li> <li>• Larceny</li> <li>• Extortion</li> <li>• Blackmail</li> <li>• Laundering</li> </ul>	<b>ASSETS</b> <ul style="list-style-type: none"> <li>• Misappropriation</li> <li>• Theft</li> <li>• Buyer schemes</li> <li>• Chiseling</li> <li>• Billing fraud</li> <li>• Collection fraud</li> <li>• Seller schemes</li> <li>• Concealment</li> <li>• Book cooking</li> <li>• Misstatement</li> <li>• Expense padding</li> </ul>	<b>PEOPLE</b> <ul style="list-style-type: none"> <li>• Forced labor</li> <li>• Discrimination</li> <li>• Harassment</li> <li>• Function abuse</li> <li>• Nepotism</li> <li>• Cronyism</li> <li>• Ineptitude</li> <li>• Interest conflict</li> <li>• Plagiarism</li> <li>• Bid rigging</li> <li>• Price fixing</li> </ul>	<b>POWER</b> <ul style="list-style-type: none"> <li>• Predatory practices</li> <li>• Prepotency</li> <li>• Impunity</li> <li>• Justice obstruction</li> <li>• Suppression</li> <li>• Bullying</li> <li>• Influence peddling</li> <li>• Hoarding</li> <li>• Insider trading</li> <li>• Illicit enrichment</li> <li>• Squander</li> </ul>

SOURCE :INTERNET





### **Measuring Corruption :**

Due to its nature, the scale of corruption is impossible to measure with complete accuracy. But there are informed estimates available, and Transparency International regularly publishes a number of assessments, surveys and indices which measure corruption: TI's Corruption Perceptions Index (CPI) is the best known of our tools (see animation above). First launched in 1995 it has been widely credited with putting the issue of corruption on the international policy agenda. The 2011 CPI measures the perceived levels of public sector corruption in 183 countries and territories around the world.

### **Global Corruption Barometer**

The Global Corruption Barometer is the only world-wide public opinion survey on corruption

### **Bribe Payers Index**

The 2016 Bribe Payers Index (BPI) ranks the likelihood of companies from 28 leading economies to win resources-resources-business abroad by paying bribes.

### **Promoting Revenue Transparency**

The 2011 Report on Oil and Gas Companies which is based on research conducted in 2010 and is an expanded version of a report published in 2008, rates 44 companies on the public availability of information on their anti-corruption programmes and how they report their financial results in all the countries where they operate.

### **Transparency In Corporate Reporting**

This study analyses the transparency of corporate reporting on a range of anticorruption measures among the 105 largest publicly listed multinational companies. Together these companies are worth more than US\$11 trillion and touch the lives of people in countries across the globe wielding enormous and far reaching power.

### **Defence Companies Anti-Corruption Index 2012 (Ci)**

The CI analyses anti-corruption and compliance systems in 129 defence companies around. The next iteration to be published in spring 2015, will cover more than 160 defence companies.

### **Ranking**

India has been ranked 79th among 176 countries in the Corruption Perception Index 2016 released by the Transparency International organization. Its score marginally improved from 38 in 2015 to 40 in 2016. India had a score of 36 in 2012.

The organization has used the World Bank data, the world economic forum and other institutions to rank countries by perceived levels of corruption in public sector. The score runs from zero to 100, from highly corrupt to 100. Belarus, Brazil, & China shared the same ranks as India.



The list was topped by New Zealand and Denmark with a score of 90 each. Higher-ranked countries tend to have higher degrees of press freedom, access to information about public expenditure, stronger standards of integrity for public officials, and independent judicial systems.

Somalia was ranked the most corrupt country with a score of 10. Other countries with lower rankings were South Sudan, North Korea, Syria, and Yemen. The lower-ranked countries in the index were plagued by untrustworthy and badly functioning public institutions like the police and judiciary.

### Conclusion

Monitoring corruption closely is not a priority since many countries with high corruption have also had fast growth. Skeptics of the anti-corruption agenda are quick to point out countries such as Bangladesh that score poorly on most cross-country assessments of corruption, yet have managed to turn in impressive growth performance over the past decade. Of course, before 1998 the same skeptics might have pointed to Indonesia, whose rapid growth under a corrupt regime turned out to be spectacularly fragile in the case of the East Asian financial crisis. One should not confuse exceptions with the more general strong empirical finding that corruption adversely affects growth in the medium- to long-run. Studies have shown that a one standard-deviation increase in corruption lowers investment rates by three percentage points and lowers average annual growth by about one percentage point. These results are at some level difficult to interpret when we recognize that corruption is likely to be a symptom of wider institutional failures. A large body of recent empirical work has documented that broader measures of institutional quality explain a significant portion of income differences across countries. However corruption is a big curve and everyone should unite and fight this enemy no 1!!

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## SMART CITIES IN INDIA : An Overview

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### **Abstract :**

*Cities are engines of growth for the economy of every nation, including India. Nearly 31% of India's current population lives in urban areas and contributes 63% of India's GDP (Census 2011). With increasing urbanization, urban areas are expected to house 40% of India's population and contribute 75% of India's GDP by 2030. This requires comprehensive development of physical, institutional, social and economic infrastructure. All are important in improving the quality of life and attracting people and investments to the City, setting in motion a virtuous cycle of growth and development. Development of Smart Cities is a step in that direction. The Urbanization is most predominant and contemporary process prevalent throughout the globe especially in developing countries like India. To sustain the brisk growth rate of economy and urbanization and to alleviate the problems arising due to the growth, an integrated approach and sustainable strategy is required. The inclusive and smart planning is one such emerging strategy to tackle and mitigate these problems. This paper attempts to highlight at first what is the smart city? Why the smart city is needed? And how it will be developed? This paper also attempts to analyze and evaluate the need for the development and planning of smart city projects in the country in line with various ongoing projects and the government's proposal for development of the 100 smart cities throughout the country. The analysis indicates that the cities are expanding and new cities are being formed mainly by transformation and growth from villages and towns due to rapid urbanization. But these cities lack basic infrastructural services and other amenities due to various reasons ranging from lack in administrative and service delivery mechanism to lack of proper planning vision, investment, management, and to some extent changing lifestyle, etc. Some green field development like GIFT, Lavasa, Kochi Smart city and Nano City have started but are far from satisfactory to cater to the demands of the sustainable cities and urban centres, hence there is an urgent need to plan for both green and brown field sustainable urban developments in form of eco-city or smart city similar projects to bring out a balanced urban growth and development.*

### **What is 'Smart City' :**

The first question is what is meant by a 'smart city'. The answer is, there is no universally accepted definition of a Smart City. It means different things to different people. The conceptualisation of Smart City, therefore, varies from city to city and country to country, depending on the level of development, willingness to change and reform, resources and aspirations of the city residents. A Smart City would have a different connotation in India than, say, Europe. Even in India, there is no one way of defining a Smart City.



Some definitional boundaries are required to guide cities in the Mission. In the imagination of any city dweller in India, the picture of a Smart City contains a wish list of infrastructure and services that describes his or her level of aspiration. To provide for the aspirations and needs of the citizens, urban planners ideally aim at developing the entire urban eco-system, which is represented by the four pillars of comprehensive development — institutional, physical, social and economic infrastructure. This can be a long term goal and cities can work towards developing such comprehensive infrastructure incrementally, adding on layers of ‘smartness’ In the approach to the Smart Cities Mission, the objective is to promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of ‘Smart’ Solutions. The focus is on sustainable and inclusive development and the idea is to look at compact areas, create a replicable model which will act like a light house to other aspiring cities. The Smart Cities Mission of the Government is a bold, new initiative. It is meant to set examples that can be replicated both within and outside the Smart City, catalysing the creation of similar Smart Cities in various regions and parts of the country.

**The core infrastructure elements in a Smart City would include:**

- i. adequate water supply,
- ii. assured electricity supply,
- iii. sanitation, including solid waste management,
- iv. efficient urban mobility and public transport,
- v. affordable housing, especially for the poor,
- vi. robust IT connectivity and digitalization,
- vii. good governance, especially e-Governance and citizen participation,
- viii. sustainable environment,
- ix. safety and security of citizens, particularly women, children and the elderly, and
- x. health and education.

As far as Smart Solutions are concerned, an illustrative list is given below. This is not, however an exhaustive list, and cities are free to add more applications.



Accordingly, the purpose of the Smart Cities Mission is to drive economic growth and improve the quality of life of people by enabling local area development and harnessing technology, especially technology that leads to Smart outcomes. Area-based development



will transform existing areas (retrofit and redevelop), including slums, into better planned ones, thereby improving liveability of the whole City. New areas (greenfield) will be developed around cities 7 in order to accommodate the expanding population in urban areas. Application of Smart Solutions will enable cities to use technology, information and data to improve infrastructure and services. Comprehensive development in this way will improve quality of life, create employment and enhance incomes for all, especially the poor and the disadvantaged, leading to inclusive Cities.

### **Smart City Features :**

Some typical features of comprehensive development in Smart Cities are described below.

- i. Promoting mixed land use in area-based developments — planning for ‘unplanned areas’ containing a range of compatible activities and land uses close to one another in order to make land use more efficient. The States will enable some flexibility in land use and building bye-laws to adapt to change;
- ii. Housing and inclusiveness — expand housing opportunities for all;
- iii. Creating walkable localities — reduce congestion, air pollution and resource depletion, boost local economy, promote interactions and ensure security. The road network is created or refurbished not only for vehicles and public transport, but also for pedestrians and cyclists, and necessary administrative services are offered within walking or cycling distance;
- iv. Preserving and developing open spaces — parks, playgrounds, and recreational spaces in order to enhance the quality of life of citizens, reduce the urban heat effects in Areas and generally promote eco-balance;
- v. Promoting a variety of transport options — Transit Oriented Development (TOD), public transport and last mile para-transport connectivity;
- vi. Making governance citizen-friendly and cost effective — increasingly rely on online services to bring about accountability and transparency, especially using mobiles to reduce cost of services and providing services without having to go to municipal offices; form e-groups to listen to people and obtain feedback and use online monitoring of programs and activities with the aid of cyber tour of worksites;
- vii. Giving an identity to the city — based on its main economic activity, such as local cuisine, health, education, arts and craft, culture, sports goods, furniture, hosiery, textile, dairy, etc;
- viii. Applying Smart Solutions to infrastructure and services in area-based development in order to make them better. For example, making Areas less vulnerable to disasters, using fewer resources, and providing cheaper services.

### **Why ‘Smart City’ :**

#### **Trends of urbanisation in india :**

India is among the countries with low level of urbanization at present but the urban population is growing rapidly especially in developing countries like India leading to continuous demographic and spatial increase in the number and size of urban centers. The decadal growth of population in urban area is greater than rural population leading to the



increase in urban population from around 27.8% (286 million) in 2001 to 31.2% (377million) in 2011[1] and is estimated to be 40% by 2030 and more than 50% by 2050.

The growth of urban population in the country is not only explosive but also highly skewed. The number of census towns increased by 53.7% from 5161 in 2001 to 7935 in 2011 with number of Class I towns increased from 441 to 468 and the million plus cities increased from 35 to 53 over the past decade from 2001 to 2011

Population Type	Percentage increase
Total Population	17.6%
Urban Population	31.8%
In Metro Cities (million plus)	33%
In Medium Cities (0.1to 1 million)	19.7%
In Smaller Cities (<0.1 Million)	46.9%

**Table 1: Percentage Increase In Population**

The Class I towns (population more than one lakh) dominate the urban scenario, which accounts for 70.20% of urban population in 2011 up from 68.7% in 2001, out of this 53 million (10 lakh) plus Metro cities alone accounts for more than 40% of urban population [But if we compare the growth rate of population we find that smaller cities are growing at the fastest rate followed by the growth rate of metro cities which is slightly higher than the national urban growth rate. However, if we analyze the rural scenario we find that there are 19020 (almost 40%) towns with populations above 5000, which are legally Villages as per the definition of the Urban area in use in India since 1961 as set out in 2001 census as follows:

- 1.All places with a municipality, corporation, cantonment board or notified area committee, etc. so declared by state law;
- 2.All other places, which satisfy the following criteria:
  - a)A minimum population of 5000;
  - b)At least 75 percent of male working population engaged in non-agricultural pursuits; and
  - c)A population density of at least 400 persons per sq. km.

At the same time there is a large disparity in distribution of the urban population throughout the country. More than 60% of districts in the state of Assam, Orissa & U.P have less than 10% of urban population while the state of Tamil Nadu, Maharashtra, Gujarat, Karnataka & Punjab have more than 60% of districts exceeding national average urban population

Percentage of Urban Population	Number of District	Percentage of Districts
0-10	128	20.00
10-50	432	67.50
50-60	27	4.22



60-70	21	3.28
70-80	8	1.25
80-90	5	0.78
90-100	19	2.97
Total	640	100.00

**Table 2: District wise Level of Urbanization in India, 2011 Census [1]**

### **Problems of Urbanization in India :**

The urbanization in India is unplanned and haphazard in general, this in itself is a root cause of almost all the problems. The major problems associated with the urbanization in the country may be categorized into 3 broad categories which may be overlapping each other in one aspect or the other.

1. Infrastructure – It includes Physical, Social and Institutional infrastructure.

2. Governance and Management – This basically deals with the mechanism for the provision of urban infrastructures and services.

3. Sustainability – It includes the application of appropriate technology to attain the sustainability in terms of environment, economy and society. All these functions together contribute towards strengthening of economic infrastructure and social overheads for the development of the urban areas along with the well being of the citizens.

### **Problems of Infrastructure :**

The provision of infrastructure and services have deteriorated over the time leading to the escalating demand for provision and maintenance of basic infrastructure and services such as water supply, sewerage, drainage, public health and sanitation, roads, streets, city transport, elementary education, etc. thus resulting in serious deterioration of quality service and thus the quality of life. On an average 38% of urban population is below poverty line [2] and 80 million people live in slums without basic services and amenities .

### **Problems of Governance and Management :**

Urban local bodies are the primary agencies for administrating the infrastructural needs of the people and fairly.

Large Capital Investment decisions being thrust upon them. But the limited revenue base and dependent fiscal Jurisdiction has made it difficult for them to meet revenue expenditures with their own resources, hence Direct Borrowing is an alternative which looks essential but improbable due to poor credits ratings of the urban local bodies in terms of pay back from revenue generation and recovery of the user charges for the provision of services due to malpractices in resource management, structural machinery, improper division of domain/ work and area, lack of hierarchy and proper planning, continuous rivalry and lack of coordination and understanding among different departments and section, lack of transparency and vigilance, etc. The predicament in delivery of urban service in the country is the result of the neglect of urban planning and infrastructure by state governments, the



fragmented and overlapping institutional responsibilities of the state government, ULB"s, Development Authorities, Parastatal agencies in different state[3]. This is further aggravated by inadequate investment in urban infrastructure, poor maintenance of public infrastructure assets, weak administration, poor system of delivery, inadequate autonomy of ULBs, and lack of accountability to community.

### **Problems of Sustainability :**

The sustainability basically includes the environmental, economic and technological sustainability but it is generally dominated by environmental impact because it drastically affects all other systems and aspects. The level of carbon dioxide has tremendously increased in the atmosphere since 1950 leading to the drastic change 1995 in climate round the globe. The city alone accounts for 50% of worlds" population (31.8% in India), 75% of energy consumption and 80% of carbon emission.

The cities face problems and challenges of pollution, congestions, deteriorating quality of life and infrastructure and rising cost while competing with each other for investments, jobs and talents, etc. The problem coupled with challenges of climate change, resource depletion, alteration in the ecological cycle and biodiversity intensifies the need for up-gradation in approach and to adapt, survive and thrive over the coming decades to prevent catastrophic climate change while maintaining or increasing quality of life in almost all the cities roughout the country in general and the Unplanned "Quasi Towns" or "village Towns in particular. These towns are often developed as peri-city or satellite towns and face haphazard growth, due to lack of coordination and collaboration between Planning Authorities and local government. They need to become more efficient, sustainable and liveable, in other words may be termed as „Smart“.

### **Smart City: A Probable Solution :**

Cities are real time systems and deem to be supermodels of efficiency, friendliness and preparedness on a mass scale but as the populations swell inexorably due to migration and other factors leading to formation of urban agglomerations from cities, they need to navigate their challenges of growing demand for new constituent services by identifying potential solutions for ever increasing complicated problems within the constrained budgets, often resulting into proliferation of point solutions: emergency response integration, traffic congestion alleviation, waste and water management, smart buildings, smart grids, etc. The cities need to equip themselves to integrate these point solutions to cater to the increasing demands placed on them, rather than crumbling under the growing demand and pressure.

The "smart city" has become a buzzword over last few years in the realm of government/administration, marketing giants/investors, academia/urban research laboratories and the common mass or the end users. Almost everyone have their own comprehension and conception of Smart City i.e. "what should it be?" and "how should it be?" etc. The smart city projects (i.e. development of new towns or transformation of old cities) that





are currently going on or have completed (like Amsterdam, Seoul, etc.) have different set of parameters and characteristics to address different priorities and problems and to call themselves SMART.

In the absence of any clear cut or globally accepted definition of Smart City, various attempts have been made to define, categorize and integrate the parameters of smart cities as different subsystems of the urban system One such categorization has been done by Chourabi et. al. as eight critical factors of management and organization, technology, governance, policy context, people and communities, economy, built infrastructure, and natural environment[2] besides some others, and the major classification include some or all of these in one way or the other. Some of the green field development in the name of sustainable and smart cities have also been conceptualised and developed in India as Lavasa, Gift City (Ahmedabad), Kochi Smart City, Nano City besides some other like Dholera being labelled as Smart Cities. But there are far from satisfactory in terms of numbers and scale to meet the pace of urbanization and demand in the country, and is an urgent need of brown field development in this regard.

### **How 'Smart City' :**

#### **Smart Cities Selection Process**

Different steps in the selection of Smart Cities are given below.

#### **How Many Smart Cities in Each State/UT?**

The total number of 100 Smart Cities have been distributed among the States and UTs on the basis of an equitable criteria. The formula gives equal weightage (50:50) to urban population of the State/UT and the number of statutory towns in the State/UT. Based on this formula, each State/UT will, therefore, have a certain number of potential Smart Cities, with each State/UT having at least one. The number of potential Smart Cities from each State/UT will be capped at the indicated number. (This distribution formula has also been used for allocation of funds under Atal Mission for Rejuvenation and Urban Transformation - AMRUT).

The distribution of Smart Cities will be reviewed after two years of the implementation of the Mission. Based on an assessment of the performance of States/ULBs in the Challenge, some re-allocation of the remaining potential Smart Cities among States may be required to be done by MoUD.

Each aspirin

#### **The Process of Selection of Smart Cities**

There are two stages in the selection process. After the number has been indicated to the respective Chief Secretaries, the State/UT will undertake the following steps:-

##### **Stage 1 of the competition: Shortlisting of cities by States**

The State/UT begins with shortlisting the potential Smart Cities on the basis of conditions precedent and scoring criteria and in accordance with the total number allocated to



it. The first stage of the competition will be intra-state, in which cities in the State will compete on the conditions precedent and the scoring criteria laid out. These conditions precedent have to be met by the potential cities to succeed in the first round of competition and the highest scoring potential Smart Cities will be shortlisted and recommended to participate in Stage 2 of the Challenge.. The information sent by the ULBs in the forms has to be evaluated by the State Mission Director and the evaluation placed before the State-level High Powered Steering Committee (HPSC) for approval.. The cities emerging successful in the first round of competition will be sent by the State/UT as the recommended shortlist of Smart Cities to MoUD by the stipulated date (to be indicated in the letter to Chief Secretaries). The State Government has to fill the form and send with the recommended list. The MoUD will thereafter announce the list of 100 Smart Cities.

### **Stage 2 of the competition: The Challenge round for selection**

In the second stage of the competition, each of the potential 100 Smart Cities prepare their proposals for participation in the 'City Challenge'. This is a crucial stage as each city's Smart City Proposal is expected to contain the model chosen, whether retrofitting or redevelopment or green field development or a mix thereof, and additionally include a Pan-City dimension with Smart Solutions. The SCP will also outline the consultations held with the city residents and other stakeholders, how the aspirations are matched with the vision contained in the SCP and importantly, what is the proposal for financing of the Smart City plan including the revenue model to attract private participation. An evaluation criteria for the SCPs has been worked out by MoUD based on professional advice and this should act as guidance to the cities for preparing their proposal.

By a stipulated date, to be indicated by MoUD to the States/UTs, proposals will be submitted to MoUD for all these 100 cities. These will be evaluated by a Committee involving a panel of national and international experts, organizations and institutions. The winners of the first round of Challenge will be announced by MoUD. Thereafter, while the winning cities start taking action on making their city smart, those who do not get selected will start work on improving their SCPs for consideration in the second round. Depending on the nature of the SCPs and outcomes of the first round of the Challenge, the MoUD may decide to provide handholding assistance to the potential Smart Cities to upgrade their proposals before starting the second round.

### **Implementation by Special Purpose Vehicle (SPV)**

The implementation of the Mission at the City level will be done by a Special Purpose Vehicle (SPV) created for the purpose. The SPV will plan, appraise, approve, release funds, implement, manage, operate, monitor and evaluate the Smart City development projects. Each Smart City will have a SPV which will be headed by a full time CEO and have nominees of Central Government, State Government and ULB on its Board. The States/ULBs shall ensure that, (a) dedicated and substantial revenue stream is made available to the SPV so as to make it self sustainable and could evolve its own credit worthiness for raising additional resources from the market and (b) Government contribution for Smart City is used only to create infrastructure that has public benefit outcomes. The execution of projects may



be done through joint ventures, subsidiaries, public-private partnership (PPP), turnkey contracts, etc. suitably dovetailed with revenue streams.

The SPV will be a limited company incorporated under the Companies Act, 2013 at the city-level, in which the State/UT and the ULB will be the promoters having 50:50 equity share holding. The private sector or financial institutions could be considered for taking equity stake in the SPV, provided the shareholding pattern of 50:50 of the State/UT and the ULB is maintained and the State/UT and the ULB together have majority shareholding and control of the SPV.

Funds provided by the Government of India in the Smart Cities Mission to the SPV will be in the form of tied grant and kept in a separate Grant Fund. These funds will be utilized only for the purposes for which the grants have been given and subject to the conditions laid down by the MoUD.

The State Government and the ULB will determine the paid up capital requirements of the SPV commensurate with the size of the project, commercial financing required and the financing modalities. To enable the building up of the equity base of the SPV and to enable ULBs to contribute their share of the equity capital, GoI grants will be permitted to be utilized as ULBs share of equity capital in the SPV, subject to the conditions given in Annexure 5. Initially, to ensure a minimum capital base for the SPV, the paid up capital of the SPV should be such that the ULB's share is at least equal to Rs.100 crore with an option to increase it to the full amount of the first instalment of Funds provided by GoI (Rs.194 crore). With a matching equity contribution by State/ULB, the initial paid up capital of the SPV will thus be Rs. 200 crore (Rs. 100 crore of GoI contribution and Rs. 100 crore of State/UT share). Since the initial GoI contribution is Rs.194 crore, along with the matching contribution of the State Government, the initial paid up capital can go up to Rs.384 crore at the option of the SPV. The paid up capital may be enhanced in the subsequent years as per project requirements, with the provision mentioned above ensuring that ULB is enabled to match its shareholding in the SPV with that of the State/UT. 10.5 The structure and functions of the SPV are given in Annexure 5 and the Articles of Association will contain such provisions. A model Article of Association is given in the Toolkit. 10.6 After selection of the cities in Stage II of the Challenge, the process of implementation will start with the setting up of the SPV. As already stated, it is proposed to give complete flexibility to the SPV to implement and manage the Smart City project and the State/ULB will undertake measures as detailed in Annexure 5 for this purpose. The SPV may appoint Project Management Consultants (PMC) for designing, developing, managing and implementing area-based projects. SPVs may take assistance from any of the empanelled consulting firms in the list prepared by MoUD and the handholding agencies. For procurement of goods and services, transparent and fair procedures as prescribed under the State/ULB financial rules may be followed. Model frameworks as developed by MoUD may also be used for Smart City projects.



### **Financing of Smart Cities :**

The Smart City Mission will be operated as a Centrally Sponsored Scheme (CSS) and the Central Government proposes to give financial support to the Mission to the extent of Rs. 48,000 crores over five years i.e. on an average Rs. 100 crore per city per year. An equal amount, on a matching basis, will have to be contributed by the State/ULB; therefore, nearly Rupees one lakh crore of Government/ULB funds will be available for Smart Cities development.

The project cost of each Smart City proposal will vary depending upon the level of ambition, model and capacity to execute and repay. It is anticipated that substantial funds will be required to implement the Smart City proposal and towards this end, Government grants of both the Centre and State will be leveraged to attract funding from internal and external sources. The success of this endeavour will depend upon the robustness of SPV's revenue model and comfort provided to lenders and investors. A number of State Governments have successfully set up financial intermediaries (such as Tamil Nadu, Gujarat, Orissa, Punjab, Maharashtra, Karnataka, Madhya Pradesh and Bihar) which can be tapped for support and other States may consider some similar set up in their respective States. Some form of guarantee by the State or such a financial intermediary could also be considered as instrument of comfort referred to above. It is expected that a number of schemes in the Smart City will be taken up on PPP basis and the SPVs have to accomplish this.

The GOI funds and the matching contribution by the States/ULB will meet only a part of the project cost. Balance funds are expected to be mobilized from:

- i. States/ ULBs own resources from collection of user fees, beneficiary charges and impact fees, land monetization, debt, loans, etc.
- ii. Additional resources transferred due to acceptance of the recommendations of the Fourteenth Finance Commission (FFC).
- iii. Innovative finance mechanisms such as municipal bonds with credit rating of ULBs, Pooled Finance Mechanism, Tax Increment Financing (TIF).
- iv. Other Central Government schemes like Swachh Bharat Mission, AMRUT, National Heritage City Development and Augmentation Yojana (HRIDAY).
- v. Leverage borrowings from financial institutions, including bilateral and multilateral institutions, both domestic and external sources.
- vi. States/UTs may also access the National Investment and Infrastructure Fund (NIIF), which was announced by the Finance Minister in his 2015 Budget Speech, and is likely to be set up this year.
- vii. Private sector through PPPs.

The distribution of funds under the Scheme will be as follows:

- i. 93% project funds.



ii. 5% Administrative and Office Expenses (A&OE) funds for state/ULB (towards preparation of SCPs and for PMCs, Pilot studies connected to area-based developments and deployment and generation of Smart Solutions, capacity building as approved in the Challenge and online services).

iii. 2% A&OE funds for MoUD (Mission Directorate and connected activities/structures, Research, Pilot studies, Capacity Building, and concurrent evaluation).

### **Funds Release :**

After the Stage 1 of the challenge, each potential Smart City will be given an advance of Rs. two crore for preparation of SCP which will come from the city's share of the A&OE funds and will be adjusted in the share of the city.

In the first year, Government proposes to give Rs.200 crore to each selected Smart City to create a higher initial corpus. After deducting the Rs. two crore advance and A&OE share of the MoUD, each selected Smart City will be given Rs. 194 crore out of Rs. 200 crore in the first year followed by Rs. 98 crore out of Rs. 100 crore every year for the next three years.

The yearly instalment of funds will be released to SPVs after they meet the following conditions:

- i. timely submission of the City Score Card every quarter to the MoUD,
- ii. satisfactory physical and financial progress
- iii. achievement of milestones given in the roadmap contained in SCP, and
- iv. fully functioning SPV as set out in the Guidelines and the Articles of Association.

A Board Resolution should certify that all these conditions have been met, including a certificate that all the conditions relating to establishment, structure, functions and operations of the SPV

### **Mission Monitoring :**

National Level An Apex Committee (AC), headed by the Secretary, MoUD and comprising representatives of related Ministries and organisations will approve the Proposals for Smart Cities Mission, monitor their progress and release funds. This Committee will meet periodically, as considered necessary. The AC will consist of the following indicative members:

- i. Secretary, Housing and Poverty Alleviation Member
- ii. Secretary (Expenditure) Member
- iii. Joint Secretary, Finance, MoUD Member
- iv. Director, NIUA Member
- v. Chief Planner, Town and Country Planning Member
- vi. Select Principal Secretaries of States Member
- vii. Select CEOs of SPVs Member
- viii. Mission Director Member Secretary



The Representatives of stakeholders like UN Habitat, World Bank, TERI, Centre for Development of Advanced Computing (C-DAC), Centre for Smart Cities (CSC), Bangalore or other bilateral and multilateral agencies and urban planning experts may be invited with the approval of the Chair.

The AC will provide overall guidance and play an advisory role to the Mission and its key responsibilities are given below.

- i. Review the list of the names of Cities sent by the State Governments after Stage 1.
- ii. Review the proposals evaluated by panel of experts after Stage 2.
- iii. Approve the release of funds based on progress in implementation.
- iv. Recommend mid-course correction in the implementation tools as and when required.
- v. Undertake quarterly review of activities of the scheme including budget, implementation and co-ordination with other missions/ schemes and activities of various ministries.

There will be a National Mission Director, not below the rank of Joint Secretary to Government of India who will be the overall in-charge of all activities related to the Mission. A Mission Directorate will take support from subject matter experts and such staff as considered necessary. The key responsibilities of the Mission Directorate are given below

- i. Develop strategic blueprint and detailed implementation roadmap of the Smart Cities Mission, including the detailed design of the City Challenge.
- ii. Coordinate across Centre, States, ULBs and external stakeholders in order to ensure that external agencies are efficiently used for preparation of SCP, DPRs, sharing of best practices, developing Smart Solution, etc.
- iii. Oversee Capacity building and assisting in handholding of SPVs, State and ULBs. This includes developing and retaining a best practice repository (Model RFP documents, Draft DPRs, Financial models, land monetization ideas, best practices in SPV formation, use of financial instruments and risk mitigation techniques) and mechanism for knowledge sharing across States and ULBs (through publications, workshops, seminars).

State Level There shall be a State level High Powered Steering Committee (HPSC) chaired by the Chief Secretary, which would steer the Mission Programme in its entirety. The HPSC will have representatives of State Government departments. The Mayor and Municipal Commissioner of the ULB relating to the Smart City would be represented in the HPSC. There would also be State Mission Director who will be an officer not below the rank of Secretary to the State Government, nominated by the State Government. The State Mission Director will function as the Member-Secretary of the State HPSC. The indicative composition of HPSC is given below:

- i. Principal Secretary, Finance,



- ii. Principal Secretary, Planning,
- iii. Principal Secretary/Director, Town & Country Planning Department, State/UT Governments,
- iv. Representative of MoUD,
- v. Select CEO of SPV in the State,\*
- vi. Select Mayors and Municipal Commissioners /Chief Executive of the ULBs, and Heads of the concerned State Line Departments,
- vii. Secretary/Engineer-in-Chief or equivalent, Public Health Engineering department,
- viii. Principal Secretary, Urban Development – Member Secretary.

**The key responsibilities of the HPSC are given below.**

- i. Provide guidance to the Mission and provide State level platform for exchange of ideas pertaining to development of Smart Cities.
- ii. Oversee the process of first stage intra-State competition on the basis of Stage 1 criteria.
- iii. Review the SCPs and send to the MoUD for participation in the Challenge.

**City Level**

A Smart City Advisory Forum will be established at the city level for all 100 Smart Cities to advise and enable collaboration among various stakeholders and will include the District Collector ,MP, MLA, Mayor, CEO of SPV, local youths, technical experts, and at least one member from the area who is a,

- i. President / secretary representing registered Residents Welfare Association,
- ii. Member of registered Tax Payers Association / Rate Payers Association,
- iii. President / Secretary of slum level federation, and
- iv. Members of a Non-Governmental Organization (NGO) or Mahila Mandali / Chamber of Commerce / Youth Associations.

The CEO of the SPV will be the convener of the Smart City Advisory Forum.

**Convergence with Other Government Schemes :**

Comprehensive development occurs in areas by integrating the physical, institutional, social and economic infrastructure. Many of the sectoral schemes of the Government converge in this goal, although the path is different. There is a strong complementarity between the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart Cities Mission in achieving urban transformation. While AMRUT follows a project-based approach, the Smart Cities Mission follows an area-based strategy.

Similarly, great benefit can be derived by seeking convergence of other Central and State Government Programs/Schemes with the Smart Cities Mission. At the planning stage itself, cities must seek convergence in the SCP with AMRUT, Swachh Bharat Mission (SBM), National Heritage City Development and Augmentation Yojana (HRIDAY), Digital India, Skill development, Housing for All, construction of Museums funded by the Culture Department and other programs connected to social infrastructure such as Health, Education and Culture.



### **Challenges :**

This is the first time, a MoUD programme is using the 'Challenge' or competition method to select cities for funding and using a strategy of area-based development. This captures the spirit of 'competitive and cooperative federalism'.

States and ULBs will play a key supportive role in the development of Smart Cities. Smart leadership and vision at this level and ability to act decisively will be important factors determining the success of the Mission.

Understanding the concepts of retrofitting, redevelopment and greenfield development by the policy makers, implementers and other stakeholders at different levels will require capacity assistance.

Major investments in time and resources will have to be made during the planning phase prior to participation in the Challenge. This is different from the conventional DPR-driven approach.

The Smart Cities Mission requires smart people who actively participate in governance and reforms. Citizen involvement is much more than a ceremonial participation in governance. Smart people involve themselves in the definition of the Smart City, decisions on deploying Smart Solutions, implementing reforms, doing more with less and oversight during implementing and designing post-project structures in order to make the Smart City developments sustainable. The participation of smart people will be enabled by the SPV through increasing use of ICT, especially mobile-based tools.

### **Conclusion :**

The migration of people from rural to urban areas is one of the main reasons for the growth of urban population, and failed regional planning is often attributed as the main reason for it. The city is swelling in its sizes beyond the urbanizable limits into the peri-urban, suburban and rural areas surrounding it, thus increasing load rural land too. Furthermore the cost of infrastructure and urban service delivery is also increased to be uneconomical at one point of time and the urban services require decentralization. To cope with the crisis within the constrained budget is an upcoming challenge which could only be met with the meticulous, coordinated and planned development of new urban centres and cities or development of the satellite towns which are also technologically advanced, self sustaining and ecological. The smart city concept is one such upcoming concept which is deemed to be the solution for the present day problems as well as the sustainable future. But in the absence of any definite guidelines and case specific solutions to develop the smart cities in India, there is need for further research to work out the parameters, definitions and guidelines for the development of new cities on green field as well as the brown field developments

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## GST AND ITS IMPACT OF ECONOMY

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### Abstract

*Economic activity in the country lost some pace amid GST related disruptions but underlying growth momentum remains strong and the country may clock 6.7% growth this fiscal, says a Morgan Stanley report. GST is one of the biggest indirect tax reforms in the country. GST is expected to bring together state economies and improve overall economic growth of the nation. GST is a comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services at the national level. It will replace all indirect taxes levied on goods and services by states and Central. This paper conceptually analyzes the concept of Goods and Services Tax (GST) and presents the impact of GST on economy, evaluates whether the decision of GST has been successful.*

**Keywords:** Goods and Services Tax, economy,

### **Introduction**

There are around 160 countries in the world that contain GST in place. GST is a purposeful base taxed where the tax is collected by the State where goods are consumed. India is going to implement the GST from July 1, 2017 and it has adopted the Dual GST model in which together States and Central levies tax on Goods or Services or both.

Beginning of GST is measured to be a significant step in the reform of indirect taxation in India. Joining together of various Central and State taxes into a single tax would help moderate the double taxation, pour, multiplicity of taxes, arrangement of issues, taxable event, and etc., and principal to a common national market.

VAT rates and regulations differ from state to state. On the other hand, GST brings in uniform tax system across all the states. Here, the taxes would be divided between the Central and State government.

### **Review of Literature**

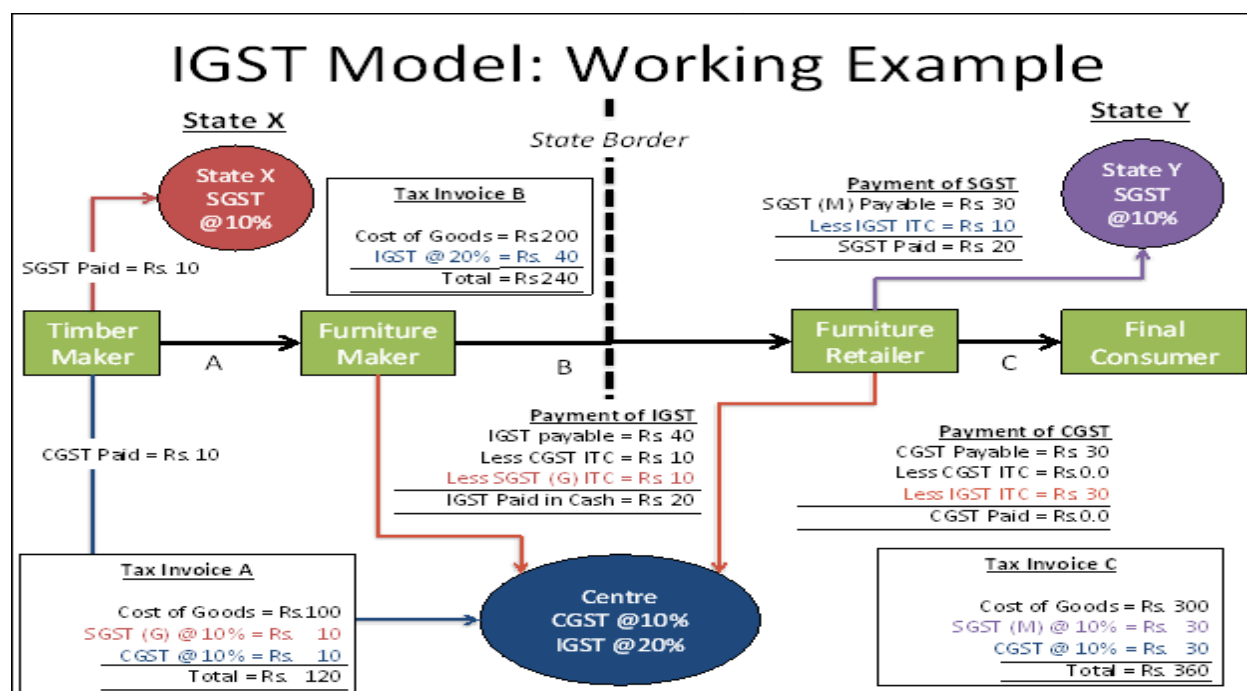
**Shefali Dani** has proposed that GST regime is a half-hearted attempt to rationalize indirect tax structure. Approximately more than 150 countries have implemented GST concept. As per researcher government of India must study the GST regime set up by various countries and also their fallouts before implementing Goods and services Tax. IT is the need of hour that, the government must make an attempt to insulate the vast poor population of



India, against the inflation due to implementation of GST. There is no doubt, GST will simplify its existing indirect tax system and will have to help to remove inefficiencies created by the existing current heterogeneous tax system, only if there is a clear consensus over issues of threshold limit, revenue rate, and inclusion of petroleum products, electricity, liquor and real estate.

### GST inter-State transactions

Inter-State transactions, the Centre would levy and collect the Integrated Goods and Services Tax (IGST) on all inter-State supplies of goods and services under Article 269A (1) of the Constitution. The IGST would roughly be equal to CGST plus SGST. The IGST mechanism has been designed to ensure seamless flow of input tax credit from one State to another. The inter-State seller would pay IGST on the sale of his goods to the Central Government after adjusting credit of IGST, CGST and SGST on his purchases (in that order). The exporting State will transfer to the Centre the credit of SGST used in payment of IGST. The importing dealer will claim credit of IGST while discharging his output tax liability (both CGST and SGST) in his own State. The Centre will transfer to the importing State the credit of IGST used in payment of SGST. Since GST is a destination-based tax, all SGST on the final product will ordinarily accrue to the consuming State.



Source: GSTindia.com

### Challenges of GST

However, there are still problems with the system that have not been solved till date. We shall talk about these problems now. The credit of Input VAT is available against Output VAT. In the same manner, the credit of input excise/service tax is available for set-off against output liability of excise/service tax. However, the credit of VAT is not available against excise and vice versa. We all know that VAT is computed on a value which includes excise



duty. In the same manner, CENVAT credit is allowed only for the Excise duty paid on inputs, and not on the VAT paid on the input raw material. This shows that there is a tax on tax.

- 1) Legacy issues which will use resources.
- 2) Non harmonization of tax rates.
- 3) Lack of automation.
- 4) Lack of procedural manuals.
- 5) Lack of skilled officials.
- 6) Double registration – handling old registration.
- 7) Poor quality of tax return.
- 8) No tax system for 100% scrutiny of tax returns and tax audit.
- 9) Lack of cross verification with other tax administration.
- 10) Lack of mechanism to control evasion.
- 11) Impact on prices.

The collapse of the manufacturing and construction sector is serious signs of a catastrophe in the economy since both of these accounts for a greater part of non-farm jobs in the economy. Clearly, evidence of job losses is no longer a fabrication of imagination, but is rigid facts. The sluggish pace of employment creation and waning real wages are definite symbols of a demand collapse in the economy.

It is now evident that there are serious problems with the state of the economy and any attempt to brush these as momentary phenomena as a result of demonetisation and goods and services tax (GST) is only going to make it worse. While demonetisation and the hurried rollout of GST did contribute to the worsening of the economic situation, any hopes of the economy reviving on its own as these effects fade out is unlikely to materialize in the short-to-medium term. Growth in the next two quarters is likely to be subdued with agriculture sector not contributing much. According to Kotak Institutional Equities, weak investment demand which accounts for 30% of gross domestic product (GDP) is a far bigger 'structural' challenge. India's economic growth slipped to a three-year low of 5.7% in April-June quarter, underscoring the disruptions caused by uncertainty related to the GST rollout amid slowdown in manufacturing activities.

### **Opinions of Expert Organizations:**

#### **Industry: CII says GST will make India Inc. more competitive**

The Confederation of Indian Industry (CII) has said that the GST will incentivize exports, help expand the tax net, contribute to the ease of doing business and accelerate new business ventures. "Input tax credit will curb inflation by avoiding tax-on-tax. We believe that most businesses would pass on the benefits of input tax credit to consumers so that inflation would be curbed," CII President Shobana Kamineni said. She added that the industry is prepared for implementing the GST.

#### **Textiles – Cotton industry happy**

The cotton textile industry is also feeling positive. Southern India Mills Association (SIMA) Chairman M Senthilkumar has welcomed the move to bring the entire cotton textile value chain at the lowest slab rate of 5% GST. He said the industry had been suffering with numerous taxes and different types of cess which were adding to the cost indirectly.



### **Realty bites**

Ready-to-move in apartments will get costlier under GST as developers with large unsold inventories are planning to pass on the higher tax burden to home-buyers. Under GST, the effective tax on under-construction projects has gone up to 12%, which is an increase of 6.5%. The actual GST rate is 18% on realty, but allows one-third of the tax to be deducted from the land value, from the total cost charged by the developer. "While developers might still get some benefits for projects that are in nascent stages, they will have to bear the tax burden for the ready-to-move-in projects since they are kept out of the GST ambit," House of Hiranandani Chairman and Managing Director Surendra Hiranandani said. Anarock Property Consultants Chairman Anuj Puri said the affordable housing sector will not be impacted as there will be no tax under GST for the affordable housing scheme.

### **Durables: some relief for buyers**

Unlike realty, the durables sector is unlikely to pass on the burden of higher tax to the buyers, as the industry is expecting only a marginal price revision despite the category being placed under the highest tax slab of 28% under GST. The tax rate for the sector was around 25-27%.

"Home appliances have become a necessity now with evolving consumer lifestyle and a lower tax slab would have made appliances more affordable in a low-penetrated market. With 28% tax under the GST, we expect the consumer price of home appliances to marginally go up by 1-2%. This could have an impact on demand in the short-run," says Godrej Appliances business head Kamal Nandi.

### **Impact on Small Enterprises**

There will be three categories of Small Enterprises in the GST regime. In fact those firms whose below threshold need not register for the Goods and Services Tax and those enterprises between the threshold and composition turnovers will have the option to pay a turnover based tax or opt to join the GST regime.

Those above threshold limit will need to be within framework of GST probable downward modifications on the verge in some states consequent to the introduction of GST may result in obligation being created for some dealers. In this situation considerable assistance is preferred. In respect of Central GST, the position is slightly more complex. Small scale units manufacturing specified goods are allowed exemptions of excise upto Rs. 1.5 Crores. These units may be required to register for payment of GST, may see this as an additional companies.

### **Conclusions**

In India, Implementation of GST would also greatly help in removing economic distortions caused by present complex tax structure and will help in development of a common national market. India's economic growth slipped to a three-year low of 5.7% in April-June, emphasizing the disruptions caused by uncertainty related to the GST rollout amid slowdown in manufacturing activities. Commenting on the GDP numbers, Morgan



Stanley said, "We are inclined not to read this as a sign of general slowdown in aggregate demand".

GST will pass in transparent and corruption-free tax administration, removing the current shortcomings in indirect tax structure. GST is business friendly as well as consumer friendly. GST in India is poised to drastically improve the positions of each of these stakeholders. We need a change in the taxation system which is better than earlier taxation. This need for change leads us to 'need for GST'.

GST will allow India to better negotiate its terms in the international trade forums. GST aimed at increasing the taxpayer base by bringing SMEs and the unorganized sector under its compliance. This will make the Indian market more stable than before and Indian companies can compete with foreign companies.

It must also :

- Identify risk areas which have not been adequately addressed
- Additional measures that the business can put in place to ensure the business is in the best position possible to minimize the risks of non-compliance.
- It must be felt that the next coming years will bring changes that will continue to place the tax as one of the key sources of the Government's revenue.
- Interviews with the key personnel to determine the currently existing controls and processes Walkthrough tests of controls of common business transactions and operations.
- to address these shortfalls for consideration.
- The rate of tax must be fairly stable and it has to be remarkably little
- It can build strong trade, and a great tax reform.

Real estate impact of the demand deflation is on the manufacturing and the construction sector, both of which have seen a sharp deceleration reaching the lowest of 1.2% in the first quarter of 2017-18. Even this has been achieved by a growth of 1.8% of the quasi-corporate and unorganized sector with private corporate sector declining by 0.9%. This sector needs attention and the situation as of now is in transition and it is premature to reach to a conclusion, the experts opines that a wait and watch is always preferred and in the long run certainly the positive waves would be seen and would be sustained.

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## THE ROLE OF CELEBRITY ENDORSEMENT ON PURCHASE DECISION OF TEENAGERS IN KANPUR CITY UTTAR PRADESH

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### **Abstract:**

*The practice of famous characters, bollywood celebrities and sportsperson being used for rendering services other than performing their actual job as either an athlete or an actor, such as endorsements has proliferated over time. Despite the cost and the risks involved with this technique of advertising, it is been used quite extensively in the present era. Nowadays the instrument of celebrity endorsement has become a prevalent element in communication and advertising management. India as a country is known for loving its stars and more population of teenagers and youth. The Indians idolize their cricketers and bollywood actors. The companies see this as an opportunity to grab and work on so as to expand their operations and promote their product. This research paper focuses on how does celebrity endorsement impact the perception of teenagers.*

**Keywords:** Celebrity, Endorsement, India, Advertising, Creativity

### **1. Introduction:**

Today, the modern marketing strategy of most business firms relies heavily on advertising to promote their products to their target markets. The major goal of advertising strategy is to influence customers, who are becoming increasingly educated, sophisticated and selective. Competition is also becoming more intense. Having a good product alone is not enough to compete in markets of high standards. The use of celebrity endorsement advertising has become an ever-present feature in modern advertising. Celebrity endorsement occurs when an individuals who enjoys recognition of public and who uses recognition on the behalf of a consumer's good by appearing with it in an advertisement .Celebrities like television actors, bollywood stars, and popular athletes are widely used in television advertisements to influence consumers' brand choice behavior. Advertisers try to establish a link between their brands and a desirable image or lifestyle of a celebrity. The celebrity endorsements have become a magic potion for all marketers today. Celebrity can be seen endorsing in almost all television advertisements making it an India's Rs 2,000-crore celebrity endorsement market. Though there are many studies about celebrity endorsements, but it seems that there is limited research about the extent to which consumers' purchase intention is regulated by celebrity endorsements.

### **2. Literature Review:**

Belk (1988) pointed out that consumer view the products they purchase as much more than just "bundles of utility" as economists proclaim, but also as "bundles of meaning" or attributes like sophistication, courageousness, frugality, and honesty, with which to fashion their self-identity. Companies attempt to label their products with different meanings by linking their products with celebrities who carry the meanings they desire.



During celebrity endorsement, consumers have a perceived image about any celebrity endorser, and this image affect is transferred to the endorsed brand (Atkin and Block, 1983). Celebrities are people who enjoy public recognition by a large share of a certain group of human being whereas attributes like attractiveness, attention and extraordinary lifestyle are just examples, and specific common characteristics cannot be observed, though it could be said that within a corresponding social group celebrities generally differ from the social norm and enjoy a high degree of public awareness (Schlecht, 2003). Silvera and Austad (2004) highlight characteristics of advertisements that make them effective in delivering messages. The finding propose that endorsement advertising effectiveness can be strongly influenced by consumers' perceptions concerning whether the endorser truly likes the product. This research explains that advertisers should put more effort not only into selecting right and correct endorsers, but also into providing strong explanations and arguments for which reason endorsers actually do like the products they endorse. On the other hand Roll (2006) provided a definition of endorsement by stating that: "Endorsement is a channel of brand communication in which a celebrity acts as the brand's spokesperson and confirms the brand's claim and position by extending his popularity ,personality , stature in the society or expertise in the field to the brand. Gan (2006) investigates the Chinese consumer's behaviors toward celebrity and non-celebrity advertisement. The results show that Chinese consumers like celebrity who has more professional career skills, appearances, communication skills etc. Saleem(2007) explained that a celebrity endorsement play a vital role in marketing structure. They proposes that marketers should use celebrities in ads when there is no or very little product differentiation. But, when marketers want to concentrate on more diverse market then multiple celebrity endorsement (in this endorsement more than one celebrity in a single advertisement) could be only an answer.

Lafferty, Goldsmith and Flynn (2005) bring into light major relation exists among endorse proficiency along client novelty. Till, Stanley and Priluck (2008) signified just combining admired hero by positive imposing brings brand emplacement. Alzoubi and Bataineh (2011) aver standards designed for extraction are reliability, pleasant appearance for celeb approval. Ranjbarian, Shekarchizade and Momeni (2010) inquired there is an important association which connects approach of famous person personality with feeling of acquiring product and commercial.

Gincy Jiju Mathew, Dr. Jayaashish Sethi and Jiju Mathew John (2017) explain that at each stage of brand building (Salience stage, Imagery stage , Performance stage, Feelings, Judgment and Resonance stage) impact differs based on the location the teenagers belong to even within the state of Gujarat and also the impact differs based on male and female teenagers as well.

### **3 Research Objectives:**

- A. To study the impact of celebrity endorsement on the perception of teenagers
- B. To find out the impact of celebrity endorsement on the purchase decision of teenagers.

### **4 Research Methodologies:**

**4.1 Sampling :** It was a descriptive study therefore, survey was considered appropriate for this study. Teenagers of Kanpur city Uttar Pradesh were taken as a sample.





## 4.2 Instruments and Their Development :

In this survey, a questionnaire on five points (Likert Scale) was used for the collection of data. A questionnaire was developed on five point (Likert) to know the opinion of teenagers. The finalized research tool was administered on the respective sample for the collection of data. Collected data was analyzed through percentage and mean score. Responses of 100 respondents were interpreted and presented in percentage.

## 5 Data Analysis:

Sl. No	Statement	SA	A	UNC	DA	SDA	%	Mean
1	Celebrity name only build brand image	40	37	0	10	13	77	3.81
2	Celebrity in an advertisement encourages to buy the product	33	47	0	15	05	80	3.88
3	Celebrities make difference to the image of the brand	58	22	0	12	08	80	4.10
4	Celebrities use the product they endorse	70	12	0	08	10	82	4.24
5	People purchase celebrity endorsed brands to improve social status	52	30	0	10	08	82	4.48
6	Celebrity has the power to change my perceptions	40	25	0	25	10	65	3.60
7	Celebrity conveys all the true features of a product	51	27	0	13	09	78	3.98
8	Celebrity holds the viewer's attention	45	35	0	15	05	80	4.00
9	Refrain from the product because I don't like the celebrity who endorses it	37	33	0	17	13	70	3.64
10	Purchase product because it is endorsed by my favorite celebrity	38	42	0	10	10	80	3.88
11	Scandals attached with celebrities destroy the brand's image	42	27	0	23	08	69	3.72
12	Celebrity confirms the quality of product	42	40	0	12	06	82	4.00

Scale value for this table is SA (Strongly Agree) =5, A (Agree) =4, UNC (Uncertain) =3, DA (Disagree) =2 and SDA (Strongly Disagree) =1

It is evident from the table that The result of the item “Celebrities in advertisement encourages buying the product” shows that if teenagers get their desired celebrities, then they are likely to purchase the product( The Mean value of 3.88) and 3.81 suggests that the teenagers agree with statement “Celebrity name only build brand image”. The result of the item “Celebrities make difference to the brand image” shows that the teenagers do think that celebrities can make up the image or break it up. Celebrities can have a positive and successful image in the minds of the customers as the Mean value is 4.10. Thus stars add significant value to brands. The result of the item “Celebrities use the products they endorse” shows that a large majority of teenagers disagree as the Mean calculated is 4.24 and they are of the view that celebrities do not use the products that they endorse. Researcher can see a sense of untrustworthiness and information consumers have. Such actions make the consumer believe that it's all about money for the celebrities. Thus it could be said that popular celebrities can popularize brands but can also lack integrity if they are perceived negatively, such as not using or trusting in the endorsed product. The Mean of the responses to item



“purchasing celebrity endorsed brands improve social status” is 4.48 which means that the respondents agree that purchasing a celebrity endorsed brand will improve their social status. Teenagers have positive response to the item that celebrities have the power to change their perception about the product. This is suggested by the Mean of the responses which is 3.60. Teenagers agree with the fact that a celebrity conveys all the truth features of the product. It can be concluded that building the trust to the advertised product can only depend on after trying the product and confirming the quality and value of the product. The teenagers do not solely trust the celebrity endorsed commercials without experience of the product. Teenagers strongly agree that a celebrity holds viewers attention. This is suggested by the mean value of 4.00. The attitude of the respondents in the sample conveyed that celebrities matter a great deal to them. Hence celebrities got voted as having more power and potential to attract attention. Teenagers voiced that it is because of the presence of these celebrities that the product is noticed and remembered by the consumers. Teenagers agree that they will refrain from purchasing a product only because a celebrity they don't like endorses it. This shows that celebrities don't act as deterrents. Teenagers had a positive response when asked if youth's favorite celebrity in an advertisement encourages them to buy the product. The result indicates that celebrities have significant influence on the purchase decisions made by teenagers.

The Mean of 3.72 indicates that a respectable number of youth were in support of the fact that scandals attached to the celebrity destroys the brand image and credibility as it tends to leaves a depressing impact on teenager's minds. The celebrity may lose his or her popularity due to scandals attached to them or due to some lapse in professional performances which ultimately will destroy the image of the brand he/she is endorsing. Teenagers confirm with mean 4.00 that “Celebrity confirms the quality of product”. Majority of teenagers viewed that celebrity endorsement is playing a significant role in purchase intention and purchase decision.

Option	Frequency	Percentage
Humor	21	21%
Celebrity	11	11%
Creativity	45	45%
Information	23	23%
Total	100	100%

The table shows, that creativity leads as the most important characteristic in an advertisement. Information (23%) and humor (21%) follow closely. An important observation over here is that celebrities (11%) are perceived to be the least important factor in ads. Teenagers believe that only those commercials, which are more innovative, have creative and fresh ideas, and have detail information can be more attractive, no matter a celebrity endorsing the product or not.

**6. Conclusions:** It has been proved from the discussion that celebrity endorsements is a very powerful and useful tool. Youths love and adore their favorite advertisers and celebrities should use stars to capitalize on these feelings to influence the fans towards their brand. When taking into consideration the choice of which popular celebrity or star to use as endorser, marketers must recognize and identified the pros and cons of using celebrity



endorsers. It is important that there should be congruency between the image of the brand and the persona of the celebrity. Thus it means celebrity should be carefully selected that matches with the target segment and brand values. It is clear that celebrity endorsement can be an important tool and efficient technique to build and maintain a brand if managed correctly. If handled incorrectly, it can be disastrous.

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## INNOVATIONS AND TRENDS IN SERVICES

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### **Abstract :**

*Globalization of services is the tip of the iceberg. Services, which account for more than 70% of global output, are still in their infancy. Service industrialization and globalization go hand in hand. The long-held view that services are non-transportable, non-tradable, and non-scalable no longer holds for a host of services that can be digitized. One of the most encircling and growing areas of activity is the service sector today. Traditionally we have been thinking only of finance, insurance, transport, communication and tourism in the service sector. But the present development has crossed these boundaries. Budding and rising areas such as environmental, educational and counseling services are also part of this emerging sector today. The sheer heterogeneity of activities surrounded by this sector is going beyond the hitherto stationary features of non-storability, non-tradability and intangibility. This has led to a world boom in respect of services. This paper attempts to understand the prospects and challenges of service sector in a globalised economy*

**Keywords:** Services, economy, globalization, environment, activities

### **Introduction :**

Service sector accounts for a larger percentage in the present scenario as it has the impact of globalization. More open business services markets would generate a win-win situation where countries with comparative advantage in business services can avail the opportunities. The gap between rich and poor in terms of consumption is shrinking. Growth in services in the present scenario has been seen coming from rapid innovations in skills of intensive services, IT professionals and large part of the economy has been from informal sector. It impacts the socio-economic development of economy. Most of the employment in services sector is witnessing. It is a boom as well as one of the major contributors to the economy. It has also attracted significant foreign investment flows, contributed significantly to exports as well as provided large-scale employment. India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction. The service sector is a key driver of economic growth in India, contributing to over 50 percent of the country's overall Gross Domestic Product (GDP). Key services in terms of revenue generation and development.

### **Review of Literature**

**Lanz et al.(2011)** find evidence that tradable and non-tradable tasks tend to be performed together across occupations and jobs. They argue that what is going on is deepening of the division of labour, or fragmentation of production, if you will, but not



necessarily fragmentation of jobs. Thus, functions that are non-core in one firm are being outsourced and possibly off-shored to another firm whose core business is the function in question. Both firms retain multitasked workers in many different occupations. Outsourcing can be seen as the process of generating new industries from functions that were previously carried out within manufacturing firms. Examples are office cleaning, business process outsourcing and many more. The ongoing process of deepening of the division of labour is an important source of economic growth and should be welcome even if growth pains need to be adequately dealt with.

**Christiane Hipp and Hariolf (2005)** critically deal with existing measurement concepts derived from manufacturing, and introduce a new typology with a view to obtaining a better understanding of innovation in services. Selected results from the German innovation survey are analysed in order to support the conceptual findings and to identify potential improvements. Special attention is directed towards the inclusion of knowledge-intensive business services that are of particular importance for innovation processes.

**L. M. Castro , Angeles Montoro-Sanchez & Marta Ortiz-De-Urbina-Criado (2011)** compare the behaviour of service companies and manufacturing companies in technological, organisational and commercial innovation. The analysis of a sample of 11,330 Spanish companies has shown that manufacturing companies have a greater tendency to perform technological innovations, that is, product and process innovations, whereas service companies are more prone to carrying out organisational and commercial innovations. The future tendency should be determined by the use of integrating analytical approaches proposing models to reflect all types of innovation with no discrimination based on the sector to which they belong.

**Ian Miles (2000)** demonstrates that research on services innovation is now a vibrant and mature field within innovation studies. Examining the development of this field, and the contributions of these essays in particular, we argue that the time is right for a "marriage" between the study of services innovation and mainstream innovation studies. While there is a great deal to be learned from the study of services innovation, treating this as a separate area of study runs the risk that important lessons for the study of innovation within manufacturing and other sectors may be lost. These essays point the way toward more integrated approaches, which are particularly suitable for studying innovation processes in the knowledge-based economy.

#### **Key factors of growth and development in services**

- Low cost of operation and tax advantages
- Rapid industrialization and growth
- Supportive government policies
- Availability of technically skilled and efficient manpower
- Strong growth in export demand
- Use of advanced technologies such as cloud computing



### **Growth in services sector**

Till the global financial crisis of 2008, India's services exports was registering a good growth for almost a decade. Services export growth reduced to 11.9 per cent CAGR during 2005-06 to 2014-15 from 21.6 per cent CAGR during 1994-95 to 2004-05. As a result of pick up in some sectors such as transportation and business services, services exports grew by 5.7 per cent in 2016-17. In 2016-17, software services exports, which account for 45.2 per cent of total services, declined by 0.7 per cent due to a challenging global business environment and pricing pressure on traditional services. In terms of growth in tourism sector, during January to December 2016, Foreign Tourist Arrivals (FTAs) were 8.9 million with growth of 10.7 per cent and foreign exchange earnings (FEE) were at US\$ 23.1 billion with a growth of 9.8 per cent.

Source: Economic Survey 2016-17

### **Government Initiatives**

The Government of India recognises the importance of promoting growth in services sectors and provides several incentives in wide variety of sectors such as health care, tourism, education, engineering, communications, transportation, information technology, banking, finance, management, among others.

Prime Minister Narendra Modi has stated that India's priority will be to work towards trade facilitation agreement (TFA) for services, which is expected to help in the smooth movement of professionals.

The Government of India has adopted a few initiatives in the recent past. Some of these are as follows:

Ministry of Civil Aviation, Government of India, launched 'DigiYatra', a digital platform for air travellers that aims to develop a digital ecosystem providing consistent service and a delightful experience at every touch point of the journey.

Mr Nitin Gadkari, Minister of Road Transport and Highways and Shipping, Government of India, launched INAM-Pro's upgraded version, INAM-Pro +, an online platform to bring together buyers and sellers of construction materials, equipment/machinery and services.

The Indian service sector is expected to facilitate a knowledge based economy, and the manufacturing sector will be dominated by services as a result of servicification of manufacturing, said Ms Nirmala Sitharaman, Minister of Commerce and Industry, Government of India. The Ministry of Electronics and Information Technology has launched a services portal, which aims to provide seamless access to government services related to education, health, electricity, water and local services, justice and law, pensions and benefits, through a single window.

### **Investments**

The Indian services sector which includes financial, banking, insurance, non-financial/business, outsourcing, research and development, courier and technical test analysis, has attracted FDI equity inflows in the period April 2000-June 2017, amounting to about US\$ 61.36 billion which is about 17.92 per cent of the total foreign inflows, according to the Department of Industrial Policy and Promotion (DIPP).



### Pathway advances

Services sector growth is governed by both domestic and global factors. The Indian facilities management market is expected to grow at 17 per cent CAGR between 2015 and 2020 and surpass the US\$19 billion mark supported by booming real estate, retail, and hospitality sectors. The performance of trade, hotels and restaurants, and transport, storage and communication sectors are expected to improve in financial year 17. The financing, insurance, real estate, and business services sectors are also expected to continue their good run in financial year 17.

The implementation of the Goods and Services Tax (GST) would create a common national market and reduce the overall tax burden on goods. It is expected to reduce costs in the long run on account of availability of GST input credit, which will result in the reduction in prices of services.

There has been a significant growth in FDI equity inflows in 2014-15 and 2015-16 in general (27.3 per cent and 29.3 per cent) and to the services sector in particular (67.3 per cent and 64.3 per cent for top 15 services). However, in 2016-17, the growth rate of total FDI equity inflows moderated and FDI equity inflows to the services sector (top 15 services) declined.

India's and world's services export trend growth were almost flat in the pre-crisis period, while in the post-crisis period, the deceleration in trend growth of India's services was sharper than world services export growth. In 2016-17, services exports recorded a positive growth of 5.7 per cent with pick up in some major sectors like transportation, business services and financial services; and good growth in travel. However, Software services exports, accounting for around 45.2 per cent of total services, declined though marginally by 0.7 per cent.

The performance of India's Services Sector has been subdued in 2016-17 in line with the global trend. However, some services continue to be key drivers of India's economic growth. There was reasonably good performance in telecom with increase in telecom connections reflecting the Jio effect, aviation particularly domestic travel, tourism related services particularly in terms of foreign exchange earnings, and even information technology-business process management (IT-BPM) despite fall in growth in computer software.

As per the Ministry of Tourism data, Foreign Tourist Arrivals (FTAs) during 2016 grew by 9.7 per cent and Foreign Exchange Earnings (FEEs) through Tourism, in US\$ terms, grew by 8.8 per cent. Various initiatives have been taken by the Government to promote tourism sector of the country that include e-Visa for the citizens of 161 countries, promotion of India as a 365 days destination, launching of Multilingual Tourist Infoline, and Swachh Paryatan Mobile App.

As per NASSCOM, in 2016-17 India's total revenue (exports plus domestic) of the IT-BPM sector including and excluding hardware is expected to touch US\$154 billion and US \$140 billion, with growths of 7.8 per cent and 8.1 per cent respectively. IT-BPM exports are expected to reach USD 117 billion, with a growth of 7.6 per cent. Meanwhile, the Government of India's rapid adoption of technologies as a platform to delivery of government-to-government and government-to-citizen services is a tremendous push factor for the domestic IT-BPM market.





Real estate sector including ownership and dwellings accounted for 7.6 per cent share in India's overall GVA in 2015-16. The growth of this sector decelerated in the last three years from 7.5 per cent in 2013-14 to 6.7 per cent in 2014-15 and further to 4.5 per cent in 2015-16. Despite the subdued demand, residential prices did not fall with the NHB RESIDEX, showing increase in prices in 33 cities out of 50 cities in 2016-17 Q4 over 2015-16 Q4.

Satellite mapping and launching services are two areas in which India is making a mark and has huge potential for the future. The foreign exchange earned by India from satellite mapping in the last five years was more than Rs 100 crores. Foreign exchange earnings of India from export of satellite launch services has increased noticeably in 2015-16 and 2016-17 and consequently India's share in global satellite launch services revenue has also increased.

India's services sector growth, which was highly resilient even during the global financial crisis, has been showing moderation in recent times. However, pick up is seen in recent months with some segments of the sector showing better performance.

### **Conclusion:**

There are a number of services that India offers to various parts of the world like banking, insurance, transportation co data services, accounting services, construction labour, designing, entertainment, education, health services, software services and tourism. Tourism and software services are among the major foreign exchange earners of the country and that the growth rate is also very high as compared to the other sectors. Services sector is vital for the growth and development of any nation, in fact service sector is contributing nearly half of the gross domestic products. There is wide scope for further improvement in this sector and major thrust must be on quality and speed of time in delivering services. Operational efficiency is mandated. India is considered to be a Potential source for services.

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## E-COMMERCE – ON-LINE SHOPPING A DOOR STEP IN GLOBALIZED WORLD

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### **Introduction :-**

Due to advent of e-commerce, the World continues to change drastically which is not restricted to the USA only. There is also on e-commerce in other countries e.g., the United Kingdom has the biggest e-commerce market in the world when measured by the amount spent per capita, even higher than the USA. Mostly Electronic commerce emerged in the early 1990s. Now its use has increased at a rapid rate. Today, the majority of companies have an online presence. In fact, having the ability to conduct business through the Internet has become a necessity. Everything from food and clothes to entertainment and furniture can be purchased online. The meaning of **E-commerce** is a transaction of buying or selling online. Electronic commerce uses the technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle although it may also use other technologies such as e-mail. Typical e-commerce transactions include the purchase of online books (such as Amazon) and music purchases (music download in the form of digital distribution such as iTunes Store), and to a less extent, customized/personalized online liquor store inventory services.<sup>[1]</sup> There are three areas of e-commerce: online retail, electric markets, and online auctions. E-commerce is supported by electronic business.<sup>[2]</sup> The mostly widely used Electronic Commerce companies are eBay and Amazon. Both of these companies allow consumers to purchase a variety of goods and services online from businesses and other consumers, while eBay also hosts online auctions. Consumers on these sites typically have numerous payment options, as well as choices for how their products are delivered.

E-Commerce has become an important tool for businesses worldwide not only to sell goods to customers but also to engage them.

### **Objectives:**

- i) To know about the concept and history of E-commerce
- ii) To know about common application of E-Commerce
- iii) To know about On Line Shopping with its advantages and disadvantages.

### **Methodology:**

This paper has solicited the information from secondary data. It consists of reference books and journals and websites etc.



### **Early Concept of E-Commerce:**

Electronic Commerce was identified as the facilitation of commercial transactions electronically, using technology such as Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT). These were both introduced in the late 1970s, allowing businesses to send commercial documents like purchase orders or invoices electronically. The growth and acceptance of credit cards, automated teller machines (ATM) and telephone banking in the 1980s were also forms of electronic commerce. Another form of e-commerce was the airline reservation system typified by Sabre in the USA and Travicom in the UK.

Beginning in the 1990s, electronic commerce would include enterprise resource planning systems (ERP), data mining and data warehousing. In 1990, Tim Berners-Lee invented the WorldWideWeb web browser and transformed an academic telecommunication network into a worldwide everyman everyday communication system called internet/www. Commercial enterprise on the Internet was strictly prohibited by NSF until 1995. Although the Internet became popular worldwide around 1994 with the adoption of Mosaic web browser, it took about five years to introduce security protocols (i.e. SSL encryption enabled on Netscape 1.0 Browser in late 1994) and DSL allowing continual connection to the Internet. By the end of 2000, many European and American business companies offered their services through the World Wide Web. Since then people began to associate a word "ecommerce" with the ability of purchasing various goods through the Internet using secure protocols and electronic payment services.

The timeline for e-commerce progression is shown below.

- 1979: Michael Aldrich invented online shopping
- 1981: Thomson Holidays, UK is first B2B online shopping.
- 1982: Minitel was introduced nationwide in France by France Telecom and used for online ordering.
- 1984: Gateshead SIS/Tesco is first B2C online shopping and Mrs Snowball, 72, is the first online home shopper
- 1984: In April 1984, CompuServe launches the Electronic Mall in the USA and Canada. It is the first comprehensive electronic commerce service.
- 1985: Nissan UK sells cars and finance with credit checking to customers online from dealers' lots.
- 1987: Swreg begins to provide software and shareware authors means to sell their products online through an electronic Merchant account.
- 1990: Tim Berners-Lee writes the first web browser, WorldWideWeb, using a NeXT computer.
- 1992: Terry Brownell launches first fully graphical, iconic navigated Bulletin board system online shopping using RoboBOARD/FX.
- 1994: Netscape releases the Navigator browser in October under the code name Mozilla. Pizza Hut offers online ordering on its Web page. The first online bank opens. Attempts to offer flower delivery and magazine subscriptions online. Adult materials also become commercially available, as do cars and bikes. Netscape 1.0 is introduced in late 1994 SSL encryption that made transactions secure.
- 1995: Thursday 27 April 1995, the purchase of a book by Paul Stanfield, Product Manager for CompuServe UK, from W H Smith's shop within CompuServe's UK



Shopping Centre is the UK's first national online shopping service secure transaction. The shopping service at launch featured WH Smith, Tesco, Virgin/Our Price, Great Universal Stores/GUS, Interflora, Dixons Retail, Past Times, PC World (retailer) and Innovations.<sup>[6]</sup>

- 1995: Jeff Bezos launches Amazon.com and the first commercial-free 24 hour, internet-only radio stations, Radio HK and NetRadio start broadcasting. Dell and Cisco begin to aggressively use Internet for commercial transactions. eBay is founded by computer programmer Pierre Omidyar as AuctionWeb.
- 1996: IndiaMART B2B marketplace established in India.
- 1998: Electronic postal stamps can be purchased and downloaded for printing from the Web.
- 1998: Alibaba Group is established in China.
- 1999: Business.com sold for US \$7.5 million to eCompanies, which was purchased in 1997 for US \$149,000. The peer-to-peer filesharing software Napster launches. ATG Stores launches to sell decorative items for the home online.
- 2000: The dot-com bust.
- 2001: Alibaba.com achieved profitability in December 2001.
- 2002: eBay acquires PayPal for \$1.5 billion. Niche retail companies Wayfair and NetShops are founded with the concept of selling products through several targeted domains, rather than a central portal.
- 2003: Amazon.com posts first yearly profit.
- 2004: DHgate.com, China's first online b2b transaction platform, is established, forcing other b2b sites to move away from the "yellow pages" model.
- 2005: Yuval Tal founds Payoneer - a secure online payment distribution solution
- 2007: Business.com acquired by R.H. Donnelley for \$345 million.
- 2009: Zappos.com acquired by Amazon.com for \$928 million. Retail
- Convergence, operator of private sale website RueLaLa.com, acquired by GSI Commerce for \$180 million, plus up to \$170 million in earn-out payments based on performance through 2012.
- 2010: Groupon reportedly rejects a \$6 billion offer from Google. Instead, the group buying websites went ahead with an IPO on November 4, 2011. It was the largest IPO since Google.
- 2011: Quidsi.com, parent company of Diapers.com, acquired by Amazon.com for \$500 million in cash plus \$45 million in debt and other obligations. GSI Commerce, a company specializing in creating, developing and running online shopping sites for brick and mortar businesses, acquired by eBay for \$2.4 billion.
- 2012: US eCommerce and Online Retail sales projected to reach \$226 billion, an increase of 12 percent over 2011.

#### Most widely used E-Commerce Companies





### **Online Shopping:**

**Online shopping** or **online retailing** is a form of electronic commerce whereby consumers directly buy goods or services from a seller over the Internet without an intermediary service. An online shop, eshop, e-store, Internet shop, webshop, webstore, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping centre. The process is called business-to-consumer (B2C) online shopping. When a business buys from another business it is called business-to-business (B2B) online shopping. The largest online retailing corporations are EBay and Amazon.com, both are US-base. Online customers must have access to a computer and a method of payment. In general, higher levels of education, income, and occupation of the head of the household correspond to more favorable perceptions of shopping online. Also, increased exposure to technology increases the probability of developing favorable attitudes towards new shopping channels. In a December 2011 study Equation Research found that 87% of tablet users made an online transaction with their tablet device during the early holiday shopping season. Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine. Once a particular product has been found on the web site of the seller, most online retailers use shopping cart software to allow the consumer to accumulate multiple items and to adjust quantities, like filling a physical shopping cart or basket in a conventional store. A "checkout" process follows (continuing the physical-store analogy) in which payment and delivery information is collected, if necessary. Some stores allow consumers to sign up for a permanent online account so that some or all of this information only needs to be entered once. The consumer often receives an e-mail confirmation once the transaction is complete. Less sophisticated stores may rely on consumers to phone or e-mail their orders (though credit card numbers are not accepted by e-mail, for security reasons). Online shoppers commonly use a credit card to make payments, however some systems enable users to create accounts and pay by alternative means, such as:

- Billing to mobile phones and landlines
- Cash on delivery (C.O.D., offered by very few online stores)
- Cheque/ Check
- Debit card
- Direct debit in some countries
- Electronic money of various types
- Gift cards
- Postal money order
- Wire transfer/delivery on payment

Some sites will not accept international credit cards, some require both the purchaser's billing address and shipping address to be in the same country in which site does its business, and still other sites allow customers from anywhere to send gifts anywhere. The financial part of a transaction might be processed in real time (for example, letting the consumer know their credit card was declined before they log off), or might be done later as part of the fulfillment process.



### Product delivery :

Once a payment has been accepted the goods or services can be delivered in the following ways.

- Downloading: This is the method often used for digital media products such as software, music, movies, or images.
- Drop shipping: The order is passed to the manufacturer or third-party distributor, who ships the item directly to the consumer, bypassing the retailer's physical location to save time, money, and space.
- In-store pickup: The customer orders online, finds a local store using locator software and picks the product up at the closest store. This is the method often used in the bricks and clicks business model.
- Printing out, provision of a code for, or emailing of such items as admission tickets and scrip (e.g., gift certificates and coupons). The tickets, codes, or coupons may be redeemed at the appropriate physical or online premises and their content reviewed to verify their eligibility (e.g., assurances that the right of
- admission or use is redeemed at the correct time and place, for the correct dollar amount, and for the correct number of uses).
- Shipping: The product is shipped to the customer's address or that of a customer-designated third party.
- Will call, ICOBO (in Care Of Box Office), or "at the door" pickup: The patron picks up pre-purchased tickets for an event, such as a play, sporting event, or concert, either just before the event or in advance. With the onset of the Internet and e-commerce sites, which allow customers to buy tickets online, the popularity of this service has increased.



### E-Shopping: Advantaaes

#### Convenience:-

Online stores are usually available 24 hours a day, and many consumers have Internet access both at work and at home. Other establishments such as internet cafes and schools provide access as well. A visit to a conventional retail store requires travel and must take place during business hours. In the event of a problem with the item it is not what the consumer ordered, or it is not what they expected—consumers are concerned with the ease with which they can return an item for the correct one or for a refund. Consumers may need



to contact the retailer, visit the post office and pay return shipping, and then wait for a replacement or refund. Some online companies have more generous return policies to compensate for the traditional advantage of physical stores. For example, the online shoe retailer Zappos.com includes labels for free return shipping, and does not charge a restocking fee, even for returns which are not the result of merchant error.

### **Information and reviews:-**

Online stores must describe products for sale with text, photos, and multimedia files, whereas in a physical retail store, the actual product and the manufacturer's packaging will be available for direct inspection (which might involve a test drive, fitting, or other experimentation).

Some online stores provide or link to supplemental product information, such as instructions, safety procedures, demonstrations, or manufacturer specifications. Some provide background information, advice, or how-to guides designed to help consumers decide which product to buy.

In a conventional retail store, clerks are generally available to answer questions. Some online stores have real-time chat features, but most rely on e-mail or phone calls to handle customer questions.

### **Price and selection:-**

One advantage of shopping online is being able to quickly seek out deals for items or services with many different vendors (though some local search engines do exist to help consumers locate products for sale in nearby stores). Search engines, online price comparison services and discovery shopping engines can be used to look up sellers of a particular product or service. Shipping costs (if applicable) reduce the price advantage of online merchandise, though depending on the jurisdiction, a lack of sales tax may compensate for this. Another major advantage for retailers is the ability to rapidly switch suppliers and vendors without disrupting users' shopping experience..

### **E-Shipping: Disadvantages**

#### **a) Fraud and security concerns:-**

Given the lack of ability to inspect merchandise before purchase, consumers are at higher risk of fraud on the part of the merchant than in a physical store. Merchants also risk fraudulent purchases using stolen credit cards or fraudulent repudiation of the online purchase. With a warehouse instead of a retail storefront, merchants face less risk from physical theft. Phishing is another danger, where consumers are fooled into thinking they are dealing with a reputable retailer, when they have actually been manipulated into feeding private information to a system operated by a malicious party.

#### **b) Lack of full cost disclosure:-**

The lack of full disclosure with regards to the total cost of purchase is one of the concerns of online shopping. While it may be easy to compare the base price of an item online, it may not be easy to see the total cost up front as additional fees such as shipping are often not be visible until the final step in the checkout process. The problem is especially



evident with cross-border purchases, where the cost indicated at the final checkout screen may not include additional fees that must be paid upon delivery such as duties and brokerage.

c) **Privacy:-**

Privacy of personal information is a significant issue for some consumers. Different legal jurisdictions have different laws concerning consumer privacy, and different levels of enforcement. Many consumers wish to avoid spam and telemarketing which could result from supplying contact information to an online merchant. In response, many merchants promise not to use consumer information for these purposes, or provide a mechanism to opt-out of such contacts.

d) **Hands-on inspection :-**

Typically, only simple pictures and or descriptions of the item are all a customer can rely on when shopping on online stores. If the customer does not have prior exposure to the item's handling qualities, they will not have a full understanding of the item they are buying. However, Written and Video Reviews are readily available from consumers who have purchased similar items in the past. These can be helpful for prospective customers, but these reviews can be sometimes subjective and based on personal preferences that may not reflect end-user satisfaction once the item has been received.

**Conclusion:-**

E-commerce is widely considered the buying and selling of products over the internet, but any transaction that is completed through electronic measures can be considered e-commerce. **Online shopping** or **online retailing** is a form of electronic commerce whereby consumers directly buy goods or services from a seller over the Internet without an intermediary service. An online shop, eshop, e-store, Internet shop, webshop, webstore, online store, or virtual store evokes the physical analogy of buying products.

E-Commerce has become an important tool for businesses worldwide not only to sell to customers but also to engage them.

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## MARKETING PROBLEMS OF GROUNDNUT OIL INDUSTRY IN KOLHAPUR DISTRICT

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### Abstract :

*Food processing is one of the most important segments of the world economy. Groundnut is used as main ingredient as edible oil in many countries of the world. Ground nut is the main staple food for the majority of peoples in India. It is extensively grown throughout the country. As far as groundnut production of the world is concerned, India is the second largest in terms of volume of production. The total production of ground nut is about 7168000 MT with the value of \$ 3260903 billion (FAO 2008). Marketing is said to be the eyes and ears of a business organization because it keeps the business in close contact with the economic, political, social, and technological environment and informs it of events that can influence its activities as per requirements of the market. Marketing helps in having a good range of products in constant demand and suggest to the management the scope for improving and developing new products to satisfy the changing customer needs. Therefore we can say that marketing satisfies our needs by providing form of utility, personality, exchange utility, place utility and time utility. A good groundnut milling operation is one, which produces the maximum percentage of edible oil and obtains the best possible quality and final by-products. India is the second largest country in the world, in terms of groundnut's volume of production. This paper aims at addressing the marketing problems of groundnut oil industry in Kolhapur district. It takes overview of various marketing problems faced by oil mills.*

**Key words:** Groundnut, Oil industry, Marketing

### Introduction:

India is the second largest producer and processor of ground nut in the world after China in recent years. From 1961 to 1992 India is the number one country in the production and processing of ground nut in the world. Over the years the India's share in production of ground nut is decreasing from 1993 more and more than China. India has the tremendous potential of production of ground nut. The ground nut processing industry is one of the important small scale industries as this is generally located in the rural area of the country. It plays an important role in the rural development. The market for processed and packaged food products is increasing day by day. Only 14 percent of total food products are being processed in India, whereas 35 percent food is wasted during packaging and transportation. Every year 20 to 30 percent of crop is wasted at farm level in India due to improper handling,



spoilage, floods, draughts, pests and diseases and lack of knowledge of post harvest technologies.

Ground nut is the main staple food for the majority of peoples in India. It is extensively grown throughout the country. As far as groundnut production of the world is concerned, India is the second largest in terms of volume of production. The total production of ground nut is about 7168000 MT with the value of \$ 3260903 billion (FAO 2008).

Ground nut processing is necessary to make it for consumption. A good ground nut milling operation is one, which produces the maximum percentage of edible oil; obtain the best possible quality and final by-products. The mills are established for processing groundnut and produce edible oil.

Marketing is said to be the eyes and ears of a business organization because it keeps the business in close contact with the economic, political, social, and technological environment and informs it of events that can influence its activities as per requirements of the market. Marketing helps in having a good range of products in constant demand and suggest to the management the scope for improving and developing new products to satisfy the changing customer needs. Therefore we can say that marketing satisfies our needs by providing form of utility, personality, exchange utility, place utility and time utility( Sherlekar, 2009).

### **Review of Literature:**

The different aspects of food processing in general and groundnut oil mills in particular have been covered by several scholars. It is widely discussed in various research publications some of them, especially related to production, processing of food processing (Ground nut) have been reviewed in this section.

Most of the researchers worked on groundnut processing industry focus the operational problems of industries at micro level. J. Anjaiah (2008) observes the gradual decline in area under groundnut crop in Andhra Pradesh due to introduction of oil palm, ban on government import of seed material from the other countries and due to the preference for the low fat oil on health ground as ground nut oil has more fat content. Badar A. Iqbal (1980) has laid light upon, India ranks first in areca nut production as 60% of the world where he analyzed agro based industries' performance and prospects. P. V. Kasle (1996) finds that suitable remedial measures to be adopted in order to increase the efficiency of oil industry by way of increasing the level of capacity utilization. In oil industries the minimum quantity of 124 quintals of ground nut were required to cover the fixed cost. B. C. Nair (2007) finds that the agricultural activity in Goa has been steadily declining; various food grains are imported at large amount. It means there is an increasing demand for food processing in Goa. Bhav P. V. (1998) observes that there is under- utilization of Capacity (240 days in a year) due to irregular, insufficient and low standard raw material, old machinery and technology. Chandel and Rao (2003) observe that the growth rate in research investment in oilseeds was higher than the growth rate of area of production of oilseeds, indicating improvement in research intensity. Chandrasekhran and Achaya (1980) estimates the number of working groundnut *ghanis* is around 2.20 lakhs in India. Modak (1986) founds



that there is a need of irrigation and controlled water supply and also the price instability is the worrying aspect of Gujarat groundnut economy. Purkayastha and Subramaniam (1986) found that the Indian groundnut market shows structured break (deceleration) between 1950 and 1980 in area and output of groundnut. Chandrasekaran and Achaya (1980) found that the wholesale market comprises three major levels, namely local, assembling and terminal markets. The operations in all of them are controlled by commission agents and brokers. They also found the prices have tripled in the decade after 1964.

The review of literature shows a gap of the study on the aspects covered in the present study which insisted upon the need of this study.

### **Statement of the Problem:**

This paper aims at addressing the marketing problems of groundnut oil industry in Kolhapur district. It takes overview of various marketing problems faced by oil mills. The present study is entitled as 'Marketing problems of groundnut oil industry in Kolhapur District'. The study aims to examine the marketing problems of oil mills.

### **Objectives:**

1. To identify and study the problems related to marketing function of groundnut oil industry in Kolhapur district.
2. To come up with the observations and findings.

### **Methodology:**

The present study attempts to analyze the situation of ground nut processing industry in India. The data have been collected for the present study through primary and secondary sources. For the purpose of collecting primary data personal interview, discussion and non-participative observation method have been used. The interview schedule was executed in the field for collecting primary data. During the time of personal visits to the units, the observation has been made to identify and analyze the problem under study. The secondary data have been collected from the published and unpublished sources. The data have been collected through the sources such as, reports of Ministry of Agriculture Govt. of India, the website of FAO, annual reports and statements, books, Journals, Periodicals and reports.

The collected data have been processed for bringing out the information on all aspects of ground nut production with the help of tabulation, charts etc. The data have been analyzed with statistical techniques like percentage, average, mean, mode, median, standard deviation, t – test etc.

### **Findings:**

1. Majority of the ground nut oil mills do not conduct the market research activity.
2. Majority of the oil units are working in local market.
3. All oil units do not know their market share.
4. Majority of the oil units said that there is high degree of competition.
5. Majority of the units do not have any definite plan about marketing.
6. Most of the oil units have the peak season for only 6 to 8 months in a year.



7. Majority of the oil units does not have own vehicles for the distribution of goods.
8. Most of the oil units feel that there is no need of advertisement and publicity for their product.
9. All of the oil units say that there is high price competition in industry.
10. The ground nut oil mills do not have any sophisticated marketing strategy. There is a lack of innovation in marketing practices because most of the work is made on job work basis.

### Suggestions:

The present study offers the following suggestions:

1. Oil units should prepare a definite plan of marketing.
2. Oil units should prepare the definite sales plan.
3. Oil units should make their own system of transportation of the product.
4. Oil mills should create their own brands of product to compete successfully in market.
5. Oil mills should combine their effort in the form of joint ventures, SHG s and under it create common brand name to enter in global market.
6. To overcome with the marketing problems the ground nut oil mills should adopt some good marketing strategies and make some innovations in marketing methods.
7. The oil mills are largely unorganized. They should be properly organized in to a common forum as this forum will take an action to advertise the oil in positive manner as customers should not shift to other substitute edible oils.

### Conclusion:

Rural industries are essential to develop entrepreneurship and create employment opportunities, for proper use of material and capital. The ground nut processing industry has various problems of marketing. But groundnut processing industry has huge potential as agro-processing units in coming age because India may be a big food basket for number of countries in the world. Being groundnut oil as edible oil popular all over, in domestic as well as foreign market there will be huge demand for ground nut and the rural based industries can exploit the prosperous opportunities in this field. The ground nut processing industry can play vital role in rural industrialization as it is agro-based. It recommends policy intervention and effective marketing management. The oil industry plays an important role in economic development. It also belongs to the rural economy of the country. Therefore it is necessary to look in the marketing needs, problems and management of oil industry in order to strengthen the rural economy.

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## STUDY OF WOMEN ENTREPRENEURSHIP AND NEED FOR SKILL DEVELOPMENT

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### Abstract :

*Women, the most important segment of this society are not properly introduced with entrepreneurship, Thus it definitely affects on economical development of any country. Today entrepreneurship is gaining more and more importance and women are also in this stream. However their progress is very slow. They are lagging behind. If we go through the reasons behind this, there are so many reasons. But one of them is unskilled women entrepreneurs'. This paper is an attempt to find out the reasons behind it and provide some implementable suggestions on it.*

**Key Words:** Women entrepreneurship, Skill, Unskilled

### Introduction:

We all know that land, Capital, labour and Entrepreneurship are basic factors required for manufacturing, trade or business. Though they are all equally important one can't deny importance of skill. In the present context of technological advancement there is remarkable improvement in mobility of capital and entrepreneurs but growth is delayed due to the non availability of required various skill. To counter these constraints efforts are made for skill development in organised sector. However skill development in unorganised sector is also very important in the present context. Because after LPG (Liberalisation, Privatisation and Globalisation) as there is tremendous growth in organised sector, industrial civilisation also supports to increase the unorganised sector. We cannot neglect this growth and its impact on economy of India. There are different types of needs of modern society. There is a huge demand of entrepreneurs due to increase in standard of living as increase in the required factors for smooth life. Women are also dreaming about becoming entrepreneurs and financially self independence but their entrepreneurship has limited scope which is stick with beauty-parlours, dress designing, powder pickle and papad.

Maximum women entrepreneurs, especially from rural area are unskilled or less skilled, uneducated or less educated. Many times they are in this field because of their poverty, their cast and their social status. Our present education system is also not suitable to impart various skills which are helpful to enhance the capability of women entrepreneurs. After IT revolution we can observe a change in it. Now the need of hour is the Entrepreneurs equipped with skills which can deal with the most advanced market needs. Besides there are women with good academic qualifications that are unable to get various skills which is need of time. .

We can observe that though there are entrepreneur opportunities youth are not grabbing these opportunities as they are not possessing proper skills. Skill is the element which is directly or indirectly responsible for the gap and widening the gap between demand and supply of women entrepreneurs.



After LPG there is huge competition in every field. It is a totally consumer driven economy. Everyone is trying to supply the best in low cost to survive in this competition. Economy, efficiency, Quality and service are key words .So skill is considered as the most desired aspect in every walk of life and industries are no excuse to it.

Today youth i.e. working population constitutes large portion in the total population of India .If this large section of the society is not equipped with proper skills it will certainly affect the development and growth of the society and likely to create unrest.

### **Statement of the problem:**

In India women entrepreneurs are indulging in both organised as well as unorganised sectors. It is **critical** to measure their actual performance, service quality, improvement in GDP with their contribution etc. Present economy needs more and more skilled persons both in organised as well unorganised sector. The quantum and contribution of unorganised sector is not negligible .So the researcher has selected this topic for study. Various researches have proved that high skilled quality contributes significantly to profitability.

### **Advantages of skill development for women entrepreneurs:**

1. To boost productivity
2. Less time consumption
3. Less expenditure
4. Increase in income
5. Less accidents will take place
6. Increase in standard of life.
7. Innovations
8. Smart work
9. Improvement in standard of living
10. Optimum and proper use of natural resource



### **Objectives of the study:**

The objectives are formulated

1. To study and understand that skill development is essential for women entrepreneurs.
2. To study and understand that development of skill will benefit the women entrepreneurs.
3. To suggest ways and means for improvement of skills for women entrepreneurs.

### **Significance of the study:**

An improvement in skill and level of satisfaction of consumer is not easy to evaluate. The result of present study has shown that an improvement in skill is beneficial for human resources along with reduction in unemployment.

### **Research Methodology:**

This study is based mainly on secondary data and primary data by way of observations and interviews with women entrepreneurs of Kasegaon and Islampur of Sangli district.



### **Scope of the study:**

This study highlights on major **drawbacks** in skill development for women entrepreneurs. The suggestions of the study will provide key areas where improvement is possible. The geographical area of the study is Kasegaon and Islampur of Sangli district.

### **Limitations of the study:**

The study is mainly focussed on acquiring various types of soft skills and hard skills for development of women entrepreneurs. The primary data is purely collect from the observation and interview of the women entrepreneurs of Kasegaon and Islampur of Sangli district.

### **Literature Review:**

According to Anjali Singh in her article on "The Role of Women entrepreneurs in India: SWOT analysis" that women are the core part of the family which leads to society and family. Mainly women from rural area are required skill development training because they are the main source of our culture development and the author also discuss about status of women entrepreneurs and problems faced by them.

The author also discusses about the various government schemes available for the development of women entrepreneurs.

### **Problems faced by Women entrepreneurs in acquiring various skills are as follows -**

This information is collect from the women entrepreneurs by observations and interview method along with reviewed of books of related subject.

1. Lack of proper knowledge.
2. Lack of proper resources.
3. Lack of proper guidance.
4. Less education.
5. Non availability of modern tools and techniques.
6. Absence of proper skill development programmes
7. Work diversity
8. Neglected segment of the society.
9. Rigidity, not willing to change
10. Non availability of proper infrastructure

**Findings of the study:** The above information clearly shows that the women entrepreneurs from the area of Kasegaon and Islampur which is nearly consider as rural part of the district, faces number of problem while conducting their day to day activities of business. Thus it is necessary, for the development of business some skills are necessary. Now a day, every organisation required some basic machinery and maintains the books of account is necessary, therefore Communication skill, basic technical skill and writing of accounts skill are necessary for the every entrepreneur along with this, marketing and publicity skill also required.

### **Suggestions:**

The following suggestions are suggested by the researcher





- Proper knowledge of skill should be provided to women entrepreneurs.
- Proper resources should be made available.
- Proper guidance should be made available.
- Education facilities should be provided.
- Modern tools and techniques should be provided should be made easy available.
- Proper skill development programmes should be arranged.
- Proper attention is essential for this sector.
- Proper counselling is essential to make them unrigged.
- Proper infrastructure should be made available to develop various skills.

Hence with the help of various skill development programmes, it is possible to improve work efficiency of unskilled women entrepreneurs, Which will lead India towards balanced economic development along with reduce the unemployment.

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## **B.P.O CHANGINING SCENARIO OF BUSINESS**

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### **Abstract:**

*Every business is developing at very fast pace due to the rapid globalization process and this new business development in turn is leading to rapid globalization. The same is true with outstanding industry of Indian and the world. The outsourcing industry has emerged under the wings of IT industry and has shown a growth even faster than IT industry. The outsourcing industry is also termed as Business process outsourcing (BPO) industry. Though it is pronounced as a new concept but actually not new. The philosophy of outsourcing dates back to mythological times. The kings and nawabs used to outsource the construction work to the expert architectures and builders who used to build palaces for them.*

**Key words:** Process of business reforms outstanding- types – objectives

### **Meaning and Definitions:**

Business process outsourcing (BPO) is the delegation of one or more IT- Intensive business process to an external provider that, in turn down, administrates and manages selected processes based on defined and measurable performance matrices.

BPO means handling over the work of the company to outside company or agency for completion on contract basis. It is the delegation of one or more IT intensive non-core business processes to an external services provider that owns, administers and manages the selected process based on defined and measurable performance matrices. It helps to improve the quality, cost reduction and efficiency of their processes.

Outstanding is done to improve quality, or free company resources for other activities and is economical. Assigning responsibility for all or a portion of the activity and takes involved in developing and / or running and maintaining a system to vendor / supplier outside of the organization seems to be a good choice for an organization as there is no headache involved with the company / organization over the maintenance and various other small issues.

### **Objectives of outsourcing:**

The expectations of the customers are very high in terms of quality, cost, time etc. to meet these requirements the company look for new tools and techniques. Outsourcing is one of such tools. The main reasons for outsourcing non- core activities are mentioned here-

- ❖ The core firm can survive in the market by supplying products or services at the reasonable rate. In times of recession cost saving is the key- driver and outsourcing becomes inevitable and imperative.



- ❖ Fast changing technological risk can be transferred to the outside service providers by outsourcing such of the activities which involves modern technology.
- ❖ The core firm can also reduce the ownership related cost and can have a sufficient fund for the investment in core activities.
- ❖ The core firm can concrete more on core activities by outsourcing the non- core activities to outside agencies.
- ❖ BPO industries are specialized and expertise with experience in particular area, the client firm has access to expertise, to achieve its goals in area where it lacks these competencies.
- ❖ BPO helps to maintain customer's loyalty by satisfying their need in respect of quality and price due to cost advantages.
- ❖ The financial position of the company can be improved through outsourcing as it helps to reduce cost, enhances profitability, earning per share and net worth by improving in the country where the job is outsources accordingly to the specialization.

#### **BPO undertakes:**

- ❖ Data processing, basic data Entries, setting up of a Bank Account, Department Outsourcing, Provides technical support, Provides email support to its customers. Accounting NASSCOM, there are over 2000 companies participating in the ITES-BPO market today is characterized by the companies such as DELL, HP, EXL, WNS, SITEL, HSBC, the standard chartered Bank, Coverage, Wipro Spetra mind, AOL, Daksh and source among others.

Significance of BPO industry can be explained more with the help of following explanation-

1. Outsourcing is a way to improve operational performance of a firm and incidentally helps in building up the economy of developing country.
2. Heavy investment is not required on noncore work. This non- core work can be outsourced to economically poor countries.
3. It is possible to invest more time, money and human resources in core active items without losing quality and name.
4. Software companies are trying new avenues through BPO to increase their revenue.
5. India has one of the largest pools of low cost, English speaking scientific and technical talent. This makes it the obvious choice to outsource.
6. Call centers have mushroomed in India serving various foreign airlines and banks. Many European and US companies are outsourcing their human recourses department, accounting departments, legal department etc. to overseas BPO agencies.
7. BPO saves previous management time and recourses and allows companies to focus up on core companies.
8. BPO assists in increasing companies' profits. Its results in increasing shareholder value.



9. Productivity improvements, access to expertise, operational cost control, cost savings, improved accountability, improved HR and opportunity to focus on core business are some other benefits of BPOs.
10. It gives a clear cost advantage to the company that is outsourcing the work.
11. Outsourcing helps to convert a fixed cost structure in to a variable one and allow for more flexibility in handing of business related uncertainty.
12. Many overseas countries do not employ permanent staff for handing miscellaneous jobs. They get those done through BPO.
13. By outsourcing sundry jobs, big firms can concentrate on core concerns and be more successful.

**Types of Outsourcing:**

There are two types of outsourcing activities. One involves entrusting external firms with the company’s comparatively less important activities in order to concentrate recourses on core competencies. The second is the reliance on an external firm to handle some tasks when the company is facing difficulties in achieving core competencies and the outsourcing of functions other than core competencies, like cost reduction efforts, and the establishment of subsidiaries and networks. It is also useful to study different forms of sourcing of services. Services can be received from on-shore (domestic) or off-shore (international) suppliers at the same time provider of the service can be either organization itself (affiliated organization) or another organization (non-affiliated organization).

These two organizations together creates four different sourcing conditions.

1. Captive on- shore outsourcing—deals with sourcing of supplies from the affiliated firm domestically.
2. On-shore outsourcing – deals with sourcing of supplies from non-affiliated firm domestically.
3. Captive off-shore outsourcing-deals with sourcing of supplies form affiliated off-shore firm.
4. Off- shores Outsourcing- deals with sourcing of supplies from non-affiliated off-shore firm.

Above types will more clear from the following chart No.1:

**Chart No.1:**

**Chart showing Types of Outsourcing**

Affiliated firm	On-shore supplier Captive On-shore Outsourcing	Off-shore supplier Captive Off-shore Outsourcing
Non Affiliated Firm	On-Shore Outsourcing	Off-Shore Outsourcing

(\*Source: adapted form World Trade Report 2005 and Report of USGAO)

**Nature of BPO-\*Chart No. 2.**

**Chart showing the nature of BPO:**



BPO is	BPO is not
Business discipline	Procurement routine
Long-term	Single development / consulting projects.
Relationship	Transaction
Enabled	Contracted out
Process	Functions, Tasks.
Infrastructure	Individual applications
Maintained	As needed, situational.
High Level	Delegated to individual process units
Mutual	Buyer—seller deal.
Collaboration	Purchase and payment

India is increasing seen abroad as a low – cost BPO destination and major competitive threat Research and advisory firm Granter has estimated the country’s revenue from off-shore BPO to grow from \$ 1.2 billion in 2003 to \$ 13.8 billion by 2007 and actually more than it.

The type has drawn from several companies to look at exploiting the business opportunities. Several players from real estate and industrial houses have got into the business because of the hype. It has highly captive and long –relationship business there is deep commercial interest among big global companies to explore Off-shore BPO from the country Cost saving is the biggest driver.

BPO means handing over the work of the company to outside company for completion on contract basis. It helps to improve the quality, cost reduction and efficiency of their process. A call centers can be defined as a telephone based shared service center for specific customer activities and used for a number of customer related functions like marketing, selling information dispensing, advice, technical support etc.

A call center is a physical place where customer queries are handled over telephone of E-mail, Call centers are usually used by mail- order catalogue companies, telemarketing companies, computer product help desks, and any large organization that uses the telephone or E-mail or sell or service products and services.

**Following are some features of BPO-**

- ❖ Functions - Non care and Routine.
- ❖ Nature of Employment - For fresh graduates with good communication skills.
- ❖ Professional Approach - Work on process expertise.
- ❖ Career - considered by people as a job not as career.
- ❖ Working Hours - 24\*7 \* 365 types of working
- ❖ Employees Turnover rate - very high (almost 40%)
- ❖ Growth Rate - expected to be 26%

**BPO sector in India-**



BPO is the long-term contracting out of non-core business –processes to an outside provider to help achieve increased shareholder value.

Through some forms of BPO may include both IT management and business operation, the approach is primarily about turning over functions such as payroll, accounting, billing or even real estate management to a third party. Though these business processes may depend on IT, they are separate functions from core IT-operations, such as data center activities or network management, IT enabled services are a revolutionary IT offshoot which can look after your all outsourcing needs. Services might be including field like customer Relationship management (CRM), Data Research and Network Management Services. Business functions may be explained as below:

**A. Non- core yet Critical Functions.**

- ❖ Customer care
- ❖ IT- Help Desks
- ❖ Finance and Accounting
- ❖ Supply Chain Management
- ❖ HR Administration

**B. Core-Business Functions**

- ❖ Managing Market Image / Trademark
- ❖ Caring for Patents.
- ❖ Finds / Sell oil and gas.
- ❖ Manufacture Products.

In early 1990s, GE Company realized that significant benefits can be obtained by moving some of its back- office and customer service processes to India. The move was a great success in significantly cutting costs and in raising quality and productivity benchmarks. The success of this model propelled the rest of corporate America to seriously explore possibilities of India as an outsourcing destination. Improvement in cost, quality and productivity encouraged many companies to rapidly start and scale up their off-shore operations.

Gradually, India emerged as a global hub for IT- Outsourcing along with countries like China and Canada, due to availability of highly qualified skill pool and faster adoption of well-defined business processes. Government active co-operation in creating the necessary business environment along with improvements in infrastructure have analyzed the growth of the BPO industry.

Robust communication infrastructure is a major reason for India becoming a prime destination for BPO.

**IT- Hubs-**

Chennai, Hyderabad, Pune and Kolkatta are rated among to five emerging destinations worldwide in the latest ranking of top 50 promising outsourcing cities around the globe. Banglore, Delhi-NCR and Mumbai along with Manila and Dublin are the 5 established hubs



that are unlikely to fade from the outsourcing map, according to a study by services globalization and investment advisory from Tholons and Media Group Global services.

- ❖ Chennai is the topmost emerging hub for outsourcing globally, with established expertise in application development and maintenance, finance and accounting, product development, engineering services and testing.
- ❖ Hyderabad, with relatively low properly rentals and favorable government policies recently attracted investments from BPO majors such as HCL, BPO, EXL services and Genpact and was ranked second in the list.
- ❖ Pune gained prominence among outsourcing hubs owing to lower operating costs and attrition rates compared to other metros.
- ❖ Chandigarh was described as “one of the best planned cities in India” was ranked nine among the 50 global hubs.
- ❖ Kolkatta and Banglore were emerging as workplaces for application development and maintenance and business analytics, respectively.

### India's Advantages

India offers following advantages to serving as ITES-BPO destination for global companies-

- A virtual 12 hours' time zone difference with USA and other major markets for ITES- BPO sector.
- A huge pool of English speaking and Computer literate graduate manpower who can continue to cater to the growing demand for professionals for ITES-BPO these Professionals are skilled as well as quality conscious.
- Cost of qualified personnel is amongst the lowest in the world.
- Stable legislative and economic framework.
- Support of government of India for all IT led industries.
- Incentives and infrastructure for setting up ITES-BPO units.
- Strong brand equity in major markets, thanks to its growing and globally competitive software industry.

### BPO Services:

#### 1. Customer Service and Sales

- Inbound Customer support, Inbound Sales / Order entry, Inbound voice and non-voice technical support, Outbound telesales/ telemarketing. Outbound Collections, Outbound Customers call back, E-mail, Chat- Monitoring, technical help desks, field Service..... Dispatch..... Telesupport..... Customer Info System.....

#### 2. Finance and Accounting

- Accounts Payable, Account receivable, Tax Processing, Vendor management, time and expense reimbursement, Re- conciliations, Credit and Collections, Employee compensation and benefits, Payroll Processing, Purchase, Transaction Processing, General Accounting.

#### 3. Financial Services-

- Loan Processing, Application Processing, New Account set-up and servicing.

#### 4. Insurance-



- New business acquisition process, Claims processing, Policy owner Services, Transaction and re- insurance Accounting, Statutory reporting, Annuities Processing, Benefits administration.
- 5. Banking-
  - Credit/ Debit card services, Cheque processing, Mortgage Loan Servicing, Collections, customer account management, treasury operation management.
- 6. Security-
- 7. Client Account Management, Corporate actions
- 8. Administration-
- 9. Information Technology-
  - Maintenance, Training, Application Development, Consulting, Re- engineering, Printing Reprographics, Consulting, Mailroom.
- 10. Sales and Marketing-
  - Direct Mail, Advertising, Telemarketing, Field Sales....
- 11. Human Resources-
  - Re- location workers Compensation, Recruitments, Human Resource Info System.

### **Growth in BPO Industry**

The BPO sector in India is growing at the rate of 60 to 70 percent per annum. The fastest growing sector in the India IT industry, both in terms of the number of people being hired and revenue generated, is the IT enabled services segment comprising call centers and BPO sector. Each day nearly 300 people join the BPO industry, which now offers varied career options. It can be said that, the rise of MNC's would not have been possible without outsourcing. No big company can hope to produce its entire requirement in house and has to procure raw materials and components from other parties. According to study done by Micknisey, ITES- BPO has generated revenue and employment for India.

### **Challenges before BPO Industry**

Increased BPO services from India are facing some challenges which is as follow-

1. Maintaining data security and the confidentiality.
2. Maintaining high control on process operations.
3. World class Infrastructure requirements.
4. Maintenance of higher quality standards.
5. Development of talent pool in the country.
6. Increasing competition from other countries like Canada, Phillippines, China, Malaysia, Singapore & Thailand, Indonesia, Hungri, Brazil, Chile, Mexico etc.
7. Brain- drain in India due to the people migrating from India in search of Jobs.
8. Maintaining safely of women staff.
9. Trend of increasing costs due to salary hikes and high attrition Rate in India.
10. Poor Business Environment and Inadequacies of Infrastructure.





## IMPACT OF GST ON EDUCATION SECTOR

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### **Abstract :**

*Education plays a vital role in the daily life. In olden days we have 'Gurukul' system. In this system students are stayed at the residence of the teacher. They have to stay at least twelve years at that residence. After completion of the education the students pay 'gurudakshina' to the teacher. In the education period the teacher give the education of different types of activities or we can say 'kala' to the students. In this period students do the all work given by the teacher. He has not to pay any single rupee to the teacher at the education period. This situation is a very old situation. Now we have no gurukul system. We have different types of education styles. In India education system divides at primary level, secondary level, higher secondary level and higher level. Out of which up to the higher secondary level government play a very important role. Generally students will get the admissions in the schools. Government prepare a law for the students below age 14. They have to take free and compulsory education. It is a primary education. As well as government prepare Right to Education Act in 2009. So those how are poor and cannot afford admissions in private schools they can take admission in these private schools. But there are no any types of provisions related to the higher education. If students are very clever and have a normal economic condition they can take an admissions to the professional courses. Otherwise they cannot complete their higher education. It was the situation before the implementation of GST. Now we have to understand what will be different types of effects of GST on the education. This research paper focuses the impact of GST on the education in India.*

### **Introduction :**

Education is a continuous process. Everyone is taking education at any stage. In India education is categorised in different level i.e. primary level, secondary level, higher secondary level, and higher education, etc. basically in primary we study the basic languages and basic environmental conditions to the students. It is not a skilled based education. It gives idea about words. In secondary level along with the basic education students will get skill based education. In this stage the students will aware about different types of skills at this stage. It is a first level in which students will get idea about different types of skills. At higher secondary level students have options to select the particular stream. It is a door which opens at higher education stage. Here lots of traditional as well as professional courses are available. E.g. commerce, arts, diplomas, etc. after completion of higher secondary stage we are entered in higher education. It is the last stage which give ability to create own employability. After this stage students can earn money for survive. In the 2009 government prepare Right to Education Act. It gives right to complete the primary education of every person. Primary education is a compulsory and free education to all students. If anyone wants to try take admission in private schools then seats will be reserved according to RTE



Act. But in the case of higher education it is not compulsory. So those who are interested to take higher education and have a capacity they complete their higher education. Otherwise they can't. On 1<sup>st</sup> July government adopts a single tax system we known as GST. It is a single tax which covers VAT, custom tax, service tax, etc.

It will be categories at 0.25%, 3%, 5%, 12%, 18% & 28% the GST affected on the education sector in India. As well as for studying we have to use different types of stationary. The GST also affected on stationary also. In this research we will see the various impacts of GST on educational sector.

**Objectives of Research Paper :**

The objective of research paper is to study the impact of GST in different level of education level. i.e. from primary to higher level. It also study impact of GST on other activities of education and stationary related to study, etc.

**Data collection :**

Data collected by secondary sources like web site, reports, etc.

**Impact of GST on educational material**

Sr. No.	Particular's	Current Tax rates (in%)	GST(in%)	Difference in percentage (in%)
1	Children's Colour book	0	0	0
2	Stapler, pencil, sharpener	18.68	12	-6.68
3	School Bag	12.5	18	+5.5
4	Fountain pen, Nib	18.13	18	-.13
5	Refill	18.69	18	-.69
6	Exercise Book	18.68	12	-6.68
7	Ball pen	18.68	12	-6.68

**Source:** [www.gstindia.com](http://www.gstindia.com)

When we see the above table we will get the clear idea about the prices of different types of stationary will be reduced. Education is the prime important factor. Everyone have to take education. Now the RTE also says that the primary education will be compulsory to all members of the society below age of fourteen. Here for studying we required same types of stationery like pen, pencils, notebooks, etc. the prices of these stationery after implementing GST will be reduced. It means everyone can afford the study material at cheap prices. It will increase in ratio of number of students. We cannot say that students leave the education because of non- availability of educational material.

**Impact of GST on Pre-primary, Primary, Secondary and Higher Secondary Education :**

In India primary education sector covers education below seventh standard. Here the categories of age of the students are below fourteen years. Here basic education will be given like knowledge of words, basic science, basic of mathematics, environmental conditions, etc. In primary education government established government schools at rural as well as urban level. At rural level we have ZP schools and at urban level we have corporation school. Instead of these schools there are various private schools are established for providing education for CBSC, ICSC streams. In the case of ZP and corporation schools there are no extra fees for education. They provide free education to the children. But in the case of private schools they charged some extra fees. Here the all educational institutions those have



been granted the exemptions from GST are pre-schools to higher secondary level government as well as private institutions.

Here the RTE act 2009 gives right to get primary education to every students. So it is clear that there are no any types of impact of GST on education from pre-primary to higher secondary level. All students can take education.

It also covers various other allied activities like transportation, examination fees, housekeeping, catering, mid-day meal, etc. provided by the schools. GST is not impacted on these various activities provided to the students. So there is no any impact of GST on such activities naturally these facilities will be available at normal rate to the students. They have not to pay extra charges on it. So prices of such activities will be stable. Students will not leave the education at any stage up to the higher secondary level because of excess prices of such activities. These Services are -

- (a) By an educational institution to its students, faculty and staff;
- (b) To an educational institution, by way of,-
  - (i) Transportation of students, faculty and staff;
  - (ii) Catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory;
  - (iii) Security or cleaning or house-keeping services performed in such educational institution;
  - (iv) Services relating to admission to, or conduct of examination by, such institution; up to higher secondary: Provided that nothing contained in entry
- (b) Shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent.([www.gstindia.com](http://www.gstindia.com))

### **Impact of GST on Higher Education Level :**

Higher education starts from 10+2 level. Means after HSC we can take higher education. Generally it covers traditional courses as well as professional courses. After taking such type of education we are expecting an employment opportunities. In India we are focusing at primary education firstly. As compare to the primary education we are not focusing at higher education. Here for the admission for the traditional courses like arts, commerce and science faculties there are very fewer fees have to pay. If admissions are taking at private institutions then students have to pay extra fees. But fees for professional courses like engineering, medical have extra fees. When we compare traditional course fees with professional courses fees then we see that the fees for professional courses are too much high. Ordinary people cannot afford it easily. If students pass entrance exam with good marks then he/she will get admission to government colleges. Otherwise parents have to pay fees for admissions for professional courses. For completion of higher education students also prefer coaching classes. So there is an impact of GST on Higher education. According to survey by NCERT shows that at national level only 5% students take higher education and in Maharashtra state it is 7%. On the other hand the illiterate ratio at national level is 21% at Maharashtra state it is 26%. Means here still there are various peoples are illiterate. Following services are not under the category of GST at higher education level:



Services provided by the Indian Institutes of Management, as per the guidelines of the Central Government, to their students, by way of the following educational programmes, except Executive Development Programme: -

- (a) two year full time Post Graduate Programmes in Management for the Post Graduate Diploma in Management, to which admissions are made on the basis of Common Admission Test (CAT) conducted by the Indian Institute of Management;
- (b) Fellow programme in Management;
- (c) five year integrated programme in Management. ([www.gstindia.com](http://www.gstindia.com))

There are another private institutions which provides higher education it covers private institutions, coaching institutions, etc. the GST rates will be at 18%. Naturally the impact will made on the fees structure of such types of an institutes. It may be increase the fees of these institutions. If fees are increased it will not be affordable to the ordinary people. So there are chances they will not take higher education. They may be stop to take higher education. There are chances of stagnation at this stage.

In the following cases or programme government exempt these services form GST. These programmes are related to development of skill among the people. These programmes are conducted by the state and central government.

#### **Any services provided by, \_**

- (i) The National Skill Development Corporation set up by the Government of India;
- (ii) A Sector Skill Council approved by the National Skill Development Corporation;
- (iii) An assessment agency approved by the Sector Skill Council or the National Skill Development Corporation;
- (iv) A training partner approved by the National Skill Development Corporation or the Sector Skill Council in relation to

(a) The National Skill Development Programme implemented by the National Skill Development Corporation; or

(b) A vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or

(c) Any other Scheme implemented by the National Skill Development Corporation.

#### **Conclusion**

In India RTE Act 2009 gives compulsory of primary education. But in case higher education it is not compulsory. At primary level government schools provide free education with other activities like mid-day meal, books, etc. in case up to higher secondary level government schools as well as private schools are there, but government provides grants to these schools. GST is not affected on education till higher secondary level. But in case of higher education there are some private institutions provides education so GST will be affected on higher education. So there are chances stagnation at this level. In case of stationary related to the education, GST will not be majorly affected on it.

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## E – MARKETING – CHALLENGES AND OPPORTUNITIES

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### **Abstract :**

*E-marketing means using digital technologies to help sell goods or services. These technologies are a valuable complement to traditional marketing methods whatever the size of company or business model. The basics of marketing remain the same – creating a strategy to deliver the right messages to the right people. What has changed is the number of options available to business. Though businesses will continue to make use of traditional marketing methods, such as advertising, direct mail and PR, e-marketing adds a whole new element to the marketing mix. Many businesses are producing great results with e-marketing and it's flexible and cost-effective nature makes it particularly suitable for small businesses. This paper is discusses the concept, objectives, challenges and opportunities of E-Marketing on the basis of secondary source.*

### **Introduction :**

E-Marketing or electronic marketing refers to the application of marketing principles and techniques via electronic media and more specifically the Internet. The terms E-Marketing, Internet marketing and online marketing, are frequently interchanged, and can often be considered synonymous. E-Marketing is the process of marketing a brand using the Internet. It includes both direct response marketing and indirect marketing elements and uses a range of technologies to help connect businesses to their customers. E-Marketing encompasses all the activities a business conducts via the worldwide web with the aim of attracting new business, retaining current business and developing its brand identity.

### **E-Marketing Definition :**

E-Marketing, refers to advertising and marketing efforts that use the Web and email to drive direct sales via electronic commerce, in addition to sales leads from sites or emails. Internet marketing and online advertising efforts are typically used in conjunction with traditional types of advertising like radio, television, newspapers and magazines.

E-Marketing can also be broken down into more specialized areas such as Web marketing, email marketing and social media marketing:

- 1) **Web marketing** : includes e-commerce Web sites, affiliate marketing Web sites, promotional or informative Web sites, online advertising on search engines, and organic search engine results via search engine optimization (SEO).
- 2) **Email marketing** : involves both advertising and promotional marketing efforts via e-mail messages to current and prospective customers.



3) **Social media marketing** : involves both advertising and marketing (including viral marketing) efforts via social networking sites like Facebook, Twitter, YouTube and Digg.

E-Marketing is... "*Achieving marketing objectives through applying digital technologies.*" By Dave Chaffey

By its very definition eMarketing is a range of methodologies that are used to sell goods and services both on and off line. More recently, however, eMarketing has become thought of as 'eMail marketing'

### **Objectives of E-Marketing :**

Different businesses may develop different e-marketing objectives depending on their individual circumstances.

Smith and Chaffey note that Internet technology can be used to support these aims as follows:

- **Identifying** - the Internet be used for marketing research to find out customers' needs and wants
- **Anticipating** - the Internet provides an additional channel by which customers can access information and make purchases - understanding this demand is key to governing resource allocation to e-marketing
- **Satisfying** - a key success factor in e-marketing is achieving customer satisfaction through the electronic channel, this raises issues such as is the site easy to use, does it perform adequately, what is the standard of associated customer service and how are physical products dispatched?

When setting your e-marketing objectives, you need to make sure that they are:

- Specific** – specify what is to be achieved
- Measurable** – expressed in measurable terms such as key performance indicators, outcomes, numbers, percentage, dollars, etc.
- Action-oriented** – state which actions need to be taken and who will take them
- Realistic** – achievable with the resources available
- Time Specific** – establish specified time frames.

### **Challenges to E- Marketing :**

When focusing on competition through global website visibility, many challenges are faced by businesses using e-marketing. Out of these challenges businesses have the opportunity to help overcome them. These challenges are:

- **Keeping pace with market and technological change:**  
Technology is always changing or updating to work better or maybe to look better, to attract more people etc. Nowadays technology is used nearly everywhere and has become very popular. If the technology used behind computers is changed the employees will have to keep to the challenge and get trained to know the changes and use it within the website. The internet businesses are able to market research and also find what is needed and wanted by the public where business can add to their company.
- **Problems of managing overload of market feedback:**  
Businesses that are situated online receive more customer feedback than any other businesses. Feedback can include compliments, complaints, and opinions on something;



basically it can be about anything a customer desires to let the business know. Internet marketing allows businesses to use this but many errors can occur such as the problem of managing the volume of individual/group customer profiles. As online organization are seen globally and everyone has access and opportunity to write to the business the issue of many and overload of comments can become a concern when there are no response by the business. Business online are mostly in communication with their customer through the internet/online which shows that this overload of customer feedback can become a problem.

- **Security of site information and payment systems :**

This issue is a big one, online security is important. There are many unreliable sites that contain many viruses, hacker access etc. Online businesses are faced with this concern all the time as it involves customer's personal details and also the businesses itself. Internet is not always trustworthy such as 'others' might be able to see or gain access to the site and the payment systems. This also leads to another challenge that businesses are faced with using internet marketing.

- **Low customer confidence in payment security :**

This is because some customers are unable to believe that they are giving their money to the right business etc. Online businesses can only receive payment through customer's credit or debit card which many people are reluctant to give. Also some people may have concerns of believing the products are 'real', undamaged and so on which adds to the challenges faced by online businesses today.

- **Problems of channel conflict and 'disintermediation':**

This is another issue raised for businesses to be considered mostly for online businesses as problems can occur for suppliers to understand businesses wants in stock when using internet marketing. Also some conflicts can be arise between the suppliers and businesses and also cutting out the middle man in the supply chain can also lead to some conflicts.

- **Challenge of linguistic/cultural sensitivity :**

This means that businesses may find it a challenge of offering many their site to be written in many languages for customers all over the world that do not have the ability to read English even though English is an international language. Also some cultural issues of customers can have an effect on businesses online.

- **Challenge of delivering to the higher reliability expectations raised :**

This is a challenge to online businesses because if the website has many fancy features and looks admirable that impresses customers and gives them an impression of high quality goods and services from looking at a website customers will end up judging their business to be of the same high level where customers will end up relying on those businesses to deliver those expectations raised.

- **Problems of ensuring maximum access via ISPs and search engines :**

When businesses enter their organization online with a creation of a website not many people will have the knowledge of knowing it is in the World Wide Web. This is the



challenge faced by online businesses as it is important to be recognized to get people viewing the website. The challenge will be for them to get hits on their website so that it becomes more recognized. Also when customers/individuals enter a word on search engines that relate to the businesses, those businesses with many hits will determine the search engine to put their web address in the first few columns that also gets them to receive more hits.

• **Challenge of additional legal complexity :**

This is very important to overcome this challenge as all businesses have to abide by the laws given for them. For example there are laws that business stores have to abide such as selling tobacco or alcohol to those above the age limit. There are other laws also such as a shop window where businesses aren't allowed to stick 'inappropriate' images, text etc; this also has to be abided by businesses online as they are not allowed to present some information, picture on their website a few examples of rules and regulations applied by the government for online businesses are such as: Sale and Supply of Goods and Service Act; Health and Safety Act etc.

**Opportunities of E-Marketing :**

Following are the some research facts indicated on the website of CMO Council India (<http://www.cmocouncil.org>) shows the opportunities of E-Marketing.

- Internet video advertising will jump from \$.05 billion in 2007 to \$3.8 billion in 2012. (July 2009)
- Nearly 40 million Indians are using online reviews to inform purchase decisions – 67 percent of Indians who are on the web use online reviews to help them make purchases. (May 2011)
- In a study titled 'Explosion of Social Media: Transforming the Corporate Business Scenario,' by ASSOCHAM, Indian companies are spending over 1200 crore rupees purely on Social Media Marketing. (October 2011)
- Facebook has become quite popular in India and is regarded as one of the best social networking site. Recently, India had surpassed Indonesia to become the second most populated country on Facebook after United States (January 2012)
- Almost 69% of marketers said they planned to adopt social media marketing in the coming year, and 53.1% plan to invest in email marketing. (February 2012)
- Forty-six percent of marketers also plan to pay more attention to developing company websites.(February 2012)
- India takes the third position in the top ten countries with most Facebook users in 2013, with 61.7 million registered accounts (December 2013)
- India's \$3 billion e-commerce market will reach more than \$19 billion in five years.(July 2014)
- Business-to-consumer (B2C) ecommerce sales worldwide will rise nearly 20% to reach \$1.471 trillion in 2014.(July 2014)

Internet Marketing offers many opportunities to businesses in relation to product development, market development, Consumer Behavior and Market research in many ways. Internet marketing is vital for some businesses such as those that are only based 'online'.





Also is plays a really good role for them and also for other businesses as it provides many opportunities in relation to product development.

- Customers can use the Internet at a time to suit them, but they are also able to compare brands, prices and buy goods and services without having to face a single sales person.
- Online businesses are usually cheaper than physical stores they offer variety of products at **lower prices** this benefits the customers because they can get the same product offered in the shops at lower price. Another advantage of Internet business to customers is that they can look at the prices offered on the web and compare with other similar businesses.
- Online business is **cheaper** therefore it saves money to businesses. They do not have to spend huge amount of money to rent or buy physical stores. Also online businesses can use web to advertise their business which costs less and could be recognized by millions of people.
- Internet marketing allows business to use a method called **market diversification** to build product development. Organizations use this strategy to seek growth by adding products and markets of kind unrelated to its existing products and markets.
- Internet marketing is that it has **very low entry cost** for small businesses. It is very cheap to set up a business online and advertise online as the internet is extremely different from print advertising in that space is cheap. The advertisement can be accessible easily via millions of people for a longer period of time. Also it is cheap as the content can be changed without wasting any money. It is cost-effective just to communicate between potential customer and a sales person.
- Internet marketing is available all the time meaning its **operating 24/7** so that individuals are able to view products and services any time of the day and week and also businesses are able to allow customers to buy at any time.
- Internet marketing benefiting to customers as they would **not need to 'waste' time** through waiting at queues; searching for items in crowds; looking for prices etc. Also businesses would be able to gain more customers and enlarge their product awareness etc. Businesses would be able to encourage more sales through displaying other formats of the product such as videos, images, and information etc on website.
- Internet marketing enables businesses to **researching for ideas, opinions, trend, advertising** etc. as they allow much information for research. Also businesses are able to use feedback blog, comments page and so on as a way of communication b2c for ideas and opinions on a product recently launched or about to which gives customers a way of satisfactory as it involves them gaining more customers and awareness of a product and many ways of advertising.

### **Conclusion:**

In conclusion, this article has clearly shown that e-marketing impacts upon businesses in a number of important ways. When used effectively, e-marketing campaigns and strategies have the potential to reach customers in a speedy and low-cost manner and can provide



promotion for a wide range of products and services. E-marketing also offers businesses the opportunity to garner data about their consumer base to an extent that has hitherto been very difficult to achieve via traditional marketing methods.

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## TECHNOLOGY TRENDS IN THE INSURANCE INDUSTRY

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The entry of computer, internet and mobiles immensely change the world of business and service sector. Today the service sector mostly depends upon these new technologies, without using these technology it is hardly possible to become success in any profit earning activity. The insurance industry, witnessing the slow but steady changing technology and stay connected with these changes. Like many other industries insurance industry is adjusting the changes driven by a technology forces. Insurance companies understand the needs of customers and to do the business with, more smart and increasingly knowledge and technology based.

The Internet of Things (IoT) has moved fast towards actual use by insurance companies, IoT and data analytics are slowly driving a shift toward a focus on proactive risk management and risk mitigation. Mobile apps, especially, are being extensively used by insurers across business lines to help customers better manage their health, lifestyle and property, thus creating a win-win situation by enhancing customer experience as well as lowering claims costs.

### **Insurance Industry-An Overview :**

Insurance industry in India has seen a major growth in the last decade along with an introduction of a huge number of advanced products. It substantially increases the opportunities for savings amongst the individuals, safeguards their future and helps the insurance sector form a massive pool of funds. With the help of these funds, the insurance sector highly contributes to the capital markets, thereby increasing large infrastructure developments in India. The Indian Insurance Sector is basically divided into two categories – Life Insurance and Non-life Insurance. The Non-life Insurance sector is also termed as General Insurance. Both the Life Insurance and the Non-life Insurance is governed by the IRDAI (Insurance Regulatory and Development Authority of India). The Insurance sector in India consists of total 57 insurance companies. Out of which 24 companies are the life insurance providers and the remaining 33 are non-life insurers. Out of which there are seven public sector companies. Life insurance companies offer coverage to the life of the individuals, whereas the non-life insurance companies offer coverage with our day-to-day living like travel, health, our car and bikes, and home insurance. Today life insurance holders is about 29 Crore out of which 2.05 crore is the holder of LIC of India. 21 Crore holders of Motor Insurance. By 2020 the total market size of the Indian insurance is projected to touch US Dollar 350-400 billion.

The Indian insurance industry is facing increasing demand from the established markets and severe demand from the emerging markets. To catch the demand, insurance companies across the India are embracing newer technologies and digital transformation



while adopting mobile and cloud-based technologies. Global insurance companies are focusing on refining the business processes and modernization of traditional applications to improve customer satisfaction through various distribution channels. Indian insurance industries also keep pace with these technology applications.

According to the 2015 Global Insurance Outlook by Ernst & Young, *“Many insurers are investing in digital platforms that strengthen their relationships with customers across all product classifications and geographies. Their goal is to empower both businesses and consumers to better shop for insurance, making products more transparent, easier-to-understand and compare.”*

On the above background in this paper I discuss the top technology trends that the insurance companies are applied.

### **Use of Automation and Artificial Intelligence :**

As advancements in technology insurance companies have been automating various business processes that are repetitive and require less decision-making skills. Insurers focus on shifting towards exploring automation of more complex and risky processes. With the emergence of intelligent systems, insurers are exploring the automation of property assessment, receiving customer insights, personalized customer interactions, fraud detection, and claims verification and processing. Insurers have started employing drones for automated property assessment and claims processing. Personalized customer interactions, such as chatbots, resolve customer queries with man-machine interactions. Better customer insights are generated by analysing large volumes of data from various sources including social media, by utilising artificial intelligence techniques

### **Insurance Distribution Is Being Redefined :**

The new channels of insurance distribution such as *online research platforms* and *chatbots* are growing fast and used by the insurers like Allianz Link4 RBC NN (Nienke), Credit Agricole for their insurance distribution systems. In the small business market the new direct distribution channels and online comparison platforms are slowly gaining popularity. Chatbot is a computer software program that can communicate with humans using artificial intelligence the technology has evolved to the extent that customers do not even realize they are talking to a computer program. Online insurance sales and Chatbots may increase the overall sales, customer satisfaction, and increase in market transparency, reduce the cost and provide better services to customers.

### **Value Chain Disaggregation:**

Value chain disaggregation refers to the emergence of firms that offer products and services only for specific parts of the insurance value chain. A range of insurance companies are emerging who provide innovative offerings (Policies) for specific parts of the insurance value chain. In Policy Servicing, firms are offering apps that provide customers a consolidated view of all their policies or assets and enable specific functionalities such as premium payments. Apps provide a web-based payment tool that allows users to pay their premiums online, allowing users to set up automatic payments and schedule their payments. For



satisfaction of Claims of the value chain, specialized claims reporting apps are made available for customers and claims handling or fraud detection software for insurers.

### **New Products for the Sharing Economy :**

The sharing economy is an economic system where user's uses assets or services as per need from a common set of providers and share the underlying assets with other users. Such as uber, ollacab provides ride sharing, Airbnb provide an online marketplace to match hosts and guests for short-term accommodation. Insurers catch this sizeable and growing market by designing new products that cater to the unique needs of the sharing economy. In auto insurance, insurers are partnering with ride-sharing companies such as Uber and Lyft to offer ride-sharing coverage. For example, MetLife has partnered with Lyft to provide an endorsement that offers coverage for drivers and passengers at every stage of the trip. The premiums for this will vary based on the mileage driven. As the sharing economy provides opportunities to extend insurance coverage to include new situations, it provides an additional revenue stream for insurers. Sharing economy involves the need for insurance coverage for specific and shorter durations; the nature of products will shift to provide insurance on an on-demand basis.

### **Use of Digital and Mobile for Risk Management :**

According to US based media agency 'India is the second largest country have using smart phones, by 2018 in India 530 million smart phone users. Currently it has 300-400 million smart phone users.'

According to Cisco's VNI Complete Forecast, 'Digital transformation will take India's internet users from 373 million (28 per cent of population) in 2016 to 829 million (59 per cent of the Indian population) in 2021', 'there will be two billion networked devices in 2021'.

On the above background the insurance industry is increasingly turnaround digital and mobile technologies to enhance their risk management capabilities and improve customer experience. Digital and mobile technologies are playing a very vital role in speedily tapping the right mobile application solutions and development tools that can help insurer to gain a competitive edge. The life insurance industry is witnessing a transformation as InsurTech firms are now providing main stream innovative products and services to enhance customer experience. *Haven Life, BIMA* and *Ladder* are the life insurance companies provide online life insurance, mobile delivered insurance. The health insurance industry is introducing a range of mobile apps that enable insurers to proactively mitigate risks while helping customers manage their health, for e.g. *QuitNow, Kwit* apps are helps to patient to control over smoking.

### **Use of Analytics for Improved Profitability and Customer Experience :**

Today insurance companies have huge data through unstructured sources such as social media and real-time data through connected devices, with the advancements in analytical capabilities, insurers are able to achieve better risk management and greater control on profitability. Insurance company develops sophisticated statistical models/tools for claim satisfaction and better customer satisfaction for e.g. models like *business rules, predictive modeling, text mining, database searches, and exception reporting* is used for better fraud



analysis, estimates, settlements and recovery of claims. Analytics can be used by insurers to develop personalized offerings based on their understanding of customer needs also used for empower their agents with insightful tools that enable agents to offer more personalized service.

### **Greater Use of Internet of Things (IoT) for Building Data and New Models:**

The IoT refers to a network of physical objects that contain embedded technology to gather information about specific objects with the ability to transmit information. Internet of Things (IoT) is providing insurers new models and creates a strong data pool. With the emergence of new data streams and advanced analytical technologies are moving from pilot phases and becoming an integral part of new business models such as usage-based insurance. Insurers have now started investing in IoT as it helps them proactively mitigate risks for customers. In life and health insurance, IoT can be used by insurers to enable their customers to stay connected and receive timely care so as to avoid a crisis.

### **Increasing Use of Value-Added Services :**

Value-added services include the non-core services in an industry or the enhancements made to the core product or service offered to customers. In industries that face commodity competition, value-added services are often differentiating a company's products or services from its competitors. Value added services are increasingly used by the insurance company for facing competition and building deeper relationships with customers. As customer expectations and competition in the industry increases it is necessary for insurers to provide customers with a range of value-added services. Some of the types of value-added services being explored by insurers in life and health insurance are Health management apps, Customer care packages, Enabling cost savings, Enabling healthcare access, Allied services etc. Insurers in Property and Casualty provides value added services like Home monitoring and roadside assistance, Concierge services, Property selection and management tools and Lifestyle management tools etc.

### **Artificial Intelligence:**

Artificial Intelligence (AI) is helping insurance companies develop systems that are able to perform tasks that previously required human intelligence and manual processing. With the advent of AI in the insurance industry, insurance agents can now count on sophisticated systems for precision, efficiency, and flawless automation of existing customer-facing, underwriting and claims processes. In coming days Artificial Intelligence will be more disruptive and will be used to identify and assess emerging risks

### **Use of Augmented Reality in Insurance :**

Augmented reality (AR) is the creation of a composite view by supplementing the real-world view with text, audio, video, or any computer-generated digital output, which can enhance the illustration of the real-world view. Augmented reality is being used for insurance marketing and has significant potential for greater use in insurance in the field of training and claims processing. Low cost augmented Reality devices introduced which can be operated by the smartphones which enhanced customer experience. AR apps can be used to explain about



the products and services of the firm. AR apps can also guide customers to become aware of the potential hazards that can occur in the future and facilitate them to take appropriate safety measures. With the applications of the AR Insurers can grab the attention of a wider customer, training cost can be reduced significantly.

Besides this, the insurance sector should focus more on cyber-insurance in 2017 for protecting individuals and businesses from cyber threats such as theft, phishing, spams, extortion, hacking, data destruction, and much more. Problems such as lack of effective technical solutions, difficulty in inventing solutions to combat network attacks, ignorance of users to utilize benefits of technical solutions, and cyber liability shell games played by vendors should be addressed immediately

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**DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION AND FOREIGN EXCHANGE MANAGEMENT ACT, 1999**

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India has an open-arm policy for regulating FDI into the country. Under the current policy, foreign investment is permitted in virtually all sectors without government approval, except for a few sectors of strategic importance (such as banking, defence, media, telecom) where policy prescribes equity caps or certain conditions for obtaining prior approval from the government. The FDI policy is framed by the Department of Industrial Policy and Promotion (DIPP), the Ministry of Commerce and Industry and implemented by the Reserve Bank of India (RBI) for cases falling under the automatic route (i.e. not requiring prior government approval). For cases under the government route, approval is granted by the Foreign Investment Promotion

Board (FIPB), which includes representatives of various central government ministries and grants approval on a case-by-case basis. Apart from the sectors which are of strategic importance that require government approval, there is a small list of sectors in which FDI is currently prohibited. Presently, this list includes retail trading (except 'single brand' retail trading). In July 2010, the DIPP released a discussion paper inviting public comments on issues concerning FDI in multi-brand retail trading. This discussion paper included an analysis of the following:

- The contribution of organised and unorganised retail to the Indian economy
- The need for FDI to fill the gaps that exist in the Indian system in terms of weak back-end infrastructure
- The impact of FDI permissibility on the retail sectors in China, Thailand, Russia, Chile and Indonesia.

The views of stakeholders were invited on issues such as the proposed FDI cap to be imposed, mandatory investment in developing back-end infrastructure, minimum employment opportunities for rural youth, minimum percentage of sourcing from the small and medium enterprises (SME) sector, the integration of small retailers in the upgraded supply chain, etc. More than 250 responses were received and a panel, including members from various ministries, was set up to analyse the responses and formulate the policy of the government permitting FDI in multi-brand retail trading. The matter is currently under consideration by the government. If it is decided to allow FDI in multi-brand retail trading, it is expected that the policy will impose certain obligations on foreign investors such as a minimum capital infusion and the use of funds for the development of an organised trading retail infrastructure. Another development is the Committee of Secretaries' recommendation, in July 2011, of allowing FDI in multi-brand retail, subject to conditional ties.





Nothing highlights the state of neglect of competition policy in recent times. The new Competition Law and CCI do not aim to limit the concentration of economic power or to control monopolies directly but aim at

- (1) Prohibiting anti-competitive agreements
- (2) Prohibiting the abuse of dominance, and
- (3) Regulating combinations. Both cover the usual three areas with a much more post-World Trade Organisation orientation and avoid areas such as monopolistic pricing and —unfair trade practices||, which are now part of consumer protection law.

Unlike earlier under the MRTPC, when although 26 predatory pricing inquiries were instituted from 1970 to 1990, only two cases were finalised and desist orders were passed, anti competitive practices such as predatory pricing are now more clearly defined. These laws are of great significance in the retail sector where corporate retail uses a combination of predatory pricing, high advertising and promotional expenses as standard competitive strategy against smaller players. The law defines predatory pricing comprehensively as —any agreement to sell goods at such prices as would have the effect of eliminating competition or a competitor||. By 1990, the definition of predatory pricing had evolved to include an —understanding by even a single seller to fix prices below appropriate measure of cost for the purpose of eliminating competition in the short run or reducing competition in the long run||. The sub-section of the law was also used to deal with cheap imports in the 1990s. The availability of evidence of actual cost and the intention to eliminate competition thus became critical to prove predatory pricing as required under the new law. Proof of selling below cost and malafide intent, however, requires inspection of internal documents and cost auditing which is difficult more so in the case of firms located abroad. There is also disagreement about which cost should be taken into account – the marginal cost, average variable costs or the average total cost. The other serious lacuna is the absence of adequately trained and experienced judicial staff in matters pertaining to interpretation of new competition policy in all its complexity. For instance, there are multifarious criteria (13 each for determining dominance and the anti-competitiveness of mergers) which are often subjective, contradictory, or vague, and open to varying interpretations, leading to inconsistent verdicts and high private and social costs. The MRTPC has been the regulatory authority since 1969 but it had little experience or expertise in dealing with the post-WTO global economic order, the multinational firms incorporated outside its jurisdiction or free imports. It is in the process of being phased out and will be fully replaced by the Competition Commission. It is worth noting that even as early as 1965, despite the declared intent of preventing concentration of economic power there was an understanding that rapid industrialisation would lead to even greater concentration of economic power (MIC 1965).

Hence, hardly any cases dealing with monopolistic trade practices (Singh2000) were taken up. This point labours the fact that now hardly any legal expertise exists to deal with the issue and no firm expects to be curtailed for monopolistic practices in India. The new commission will inherit most of the investigative staff, lawyers and possibly some of the members of the MRTPC for lack of an alternative expertise pool. Of all the contentious issues that are being debated by members of the WTO, the relationship between foreign trade, investment, employment and competition policy is probably one of the least understood in India.



## **Competition Analysis-Interaction with Relevant Provisions of Competition Act of, 2002**

Competition is not an end in itself – it is a means to the objective of economic efficiency. It benefits consumers by restraining prices and encouraging companies to innovate to provide better quality for the price paid. However, in some circumstances a monopoly or coordinated network of companies may be the most efficient arrangement such as where there are substantial economies of scale. Competition laws usually allow the competition authorities to assess the trade-off between the costs or harm to consumers of permitting a monopoly, versus potential benefits (e.g. economies of scale, better coordinated service).

The main anticompetitive practices that occur in the retail sector may be primarily categorized as, abuse of dominant position, anti-competitive agreements and anticompetitive mergers and takeovers. Competition laws and enforcement are at the heart of retail regulation and they have been in a state of transition in India. The Competition Act (2002) could not be implemented until September 2007 and then too in an amended form. Sections 3, 4, 5 and 6 that deal with anticompetitive agreements, abuse of dominance and combinations are yet to be notified. It undertakes market studies and projects as part of its advocacy mandate.

### **Anti-competitive Agreements**

**Section 3 of Competition Act, 2002** deals with anti-competitive agreements. Section 3(3) mentions four types of horizontal agreements between enterprises involved in the same industry to which per se standard of illegality will be applied. However, corporate retailers in medium and large format may have horizontal agreements with property developers (two different industries) that elbow out other retailers particularly smaller ones in geographical zones.

#### **Abuse of Dominant Position**

**Section 4 of the Competition Act of 2002** prohibits abuse of dominance. It is to be noted here that it is not dominance per se that is prohibited but its abuse. Abuse of dominant position is major concern in retail sector which leads to consolidation of the sector to the detriment of traditional retailers. To prove dominance of a corporate retailer, particularly multiproduct retailer, would not be simple because corporate retailers deal with many products and many geographical markets. Their dominance in one geographical market may be used to enter new markets, and to do so they may use a combination of predatory pricing and high promotional expenditure. To prove that a retail firm indulges in predatory practices, ie, that it is selling below cost price may be difficult if it has vertical agreements with manufacturers or suppliers, and doubly so if such suppliers are located in foreign countries. News reports [45] also claim that manufacturers give discounts to large retailers which they do not give to smaller ones. Large format corporate retailers are routinely found selling below the printed maximum retail price (MRP) which does not legally qualify as predatory pricing, i e, selling below cost price. These different aspects of interpretation are relevant at the retail end of the market where global retailers are using predation and location as the main tools of entry.

### **Mergers and Takeovers**

**Section 5 of the Competition Act** prescribes the thresholds under which combinations shall be examined. Section 6 states that —No person or enterprise shall enter into a combination



which causes or is likely to cause an appreciable adverse effect on competition within the relevant market in India and such a combination shall be void.|| Besides this, the CCI also has the power to order a demerger under Section 28 of the Competition Act, 2002 if the merged entity is abusing its dominant position. This means that if the merged entity engages in any form of exploitative or exclusionary practice, the CCI can take suitable action including asking the merged firm to break up.

Though there exist regulations of combination clause in CCI act it may not be useful in case of a merger between a large retailer and a domestic supplier unless it matches the high ceiling limits set by CCI like the asset value of the enterprise being acquired is 1000 crores or a turnover of more than 3000 crores. Thus with these high limits many mergers may not come under the scrutiny of CCI at the time of merger but may at a later stage of abuse of dominance. What is needed for Indian retail sector and CCI to overlook such mergers is either a separate regime or tweaking of ceiling limits. Modern merger review requires a careful balancing of the anti-competition effects of greater concentration against several possible efficiency gains, with the merging firms obviously keen to exaggerate the latter. Competition issues are complex and matters having substantive competition content such as regulations of combinations, abuse of monopoly position leading to excessive pricing as well as anti-competitive agreements should be referred to the CCI. The role of CCI in the retail sector is critical due to the various competition issues prevailing in the sector as seen in this section especially given the trend of abuse of market power, it is imperative that CCI will work closely with other agencies to ensure fair and competitive functioning of retail sector.

### **Competing Rationales for Competition Law**

The main competition concern that may arise with FDI in multi-brand sector is that the extreme levels of concentration among buyers situated in the middle of food supply chains, because extreme buyer concentration reduces the number of options available to sellers, i.e. farmers. Such concentration gives such buyers thereby considerable power to set the terms, conditions, and prices in their dealings with farmers thereby depriving farmers of the ability to earn enough income to feed themselves. For instance, studies have shown that the practice of dominant UK groceries retailers of passing on to Kenyan producers the cost of compliance with the retailers' private standards on hygiene, food safety and traceability has resulted in the moving away of food production from smallholders to large farms, —many of which were owned by the exporters||, as well as the acquisition by such exporters of their own production capacity. In short, small farmers may be excluded from global grocery supply chains, thus severely damaging their incomes. Excessive reduction of farmers' incomes also breeds other evils. For example, in an effort to reduce costs, food manufacturers may dispense with proper environmental precautions in dumping waste materials, or poor farmers may be driven into making their children work on the farm leading to child abuse. The most influential competition and antitrust regimes today primarily concern themselves with **the protection of the competitive process to ensure an efficient allocation of resources, lower prices and greater consumer choice**. In other words, the main thrust of most competition regimes at present is the protection of the interests of end consumers.



The defense misses the point: surely this is not supposed to happen in a competitive and efficient market, which by definition sends accurate price signals to all parties, including consumers. Some types of abusive conduct, such as the passing on of excessive risks and costs to suppliers, are aimed simply at capturing welfare from producers, while others, such as —water bedding and predatory bidding up of input prices, also have this effect but are designed primarily to exclude the buyer's competitors on both upstream and downstream markets.

### **Waterbed Effects**

Waterbed effects refer to when a dominant buyer demands from sellers a discount from the market price that reflects the savings made by the seller due to production economies of scale. This may effectively mean that the dominant buyer alone captures the savings or an inequitably large proportion thereof, such that the seller cannot pass on these savings to other buyers. This then puts the non-dominant buyers at a competitive disadvantage in the downstream market, leading to the acquisition by the firm of dominance on both the buying and selling markets. It should be noted that the disadvantage borne by smaller buyers need not necessarily manifest itself in price increases; they may come in the form of shortages in supply to smaller buyers because of volume purchases by large, dominant ones, or in poorer service by sellers to smaller buyers. According to the *Working Paper on the Waterbed Effect* (henceforth *Working Paper*) the intuitive explanation for the waterbed effect is as the result of a —virtuous circle.

That is caused by some buyers being larger than others. A refusal by a seller to supply would affect a large buyer less than it would affect a small buyer. As such, small buyers are in a worse bargaining position than large ones, and are not able to demand the same low prices extracted by large buyers. These lower input costs will be passed on to the buyer's own customers in the form of lower prices, thus reinforcing the large buyer's competitive edge. As large buyers become even larger (i.e. by retailers opening more outlets), their bargaining power increases, as does their competitive advantage over small buyers.

Consumers may thus be left with less choice in products, retail outlets, or lower quality products. With regard to enforcement, competition law faces a big problem in fashioning effective remedies for such abusive pricing practices of individual firms. Firstly, as may be gleaned from the above discussion, it may be difficult to distinguish an abusive price from a legitimate price extracted by a large buyer on account of its purchasing economies of scale. However, this difficulty should not be exaggerated. The crucial factor should be whether the seller increases costs to small buyers in response to discounts given to large buyers.

Secondly there is the matter of fashioning a remedy. Competition authorities around the world will be rightfully wary of directly setting sale prices. One possible solution would be to ensure that there is only one sale price offered by the seller. However, the Act places the burden of enforcement in that it places the burden of compliance upon the seller, who is one of the victims of buyer power; it requires that sellers do not offer different prices for identical goods to different buyers. Also important in this regard are confidentiality clauses, which increase the —switching costs|| borne by producers by reducing the amount of transparency in the market. They work particularly to the disadvantage of sellers, by leaving them unable



to compare the various options available to them. The secrecy also allows buyers to set prices differently for different producers . The possible remedy may come in the form of a simple injunction or a regulation prohibiting buyers from buying other than in set quantities, and requiring them to accept tenders from all potential sellers. A caveat must be made this general rule for —contract farming||, where buyers provide other valuable consideration to farmers such as access to cheap credit and other inputs.

### **Retrospective Adjustments to Terms of Supply**

In retail markets, suppliers make investment decisions based on variable market conditions. All decisions are made by estimating the likely returns and balancing them against the risks involved by that particular course of conduct. Retail buyers on the other hand, have strong incentives, given the stressful nature of the sales market, to pass excessive risks and unexpected costs onto their suppliers. Such conduct will have the effect of capturing excessive supplier welfare, thereby removing seller's incentive to invest in capital equipment and innovation. According to the studies, retrospective adjustments to the terms of supply are the primary means by which excessive appropriation of producer welfare is facilitated.

### **Implications of the Duty to Protect upon Competition laws**

As demonstrated above, a plausible argument can be made for the curtailing of buyer concentration and power in agricultural markets, from the standpoint of consumer welfare protection alone. Indeed, the use of competition controls to prevent the occurrence of presently unquantifiable future harms occurs regularly in merger regulation. Some may counter, assuming the existence of credible merger regulation should suffice for competition control of abuses of dominance to apply only when consumer harms arising from buyer power reach some adequate level of —ripeness||. This would be inadequate. By the time the consumer harms manifest themselves in higher prices and reduced choice and quality; too many producers may have left the market or consolidated in order for competition remedies to have any corrective effect. In other words, it may be far too late to do anything.

### **Following are the few recommendations for formulation of policies by government:**

Much of the Indian retail trade (particularly grocery) still has traditional features: small family-run shops and street hawkers dominate the situation in most of the country. However, the retail trade in India is now undergoing an intensive structural change which could cause irreversible damage to local commodity supply chains and competition.

The existing regulations are not adequate to fulfil the new requirements. India can learn (and perhaps forestall loss of genuine competition and product variety) from the experience of south-east Asian countries which are improving regulatory frameworks and some advanced retailing economies like Germany which are already considered more successful regulators in this sector. German competition policies in content and implementation are significant for India to the extent that they are different from other advanced retailing countries like the US and Great Britain.

Policies for —**Competitiveness with Inclusiveness** in the Supermarket Revolution. As the supermarket revolution proceeds in developing countries, governments have several



options for helping small farmers participate in supermarket channels (or gain access to viable alternatives) and traditional retailers coexist or compete with the modern retail sector.

## Conclusion

The discussion above highlights:

1. Farmers will get another window of direct marketing and hence get better remuneration, but this would require affirmative action and creation of adequate safety nets.
2. Consumers would certainly gain from enhanced competition, better quality, assured weights and cash memos.
3. The government revenues will rise on account of larger business as well as recorded sales.
4. The Competition Commission of India would need to play a proactive role.

Thus from developed countries experience retailing can be thought of as developing through two stages. In the first stage, modern retailing is necessary in order to achieve major efficiencies in distribution. The dilemma is that when this happens it inevitably moves to stage two, a situation where an oligopoly, and quite possibly a duopoly, emerges. In turn this implies substantial seller and buyer power, which may operate against the public interest. The lesson for developing countries is that effective competition policy needs to be in place well before the second stage is reached, both to deter anticompetitive behaviour and to evaluate the extent to which retail power is being used to unfairly disadvantage smaller retailers and their customers. The sources of retail power need to be understood to ensure that abuses of power are curbed before they occur. The more important debate lies in the parameters of competition policy. The benefits brought by modern retailers must be acknowledged and not unduly hindered. While it is true that some dislocation of traditional retailers will be felt, time will prove that the hardship brought will not be substantial. Competition law is being created and adopted across Asia but in the immediate future its impact is not expected to be large. Competition laws only become vital as time passes and retail becomes concentrated in the hands of a few powerful companies, whether or not these companies are foreign or domestic. In conclusion, the issue that India must grapple with now is the impact of reduced competition brought about by retailer concentration will have on various stakeholders and the ways in which competition laws and policy can deal with this growth of power before it is too late. The new Competition Act, 2002 has all the required provisions. It would, anyhow, depend on how it is implemented.





## GOODS AND SERVICES TAX (GST) IN INDIA AND ITS IMPACT ON ECONOMY

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### Abstract:

*The introduction of GST is a single move enveloping all indirect taxes that will make country single unified common market. It is single tax on the supply of goods or service, right from the manufacturer to the consumer. All other indirect taxes were abolished after GST implementation. This paper highlights the tax structure of India, concept of GST and its impact on Indian economy benefits along with types of GST returns.*

**Keywords:** Tax structure, GST, Economy

### Introduction:

In the ever changing economic scenario globalization, liberalization and privatization policies of the Government, in recent years, have made an indelible impact by bringing into force new economic system in India. Opening up of domestic economies to international stakeholders has led to a number of opportunities to every participating country along with the threat of being exploited by the counter parts. So, it is a race. Race of the economies to grab economic benefits to the maximum possible extent by fulfilling the needed requirements. To what extent we are able to exploit the economic benefits depends upon the extent we are able to create an environment congenial for such an activity. Over the centuries system of taxation has been shaped and reshaped to make it acceptable, effective and efficient. In recent years, India has been viewed as an attractive and dynamic investment, and has witnessed an increased presence of multinational enterprises (MNEs) and a consequential increase in cross-border trade. This has created many opportunities to the Government for improving tax system of the country. In India, since the inception of New Economic Policy (NEP) in 1991, a host of significant developments have taken place in the tax system. The significance of 'taxation' from the point of view of shaping the growth of the economy in the desired direction along with accruing adequate revenue to the Government needs no exaggeration. As the economy grows the tentacles of taxes become longer and stronger and help the Government in ensuring desired socio-economic results. Though the taxes are as old as mankind itself, the system governing the taxes is on continuous reform and modification. In the contemporary status, where the economy is huge in size, assesseees are umpteen in number, revenue collected is mammoth in quantity and technology used in administration is complex and advanced the Government has herculean task of managing the tax department efficiently and effectively

### Objectives of Study :

1. To study the taxation system of India



2. To understand the basic concept of the GST
3. To study the various types of GST returns
4. To study the impact of GST implementation on Indian Economy

**Taxation System of India:** India offers a well-structured tax system for its population. Taxes are the largest source of income for the government. The authority to levy a tax is derived from the Constitution of India which allocates the power to levy various taxes between the Central and the State. An important restriction on this power is Article 265 of the Constitution which states that "No tax shall be levied or collected except by the authority of law". Therefore, each tax levied or collected has to be backed by an accompanying law, passed either by the Parliament or the State Legislature. Here are the salient features of the taxation system in India:

**Role of the Central and State Government :** The entire system is clearly demarcated with specific roles for the central and state government. The Central Government of India levies taxes such as customs duty, income tax, service tax, and central excise duty. The taxation system in India empowers the state governments to levy, professional tax, value added tax (VAT), state excise duty, land revenue and stamp duty etc. The local bodies are allowed to collect octroi, property tax, and other taxes on various services like drainage and water supply.

**Types of Taxes:** Taxes are classified under two categories namely direct and indirect taxes. The largest difference between these taxes is their implementation. Direct taxes are paid by the assessee while indirect taxes are levied on goods and services.

**A) Direct Taxes:** Direct taxes are levied on individuals and corporate entities and cannot be transferred to others. These include income tax, wealth tax, and gift tax.

**B) Indirect Taxes:** Indirect taxes are not directly paid by the assessee to the government authorities. These are levied on goods and services and collected by intermediaries (those who sell goods or offer services). Indirect taxes in India include, VAT, Custom duty and **GST Goods and Service Tax (GST)**

As a significant step towards the reform of indirect taxation in India, the Central Government has introduced the Goods and Service Tax (GST). GST is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India and will subsume many indirect taxes levied by the Central and State Governments. GST has been implemented through Central GST (CGST), Integrated GST (IGST) and State GST (SGST).

#### **Need for GST:**

India's recent progress towards economic growth stems from reforms undertaken after the 1991 fiscal crisis, which lifted India from decades of slow growth under socialist rule and offered an opportunity to improve living conditions in the immense, poor country. At the same time much had changed in India after the balance of payments crisis of 1991. Indian policies became more positive about promoting export and allowing foreign capital to participate in the process of India's growth. The interdependence of economies in their move for development compelled the Governments of all the countries to follow the globalization





policies adopted by the major economies of the world. To survive and grow in this economic order rational and competitive tax policies are being adopted by every country. India has also fallen in line with the requirement and has been initiating modifications in direct and indirect taxes. The recent proposals of Direct Taxes Code (DTC) and Goods and Services Tax (GST) are considered as path breaking in the economic restructuring in general and in the taxation area in particular.

**Types of GST Returns:** There are many returns under the ambit of GST. The most common used returns will be GSTR1, GSTR2, GSTR3, GSTR4 and GSTR9.

Return	Purpose	Frequency	Due Date
GSTR1	Outward sales by business	Monthly	10th of next month
GSTR2	Purchases made by business	Monthly	15th of next month
GSTR3	GST monthly return along with payment of amount of tax	Monthly	20th of next month
GSTR4	Quarterly return of tax	Quarterly	18th of next quarter
GSTR5	Periodic return by Non-Resident foreign taxpayer	Monthly	20th of next month
GSTR6	Return for Input Service Distributor	Monthly	15th of next month
GSTR7	GST return for TDS	Monthly	10th of next month
GSTR8	GST return for economic suppliers	Monthly	10th of next month
GSTR9	GST annual return	Annually	31st of next financial year

(Source :- [www.legalraasta.com/gst-return](http://www.legalraasta.com/gst-return))

The above mentioned GSTR shall be filed by the businessmen on monthly basis except GSTR5 and GSTR9 that would be filed on quarterly and annually basis respectively

**Impact of GST on Indian Economy:** Like every coin has two sides; even GST will probably have its own Positives and negative impacts:

#### A) Positive Aspects of GST:

1. The main reason to implement GST is to abolish the cascading effect on tax. A product on which excise duty is paid can also be liable to VAT. Suppose a product A is manufactured in a factory. As soon as it releases from factory, excise duty has to be paid to central government. When the product A is sold in same state then VAT has to be paid to the State Government. Also no credit on excise duty paid can be taken against output VAT. This is termed as cascading effect since double taxes is levied on same product.
2. GST will lead to more transparent and neutral manner to raise revenue.
3. Implementation of GST will help resolve various issues concerning taxation and logistics with regard to e-commerce business, which has been recording rapid growth in the country, says a study.
4. Simplified and cost saving system as procedural cost reduces due to uniform accounting for all types of taxes. Only three type of account; CGST, SGST & IGST have to be maintained.
5. GST is structured to simplify the current indirect system. It is a long term strategy leading to a higher output, more employment opportunities and economy boom.
6. GST will reduce transaction costs for taxpayers through simplified tax compliance.



7. It will result in increased tax collections due to wider tax base and better conformity.
8. For the Centre and the States: According to experts, by implementing GST, India will gain \$ 15 Billion a year. This is because it will promote more exports, create more employment opportunities and boost growth<sup>4</sup>.
9. For individuals and companies: In the GST system, taxes for both Centre and State will be collected at one point of sale. Both will be charge on manufacturing cost. Individuals will be benefited by this as prices are likely to come down. Lower price mean more consumption, more consumption means more production

### **B) Negative Aspects of GST:**

There are following negative aspects of Goods and Services Tax (GST):

1. Under GST all the VAT dealers will be required to pay Central Goods and Services Tax (CGST).
2. GST is referred as single taxation system in India but in reality it is a dual tax in which both state and centre collects separate tax on single transaction of sale & service. However GST has some negative aspect but at the end it will boost economy.

### **Conclusion:**

The introduction of Goods and Services Tax (GST) would be a significant step in the reform of indirect taxation in India. GST will be a game changing reform for Indian economy by developing a common Indian market and reducing the cascading effect of tax on the cost of goods and services. It will impact the Tax Structure, Tax Incidence, Tax Computation, Tax Payment, Compliance, Credit Utilization and Reporting leading to a complete overhaul of the current indirect tax system.

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## INDIAN CONTRIBUTION TO MANAGEMENT THOUGHTS WITH REFERENCE TO MODERN MANAGEMENT THOUGHTS.

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### Abstract :

*The concept of management is applied in business, education, religion, economy and day to day life. The application of management principles can be understood with help of quality services and practice. It is essential in every form of and nature of organization irrespective of size or scale. It is coordinating and directing all efforts as well resources towards achievement of predetermined goals.*

*In our country the education institution right from Nalanda, Takshashila and Vikramshila was proving the education before the world best academic institutions like Oxford and Cambridge. Due to expansion in knowledge of technology along with industrialization the management principles and practices becomes more popular and important. Various thoughts or schools of thoughts are developed in this profession. In our country the management thoughts are applied in professional management institutes with foreign experts and management scientists. In present structure Indian Management Thoughts or practices are in curriculum right from Indian Institute of Management. The thoughts presented in Vedas, Upanishadas, Dasbodhas, Chanakyaniti, Administration of Great King Shivaji , Father of nation Mahamatma Gandhi ,Dr.B.R. Ambedkar and Management scientist Prallhad are necessary to consider.*

**Key words** - Management, Indian Management Practices, School of thoughts

### Introduction :

Organization is manmade entity. Irrespective of nature and size of organization the goals or multiplicity of goals is the characteristic of organization. Existence stability of organization depends on the goals and their satisfaction. The sources are organized and applied in organization for satisfaction of goals. The management functions are working as a between bridge sources and goals .Each organization is having its own policy and culture of working. The organizations are influenced by the culture of human resource. The management and its practice are applied with the expert level of knowledge in the field. The practice of management depends on the thinking process of executives at top level as well as middle level of mangers of the organization. In India the management education is taught considering the management practices methods principles applied outside the country. Various schools of thoughts are imparted as a part of management education. But one has to think about Indian Management thoughts in Indian conditions.



**Objectives of the study**

- To consider various management thoughts put forth by management experts.
- To considered Indian Management thoughts.

**Concepts in study :**

1. Henry L. Sisk : Management is the co-ordination of all resources through the process of planning, organizing, directing and controlling in order to attain stated objectives.
2. American Society of Mechanical Engineers : Management is the art and science of organizing and directing human efforts applied to control the forces and utilize the materials of nature for the benefit of man.
3. F.W. Taylor : Management is the art of knowing what you want to do and then seeing that it is done in the best and cheapest way.

**Contribution of Management thoughts :**

A systematic study of Management was started after industrialization. Existence and functioning of management in every organization can be realized. The study or evaluative thoughts are classified in two aspects. Pre-scientific period and post scientific period. Various approaches to management are considered as classical approach, behavioral approach, management science approach, system approach and contingency approach. Various contributors and their approach are explained in following chart.

**Various Approaches to management and Indian Contribution :**

Approach	Contributions	Contributors	Indian thoughts
Classical Approach	Scientific Management, Management functions, Administrative theory	F.W.Taylor Frank Gilberth H.L.Gantt Urwick L.F R.C.Davis	Administrative Principles, Arya Chanakya Gandhian Thoughts of Management
Behavioral Approach	Human relations Hawthorne Experiments Participative Mgt. Mgt. by objectives Organizational Behavior	Elton Mayo D.McGregor P.F.Drucker C.I.Barnard	Shivaji Rajes, management thought
Management Science Approach	Operation research Simulation theory Game theory Decision theory Mathematical models	J.C. March H.A. Simon Raffia	Pralahad Approach of management and Ancient Study
System approach	Open system Closed System Socio technical system Supra System.	AK. Rice J.E. Rosenzweig R.A. Johnson	Dr , Babasaheb Ambedkars thought on management

1. **Robert Owen :** (1777-1858) Born in 1777 Roberet Owen worked in textile industry. He realized that workers are treated badly. The working hours are not suitable in the mill. He was of the opinion that instead of ordering the employees and asking them to work more with force. It is necessary to provide good working conditions that the workers will be happy and satisfied and they will automatically



worked in the organization. He made experiment in the field of personnel management in textile mill. Owen worked for cooperation between workers and management. His approach was considered as behavioral approach of management.

2. **Charles Babbage** :(1791-1871) He was philosopher and techno savvy man .He is considered as father of computer or programmable computers. He advocated decision of work and profit sharing plan. He was British professor in mathematics. According to him there must be division of work as per specialization. He was opined that the interest of management and workers are inter linked. He suggested division of work and accurate allocation of work among the employees as per skills. He advocated the use of time and motion study in management process. He was of the opinion of participative decision making.
3. **Frederick Winslow Taylor** :(1856-1915) He is regarded as father of scientific management. The study was associated with Midvale steel company. It is revolution in the application of management. The concept of scientific management was introduced by him. He made all efforts to change the rule of thumb and tried to introduce scientific process in production function. He defined management as the art of knowing exactly what you want men to do and seeing that they do it in the best cheapest way.
4. **Henri Fayol** :(1841-1925) Principles in organization of industries was set by Henri Fayol in 1916. He is regarded as father of administrative management. According to Fayol all activities of business can be divided into technical, commercial, financial security, accounting and managerial. He regarded the functions of management as placing, organizing, commanding, coordinating and controlling. The principles of management popularly known as Fayol's Principles of Management.
5. **Peter Drucker**- He was born in Vienna and worked as a professor of social science at Claremont Graduate School, California.He was considered as leading management consultant. He wrote well known book as Practice of Management in the year 1954. He considered management as the dynamic life giving element in an organization. According to there are three functions of management namely to manage work, to manage workers and to manage managers. According to him there should be least levels of management. Three phases of organizing identified by him are activity analysis, decision analysis and relations analysis. He suggested decentralization in the process with centralized control mechanism.

### **Indian Management Thoughts :**

Our country is blessed with rich traditions and heritage. The sources of knowledge are holy books, literature, Vedas, Upanishads and Chanakyaniti. More can be added to this. Let us consider some of the sources of Indian management thoughts. How India can really contribute towards making the existing modern management paradigms more sustainable even at the midst of business uncertainty” The answer to the above question broadly lies in



the Indian ethos. Indian ethos has a very rich and old tradition which is more than 5000 years old as against the modern management principles which are at a much more infant stage. Much of this ethos is derived from the ancient Indian scriptures like the Vedas, Upanishads, Ramayana, Bhagavad-Gita, Arthashastra etc.

**1. Raje Chhatrapati Shivaji,s Principle s of Management :**

He is considered as management strategists by learners. Best strategy formulated by him is cause of major success in management of various wars. He is also famous for discipline, leadership technique and skill. One can learn principle of authority, division of work, unity of command from contribution of Raje Shivaji. He was also best administrator and decision maker. Value based administration and management can be learnt from his deeds.

**2. Arya Chanakya,s Principles of Management :**

Before you start some work, always ask yourself three questions - WHY am I doing it, WHAT the results might be and WILL I be successful. Only when you think deeply and find satisfactory answers to these questions, go ahead." "Once you start working on something, don't be afraid of failure and don't abandon it. People who work sincerely are the happiest." So many important principle of management are derived from Arya Chanakys thoughts. It includes planning, decision making, delegation of authority, centralization and decentralization, planning of economic recourses security management and so on. King is considered as CEO

**3. Bhagwat Geeta :**

The collection of 700 verses. It was uttered to the greatest achiever and man of action of his times, Arjuna, at the most crucial hour of his life. It is the management of clarity of thoughts and strategies. Throughout Geeta the entire range of existential problems of the man at work has been handled. The thought provoking process achievement of goals, life principles motivation determination and decision making are the principles derived from Bhagwat Geeta. Krishna was source of motivation to Arjuna. The modern management concepts like vision, leadership, motivation, excellence in work, achieving goals, meaning of work, attitude towards work, nature of individual, decision making, planning etc., are all discussed in the Bhagavad Gita with a sharp insight and finest analysis to drive through our confused grey matter making it highly eligible to become a part of the modem management syllabus.

**4. Yoga and spiritual thoughts :**

Indian thinking aims to cultivate the true art of work –any work that happens to come your way – as a sacrifice, a loving offering. By regular inner practice the doers mind is enriched. It is perfect practice of management in relation to emotion and mind management. Every work is spiritual is the essence of karma yoga. Meditation and yoga enhance the productivity level is the message of our tradition. The thought of self actualization is more informative in tradition.

**5. Vedas :**

The Vedas like Rig veda, Yajurveda, Samveda, and Atharvaveda are the basic thoughts of self development and satisfaction of goals. The scientific knowledge of nature economy and principles of rulers can be gathered from this literature.



**6. Mahatma Gandhi :**

The thoughts of Mahatma Gandhi emphasized on self development organizational behavior and self discipline. The leadership style is admired by the world as democratic and participative. The contribution in national movement is the life times learning of organizational skills, achievement of goals, strive for excellence and utilization of scarce resources in economical manner.

**7. Bharatratna Dr.Babasaheb Ambedkar :**

The contribution of Dr. B.R.Ambedkar is the exemplary in nature of sacrifice for individual goals over the common goals, principle of organizing, principle of equity and simplicity. The economic policies equality challenges to irrational belief and determination can be applied in present area. It is properly narrated by him in his various writings.

**F) Findings :**

1. Approaches to management in form of practices are widely used in organizations from historic period.
2. The practices are based on scientific, administrative and human nature approach
3. The contribution of Indian thoughts in nature of practices is derived from holy literature, and yoga as well as spiritual thoughts.
4. The contribution of Indian Management thoughts are earlier than the practices of foreign thoughts.
5. These thoughts are more spiritual and in light of self development along with development of organization and society.

**Conclusion :**

The management thinkers though recognized from outside India ,we can easily put forth the practice of Indian Management thoughts in contemporary era for growth development and welfare.

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## **ROLE OF ADVERTISING IN THE MODERN BUSINESS & ITS OPPORTUNITIES IN EMPLOYMENT**

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### **Abstract:**

*Advertising has evolved into a vastly complex form of communication, with literally thousands of different ways for a business to get a message to the consumer. Today's advertiser has a vast array of choices at his or her disposal. The Internet alone provides many of these, with the advent of branded viral videos, banners, advertorials, sponsored websites, branded chat rooms and so much more. The modern age of the era of competition, Advertising is an important part of our physical & cultural environment in both urban & rural. Advertising means spreading of information.*

*Any medium that can take a message from an organization to a potential consumer can be used for advertising. The most popular media are television, radio, the Internet and print, such as newspaper, magazines, etc.*

*Advertising plays a very important role in today's age of competition. Advertising is one thing which has become a necessity for everybody in today's day to day life, be it the producer, the traders, or the customer. It provides employment to deserving candidates*

### **Key words:**

Advertising, Media, Opportunities



### **Introduction:**

Advertising is primarily a means by which sellers communicate the worth of their goods & services. It is a basic tool of marketing for stimulating the demand & for enhancing the level. It has economical, social, Psychological functions.

All the advertisement has to do is to sell a product or service. The advertisement can achieve effectively by communicating to the right person by the right message. Advertisement is a topic of study in Journalism, Mass communication & Management.

Advertising is closely associated with the consumer behavior. Advertisement is not mere seller. They reflect the contemporary society. Whatever is used in society is reflected in advertising. An Advertising media is a way of delivering a specific message. It is a way through which an advertising message or information is forwarded to potential customers A manufacturer seeks through advertisement media to be in contact with old customers as well as to get the attention of new customers. Media are dependent on purchasing & selling Activity.

### **Objectives of the study:**

- The researcher takes into account following objectives while conducting the research:
- To study the role of advertising in Modern Business.
- To study the different advertising media.
- To study the employment opportunities in advertising field.





### **Hypothesis:**

Advertising helps to increase the employment opportunities in modern business era.  
Advertising helps making people aware of the new product.  
Advertising plays very important role in the society.

### **Advertising:**

The word originated from Latin word "Advertire" which means to "turn to". The dictionary meaning of term is "to give public notice or to announce publicity"

Advertising is the action of calling public attention to something, especially by paid announcements. It only says that attention is called to something, not specifically good attention.

The modern age of the era of competition. To withstand competition, manufacturer has to think of new & unfamiliar uses for their product or they have to find out new buyer for their product. Advertising are an important part of our physical & cultural environment in both urban & rural. Advertising means spreading of information.

### **Role of advertising:**

#### **Increases Sale :-**

Advertising is very useful in creating the demand and increasing the sale.

#### **Provides Employment: -**

In the advertising industry thousands people are employed. On the other hand when the sale of the goods increases, new factories are established and rate of employment increases.

#### **Save Time: -**

Advertising enables the consumer to select the commodity according to his requirement within no time. Because he has been already informed about the standard of various goods through advertising.

#### **Introduces New Products: -**

New products can be introduced in the market within short time through advertisement.

#### **Establishes Goodwill: -**

Advertising establishes reputation and goodwill of the firm.

#### **Encourages Competition: -**

Advertising encourages competition among the producers. So competitors in the quality and price of the product.

#### **Reduces Cost: -**

Advertising increases the sale and encourages the produce the goods on large scale. Due to large scale economies cost of production reduces.

#### **Changes the Living Standard :-**



Advertising brings greater change in the habits attitudes and standard of living of the public.

#### **Increases Profit :-**

Advertising increases the sale and total profit of the producer. Due to this we say that advertising is a profitable investment.

#### **Advantage to the Consumer: -**

Advertising supplies up to date information about the competition products and their qualities.

#### **Educative Value: -**

Advertising teaches the people the benefits of savings. It also creates the sense of responsibility among the people. For example to increase the savings in the country and to control the population growth advertising has played very effective role.

#### **Direct Sale :-**

Through advertising producer is also introduced direct in the market. People may purchase the goods directly from the producer and can save money.

#### **Makes the Job Easy for Salesman: -**

Advertising makes the salesman job easier. There is no need of explaining the qualities of a product to consumer. Through advertising customer is already well informed. So a salesman can sell the product without any effort.

#### **Importance of Advertising**

Advertising plays a very important role in today's age of competition. Advertising is one thing which has become a necessity for everybody in today's day to day life, be it the producer, the traders, or the customer. Advertising is an important part. Let's have a look on how and where is advertising important:

#### **Advertising is important for the customers**

Just imagine television or a newspaper or a radio channel without an advertisement! No, no one can any day imagine this. Advertising plays a very important role in customers life. Customers are the people who buy the product only after they are made aware of the products available in the market. If the product is not advertised, no customer will come to know what products are available and will not buy the product even if the product was for their benefit. One more thing is that advertising helps people find the best products for themselves, their kids, and their family. Thus, advertising is important for the customers.

#### **Advertising is important for the seller and companies producing the products**

Advertising plays very important role for the producers and the sellers of the products, because

- Advertising helps increasing sales
- Advertising helps producers to know their competitors and plan.



- If any company wants to launch a new product in the market, advertising will make a ground for the product. Advertising helps making people aware of the new product.
- Advertising helps creating goodwill for the company and gains customer loyalty.
- The demand for the product keeps on coming with the help of advertising.

### **Advertising is important for the society**

Advertising helps educating people. There are some social issues also which advertising deals with like child labour, liquor consumption, girl child killing, smoking, family planning education, etc. thus, advertising plays a very important role in society.

### **Why Advertising is Important?**

Crucial for a launch

Source of revenue

Sales promotion

Increases sales

Maximizes profit

Consumer awareness

Educate the society

Demands creativity

Element of a marketing mix

Target oriented

Persuasion for results

Monitor demand and supply

Builds brand's image

Generates employment



### **Media**

Any medium that can take a message from an organization to a potential consumer can be used for advertising. Of course, the most popular media are television, radio, the Internet and print, such as newspaper, magazines, etc. Television is popular because of its large reach, but it is also costly.

Print and radio advertising can be considerably cheaper than television, but they reach much fewer people. The Internet is becoming a very popular advertising medium, not only because the cost is reasonable, but because the reach cannot only be large, but it can also be very specific. Search engines like Google and social networking sites like Face book and LinkedIn are able to use data about their users to place advertisements in front of them that are most likely to be of interest to the user. The company then pays Google, Face book or LinkedIn a fee each time someone clicks on the advertisement.

### **Different Types of Advertising Methods and Media**

Advertising has evolved into a vastly complex form of communication, with literally thousands of different ways for a business to get a message to the consumer. Today's



advertiser has a vast array of choices at his or her disposal. The Internet alone provides many of these, with the advent of branded viral videos, banners, advertorials, sponsored websites, branded chat rooms and so much more.

### **Online Advertising**

If you see an advertisement via the Internet (World Wide Web), then it is classified as online advertising. Another avenue of online advertising is "Native Advertising," which is the digital variation of the old print advertorials. From ads on Face book, the fastest & easiest way to reach millions of potential customers is online.

### **Cell Phone & Mobile Advertising**

A relatively new form of advertising compared to the others, but one that's dominating the media mix, uses cell phones, iPads, Kindles, Nooks, and other portable electronic devices with Internet connectivity. Current trends in mobile advertising involve major use of social media such as Twitter, Instagram, Snapchat, and Face book.

### **Print Advertising**

Once a huge driver of sales, print is taking a back seat to the many digital forms of advertising now available to marketers. However, if there is one thing that's certain about advertising, it's that being different is good. And when consumers tire of digital ads, a return to printed pieces, and the tactile feeling and permanence they provide, is definitely on the cards. Typically, print can be split into three sub-categories:

#### **Periodical Advertising**

#### **Brochures, Leaflets, Flyers, Handouts and Point of Sale Advertising**

#### **Direct Mail Advertising**

#### **Broadcast Advertising**

A mass-market form of communication including television and radio, broadcast advertising has, until recently, been the most dominant way to reach a large number of consumers. Broadcast advertising has really taken a beating over the last few years, especially with the rise of DVRs and "ad skipping" technology. However, it is still a popular way to reach millions of people, especially when the Super Bowl comes around.

### **Outdoor Advertising**

Also known as out-of-home (OOH) advertising, this is a broad term that describes any type of advertising that reaches the consumer when he or she is outside of the home. You will know it as billboards, bus shelter posters, fly posters, and even those big digital boards in Times Square.

### **Public Service Advertising**

Unlike traditional commercials, Public Service Advertisements (PSA) is primarily designed to inform and educate rather than sell a product or service. PSAs traditionally appear on TV and radio, but are also being heavily promoted online these days.



### **Employment opportunities in the field of Advertising**

Advertising agencies are constantly in search of newer creative ideas to cope with the rising demands from their clients (advertisers). Each ad assignment requires a high-level of mental labour. There are deadlines within which projects must be completed and submitted. Furthermore, the concept of an ad must be also welcomed (approved) by the advertiser. Overall, this creates a demand of creative people and thus opens new employment opportunities in the field of advertising.

It provides employment to deserving candidates who are creative thinkers, directors, cinematographers, artists, models, graphic designers, sales representatives and managers.

### **Conclusion:**

I conclude that advertising is playing vital role in modern business word. It creates the awareness of the new product to the customer. This creates a demand of creative people so it opens the huge employment opportunities in this advertising field. And also advertising helps in business for sales promotion & also helps in maximizing the profit of the business.

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## MODERN MANAGEMENT TECHNIQUES ADOPTED IN INDIA'S AGRICULTURE

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### **Abstract :**

*During the last decade India's agriculture has witnessed tremendous improvement in terms of adoption of modern farm management techniques by farmers in various regions particularly in the state of Maharashtra. Modern day farming in India now involves systematic planning and management of crops in terms of plantation, irrigation, cultivation and harvesting. Farmers now have realized necessity and importance of modern management methods adopted in agriculture worldwide. Indian agriculture therefore has seen a shift from traditional agriculture methods to modern agriculture methods. The paper presented highlights all such modern management techniques utilized by farmers. This will help the farmers to overcome problems of traditional agricultural practices and will also create awareness about modern farm management techniques.*

**Keywords** – Modern techniques, agriculture, management, farming

### **Introduction:**

India is witnessing a modern day revolution in its agriculture with research and invention modern management techniques are being adopted by farmers around the country. The agricultural sector is important for the economic growth of the country and agriculture is the food basket for the nation's population. The increase in agricultural productivity during past few years is the sole result of adoption of modern management techniques over traditional techniques of agriculture. Government has also introduced and is supporting various management techniques to sustain growth of agriculture under various Missions/ Schemes, such as integrated farming / cropping with appropriate resource conservation technologies; water use efficiency enhancement through micro irrigation; soil test based balanced and judicious use of fertilizers; dissemination of agriculture related information to the farming community through various ICT enabled delivery channels including SMSs, internet kiosks, farmers portals etc; creating hubs for hi-tech & high value farm equipments; promotion and management of latest technologies on crops specific cultivation; protected cultivation of horticultural products, organic farm planning and management etc. Modern agriculture management techniques depend heavily on planning, controlling, technology and the biological and physical sciences. Irrigation, drainage, conservation and channelling are all important fields to guarantee success in agriculture and require the expertise of agriculturists.

Two key beneficiaries of modern day agriculture and management techniques are farmers and consumers. Farmers benefit through improved farm economics with improved yield, reduced cost of inputs and ability to de-risk against commodity price fluctuations, monsoon failures etc. Consumers also benefit with improved access to safe, nutritious and affordable food. Therefore agriculture management is certainly a need of today.



### **Concept of Management Techniques and Agriculture Management:**

Management techniques refer to systematic methods used to assist in decision making, the improvement of efficiency and effectiveness and in particular the conduct of two key management activities planning and controlling.

Agricultural Management includes all aspects of running farms and other facilities that produce crops. Some of the functions include planning, supervising, directing, implementing various farming processes such as planting, fertilization, cultivation and harvesting. Agricultural management Practices is the study and application of production, economic and management principles that are used in the cultivation, transformation and marketing of food and other agricultural products.

### **Objectives:**

1. To study the concept of agriculture management.
2. To study various modern management techniques/methods in agriculture.
3. To study the impact of modern management techniques on agriculture.

### **Modern Day Agriculture in India :**

In India, the agricultural sector occupies a vital position in the overall economy of the country reasons being share of Agriculture in National Income and agriculture has got a prime role in Indian economy. During the last decade, India has made immense progress towards modern farming practices. Since its independence Indian population has tripled, and food-grain production has more than quadrupled. There has been a substantial increase in available food-grain per capita. This was made possible by research and innovation in agriculture related activities and processes. Modern agriculture is a term used to describe the wide type of production practices employed by Indian farmers. It makes use of hybrid seeds of selected variety of a single crop, technologically advanced equipment and lots of energy subsidies in the form of irrigation water, fertilizers and pesticides. Now farmers in India under modern agricultural management practices are using mechanised equipment for irrigation, tilling and harvesting along with hybrid seeds, water management through irrigation techniques, integrated crop management etc.

Agriculture in India seemingly is moving in the right direction although there are huge problems when it comes to resources management. Drip irrigation seems to be the answer to lack of water in many regions of the country today. Mechanization is slowly taking over to deal with shortage of human labour. Drones, sensors, scientific farming, sustainable agriculture, diversified farming, use of bio fertilizers and bio pesticides are slowly making their way into farms in a true sense now. There are still a whole lot of problems like bad transportation (infrastructure) facilities, marketing problem (the middlemen problem), but nevertheless with modern management techniques India's agriculture is surly moving in the right direction to matchup with world agriculture practices.

### **Modern Management techniques in Agriculture :**



1. **Integrated Crop Management technique (ICM):** It is a common sense approach to farming. It combines the best of traditional methods with appropriate modern technology, balancing the economic production of crops with positive environmental management. It is based on understanding the intricate balance between our environment and agriculture. ICM is a method of farming that balances the requirements of running a profitable business with responsibility and sensitivity to the environment. It includes practices that avoid waste, enhance energy efficiency and minimize pollution. ICM combines the best of modern technology with some basic principles of good farming practice and is a whole farm, long term strategy.
2. **Activities analysis technique:** Under this technique farmers observe and monitor all the farm activities right from plantation to harvesting. This involves time motion studies, work schedule, growth pattern, effects of pesticides, impact of weather etc. This management technique facilitates complete analysis of all the activities carried out during the cultivation of plants. It provides valuable results and future reference to the farmers.
3. **Disease Management technique:** Disease Management involves the selection and application of a harmonious range of disease control strategies that minimize losses and maximize returns. The objective of integrated control programs is to achieve a level of disease control that is acceptable in economic terms to farmers and at the same time causes minimal disturbance to the environments of non target individuals. Disease Management can be considered at two levels. An integrated control program may be aimed at all of the diseases that affect a particular crop or an integrated control program may be developed for a specific disease that affects a crop.
4. **Pest Management technique:** It is a crop protection philosophy that effectively combines and uses short- and long-term production tactics that help optimize net profit while minimizing the risk of undesirable environmental and health effects. Pest Management technique bases crop protection decisions on timely, objective, and individualized information on pest status and crop condition. When potential problems are found, all applicable cultural, biological, and chemical options are carefully evaluated before a suitable control measure is chosen.
5. **Nutrient Management technique:** It is an approach to soil fertility management that combines organic and mineral methods of soil fertilization with physical and biological measures for soil and water conservation. In this technique farmers adopt a holistic view of plant nutrient management by considering the totality of the farm resources that can be used as plant nutrients. It is based on three fundamental principles:
  - Maximize the use of organic material.
  - Ensure access to inorganic fertilizer and improve the efficiency of its use.
  - Minimize losses of plant nutrients.
6. **Water Management technique:** Agriculture and farmers carry a high responsibility for the management of water resources in quantitative and qualitative terms. Careful management of water resources and efficient use of water is a must. Good management





technique related to water will include those that maximize water infiltration and minimize unproductive efflux of surface waters from watersheds; manage ground and soil water by proper use, or avoidance of drainage where required; improve soil structure and increase soil organic matter content; apply production inputs, including waste or recycled products of organic, inorganic and synthetic nature by practices that avoid contamination of water resources; adopt techniques to monitor crop and soil water status, accurately schedule irrigation, and prevent soil salinity by adopting water-saving measures and re-cycling where possible.

7. Finance management technique: Under this management technique farmers undertake activities like monitoring expenditure, cost accounting and analysis, Cost benefit analysis, zero base budgeting, input output analysis, outcome budget, expected market conditions, market price, demand and supply analysis etc. This has made farmers approach toward agriculture more professional.

#### **Benefits of Modern Management techniques to Farmers :**

1. Integrated Crop management technique helps to maintain combination of traditional methods with appropriate modern technology. It also keeps balance in the economic production of crops with positive environmental management.
2. Activity management technique facilitates complete analysis of all the activities carried out during the cultivation of plants.
3. Disease Management technique with pest control helps farmers in selection and application of a harmonious range of disease control strategies that minimize losses and maximizes returns.
4. Adoption of water management technique results in optimum utilization water. Similarly proper allocation of water becomes possible.
5. Finance management technique equally has benefits as it helps farmers to use limited capital in efficient and effective way. It makes right allocation of capital possible.

#### **Conclusion :**

With adoption of Modern management technique in Agriculture of India it is seemingly moving in the right direction. Farmers are aware of significance of modern techniques as there is consistent increase in implementation of these techniques in the fields. Benefits and results shows that adoption of modern management techniques is certainly a big shift from traditional agriculture practices to modern agriculture practices.

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## **E-COMMERCE AND IT'S IMPACT ON MARKETS, RETAILERS & CUSTOMERS**

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### **Abstract :**

*E-Commerce involves an online transactions. E-Commerce provides multiple benefits to the customers in form of availability of goods and services at lower cost, wider choice and save time. The general category of e-commerce can be broken down into two parts: E-Merchandise & E-Finance. Many companies, organizations & communities in India are doing business using E-commerce and also are adopting M-Commerce for adopting business. E-Commerce is showing tremendous business growth in India. Increasing internet users have added to its growth. India's E-Commerce market was worth about \$3.9 billion in 2009, it went up to \$12.6 billion in 2013. The e-retail segment was worth US \$2.6 billion. About 70% of India's e-commerce market is travel related. According to Google India, there were 35 million online shoppers in India in 2014 Q1 and is expected to cross 100 million mark by end of year 2016. By 2020 India is expected to generate \$100 billion online retail revenue out of which \$35 billion will apparel sales are set to grow four times in coming years.*

**Key words:** E-commerce, Markets, Retailers, Customers

### **Introduction :**

E-Commerce is a transactions of buying or selling. E-commerce is generally considered to be the sales aspect of e-business. It also consists of the exchange of data to facilitate the financing and payment aspects of the business transactions. Contemporary electronic commerce involves everything from ordering digital content for immediate online consumption to ordering conventional goods and services to meta services to facilitate other types of e-commerce. On the consumer level, e-commerce is mostly conducted on the World Wide Web. An individual can go online to purchase anything from books or groceries to expensive items like real estate. Another example would be online banking, i.e. online bill payments, buying stocks, transferring funds from one account to another and initiating wire payment to another country. All these activities can be done with a few strokes of the keyboard. On the institutional level, big corporations and financial institutions use the internet to exchange financial data to facilitate domestic and international business.

**“E-Commerce is the buying and selling of goods and services on the internet, specially the World Wide Web.”**

**“E-Commerce is commerce that is transacted electronically, as over the internet.”**

**Objectives of the study**



1. To study the importance of E-Commerce.
2. To study the impact of E-commerce on Markets & Retailers.
3. To study the impact of E-commerce on Customers.

### **Importance of E-Commerce :**

E-Commerce has changed our lifestyles entirely because we don't have to spend time and money in travelling to the market. E-payments can be made with the help of e-commerce. We can expand online business with the help of e-commerce application development & web development solutions. The e-commerce solutions offer many advantages as follows: E-Commerce is one of the cheapest means of doing business as it is e-commerce development that has made it possible to reduce the cost of promotion of products and services. There is no time barrier in selling the products. One can log on to the internet even at midnight and can sell the products at a single click of mouse.

The on-time alerts are meant for the convenience of the consumer and inform the consumers about new products. E-commerce reduces delivery time and labour cost thus it has been possible to save the time of both the vendor and the consumer. Hence, in this cut-throat competition, an interactive user friendly and focused website in the form of online shops can generate you good business.

### **Impact of E-Commerce on Markets & Retailers :**

E-Commerce markets are growing at noticeable rates. The online market is expected to grow 56% from 2015 to 2020. Traditional markets are only expected 2% growth during the same time. Brick and mortar retailers are struggling because of online retailers ability to offer lower prices and higher efficiency. Many larger retailers are able to maintain a presence offline and online by linking physical and online offerings.

E-Commerce allows customers to overcome geographical barriers and allows them to purchase product anytime and from anywhere. Online and traditional markets have different strategies for conducting business. Traditional retailers offer fewer assortment of products because of shelf space where, online retailers often hold no inventory but send customer orders directly to the manufacture. The pricing strategies are also different for traditional and online retailers. Traditional retailers base their prices on store traffic and the cost to keep inventory. Online retailers base prices on the speed of delivery.

There are two ways for marketers to conduct business through e-commerce: fully online or online along with a brick and mortar store. Online marketers can offer lower prices, greater product selection and high efficiency rates. Many customers prefer online markets if the products can be delivered quickly at relatively low price. However, online retailers cannot offer the physical experience that traditional retailers can. It can be difficult to judge the quality of a product without the physical experience, which may cause customers to experience product or seller uncertainty. Another issue regarding the online market is concerns about the security of online transactions. Many customers remain loyal to well-known retailers because of this issue.

Security is a primary problem of e-commerce in developed and developing countries. E-commerce security is protecting business websites and customers from unauthorized



access, use alteration or destruction. The type of threats include: malicious codes, unwanted program, phishing, hacking and cyber vandalism. E-commerce website use different tools to avert security threats. These tools include firewalls, encryption software, digital certificates and passwords.

### **Impact of E-Commerce on Customers :**

E-Commerce brings convenience for customers as they do not have to leave home and only need to browse website online, specially for buying the products which are not sold in nearby shops. It could help customers buy wider range of products and save customers time. Consumers also gain power through online shopping. They are able to research products and compare prices among retailers. Also online shopping often provides sales promotion or discounts codes, thus it is more price effective for customers. Moreover, e-commerce provides products detailed information even the in-store staff cannot offer such detailed explanation. Customers can also review and track the order history online. However, e-commerce lacks human interaction for customers, specially who prefer face-to-face connection. Customers are also concerned with the security of online transactions and tend to remain loyal to well-know retailers. When the customer regret the purchase of a product, it involves returning goods and refunding process. This process is inconvenient as customers need to pack and post the goods. If the products are expensive, large or fragile, it refers to safety issue.

### **Conclusion :**

E-Commerce is very good for us who provides us wide variety of products and services with lots of information and attractive pictures at an affordable price at our doorstep. E-commerce have good impact on markets like reduce cost of advertisements as many customers can attract through internet, new brand can be developed, can maintain a good relationship with customers and can make customized products according to customer's needs. But e-commerce has bad impact on offline retailers because customers buys on low price from online shops due to which they also have to lower their price and does not get any profit, retailers cannot maintain a large stock like online shops have store because it will cost a huge loss to them.

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## CHANGING TRENDS & INDIAN NEWSPAPER INDUSTRY

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### **Abstract :**

*Indian Newspapers & Electronic media is the fourth pillar of Democracy. Now a days media is facing challenges of new trends. Indian Newspaper industry is on the brink of major change. Over the next several years, the industry will likely continue to experience a complete upheaval brought on by dwindling readership and major shifts in how individuals consume news. As newspapers scramble to find their footing in an ever-changing business, readers adapt and seek out trustworthy information in new ways. Latest data released by ABC on May 8, 2017 highlighted continuing growth of print media, but other data suggests that future growth of print will be slower than other media. Audit Bureau of Circulations (ABC-India) issued a press release on May 8, 2017 highlighting the growth of print media: "2.37 crore copies added in the last 10 years. During 2013-15, Indian print media not only registered an absolute and significant growth in the number of publications, but also a substantial increase in circulation. This is unlike other major democracies in the West, where circulation dropped across the board and the number of publications stagnated or decreased in all but one case The drop in circulation of print media in the West is driven by stagnating or declining population and much faster growth of digital media. Social Media, changing pattern of ownership, joint agreements of big media houses, Yellow journalism, Authenticity, Paid News are challenaper Industry some.*

**Keywords :** Said News, Mobile Reporting; Social media; Television; Authenticity; Media reporting,

### **Introduction :**

India continues to be one of the few growth markets from print media. However, within the country print media is likely to grow at the slowest rate among other comparable industries such as radio, TV, etc. Print media was the second largest industry in this sector, behind only TV. Projections suggest that while print will remain the second largest industry, its share in the sector will drop from about 25 per cent at present to about 18 per cent in 2021. Good growth of the Indian print media with respect to most other countries is to a large driven by the growth in Hindi-speaking North India. Like in the past years, Hindi print media and the northern region again registered the highest growth in the country. Hindi-speaking areas have a higher population growth rate and their literacy rates have begun to pick up only in the last two decades. So, these areas are witnessing significantly higher growth compared to the South where population is not growing as fast and literacy levels reached high level as early as the 1990s. Hindi publications registered highest annual growth followed by Telugu, Kannada, Tamil and Malayalam. So, Hindi newspapers not only enjoy larger circulation, but are also growing at a faster rate. Half of the top ten newspapers by circulation are published in Hindi. Rest of the newspapers among the top ten include two publications in Malayalam



and one each in Telugu, Tamil, and English. The average circulation of the Hindi newspapers among the top ten is nearly double that of other non-English language newspapers in this category. In sum, India's print media is likely to continue to register robust growth compared to other major democracies because its population is growing and it has not yet achieved universal literacy.

### **Importance & Drawbacks of Media :**

The media has also played a significant role in speedy trials of numerous cases, one of them being the Jessica Lal murder case. In spite of the influence of major power holders and big politicians, the case was transferred to fast track court and the murderers of Jessica were put behind the bars, all as a result of a major uprising and mass awareness generated by the media itself. The media today has become a two way mode of communication. Gone are the days when a newsreader would merely read out from the teleprompter, give the main headlines and leave! Today, trends like Citizen Journalism have entered the public sphere. It gives the public and the masses the opportunity to publicise their views, opinions, thoughts and beliefs. It has made news broadcasting interactive and participative. Various news channels have started chat shows, debates and discussions that give the common man an insight into the working of media channels and also give them a chance to explore their abilities and powers. While there have been many positive aspects of the media and its working practices, it has certain negatives too. Sensationalism and exaggeration have become a part and parcel of news broadcast. Various issues that have very little or rather, no importance are classified as breaking news and shown at prime time slot. Today, almost every news channel has its own gurus and mahatamas who give their suggestions on every topic and issue ranging from bad hair days to tackling of one's regular day-to-day expenses. Such attempts by the media raise questions on media's credibility and bring down its hard earned reputation. One begins to doubt the authenticity of the particular media organisation.

### **New Trends in media :**

Popular media such as television and the Internet have forever changed the newspaper industry. To fully understand the impact that current technology is having on the newspaper industry, it is necessary to first examine the current state of the industry. Increasing trend of internet together with developments in the news aggregation, online search and social media has transformed how news is produced, distributed and watched. Newspapers are no longer gatekeepers of access to news. The rise of social media and the ubiquity of online news and opinion constitute an existential challenge to traditional newspaper model in which professional journalists act as protectors and privileged distributor of information. With the rise of internet online digital/social media publications has changed the picture. The trend in preference is shifting towards briefer news articles and stories shared via mobile based technology. As with the citizen journalism, one of the problems with social media that stories are often not checked. After the floods in China, used newspapers photographs from social media that have taken as a decade earlier. Instances of newspapers or news agencies, citing social media sources, which are subsequently prove to be incorrect and more numerous. The future is digital. Subsequently, news organizations will need to cope up with tensions



between traditional journalism and new approaches, emphasizing speed of output. Technological advancements in mobile phones are changing the way journalists report live news and stories. Improved speed and capacity has provided reporters to share online content million times more powerful than before. News gathering potential boost up is due to increased mobile phones equipped cameras and it made live streaming of videos, photos and other content relatively way more easy .

### **Declining Revenues & Readership :**

Newspapers as a whole are experiencing a dramatic decline in both subscribers and overall readership. For example, on February 27, 2009, Denver's *Rocky Mountain News* published its final issue after nearly 150 years in print. The front-page article "Goodbye, Colorado" reflected on the paper's long-standing history with the Denver community, observing that "It is with great sadness that we say goodbye to you today. Our time chronicling the life of Denver and Colorado, the nation and the world, is over." *Rocky Mountain News*, "Goodbye, Colorado," February 7, 2009,

### **Joint Agreements :**

Readership began to decline in the 1970s and newspapers began experiencing greater competition within individual cities, Congress issued the Newspaper Preservation Act authorizing the structure of joint operating agreements. The implementation of these means that two newspapers could share the cost of business, advertising, and circulation operations which helped newspapers stay afloat in the face of an ever-shrinking readership. At its peak, 28 newspaper agreements existed across the United States, but as the industry declines at an increasingly rapid rate, agreements are beginning to fail. With today's shrinking pool of readers, two newspapers simply cannot effectively function in one community. In 2009, only nine agreements continued operations, largely because agreements don't eliminate the basic problem of one newspaper gaining the upper hand in circulation and, hence, advertising revenue."Ibid. With advertising playing a key role in newspapers' financial survival, revenue loss is a critical blow.

### **Chain Newspapers :**

As newspapers diminish in number and as newspaper owners find themselves in financial trouble, a dramatic increase in the consolidation of newspaper ownership has taken place. Today, many large companies own several papers across the country, buying independently owned papers to help them stay afloat. The change has been occurring for some time; in fact, "since 1975, more than two-thirds of independently owned newspapers...have disappeared."Free Press, "Media Consolidation," <http://www.freepress.net/policy/ownership/consolidation>. However, since 2000, newspaper consolidation has increased markedly as more papers are turning over control to larger companies. In 2002, the 22 largest newspaper chains owned 39 percent of all the newspapers in the country (562 papers). Yet those papers represent 70 percent of daily circulation and 73 percent of Sunday. And their influence appears to be growing. These circulation percentages are a full percentage point higher than 2001. Among the 22 companies that own the largest



percentage of the papers, four chains stand out: Gannett, the Tribune Company, the New York Times Company, and the McClatchy Company.

### **Different Ownership :**

In addition to consolidation, the decline of print newspapers has brought about several changes in ownership as companies attempt to increase their revenue. In 2007, media mogul Rupert Murdoch's News Corporation purchased *The Wall Street Journal* with an unsolicited \$5 billion bid, promising to "pour money into the *Journal* and its website and use his satellite television networks in Europe and Asia to spread *Journal* content the world over. Murdoch has used the buyout to move the paper into the technological world, asking readers and newspapers to embrace change.

### **Automated ad buying.**

Instead of targeting the message to groups, programmatic buying tools started targeting individuals based upon how they navigated the web. The result was a trolling of web users, and ad placements in all kinds of crazy locations. Heaven help the poor soul who looks for a credenza without turning off cookies. The next week every site that person visits, whether it be a news site, a sports site, a hobby site - anywhere that is ad supported - will be ringed with ads for credenzas. That these ads in no way connect to the content is completely lost. Like a hawker who won't stop chasing you down the street to buy his bad watches, the web surfer can't avoid the onslaught of ads for a product he may well not even want.

### **Fake Journalism :**

Now anybody, without any credentials, could create their own web site and begin publishing anything they want. The need for accuracy is no longer as important as the willingness to do whatever is necessary to obtain eyeballs. Learning how to "go viral" with click-bait keywords and phrases became more critical than fact checking. Because ads are bought by programs, the advertiser is no longer linked to the content or the publisher, leaving the world awash in an ocean of statements - some accurate and some not. Thus, what were once ads that supported noteworthy journals like the *New York Times* now support activistpost.com.

### **Social Media :**

Social Media is the new trend in Journalism. The growth of social media over the past few years has been exponential; according to Nielsen, Twitter alone grew 1,382 percent in February 2009, registering 7,000,000 unique visitors in the United States for the month. By February 2010, Twitter had 75,000,000 registered users and between 10,000,000 and 15,000,000 active tweeters. Meanwhile, Facebook has more than 400 million active users worldwide, according to its website, with each user averaging 130 Facebook friends. Social networks are not just useful tools for journalists, they are also powerful new aggregators and distribution networks, which threaten to further disrupt the already uncertain economics of the internet. Social networks like Facebook are becoming the portals of the twenty first century: a key starting point for web journeys and a place where audiences are spending more and more time. The popularity and time spent with social networking sites is changing the





way people spend their time online and the way in which they share and interact in their daily lives. This is creating new challenges for the media and advertising industries. Social networks provide competition to traditional publishers for consumer attention and at the same time they are opening up new ways of engaging and connecting with audiences. It is important to note that the usage of social sites is highly uneven. Many people are using twitter more as a one way publishing service than a two way, peer to peer communication network. There are three key reasons for the growth of news and information in social networks. Facebook created a news and activity feed in September 2006, which has become a default setting on a user's homepage. This has encouraged more linking to mainstream news sites. It has since made it easier to include links and recommendations from other news related sites. Mainstream audiences are now using social networks and they have brought their interests and preoccupations, including the sharing of news.

### **Electronic Media :**

As social media continues to grow in popularity, marketers, advertisers, and businesses are looking for ways to use the new technology to increase revenue and improve customer service. Meanwhile, social networking sites are expanding into commerce, connecting businesses and consumers via third-party sites so that people can bring a network of friends to partner websites. Facebook Connect, for example, enables a consumer to visit a partner site such as Forever 21, find a pair of jeans on sale, and broadcast the information to everyone on her Facebook network. If a few Facebook friends do the same thing, the information can create an effective viral marketing campaign for the partner site

### **Declining free content :**

Assault on advertisers which began with the demise of print continues. This will impact all consumers, as free content increasingly declines. Because of these trends, users will have a lot more options, but simultaneously they will have to be much more aware of the source of their content, and actively involved in selecting what they read, listen to and view. They can't rely on the platforms to manage their content. It will require each person select their sources. Costs of traditional advertising will go up, while its effectiveness will go down. As the old platforms die off these companies will be forced to lean much, much heavier on social media and sites like YouTube as the new platforms to push their product message to potential customers.

### **Various Apps :**

In April 2009, Apple celebrated the 1 billionth download from its App Store. Launched in July 2008, the online venue for third-party iPhone and iPod Touch applications initially offered consumers 500 apps, ranging from shortcuts to websites such as Facebook and eBay to games and useful online services. Although competing smartphones such as the Treo and BlackBerry offered similar application facilities, Apple's App Store quickly became the most successful platform for mobile software, averaging around \$1,000,000 a day in iPhone application sales during the first month of its existence. Under a revenue-sharing agreement, the company keeps 30 percent of any income generated and gives the other 70 percent to third-party app developers. By April 2011, the App Store offered around 350,000



applications, aiding iPhone and iPad users with numerous daily activities, ranging from identifying an unknown song, to finding a nearby gas station, to matching the color of a photograph taken by the iPhone with a database of paint colors. One recent trend in smartphone applications is the use of location-sharing services such as Foursquare, Gowalla, Brightkite, and Google Latitude. Utilizing the GPS function in modern smartphones, these apps enable users to “check in” to a venue so that friends can locate each other easily. The apps also encourage users to explore new places in their area by following other users’ suggestions on places to go.

### **Media Publishing :**

The transformation of computing with communication technologies in the past twenty five years has greatly affected the media industry. So the technology for the distribution of journalistic information in various forms has become easily available offering more opportunities for media societies in order to reach their audience. Model cross media publishing describes specifically the steps in the implementation of a successful cross media publish that helps radio and television stations adapt the ever changing media market. Cross media is typically defined by the idea of producing different news including text, videos, and images for more than one media platforms. WWW provides the best transfer of information globally within no time moreover Wi-Fi and WAP(wireless application protocol) provides user to access online media content and news instantaneously covering headlines , summary of recent happenings, short videos which provide trustworthiness of uploaded content. Content elements make up the publishing network and are categorized into static and dynamic. Static comprises of text, still images and graphics that are then merged for uploading as online content while dynamic include videos and sounds. The online news casting is very attractive and allows reaching remote viewers quickly. Production of online content via mobile or other devices is an easy task but its distribution on networks is what makes it challenging.

### **Mobile Reporting :**

The new technologies of mobile and digital media have revolutionized the entire media. This paper puts a light on new trends in digital reporting or mobile reporting and also discusses limitations and blemishes of the technology. Mobile journalism is the new way of reporting incidents live. Incident proves are spread fast using mobile and social platform. Different applications have been developed for community reporting. Where the new technologies have made the work easier, they have also put a question mark on the authenticity and reliability of these reports. The study further discusses the importance of online mobile journalism and mobile tools, as the past decade use television to broadcast any news. In future people may see many other technologies far better than mobile journalism. Cell phones are now much more productive in news recording from even in hand or pocket. To capture young audience we use mobile journalism, for this social media, internet and web contributes much more to collect information. Nowadays learning new technology, to change daily bases work habits, and adaptation of new job requirement to maintain job security and to be succeeded in career, as the mobile journalism also disrupts the transmit news market. Some future ideas are also discussed for the new trends and authentication of the reports



generated by mobile reporters. **Webcasting-** Webcasting is defined as delivering content on the internet or web. As internet as the main source of information nowadays. Anyone who uploads some incident report or content on internet can be seen as a webcaster. **PDA's-** Personal digital assistants are small devices with limited capacity. They have small screens and perform some basic functionality recently PDA's with high performance capacities and cameras are also available which can be the means for reporting. **Digital cameras-** Digital cameras are fast and efficient means for recording an incident. Digital cameras are devices used to capture high quality images and videos. **Smart phones-** Smart phones are commonly used nowadays. Every person has access to smartphones. Smartphones are small portable devices used for communication with additional functionality of cameras, music players etc. Mobile cameras are the main source of live reporting and mobile journalism now.

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## **GST – STRUCTURE, IMPACT & FEATURE IN BUSINESS, MANAGEMENT & TAXATION**

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### **Gst Structure In India :**

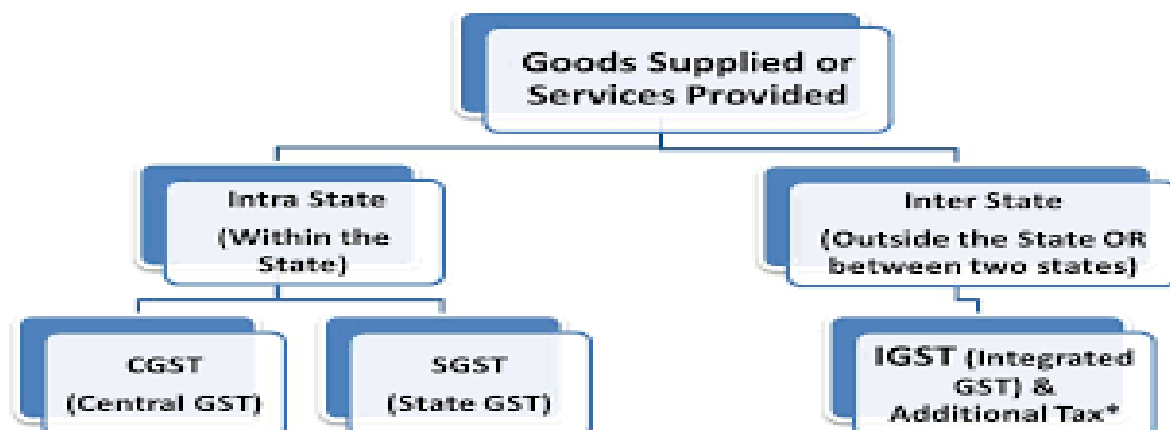
India's biggest tax reform is now a reality. A comprehensive dual Goods and Services Tax (GST) has replaced the complex multiple indirect tax structure from 1 July 2017.

The concept of GST was visualized for the first time in 1999. On 8 August 2016, the Constitutional Amendment Bill for roll out of GST was passed by the Parliament, followed by ratification of the bill by more than 15 states and enactment of the bill in early September.

The GST Council consisting of representatives from the Central as well as state Government, met on eighteen occasions in last ten months and cleared –

- GST laws,
- GST Rules,
- Tax rate structure including Compensation Cess,
- Classification of goods and services into different rate slabs,
- Exemptions,
- Thresholds,
- Tax administration
- On 12 April 2017, the Central Government enacted four GST Bills:
- Central GST (CGST)
- Integrated GST (IGST)
- Union Territory GST (UTGST)
- Bill to Compensate States

In a short span of time, all the states (excluding Jammu and Kashmir) approved their State GST (SGST) laws. Union territories with legislature, i.e., Delhi & Puducherry, have adopted SGST Act and the balance 5 Union territories without legislatures have adopted UTGST Act.





## **The Impact of Gst on Business in India**

After a lot of deliberation, our GST council has finalised the rates for all the goods and major service categories under various tax slabs, and the GST is expected to fill the loopholes in the current system and boost the Indian economy. This is being done by unifying the indirect taxes for all states throughout India.

The tax rate under GST are set at 0%, 5%, 12%, 18% and 28% for various goods and services, and almost 50% of goods & services comes under 18% tax rate. But how is our life going to change post GST? Let's see how GST on some day-to-day good and services will have an impact on an end user's pocket.

### **Footwear & Apparels/Garments:**

Footwear costing more than INR 500 will have a GST rate of 18% from an earlier rate of 14.41 rate but rates for the footwear below INR 500 has been reduced to 5%. So, you need to shell out more for buying a footwear above INR 500/-. And with respect to the ready-made garments, the rates have been reduced to 12% from an existing 18.16% which will make them cheaper.

### **Cab and Taxi rides:**

Now, taking an Ola or an Uber will be cheaper because the tax rate has come down to 5% from an earlier 6% for a cab booking made online.

### **Airline tickets:**

Under the GST, tax rate for economy class for flight tickets is set at 5% but the tax for business class tickets will have a higher tax rate of 12%.

### **Train Fare:**

There will not be much of an impact. The effective tax rate has increased from 4.5% to 5% in GST. But, passengers who travels for business trips can claim Input Tax Credit on their rail ticket which can help them to reduce expenses. People travelling by local trains or in the sleeper class will not be affected, but first-class & AC travellers will have to pay more.

### **Movie Tickets:**

Movies tickets costing below INR 100 will be charged a GST rate of 18% but prices above INR 100 will have a higher tax rate of 28%.

### **Life Insurance Premium:**

The Premium Amounts on policies will rise, with an immediate impact can be seen on your term and endowment policy premiums as the rates have been increased under GST across life, health and general insurance.

### **Mutual funds Returns:**

GST impact on your returns from mutual funds' investments will largely be marginal as the GST will be charged on the TER i.e. Total Expense Ratio of a mutual fund. The TER is commonly called as expense ratio of a mutual fund company, and the same is set to go up by 3%. The return what you get as an investor will be reduced to that extent unless the respective mutual fund company i.e. AMC absorbs it but that anyhow will be a marginal difference.

### **Jewellery:**



The gold investment will become slightly expensive because there will be 3% GST on gold & 5% on the making charges. The earlier tax rate on gold was around 2% in most of the states and the GST is increased from the existing rate to around 2% to 3%.

### **Buying a Property:**

Under construction properties will be cheaper than read-to-move-in properties. The GST rate for an under-construction property is 18% but the effective rate on this kind of property will be around 12% due to input tax credits the builder will avail of.

### **Education & Medical Facilities:**

Education and Medical sectors have been kept outside the GST ambit and both the primary education & healthcare is exempt from GST. It means a consumer will not pay any tax for the money you spent on these services. But due to increase in the rate of taxes for certain goods & services as procured by these organisations, they may pass on the additional tax burden to the consumers.

### **Hotel Stay:**

For your hotel stay, If your room tariff is less than Rs 1,000, then there will be no GST, but anything above Rs 5,000 will attract 28% tax.

### **Buying a Car:**

Most of the cars in the Indian market will become slightly cheaper, except for the hybrid cars because the GST rate will be 28% tax on all the vehicles irrespective of their make, engine capacity or model. However, over and above this 28%, an additional cess will be levied which can be either 1%, 3% or 15 %, depending on the particular car segment.

### **Mobile Bills:**

People will have to pay more on mobile phone bills as GST on telecom services is now 18%, as opposed to the earlier tax rate of 15%. However, telecom companies may absorb this 3% rise due to fierce competition.

### **Restaurant Bills/EATING OUT:**

Your restaurant bill would depend on whether you dined at an AC or Non-AC establishments which do not serve alcohol. Now dining at five-star hotels will be charged at 18% GST rate and the Non-AC restaurants will be charged 12% and a 5% GST will be charged from small hotels, dhabas and restaurants who do not cross an annual turnover of INR 50 Lakh.

### **IPL & other related events:**

Events like IPL i.e. sporting events will have a 28% GST rate which is higher than the earlier 20%. rates. This will increase the price of your tickets. And the GST rate for other events like theatre, circus or Indian classical music shows or a folk dance performance or a drama show will be at 18% GST rate, this is lesser than the earlier tax rate.

### **DTH and cable services:**

The money you pay towards your DTH (Direct-To-Home) connections or to your cable operator will reduce a bit as the rate is fixed at 18%, which is lower than the earlier taxes which were comprising of entertainment tax in the range of 10% to 30%, apart from the service tax of 15%.

### Amusements Parks:

The ticket price for amusement parks and theme parks will increase as the earlier service tax of 15% will become 28% under the GST.

### Here's is a list of some items which are completely exempt from the GST regime:

- \*The unprocessed cereals, rice & wheat etc.
- \*The unprocessed milk, vegetables (fresh), fish, meat, etc.
- \*Unbranded Atta, Besan or Maida.
- \*Kid's colouring book/drawing books.
- \*Sindoor/Bindis, bangles, etc.

### The Impact of GST on Management



There is a significant influence on the structure of a supply chain management system by various taxes that are levied on it, on the basis of the business's location. With the introduction of a unified tax scheme such as GST, multiple state taxes are now eliminated, which in turn, can help in the consolidation of warehouses by logistic companies; as the practice of maintaining a warehouse in each state to avoid the central tax, can be done away with.

There is a prospect of significant cost savings now by companies, as a result of this and GST hence, can be used as a basis for further investment for advance serviceability. Post the implementation of GST, there needs to be a re-arrangement of design in supply chain, to base it upon customer service and cost-efficient logistics; assisting firms in increasing the accuracy of forecasts.

Here are some of the impactful benefits that can be garnered by organizations post-GST:

**Personalized Supply Chain:** With GST in effect, manufacturers can look at tailored supply chain models, that can suit customer needs as well as the requirements of their supply chain. The elimination of stock transfer benefits will also help in increasing the share of direct dispatches for medium/large dealerships.



**Enhancing Inventory Management:** The elimination of multi-state-level taxes will help in reducing channel inventories, thus optimizing stock points. Fewer transit-stays will also benefit advance lead time, as well as help in decreasing inventory levels at stocking points, thus creating opportunities for efficient warehouse management.

**Decreasing Incoming Logistics Costs:** The incoming supply chain is now expected to see peripheral benefits in direct out-of-state purchases, as well as logistics cost. Hence manufacturers can now look at expanding their vendor base beyond the boundaries of states and also the modification of sourcing models.

**Modified Distribution Models for Aftermarket:** There can be an overwhelmingly large impact of GST on the spares aftermarket due to the increase in requirements of storage and retail penetration. Organizations can also evolve their distribution footprint and try to shift away from consignment stocking, which will enable re-imagined supply chain models while ensuring high-quality service and cost-efficient availability.

Hence, to take the most benefits out of the impact that the new GST regime is set to make on Supply Chain Management Systems, organizations need to have ample preparation and the right entrepreneurial attitude to rise up to the challenge.

**Turn Over Limit:**

GST – GST Registration limit 20 L +

**Registration:**

GST – PAN based Registration

**Input Tax Credit:**

GST – Seamless flow of Input Tax Credit

**Declarations of Forms:**

GST – No Declaration Forms

**Rate of Tax:**

GST – Rate will be 5%, 12%, 18% and 28%

**Filing of Returns:**

GST – Returns by 20th of succeeding month but in a phased manner (Sales by 10th, Purchases by 15th and payment by 20th)

**Mode of payment:**

GST – Mode of payment if exceeds 10,000 by e-payment, less than is optional

Availment of Input Tax Credit:

GST – Filing of Sep return of next FY or annual return whichever is earlier

**Rating for Business:**

GST – GST rating based on timely filling of returns & payments







## **A STUDY OF CORPORATE SOCIAL RESPONSIBILITY (CSR) IN INDIA**

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### **Abstract :**

*Present study explains the meaning of CSR i.e. Corporate Social Responsibility, legal provisions relating to CSR in India, basic objectives behind CSR, and the activities which are connected with the CSR. The term CSR becomes popular in 1960, and now it has become obligatory for the some corporations who fulfilled conditions given under the Indian Company Act. Some Indian corporate companies believe that merely complying with laws and regulations fulfills their need for social responsibility. A responsible corporate recognizes that its activities have wider impact on the society in which it operates. Therefore it takes account of the economic, social, environmental and human rights impact of its activities on all the stakeholders. Corporations have a responsibility to those groups and individuals that they can affect, i.e. its stakeholders and to the society at large. And therefore the concept of CSR emerges.*

**Keywords :** Corporate Social Responsibility (CSR), Stakeholders, Philanthropy,

### **Introduction :**

“CSR” is also called “Corporate Conscience”, “Corporate Citizenship” or “Responsibility Business.” It basically means “actions that appears to further some social good beyond the interests of the firm and that which is required by the law.” The aim is to increase long term profits and stakeholders trust through positive public relations and high ethical standards to reduce business and legal risk by taking responsibility for corporate actions. CSR strategies encourage the company to make a positive impact on the environment and stakeholders including consumers, employees, investors, communities and others.

The term CSR becomes popular in the 1960s. Some Indian corporate companies believe that merely complying with laws and regulations fulfills their need for social responsibility. A responsible corporate recognizes that its activities have wider impact on the society in which it operates. Therefore it takes account of the economic, social, environmental and human rights impact of its activities on all the stakeholders. Business would embrace responsible for the impact of their activities on the environment, consumers, employees, communities, stakeholders and other members of the public sphere. And therefore CSR is important in today's competitive world.

### **Objectives of Study :**

To explain the concepts of

- Corporate Social Responsibility (CSR)
- Legal Provisions in Indian Companies Act 2013 regarding CSR
- CSR Activities



### **Research Methodology :**

Research methodology not only talks about the research methods but also consider the logic behind the method used in the context of the research study. Research methodology is a way to systematically study and solve the research problems.

### **Research design used in the study :**

Descriptive research design is used in this study. The researcher had to use fact and information already available in order to explain the concept of Corporate Social Responsibility, Legal Provisions under Indian Companies Act about CSR, CSR activities, Need of CSR etc.

### **Data collection method :**

The process of data collection begins after a research problem has been defined. For the present study researcher only collect & rely on secondary data, in order to know the concept of CSR and its implementation in India. Secondary data is the data which is already collected by someone else. Researcher has to analyze the data and interprets the results. Researcher collected the secondary data through various books, Journals, authorized websites etc.

### **The concepts of Corporate Social Responsibility :**

The business community can make tremendous contributions in promoting good health and wellbeing, especially if innovative CSR initiatives are undertaken in partnership with government and civil society. In all but the most remote areas or closed societies, business has massive reach and influence. For decades, business has been engaged in charity, philanthropy, and civic activities including social investment in health, poverty alleviation, etc. However oftentimes these investments were less than strategic, and were not directed to real social change. Today business understands that viewed through lenses of “doing well by doing good,” CSR can be a revolutionary way of contributing to systemic social changes in which investments can produced lasting social benefits in the various areas

CSR concept emerges with the development of corporations. After the industrial development such concept becomes more popular. In simple words it means make the corporation socially responsible for various activities where they operate, do their business and earn the profit. This concept is applicable for those corporations who can fulfill the conditions given under the Indian Companies Act 2013. These conditions are basically related with the turnover and the profit.

Any corporations whose annual turnover of 1,000 crore (INR) and more or a net worth of 500 crore (INR) and more or a net worth of 500 crore (INR) and more or a Net profit of 5 crore INR and more, are responsible in India for complying the provisions given in Indian Company Act 2013 related to CSR activities. The CSR activities are basically related with Promotion of Education, Eradication of extreme hunger and poverty, Gender equity and women empowerment, Reducing child mortality and improving maternal health, combating HIV-AIDS, malaria and other diseases, Environmental sustainability, social business projects, contribution to Prime Minister’s relief fund and other such state and central funds, Employment enhancing vocational skills, and such other matters as may be prescribed which are beneficial to the society.



### **Legal Provisions Regarding CSR (Under the Indian Company Act 2013) :**

Clause 135 of Company Act 2013 has introduced the idea of CSR to the forefront and through its discloser or explains mandates promoting greater transparency and disclosure. Schedule VII of the Act which lists out the CSR activities suggests communities to be the focal point. On the other hand by discussing a company's relationship to its stakeholders and integrating CSR into its core operations, the draft rules suggest that CSR needs to go beyond communities and beyond the concept of Philanthropy ( for social benefit). It will be interesting to observe the ways in which this will translate into action at the ground level, and how the understanding of CSR is set to undergo a change.

As stated earlier (in point no. 1.4) , any corporations whose annual turnover of 1,000 crore (INR) and more or a net worth of 500 crore (INR) and more or a net worth of 500 crore (INR) and more or a Net profit of 5 crore INR and more, are responsible in India for complying the provisions given in Indian Company Act 2013 related to CSR activities. The new rules which will be applicable from the fiscal year 2014-2015 onwards also require companies to set up a CSR committee consisting of their board members, including at least one independent director.

The Act encourages companies to spend at least 2% of their average net profit in the previous three years on CSR activities. The Act lists out a set of activities eligible under CSR. Companies may implement these activities taking into account the local conditions after seeking board approval. The indicative activities which can be undertaken by a company under CSR have been specified under Schedule VII of the Act.

#### **List of activities under Schedule VII :**

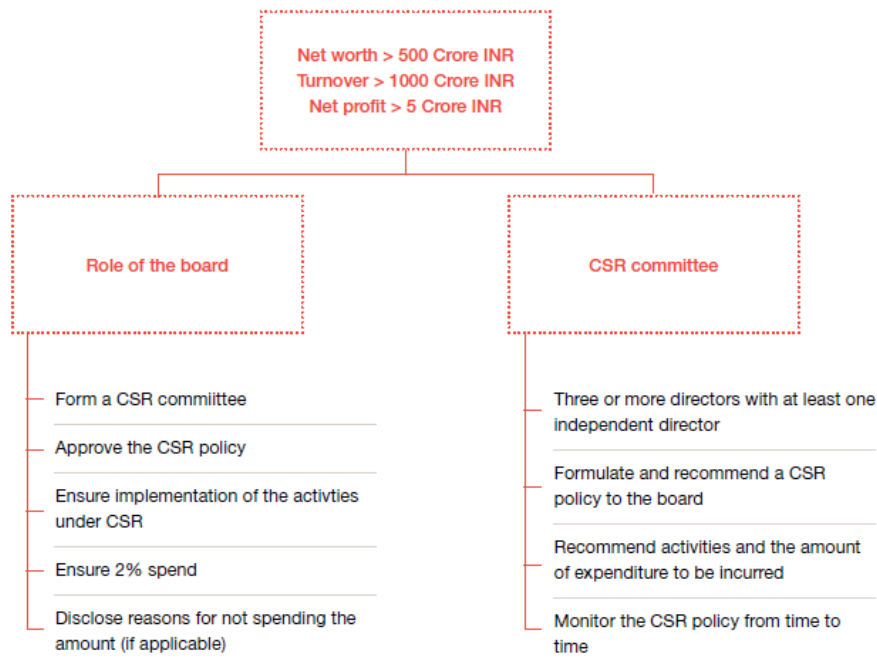
- a. Promotion of education
- b. Eradication of extreme hunger and poverty
- c. Gender equality and women empowerment
- d. Reducing child mortality and improving maternal health
- e. Combating HIV-AIDS, malaria and other diseases
- f. Environmental Sustainability
- g. Social business projects
- h. Contribution to Prime Minister's relief fund and other such state and central funds
- i. Employment enhancing vocational skills
- j. And such other matters as may be prescribed.

#### **Conclusion :**

The concept of CSR enables the corporations (who fulfill the conditions in clause 135 of the Indian Companies Act 2013) towards the social good, where they carried out the business activities and earn huge profit. The clause 135 of the Act also lays down the guidelines to be followed by the companies while developing their CSR programme.

The CSR committee will be responsible for preparing a detailed plan on CSR activities, including the expenditure the types of activities, role and responsibilities of various stakeholders and a monitoring mechanism for the activities. The CSR committee can also ensure that all the kinds of income accrued to the company by way of CSR activities should be credited back to the community.

Role of the board and the CSR committee



(Ref. [www.pwc.in](http://www.pwc.in) Handbook on Corporate Social Responsibility in India, CII Confederation of Indian Industry)

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## EMERGING TRENDS IN BANKING SERVICE SECTOR IN INDIA

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### Abstract:-

*The banking sector plays a vital role in the development of one country's economy. The growth of banking sector depends upon the services provided by them to the customers in various aspects. The growing trend of banking services is found significant after the new economic reforms in India. Today, we are having a fairly well developed banking system with different classes of banks public sector banks, foreign banks, private sector banks both old and new generation, regional rural banks and cooperative banks with the Reserve Bank of India as the fountain Head of the system.*

*The paper attempts to present the emerging trends and its challenges that recently emerged in the banking sector with special emphasis on digitization. It will be useful to the academicians, banking and insurance personnel, financial advisors, professionals, students and researchers. Common readers will also find it informative and inculcating.*

**Key Words:** banking, technology, emerging trends, developments, emerging banking products

### Introduction:-

Digitization in banking industry essentially means making banking smooth and seamless for the customers. Most of the private banks and public sector banks are focused on offering new technology-based services to its customers like mobile banking, mobile banking apps and e-wallets. The biggest advantage of digital channeling in banking is its ability to provide new propositions and customer specific business models by analyzing this banking pattern which explores the customer value to the maximum. Now India as well as Indians is ready to become cashless in this era of Digitization. Digital India' campaign Started by Hon. Shri. Narendra Modi has the potential to transform the Indian banking industry. While highlighting the progress of 'Digital India', more than 12,000 rural post office branches have been linked into payment banking. The Digital India vision aims to transform our country into a digital economy with participation from citizens and businesses. Over 190 million accounts have been opened under the financial inclusion scheme, with around 38 per cent of these being zero-balance accounts.

### Objectives of the Study:-

1. The main objective of the study is to understand Banking Sector
2. To study the effect of Digitization on economic development.
3. To understand the emerging technological trends in Banking Sector in India.
4. To examine the new products and services.



### **Importance of the Study:-**

Banks play an important role in the economic development of developing countries. Economic development involves investment in various sectors of the economy. The banks collect savings for investment in various projects. In normal banking the banks perform agency services for their customers and help economic development of the country. The purchase and sales securities, shares, make payments, receive subscription funds and collect utility bills for the Government department. Current banking sector has come up with a lot of initiatives that oriented to providing a better customer services with the help of new technologies. Indian banking sector today has the same sense of excitement and opportunity that is evidence in the Indian Economy. The going developments in the global markets offer so many opportunities to the banking sector.

### **Research Methodology:-**

This study is descriptive in nature. Data used in this study are collected basically from secondary sources. Secondary data is collected from various sources like annual report of Reserve Bank of India, journals, books, journals, magazines, research papers and Internet websites.

### **A) Banking and Technology:-**

Banking technology as a confluence of several disparate disciplines such as finance information technology, computer science, communication technology. The tremendous influence of information and communication technologies on banking and its products, the quintessential role played by computer science helped in fulfilling banks 'marketing objective of servicing customers better at less cost and thereby reaping more profits. Advanced statistics and computer science are used to measure, mitigate, and manage various risks associated with banks' business with its customers and other banks

### **Technology Application in Banks:-**

Indian banking industry adopted various technology applications in banking. They are classified in to:

### **Data Warehousing:**

Data warehouses are designed to facilitate reporting and analysis. A data warehouse houses a standardized, consistent, clean and integrated form of data sourced from various operational systems in use in the organization, structured in a way to specifically address the reporting and analytic requirements. This definition of the data warehouse focuses on data storage. However, the means to retrieve and analyze data, to extract, transform and load data, and to manage the data dictionary are also considered essential components of a data warehousing system. Many references to data warehousing use this broader context.

### **Data Mining:**

Data mining is becoming an increasingly important tool to transform these data into information. It is commonly used in a wide range of profiling practices, such as marketing, surveillance, fraud detection and scientific discovery. While data mining can be used to



uncover patterns in data samples, it is important to be aware that the use of non-representative samples of data may produce results that are not indicative of the domain. Similarly, data mining will not find patterns that may be present in the domain, if those patterns are not present in the sample being "mined". There is a tendency for insufficiently knowledgeable "consumers" of the results to attribute "magical abilities" to data mining, treating the technique as a sort of all-seeing crystal ball. Like any other tool, it only functions in conjunction with the appropriate raw material: in this case, indicative and representative data that the user must first collect.

### **Electronic Data Interchange:**

Electronic Data Interchange (EDI) refers to the structured transmission of data between organizations by electronic means. It is used to transfer electronic documents from one computer system to another, i.e. from one trading partner to another trading partner. It is more than mere E-mail; for instance, organizations might replace bills of lading and even Cheque with appropriate EDI messages. It also refers specifically to a family of standards, including the X12 series.

### **Corporate Web Sites:**

A corporate website or corporate site is an informational website operated by a business or other private enterprise such as a charity or non-profit foundation.

### **Corporate Website Common Features:**

Corporate websites usually include the following:

- A homepage
- A navigation bar or other means for accessing various site sections
- A unified look and feel incorporating the company logos, style sheets, and graphic images.
- A summary of company operations, history, and mission statement
- A list of the company's products and services
- An "investor" section describing key owners / investors of the company
- A list of key clients, suppliers, achievements, projects, partners, or others
- Pages of special interest to specific groups.
- An employment section where the company lists open positions and/or tells job seekers how to apply

### **Management Information System:**

A management information system (MIS) is a subset of the overall internal controls of a business covering the application of people, documents, technologies, and procedures by management accountants to solve business problems such as costing a product, service or a business-wide strategy. Management information systems are distinct from regular information systems in that they are used to analyze other information systems applied in operational activities in the organization. Academically, the term is commonly used to refer to the group of information management methods tied to the automation or support of human decision making.



### **Emerging Trends and Developments:**

Today, we are having a fairly well developed banking system with different classes of banks – public sector banks, foreign banks, private sector banks, regional rural banks and co-operative banks. The Reserve Bank of India (RBI) is at the paramount of all the banks.

### **Internet:**

Internet is a networking of computers. In this marketing message can be transferred and received worldwide. The data can be sent and received in any part of the world. In no the following:

- 1) This net can work as electronic mailing system.
- 2) It can have access to the distant database, which may be a newspaper of foreign country.
- 3) Customers can exchange their ideas through Internet and can make contact with anyone who is a linked with internet.
- 4) On internet, one can exchange letters, figures/diagrams and music recording.

### **Society for Worldwide Inter-bank Financial Telecommunications (SWIFT):**

SWIFT, as a co-operative society was formed in May 1973 with 239 participating banks from 15 countries with its headquarters at Brussels. It started functioning in May 1977. RBI and 27 other public sector banks as well as 8 foreign banks in India have obtained the membership of the SWIFT. SWIFT provides have rapid, secure, reliable and cost effective mode of transmitting the financial messages worldwide. At present more than 3000 banks are the members of the network. This is highly cost effective, reliable and safe means of fund transfer

### **Automated Teller Machine (ATM):**

ATM facility is available to the customer 24 hours a day. The customer is issued an ATM card. This is a plastic card, which bears the customer's name. This card is magnetically coded and can be read by this machine. Each cardholder is provided with a secret personal identification number (PIN). When the customer wants to use the card, he has to insert his plastic card in the slot of the machine. After the card is a recognized by the machine, the customer enters his personal identification number. After establishing the authentication of the customers, the ATM follows the customer to enter the amount to be withdrawn by him. After processing that transaction and finding sufficient balances in his account, the output slot of ATM give the required cash to him.

### **Cash Dispensers:**

Cash withdrawal is the basic service rendered by the bank branches. The cash payment is made by the cashier or teller of the cash dispenses is an alternate to time saving. The operations by this machine are cheaper than manual operations and this machine is cheaper and fast than that of ATM. The customer is provided with a plastic card, which is magnetically coated. After completing the formalities, the machine allows the machine the transactions for required amount.





### **Electronic Clearing Service:**

In 1994, RBI appointed a committee to review the mechanization in the banks and also to review the electronic clearing service. RBI has been necessary step to introduce these schemes, initially in Chennai, Mumbai, Calcutta and New Delhi.

### **Bank net:**

Bank net is a first national level network in India, which was commissioned in February 1991. It is communication network established by RBI on the basis of recommendation of the committee appointed by it under the chairmanship of the executive director T.N.A. Lyre. Bank net has two phases: Bank net-I and Bank net- II.

### **Chip Card:**

The customer of the bank is provided with a special type of credit card which bears customer's name, code etc. The credit amount of the customer account is written on the card with magnetic methods. The computer can read these magnetic spots. When the customer uses this card, the credit amount written on the card starts decreasing. After use of number of times, at one stage, the balance becomes nil on the card. At that juncture, the card is of no use. The customer has to deposit cash in his account for re-use of the card.

### **Phone Banking:**

Customers can now dial up the bank's designed telephone number and he by dialing his ID number will be able to get connectivity to bank's designated computer. The software provided in the machine interactive with the computer asking him to dial the code number of service required by him and suitably answers him. By using Automatic voice recorder (AVR) for simple queries and transactions and manned phone terminals for complicated queries and transactions, the customer can actually do entire non-cash relating banking on telephone: Anywhere, Anytime.

### **Tele-banking**

Tele banking is another innovation, which provided the facility of 24 hour banking to the customer. Tele-banking is based on the voice processing facility available on bank computers. In this system, the computers at bank are connected to a telephone link with the help of a modem. Voice processing facility provided in the software. This software identifies the voice of caller and provides him suitable reply. Some banks also use telephonic answering machine but this is limited to some brief functions. This is only telephone answering system and now Tele-banking. Tele banking is becoming popular since queries at ATM's are now becoming too long.

### **Internet Banking:**

Internet banking enables a customer to do banking transactions through the bank's website on the Internet. It is a system of accessing accounts and general information on bank products and services through a computer while sitting in its office or home. This is also called virtual banking. It is more or less bringing the bank to your computer. Now everyone can operate all these type of transactions on his computer through website of bank. All such



transactions are encrypted; using sophisticated multi-layered security architecture, including firewalls and filters. One can be rest assured that one's transactions are secure and confidential.

### **Mobile Banking:**

Mobile banking facility is an extension of internet banking. With recent developments in handset designs and mobile software, this is a trend which has already caught focus of majority of the banks. The bank in association with the cellular service providers offers this service. For this service, mobile phone should either be SMS or WAP enabled. These facilities are available even to those customers with only credit card accounts with the bank.

### **Any where Banking:**

With expansion of technology, it is now possible to obtain financial details from the bank from remote locations. Basic transaction can be effected from faraway places. Automated Teller Machines are playing an important role in providing remote services to the customers. Withdrawals from other stations have been possible due to inter-station connectivity of ATM's. The Rangarajan committee had also suggested the installation of ATM at non-branch locations, airports, hotels, Railway stations, Office Computers, Remote Banking is being further extended to the customer's office and home.

### **Voice Mail:**

Talking of answering systems, there are several banks mainly foreign banks now offering very advanced touch tone telephone answering service which route the customer call directly to the department concerned and allow the customer to leave a message for the concerned desk or department, if the person is not available.

### **Emerging Banking Products:**

The Indian banking industry is not lagging behind; it has started providing services electronically over the internet. These services rendered over electronic media include:

#### **Electronic Payment Services –**

- |  |                                    |
|--|------------------------------------|
| 1) E Cheques: Real Time Gross Settlement (RTGS): | 2) Electronic Funds Transfer (EFT) |
| 3) Electronic Clearing Service (ECS)             | 4) D-Mat Accounts                  |
| 5) Automatic Teller Machine (ATM)                | 6) Electronic Data Interchange     |
| 7) Shared Payment Network System –               | 8) Point of Sale – POS             |
| 9) SPNS  | 10) Credit Cards                   |
| 11) Tele Banking                                 | 12) Phone banking                  |

### **Conclusion:**

Banks play an important role in the economic development of developing countries. Economic development involves investment in various sectors of the economy. The banks collect savings for investment in various projects. In normal banking the banks perform agency services for their customers and helps economic development of the country. To conclude it all, the banking sector in India is progressing with the increased growth in



customer base, due to the newly improved and innovative facilities offered by banks. The economic growth of the country is an indicator for the growth of the banking sector. Finally the banking sector will need to master a new business model by building management and customer services. Banks should contribute intensive efforts to render better services to their customer.

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## EMERGING TRENDS IN ONLINE MARKETING

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### **Abstract:**

*In this era of modern technological world, Internet plays a vital role in human life. Internet has become an essential part of offices and homes. The number of people spends their time online in all over the world. The Internet is a brilliant future among the favorite tools of Marketing Research. Online Marketing refers to a set of powerful tools and methodologies used for promoting products and services through the Internet. Online Marketing is also known as Internet Marketing. Online marketing refers to Advertising and Marketing efforts that use the Web and E-mail to drive direct sales via E-Commerce. The paper focuses on Online Marketing and Recent Trends and Issues in Online Marketing.*

**Key Words:** Internet, Online Marketing, Social Media Marketing, Consumers.

**Introduction:** Marketing parallels other business functions such as production, research, management, human resources and accounting. As a business function, the goal of marketing is to connect the organization to its customers .Marketing as a process of managing the flow of products from the point of conception to the point of consumption. Much since then, the strategic and tactical issues involved in managing marketing activities certainly have changed. Recent trends in commerce and nature of business changing day to day as time passes. This has replaced the traditional marketing in to modern marketing and simultaneously gave rise to E-commerce. E- Commerce is a system that allows online movements of buying, selling goods, services and information. Web is now established as a mass market media channel for the wealthy. Whereas, E - mail has become a mass market media channel for various field. Online marketing is the exchanging values between the seller and buyer and it is done online. Online marketing is also known as Internet marketing, web marketing, digital marketing and search engine marketing (SEM).

### **Objectives of the paper:**

1. To explain the concept of online marketing.
2. To study the methods of online marketing.
3. To analyze recent trends in online marketing.
4. To analyze the issues and challenges in online marketing.

### **Research Methodology:**

The present research paper is based on the secondary data which is collected from reference books, textbooks, journals, websites etc.



### **Concept of Online Marketing:**

Internet has become an essential part of offices, homes, institutions etc. The number of people spends their time online all over the world. Smart marketers keep on top of the scale of change and ensure their marketing strategies. Web is now established as a mass market media channel for the wealthy. Whereas, E - mail has become a mass market media channel for various field. Online marketing is the exchanging values between the seller and buyer and it is done online. Online marketing is also known as Internet marketing, web marketing, digital marketing and search engine marketing (SEM). There are three broad approaches for using the internet to promote ones goods or services that is to provide information about ones product to the indented target market and build brand awareness and equity. Online marketing refers to a set of powerful tools and methodologies used for promoting products and services through the internet. Online marketing refers to advertising and marketing efforts that use the web and e-mail to drive direct sales via electronic commerce.

### **Recent trends in online marketing:**

1. Increased transaction efficiency (e.g. 24/7 access, delivery to fulfill their needs more easily and conveniently than ever before. Increase in product selection and availability has exposed marketers to inroads by competitors from every corner of the globe.
2. The speed and efficiency of the internet has changed the way customers view value .For eg: customers today automatically turn to travel agents for assistance in booking airline tickets, cruises or hotel stays.
3. Customers appreciate the convenience of online marketing; they get assurances that their information is safe and confidential.
4. Opportunities for growth- By the internet and other sectors of the new economy can transform old economy companies and provide compelling opportunities for growth. . Online marketing has made the transactions easier, faster and cheaper then offline marketing.
5. Online marketing makes it possible for marketers to reach customers directly without expense or complication of distribution channels, a phenomenon known as disintermediation.
6. There is no extra cost entailed in marketing information, digital goods or services available anywhere one can gain access to the web-literally, global reach, making them available 24 hours per day, 7 days, 52 weeks per year and providing instantaneous delivery.
7. The number of users making online transactions has also grown exponentially and it expected to increase from 11 million in 2013 to 38 million in 2016.
8. Online shoppers are expected to increase from 20 million in 2013 to 40 million in 2017.

### **Issues and challenges in online marketing:**

Conducting business on the Internet can offer entrepreneurs a variety of advantages over other methods, such as not having the overhead associated with operating a brick-and-mortar store and eliminating the need to drive great distances to make sales calls. It can also provide the flexibility of doing business at your convenience. Despite the advantages, however, there are also some problems that can arise when doing business online.

### **Difficulty Developing Relationships :**

While doing business on the Internet can open up markets all over the world, it can be more difficult to develop ongoing business relationships. Companies originated in one part of



world, chances are it won't have the opportunity to meet face-to-face with a customer located in other parts of the world. While technology such as video conferencing allows seeing individuals via computer screen, it still lacks the personal touch of meeting someone in person.

### **Inconsistent Participation :**

Companies are experiencing inconsistent participation of customers in web marketing. Marketing with the most successful blogs are those that post consistently. The solution to more consistent participation is to lead from the top, get executive buy-in. Establish goals and provide a feedback loop to contributors. As they grow, the community will provide feedback. Set aside resources, plan that will create content, monitor and engage. Tap passionate community members and activate them to be brand ambassadors. Create efficiencies through the repurposing of content.

### **Data Paralysis :**

Data should help drive decisions, but mostly don't let it get in the way of creative ideas. Data paralysis refers to ineffectiveness of content in order to maintain the utility of an effective marketing program through web based applications. Companies are investing huge sum to employ the brilliant minds, but the inconsistency of web marketing is still facing data paralysis problems.

### **Privacy and Security Concerns :**

Even if companies take precautions such as setting up a secure payment page for customer purchases, it still may be susceptible to unscrupulous individuals who hacks the system and steals customers' private information. This can be used to drain customers' bank accounts or steal their identities. Besides having ethical online marketing norms of the firms, it may not be able to do business with prospects that don't trust making purchases online. Most consumers don't completely trust Web companies and shy away from offering information about them. Companies that collect data responsibly are exposed to misguided regulation that spammers and scammers invite. Sound policy, adopted industry wide, is imperative.

### **Issues with Copyrights :**

Due to the ubiquitous nature of the Internet, issues such as copyright infringement are difficult to control. The Internet spans the globe in a number of different countries, so developing a set of uniform copyright laws is virtually impossible. If you've developed a successful Internet business, you may have a difficult time preventing someone from copying your business model and using it for their own benefit.

### **Limitations of Business Types :**

Some types of businesses may not be suited for the Internet, particularly if their products involve the use of the senses. For example, if the unique selling point of product is its pleasant aroma, you can have difficulty conveying this online and there are individuals who will always be more comfortable making a major purchase such as an automobile after seeing the product in person first.



### **Lack of Computer Expertise :**

A business owner needs to possess more than a basic knowledge of the Internet to do business online. Necessary skills include knowing how to set up a website for business purposes and how to market your business online. If you don't possess these skills, you will likely need to employ the services of an Internet marketing company to help you get started.

### **Conclusion :**

As a global medium, the internet is a multicultural phenomenon: anyone can access websites just about anywhere in the world. The rapidly changing life styles have made possible it to business online through e-commerce, online retailing, etc. Every businesses now a days, both established and internet are setting out to realize the importance of a solid internet website marketing strategy and also the role it plays in their future success. The growing number of web based/online marketing service applications offers the better service and significant cost saving but still the actual online buying customers are less due to the reasons such as delay delivery, issue of after sale service etc. So the companies have to consider issues/challenges in online marketing and make it more effective.

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## A PERSPECTIVE OF M COMMERCE IN INDIA

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### **Abstract :**

*The purpose of this research paper is to make the readers aware of current scenario and status of commerce in India especially M- commerce or mobile commerce. Now a days mobile phone rather smart phones, tablets, I-pad have become common to common people, we can say that people are becoming "Mobify" and also it is available at very nominal and reasonable prices. The recent advancement in 4G technology and government positive attitude to analyze M-Commerce an important role in several areas of Business processing. Along with the rapid development of 4th generation mobile communication technologies, the applications of M-Commerce have spread all over in India. Incoming future it is going to replace all form of sales and services. M-Commerce offers new and better ways in communication. So in this paper we will get detailed coverage on prospects and problems faced by the users and providers in India. The paper is based on primary (Sample N- 700) and secondary data of the study. The research paper shows that M- Commerce is gaining its market in India in spite of its challenges and issues*

**Keywords-** M-commerce, mobile apps, growth in m commerce, advantages and challenges.

### **Introduction :**

M-commerce (mobile commerce) is the buying and selling of goods and services through wireless handheld devices such as cellular telephone and personal digital assistants (PDAs). Known as next-generation e-commerce, m-commerce enables users to access the Internet without needing to find a place to plug in. The emerging technology behind m-commerce, which is based on the Wireless Application Protocol (WAP), has made far greater strides in India, where mobile devices equipped with Web-ready micro-browsers are much more common in India from the last five years.

### **Following are the features of m-commerce:**

1. **Ubiquity :**
  - a. Easier information access in real-time
  - b. Communication independent of the user's location
2. **Convenience :**
  - a. Devices that store data are always at hand
  - b. Getting easier and easier to use
3. **Localization :**
  - a. —Knowing where the user is located at any particular moment
  - b. Match services to their location
4. **Personalization :**
  - a. Preparation of information





- b. Creating services that customize the end-user experience

**5. Accessibility :**

- a. Contacted anywhere anytime
- b. The choice to limit their accessibility to particular persons or times

**Scope for Mobile Application of Mobile Commerce :**

1. M-Commerce for finance, banking, money transferring
2. M-Commerce for Retail and after sale Services
3. M-Commerce and Mobile Marketing, advertising
4. M-Commerce and Mobile Ticketing
5. M-Commerce and Mobile Entertainment
6. M-Commerce for Hotel Reservations, insurance, transportation
7. M-Commerce in Healthcare and Medicine
8. M-commerce for Intra-Office Communication
9. M-Commerce for Information
10. M-Commerce for Gaming

**Advantages of M Commerce to Society :**

1. Provides job opportunities
2. Promotes cordial relationship
3. Provides a wealth of information
4. Provides Entertainment
5. Less pollution
6. Online education
7. Health care



**Advantages of M-Commerce to Nation :**

1. Reduces regional imbalances
2. Reduces unemployment
3. Economic development
4. Availability of goods

**Limitations of Disadvantages of E-Commerce :**

1. Security
2. Lack of privacy
3. Tax issue
4. Fear
5. Product suitability
6. Cultural obstacles
7. High Labour cost
8. Legal issues
9. Technical limitations
10. Huge technological cost



### **Mobile commerce applications are of two categories:**

1. Content delivery It includes consultation, notification, order confirmation, feedback and tracking etc.
2. Transactions: It includes purchasing, making payments, checkouts, data entry and maintenance.

So, that we can help users to buy things more easily as per their needs. "Smartphone penetration will increase from 8% by end 2014 to more than 21% in 2017 — ensuring that a large population is m-commerce ready," says Katyayan Gupta, analyst, e-business & channel strategy, Forrester Research. Analysts forecast that m-commerce market in India to grow at a CAGR of 71.06 % till 2016. The smartphone users today are 44 million in number which is growing at 150% year over year .

### **Rise of the Mobile E-Commerce App**

Indian smart phone users spend nearly 1/8th of their day on their smart phones browsing through the various apps. Thus, it comes as no surprise that when surveyed, a whopping 42% decided to go with mobile apps as their preferred mode of buying things online. However, one of the more surprising data that was revealed during this survey was that people prefer to browse on the app rather than using the web browser to search for products and using the mobile website.

In fact, 4 out of 5 people included in the survey confirmed that they shop via their smart phones, and this single statistic shows us how much smartphone-centric the online Indian has become! With only a meagre 15% sticking exclusively to desktop shopping, one must wonder why the good old browser has fallen out of favour, be it on PC or mobile. With this very question in mind, we move on to our next segment, where we discuss the various reasons for the phenomenal success of the e-commerce apps in capturing the public's eye, as well as their heart.

### **Objective of the Paper**

1. To study the concept of M Commerce and M business.
2. To analyze the recent trends of M Commerce
3. To know the advantages and limitations of M Commerce
4. To understand the prospects of M Commerce in India.

### **Hypotheses:**

1. The M-commerce business is growing rapidly in India.
2. M-commerce is more favorite in youth .
3. M Commerce is more than E Commerce.

### **Research Methodology:**

Primary data sources and secondary data sources are used for this research study. The 450 samples means respondents are selected randomly to take their opinion. Various reports of Government and non-government, published reports, articles and various websites are used for secondary data. The literature review is useful to expand the research path. Statistical



tools like ANOVA, REGRESSION, mean, median etc. tools are used to get result of hypothesis with the help of SPSS ver 20 software.

### Literature Review :

According to Sujata P. Deshmukh, PrashantDeshmukh and G.T. Thampi, The M-commerce is the branch of E-commerce technology, in short we can say that, e-commerce transaction carried out using a mobile hand held devices. Today internet is the part of our daily life for communication, business transaction and market transaction, but India is a country of many different languages, only 4% of people know very well about the English language. If M-commerce use local language, this will not only ensure quickly adoption by the customers but also will be an instant success[4].

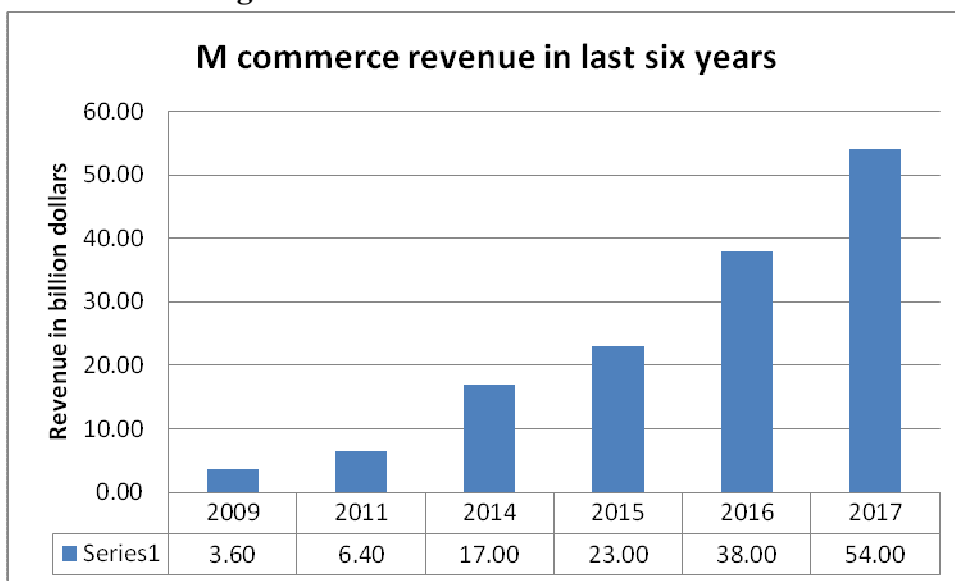
Paul Budde's paper, "Australia -Mobile Data - Mobile commerce and M-Payment" (2010), communication expert, provides the overview of mobile commerce in the Australia and identifies the impact factor that will be important for the future of the market transaction. Paul resist that, M-commerce market place in Australia is small compare to Asian market.

K.S. Sanjay (2007) states that, Mobile hand held technology is less cost included and also provides a better flexibility and effectiveness to its users. M-commerce is also a subset of E-commerce, but the difference lies that M-commerce uses wireless technology. So it gives flexible and convenient experience.

### Data Analysis, interpretation and findings of the study :

The following analysis is based on the secondary data sources .This timeline shows the online retail e-commerce sales figures in India from 2009 to 2016 and a forecast regarding 2017, in billion U.S. dollars. Online shopping sales in India totaled 38 billion US dollars in 2016 and are expected to surpass 53 billion U.S. dollars by 2017. It is shown in the following figure.

**Figure 1 Trends of M commerce revenue**

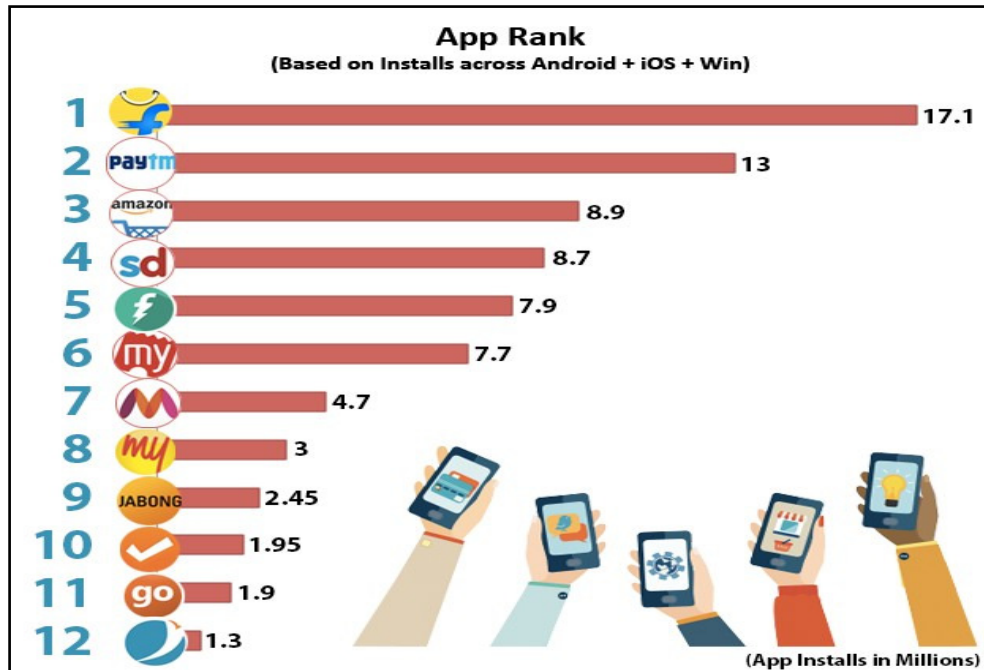


The Flipcart app, Amazon app and Paytm app are the most popular in M commerce in India.



The various report shows retail e-commerce sales as a percent of total retail sales in Asia Pacific from 2014 to 2015, and a forecast until 2019. In 2015, mainly driven by strong retail e-commerce sales in China, e-retail sales accounted for 10.2 percent of all retail sales in Asia Pacific. This figure is expected to reach 20.4 percent in 2019.

Figure 2 App Rank in M Commerce

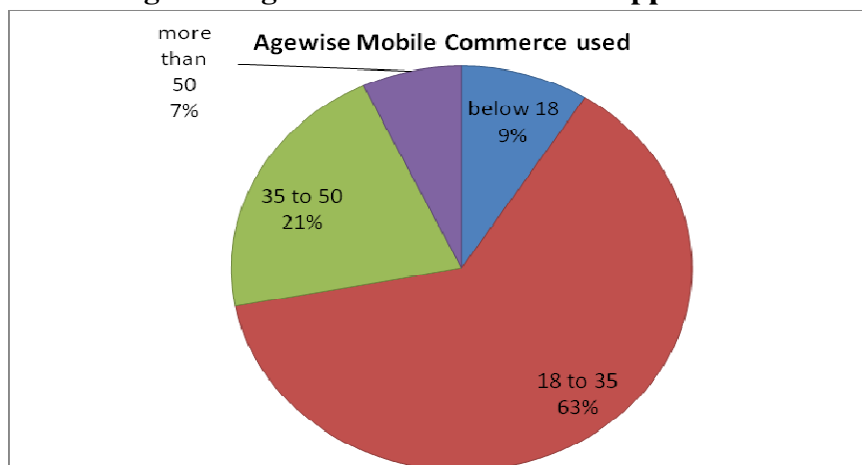


The young generation (aged between 18 to 35) are using more M Commerce in India. The young generation is habitual and mobile friendly for mobile commerce. An analysis of 'primary data revealed that both in urban and rural India, the younger generations are the most prolific users of internet. While the gender ratio is slightly better in urban India, with 40 per cent women using internet as against to 60 per cent men, in rural India only 25 per cent women were internet users as against to 75 per cent men.

It is also found that 51 per cent of urban internet users or 137.19 million use internet daily. On the other hand, 242 million or 90 per cent of the urban internet user's use internet only once a month. In rural India, 48 per cent or around 78 million are daily internet users and around 140 million or 83 per cent of the rural internet user's use internet once a month. The annual e-commerce spending per user in India from 2016 to 2022. In 2016, an average online buyer in India generated 107.58 U.S. dollars in online commerce revenues. This figure is projected to grow to 147.35 U.S. dollars in 2021. India is one of the fastest-growing e-commerce markets worldwide, with millions of new internet users taking advantage of cheap mobile connections to send mobile messages, watch online videos, use mobile services, and of course, to shop. As of 2015, only 26 percent of the local population was using the internet; almost ten times the audience size from a decade prior. According to recent market research, mobile phone internet user penetration in India is projected to reach 37.36 percent of the population in 2021, representing a huge potential in terms of digital and mobile buyer audience. Total internet audiences in India are estimated to surpass 635 million online users in 2021.

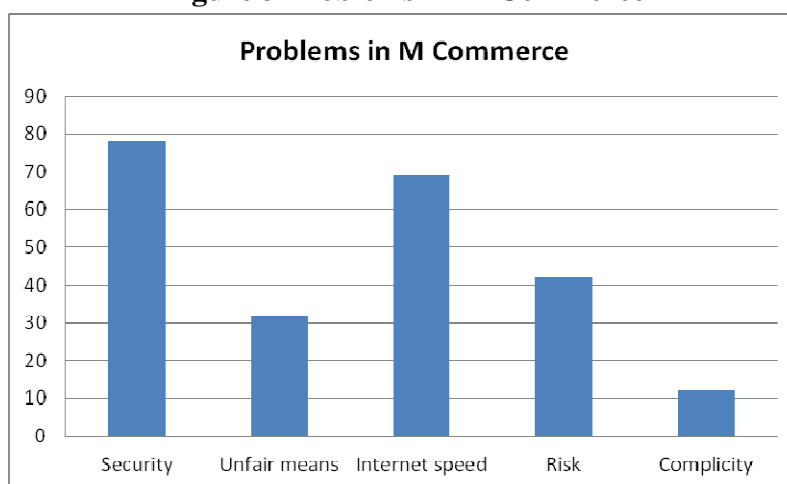
The following analysis is based on the primary data of the study . The sample size is 450 respondents which are selected randomly.

**Figure 2 Age wise mobile commerce application**



**Most concern in M Commerce :** The problems in M commerce are mobile security. Unfair means, risk, internet speed and complicity are the other problems in M commerce.

**Figure 3 Problems in M Commerce**



**Conclusion and suggestions :**

The research paper shows that M- Commerce is gaining its market in India in spite of its challenges and issues. The reason for its spread is the ease of availability of smartphones, because of which people have got the freedom to not only make audio and video calls but they can now almost access every aspect of business from viewing the product to, adding it to cart and making the payments and getting their product at home in just few clicks.

The major challenges in implementing M commerce in India is that the players in the m commerce field like mcheck, obopay, paymate etc. need users to link one of their banking instruments like the credit card, debit card, bank account to their mobile phone with the help of software installed on phone and the common man is not willing to share such information on the phone as he still think that his information can be hacked.

The government has to make more strict cyber security law. There is a need of more public education and awareness about M commerce security. There is also need of free and



fast internet for economic development. The new Technology should make efforts for better security. It is also estimated that, by 2020, 80% of the mobile devices used in the country will be Smartphones. Many retailers have realized the potential of mobile commerce in multiplying their sales and are rapidly adopting the necessary tools, with encouraging results. The future is for mobile technology and mobile commerce. These emerging technologies are getting wide acceptance throughout the world. Mobile commerce getting fast popularity since it allows the freedom of movement and ease of access virtually from anywhere. The future of mobile commerce heavily depends upon how easy and how friendly is this service to use. An effective user friendly interface design plays central role in the success of mobile commerce.

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## RECENT TRENDS IN HUMAN RESOURCE MANAGEMENT IN INDIA

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### **Abstract :**

*The current paper focuses on the recent trends in human resource management in India. The technology and information system is changing rapidly all over the world. The aim of this paper is to identify recent trends in human resource development and to review existing research with regard to these recent trends. The paper is based on the secondary data and observations in the field of human resource management. As a result, the following trends are identified: Globalization and its implications, Work-force Diversity, Employee expectations, Changing skill requirements, Corporate downsizing, Continuous improvement programs, Employee involvement, Technology, Health, Family work life balance, Confidentiality. Per trend, relevant existing research is reviewed and avenues for future research are studied.*

**Keywords:** Changing Technology, Diversity, Human resource management.

### **Introduction :**

Every organization has a designed function to meet the HR Management Trends strategic objectives and maximize the performance of the employee. This function is none other than the human resource management (HRM). The HR Management Trends is the one who is concerned with focusing on the system and policies. It is essential that Human Resource Management is operating appropriately and in accordance with the latest trends and technology to be able to deal with the business life challenges. It is a function in the organizations designed to maximize employee performance in service of an employer's strategic objectives. Human Resource Management has evolved considerably over the past century, and experienced a major transformation in form and function primarily within the past two decades. The role of human resource management in organisations has been evolving dramatically in recent times. HR is increasingly receiving attention as a critical strategic partner, assuming stunningly different, far reaching transformational roles and responsibilities. The world of work is rapidly changing. As a part of organization, Human Resource Management (HRM) must be prepared to deal with effects of changing world of work. For the HR people it means understanding the implications of globalization, work-force diversity, changing skill requirements, corporate downsizing, continuous improvement initiatives, re-engineering, the contingent work force, decentralized work sites and employee involvement for which all and more have the financial implication to organization. Driven by a number of significant internal and external environment forces, HRM has progressed from a largely maintenance function, with little if any bottom line impact, to what many scholars and practitioners today regard as the source of sustained competitive advantage for organizations operating in a global economy.



### **Objectives of the paper :**

1. To study the recent trends in the human resource management
2. To know the factors of change management in India.
- 3 To observe the challenges in Human resource Managements.

### **Research Methodology :**

There two types of sources are used in the study. Primary sources and secondary sources are used to collect the data. Simple statistical tools are used to get conclusion of the paper.

### **Literature Review :**

Hendry and Pettigrew (1990) proposed that a number of internal factors such as the organizational culture, structure (positioning of HR), leadership, level of technology employed and business output directly contribute to forming the contents of HRM.

Bharathi (2009) explained the value of HR functions in business and its impact on higher productivity, enhanced quality, better customer service, good industrial relations and lower cost which influence the profitability of an organisation. Effective HR practices could play Important role in achieving all the above said factors Kundu and Malhan (2009) intended to assess the HR practice es in insurance companies. Primary data based on two hundred eighteen respondents from four insurance companies (two multinational 7 branches and two Indian7 branches) were analyzed to assess HRpractices being practiced by insurance companies in India. Training and benefits' was found highly in practice in the insurance companies. Further, 'performance appraisal,' selection and socialization of employees,' and HR planning and recruitment' were moderately practised in insurance companies. Workforce diversity and contemporary HR practices'and competitive compensation'were also practised to some extent.

### **Recent trends in human resource management**

#### **Globalization and its implications :**

Business today doesn't have national boundaries – it reaches around the world. The rise of multinational corporations places new requirements on human resource managers. The growth of liberal cross-border trade, the use of communications technology and the expansion of transnational companies are not likely to let up. Attracting global talent requires staying abreast of new strategies for finding and attracting talent. The HR department needs to ensure that the appropriate mix of employees in terms of knowledge, skills and cultural adaptability is available to handle global assignments. In order to meet this goal, the organizations must train individuals to meet the challenges of globalization. HRM would be required to train management to be more flexible in its practices. Business technology consultancy Infosys decided to hire Chinese graduates and started by inviting and teaching a select group of Chinese students English at its office in Mysore, India, allowing the company to source workers from a neighbouring country cost-effectively.





### **Work-force Diversity :**

Workforce diversity means similarities and differences among employees in terms of age, cultural background, physical abilities and disabilities, race, religion, gender, and sexual orientation. No two humans are alike. Diversity is critically linked to the organization's strategic direction. The workforce composition is also changing over the years. Demands for equal pay for equal work, putting an end to gender inequality and bias in certain occupations, the breaking down of glass ceiling have already been met. A family friendly organization is one that has flexible work schedules and provides such employee benefits such as child care. In addition to the diversity brought by gender and nationality, HRM must be aware of the age differences that exist in today's work force. HRM must train people of different age groups to effectively manage and to deal with each other and to respect the diversity of views that each offers. In situations like these a participative approach seems to work better.

In current scenario, employing diversified workforce is a necessity for every organization but to manage such diversified workforce is also a big challenge for management.

### **Employee expectations**

Nowadays workers are better educated, more demanding and are ready to voice strong, violent and joint protests in case their expectations are not met. The list of financial and non-financial demands is ever-growing and expanding. In fast-changing industries such as software, telecom, entertainment and pharmaceuticals the turnover ratios are rising fast and if HR managers do not respond positively to employee expectations, the acquisition and development costs of recruits is going to mount up steadily. An efficient organisation is, therefore required to anticipate and manage turnover through human resource planning, training schemes followed by appropriate compensation packages.

### **Changing skill requirements :**

Recruiting and developing skilled labour is important for any company concerned about competitiveness, productivity, quality and managing a diverse work force effectively. Skill deficiencies translate into significant losses for the organization in terms of poor-quality work and lower productivity, increase in employee accidents and customer complaints. Since a growing number of jobs will require more education and higher levels of language than current ones, HRM practitioners and specialists will have to communicate this to educators and community leaders etc. Strategic human resource planning will have to carefully weigh the skill deficiencies and shortages. HRM department will have to devise suitable training and short term programs to bridge the skill gaps & deficiencies.

### **Corporate downsizing :**

Whenever an organization attempts to delayer, it is attempting to create greater efficiency. The pressure to remain cost effective has also compelled many a firm to go lean, cutting down extra fat at each managerial level. The premise of downsizing is to reduce the number of workers employed by the organization. HRM people must ensure



that proper communication must take place during this time. They must minimize the negative effects of rumours and ensure that individuals are kept informed with factual data.

### **Continuous improvement programs :**

It is a process whereby an organization focuses on quality and builds a better foundation to serve its customers. This often involves a companywide initiative to improve quality and productivity. The company changes its operations to focus on the customer and to involve workers in matters affecting them. Companies strive to improve everything that they do, from hiring quality people, to administrative paper processing, to meeting customer needs. HRM plays an important role in the implementation of continuous improvement programs. HRM must prepare individuals for the change. This requires clear and extensive communications of why the change will occur, what is to be expected and what effect it will have on employees.

### **Technology :**

With the current technological advancement and its projection in the future, it has brought in new eyes in the face of HRM. A number of computerized systems have been invented to help in the HRM of which they are seen as simplifier of HR functions in companies. For instance the paper work files are being replaced by HRMIS which may be tailor made or Off the Shelf. These systems help in handling a lot of data on a chip other than having a room full of file shelves. What HRM is concerned with here is the safety (confidentiality) of the data/information of staff, and therefore it is at the forefront of having to train personnel in operating such systems and developing the integrity of such personnel to handle the sensitivity of the matter.

### **Conclusion :**

Globalization is a force that increasingly touches the lives of people living in all countries of the world. Country borders are metamorphosing from barriers to bridges as a result of trade liberalization, increasing levels of education among women and workers in developing countries, and advancements in technology. Goods, services and labour talent are now flowing more freely across the globe than ever before. Understanding the working environment and contributing to the success of the organization is the main role of the HR Management Trends professional.

The opportunities are abundant, organizations to improved job opportunities and higher wages for skilled workers. The challenges are equally copious. Organizations need to deal with an ageing workforce; they must attract, integrate and maintain multicultural employment pools. As a rule human resource management has to venture into new trends in order to remain relevant corporate development partner.

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## A STUDY ON FINANCIAL INCLUSION AND FINANCIAL LITERACY

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### **Abstract:**

*India as a country presents great diversity in its geography, history, and culture and population demography. This diversity makes it extremely difficult to suitably categorize the country on economic, political, religious or demographical grounds. Post-independence growth has led to overall development of the country as a whole but it has also divided it into two distinct segments thus providing a suitable basis of categorization in the form of Rural India and Urban India. As per the census of 2011 only 37.7% population of the country lives in the urban segment while the rest are still residing in the inherently characteristic Rural India. The things however have changed significantly since independence when around 82% of the population lived in the rural segment. The rural segment is distinct in respect of various features such as purchasing power, development, social system etc. These distinctions relate directly to the kind of distinct demand patterns that the rural sector has in various product segments especially when it comes to financial services. The sector presents a real challenge given its technological backwardness and mass illiteracy as people are still caught in ancient financial systems that were both exploitative and futile.*

**Key Words:** Financial inclusion, financial exclusion, financial Literacy.

### **Introduction:**

Financial inclusion is the delivery of financial services at affordable costs to vast sections of disadvantaged and low income groups. Unrestrained access to public goods and services is the sine qua non of an open and efficient society. It is argued that as banking services are in the nature of public good, it is essential that availability of banking and payment services to the entire population without discrimination is the prime objective of public policy. The term "financial inclusion" has gained importance since the early 2000s, and is a result of findings about financial and its direct correlation to poverty. Financial inclusion is now a common objective for many central banks among the developing nations.

### **Statement of the Problem:**

Financial inclusion is the biggest problem in front of the financial system today in rural India and infrastructural bottlenecks are worsening it even further with each passing day. Hence the researcher intends to conduct a study of the extent to which the people having different demographic profile residing in a rural area are conversant with banking habits and the study is titled as "A Study on Financial Inclusion and Financial Literacy".

### **Significance of the Study:**

The study on financial inclusion and financial literacy among people is a great importance in the present day situations. Active participation of each and everyone in the



financial system of the country is pre-requisite for the effective functioning of financial system. Financial system facilitates the needs of those who need money and those who have surplus money. Banking habit is the simplest way to enter into the financial system. Now also there are more than 30% of the Indian populations are unbanked. Therefore the study proposes to analyze the intensity of financial inclusion and financial literacy among the people.

### **Objectives of the Study:**

The main objective of this study is to measure the intensity of financial inclusion and financial awareness among the people. Keeping this in view, the following specific objectives have been set for the study.

1. To study the banking habit among the people.
2. To examine the awareness level of people about financial products and services.
3. To identify the major sources of information about financial products and services.
4. To identify the reason for opting Public sector or Private sector banking.
5. To know the opinion about financial products with reference to several aspects.

### **Scope of the Study:**

The study explores to the intensity of financial inclusion and financial literacy among people. The target group include unemployed/house wife, agriculturalists, Government employees, Non -Government employees and people engaged in business. Banking habits and awareness about financial products and services come within the purview of the study. The target group are people residing in Dindori Panchayat in Nashik District.

### **Methodology:**

The data required for study are collected from primary and secondary sources. Secondary data from published books, periodicals, journals etc. These sources are also used for to frame questionnaire required for collecting primary data. Primary data are collected from a sample of 100 respondents belonging to different occupational groups residing in Dindori Panchayat by administering a structured questionnaire.

### **Hypotheses:**

The following hypotheses are formulated by the researcher to arrive a scientific solution to various propositions

1. Type of bank accounts and level of income of the respondents are independent.
2. Type of bank accounts and occupational status of the respondents are Independent.
3. Type of bank accounts and level of education of the respondents are independent.
4. Respondents are well aware of the financial products and services provided

by banking institutions.

Respondents do not weigh any particular factor in selecting a particular bank for their dealings Hypotheses 1 to 3 are tested with the help of Chi-square test of independence and the 4<sup>th</sup> hypothesis is tested with the help of Likert scaling technique. Weighted ranking method is used to test the fifth hypothesis.



### **The Concept of Financial Inclusion:**

India occupies only 2.4 per cent of the world's land area but supports over 16 per cent of the world's population. About 70 per cent of the Indian population lives in villages. There are divergent demographic patterns, living standards, education levels and income levels as parameters of economic development. The rural India is yet to see the light of development and the results of planning process. The divide between the rich and poor is wide. On one hand, due to liberalization, privatization and globalization of Indian economy, there are sea changes in the banking field. While on the other hand, besides profit, social responsibility is also one of the prime agenda of commercial banks. The fact remains that the country cannot progress unless and until the basic infrastructure facilities reach to each and every citizen of the country. One of the important purposes of Indian planning is socialism and upliftment of poor. The downtrodden and poverty ridden mass has been excluded socially and financially even in independent India when planning and development process was basically meant for them. They should have been the beneficiaries of development.

### **Meaning of Financial Inclusion:**

Financial Inclusion is the delivery of financial services at affordable costs to vast sections of disadvantaged and low income groups. Unrestrained access to public goods and services is the sine qua non of an open and efficient society. It is argued that as banking services are in the nature of public good, it is essential that availability of banking and payment services to the entire population without discrimination is the prime objective of public policy. The term "financial inclusion" has gained importance since the early 2000s, and is a result of findings about financial exclusion and its direct correlation to poverty. Financial inclusion is now a common objective for many central banks among the developing nations.

### **Definition:**

According to UNITED NATIONS, "A financial sector that provides 'access to credit for all "bankable" people and firms and to savings and payments services for everyone. Inclusive finance does not require that everyone who is eligible use each of the services, but they should be able to choose use them if desired.

### **Financial Exclusion:**

Financial exclusion can be defined as the inability of individuals, groups and communities to access and use appropriate and affordable personal, business and organizational financial products and services. The term financial exclusion came into prominence in the early 90's. The term financial exclusion was first coined in 1993 by geographers who were concerned about limited physical access to banking services as a result of bank branch closures. Illiteracy is one of the major drivers of financial exclusion in developing countries. Financial awareness and education is prerequisite for rural people. For a healthy financial system participation of every people in financial activity is a must. Financial exclusion becomes of more concern in the community when it applies to lower income consumers and/or those in financial hardship.



**Financial exclusion at a glance state wise as on 2017**

Sl. No.	% of Financial Exclusion	States
1	< 81 %	Meghalaya, Mizoram, Jharkhand, Uttarakhand, Arunachal Pradesh, Assam, Manipur,
2	79 - 88 %	Bihar, Orissa, Chattisgarh, Himachal Pradesh, Jammu and Kashmir, Uttar Pradesh, Nagaland, Tripura and Sikkim
3	90 – 69 %	Karnataka, Kerala, Madhya Pradesh, Maharashtra, Punjab, Tamil Nadu, West Bengal & Rajasthan
4	< 93 %	Andhra Pradesh, Delhi, Goa and Pondicherry

**Consequences of Financial Exclusion:**

Consequences of financial exclusion will vary depending on the nature and extent of services denied. it may lead to increased travel requirement, high incidence of crime, general decline in investment, difficulties in accessing credit or getting credit from informal sources at exorbitant rates, and increased unemployment, etc. The small business may suffer due to loss of access to middle class and higher income consumers, higher cash handling cost, delay in remittances of money. According to certain researches, financial exclusion may lead to social exclusion.

**Financial inclusion in India:**

The Reserve Bank of India has set up a commission (Khan Commission) in 2004 to look into financial inclusion and the recommendations of the commission were incorporated into the mid-term review of the policy (2005–06). In the report RBI exhorted the banks with a view of achieving greater financial inclusion to make available a basic "no-frills" banking account. In India, Financial Inclusion first featured in 2005, when it was introduced, that, too, from a pilot project in UT of Pondicherry, by K C Chakraborty, the chairman of Indian Bank. Mangalam Village became the first village in India where all households were provided banking facilities. In addition to this KYC (Know your Customer) norms were relaxed for people intending to open accounts with annual deposits of less than Rs. 50,000. General Credit Cards (GCC) were issued to the poor and the disadvantaged with a view to help them access easy credit. In January 2006, the Reserve Bank permitted commercial banks to make use of the services of non-governmental organizations (NGOs/SHGs), micro-finance institutions and other civil society organizations as intermediaries for providing financial and banking services. These intermediaries could be used as business facilitators (BF) or business correspondents (BC) by commercial banks

**Analysis of Data:**

**Table No: 1 Respondents having Bank account**

Bank Account	No: of respondents	Percentage
Having bank a/c	97	97%
Not having bank a/c	3	3%
Total	100	100

Source: Primary data



The table shows that out of 100 respondents, 97 respondents have bank account. And only 3 respondents do not have bank account.

**Table No: 2 Reason for investing in banks**

Reasons	No: of respondents	Percentage
Location	28	15%
Credit facility	22	12%
ATM facility	43	23%
Image of the Bank	10	5%
Prompt service	18	10%
Interest Rate	24	13%
Security	40	22%
<b>Total</b>	<b>185</b>	<b>100</b>

Source: Primary data

**Note:** One respondent have more than one reason in investing in Bank

Majority of the respondents are of the opinion that Bank ATM facility (43 respondents) and security (40 respondents) are the main reason for depositing in the Bank. 15% respondents and 13% respondents prefer Location and Interest rates respectively as the reason for investing in Bank. Credit facility and Prompt services also attracted 12% and 10% respondents respectively. Image of the Bank is the least preferred by the respondents.

**Table No: 3 Type of Bank Accounts Preferred by the Respondents**

Bank account	No.of respondents	Percentage
Savings Bank account	55	43%
Time Deposit	31	24%
Recurring Deposit	43	33%
Others	0	0%
<b>Total</b>	<b>129</b>	<b>100</b>

Source: Primary data

**Note:** One respondent can have more than one type of bank account at a time.

It is clear from the table that majority of the respondents (43%) prefer Savings Bank Account because of easy convenience. Followed by 33% of the respondents prefer Recurring Deposits. 24% of the respondents like to invest their funds in Time deposit. And none of the respondents prefer other kinds of deposit schemes.

**Table No: 4 Avenues of savings other than banks of the respondents**

Avenues	No of respondents	Percentage
Post office savings	34	18%
Chits funds	38	20%
Mutual funds	9	5%
Life insurance	107	57%
<b>Total</b>	<b>188</b>	<b>100</b>

Source: Primary data

**Note:** One respondent have more than one avenues of saving other than banks at a time.



From the table it is clear that majority of the respondents prefer Life insurance as an avenue of savings other than banks. 57% respondents prefer Life insurance as an investment. Chit funds (20%) and Post office saving (18%) also preferred by the respondents as savings other than banks. Only 5% of the respondents prefer Mutual funds as avenues of savings.

**Table No: 5 Financial Products and Services Awareness among Respondents**

Options	Frequency	Percentage
Very high	6	6%
High	10	10%
Average	77	77%
Low	7	7%
Very low	0	0%
Total	100	100

Source: Primary data

It is evident from Table 3.16 that all the respondents are aware of the financial products and services offered through the banking system. Only 7 percent of the respondents have below average level of awareness.

**Table 6 Sources of Information about Financial Products and Services**

Sources	No: of respondents
Newspaper	37
Television	19
Journals	11
Friends & relatives	33
Radio	0
Total	100

Source: Primary data

The table shows that news paper and friends & relatives are the major source of information about financial products and services. Television and journals also provide information about financial products and services to a certain extent. None of the respondents opined about radio as a source of information about financial products and services.

**Testing of hypotheses:**

**Hypothesis 1: Type of Bank Account and Level of Income**

Ho: Type of Bank Account and Level of Income are independent

**Table No: 7 Type of Bank Account and Level of Income of Respondents**

Type of bank account	Level of income					Total
	Below 10000	10000-15000	15000 - 20000	20000-25000	Above 25000	
Savings Bank A/C	20	14	10	6	5	55
Time Deposit	5	6	8	7	5	31
Recurring Deposit	12	13	7	5	6	43
Total	37	33	25	18	16	129

Source: Primary data





**Chi –Square test**

Level of significance = 5%

Degree of freedom = 8

Calculated Value of Chi-Square =24.04

Table value at 5% significance level = 13.36

Since the calculated value of Chi-Square is more than table value, the Ho is rejected

**Hypothesis 2: Type of Bank Account and Level of education**

Ho: Type of Bank Account and Level of Education are independent

**Table No: 8 Type of Bank Account and Level of Education of Respondents**

Type of bank account	Level of Education					Total
	SSLC	PDC/Plus Two	Graduation	Post graduation	Others	
Savings Bank A/C	14	16	11	5	9	55
Time Deposit	5	6	8	7	5	31
Recurring Deposit	10	15	7	5	6	43
Total	29	37	26	17	20	129

Source: Primary data

**Chi - square test Level of significance = 5%**

Degree of freedom = 8

Calculated Value of Chi-Square =10.39

Table value at 5% significance level = 13.36

Since the table value of Chi-Square is more than calculated value, the Ho is accepted

**Hypothesis 3: Type of Bank Account and Occupational Status**

Ho: Type of Bank Account and Occupational Status are independent

**Table No: 9, Type of Bank Account and Occupational Status of Respondents**

Type of bank account	Occupational status					Total
	Government	Private	Pensioners	Agriculture	Others	
Savings Bank A/C	19	13	5	12	6	55
Time Deposit	5	8	7	5	6	31
Recurring Deposit	14	9	5	10	5	43
Total	38	30	17	27	17	129

Source: Primary data

**Chi - square test**

Level of significance = 5%

Degree of freedom = 8

Calculated Value of Chi Square =17.14

Table value at 5% significance level = 13

Since the calculated value of Chi-Square is more than table value, the Ho is rejected

**Hypothesis 4: Awareness Level of Respondents**

Ho: Respondents are well aware of the financial products and services.



This hypothesis is tested with the help of Likert rating scale. Respondents were asked to rate their awareness level on a 5 point rating scale ranging from very high level of awareness to very low level of awareness. Weights are given in the order of 5,4,3,2 and 1 to various responses from very high to very low. Frequencies are multiplied with the respective weights to get the weighted average score .The summated weighted average score is divided by the total frequency to get the mean score. The mean score is compared with the expected mean value to arrive at a decision regarding the degree of the awareness level.

**Table No: 10, Financial Products and Services Awareness among Respondents**

Options	weight	Frequency	Weighted Score
Very high	5	6	30
High	4	10	40
Average	3	77	231
Low	2	7	14
Very low	1	0	0
Total	15	100	315

Source: Primary data

Weighted mean score =3.15, Expected mean value =3.0

Since the calculated mean score (3.15) is higher than the expected mean score (3.00), the null hypothesis is accepted .This means that the respondents have above average awareness level about the financial products and services offered through the banking system.

**Summary of Findings:**

1. Out of 100 respondents 97 respondents have bank account. And only 3 respondents have not bank account.
2. Majority of the respondents are of the opinion that Bank ATM facility (43 respondents) and security (40 respondents) are the main reason for depositing in the Bank. 15% respondents and 13% respondents prefer Location and Interest rates respectively as the reason for investing in Bank. Credit facility and Prompt services also attracted 12% and 10% respondents respectively. Image of the Bank is the least preferred by the respondents.
3. Majority (79%) of the respondents prefer Public Sector Banks. 28 % of them prefer 'Private Sector Banks'. And only 8% of them prefer Other Banks like Co-operative Banks. Some of the respondents prefer both private and private sector banks.
4. Easiness of access, Large No: of schemes and Performance record are the most preferred factors that attracted customers towards banks. Though Large No: of scheme is the main factor which the respondents give first preference, more number of respondents prefers Easiness of access as the main factor in selecting bank.
5. Through the analysis the majority of the respondents (43%) prefer Savings Bank Account because of easy convenience. Followed by 33% of the respondents prefer Recurring Deposits. 24% of the respondents like to invest their funds in Time deposit. And none of the respondents prefer other kinds of deposit schemes.
6. From the analysis it is found that majority of the respondents prefer Life insurance as an avenue of savings other than banks. 57% respondents prefer Life insurance as an



investment. Chit funds (20%) and Post office saving (18%) also preferred by the respondents as savings other than banks. Only 5% of the respondents prefer Mutual funds as avenues of savings.

7. The analysis found that news paper and friends & relatives are the major source of information about financial products and services. Television and journals also provide information about financial products and services to a certain extent. None of the respondents opined about radio as A Source of Information about Financial Products and Services.

### **Conclusion:**

A great change has happened in the last ten years to overcome financial exclusion. A framework of policy has emerged from an inclusive process of discussion and debate. Initiatives and experimental services have been launched to put the policies into effect. we cannot become complacent and become victims of our own success. Not only should people have access to basic financial services but should also actively use them. But there still a lot more to do: stimulating use of financial services as well as access; ensuring long-term sustainability of current initiatives and tackling new forms of exclusion and marginalization as they arise.

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## INNOVATIVE TRENDS IN E-MARKETING

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### **Abstract:**

*The present research paper highlights on “Innovative Trends in E-Marketing” which has huge importance in the world-wide marketing. There are many features that guide to the success of business. Marketing is one such significant were that makes a commerce grow. E-Marketing means using digital technologies to help sale the goods or services. These technologies were a valuable complement to traditional marketing methods. According to the potentiality of consumers, companies were adopting internet shopping marketing strategy. But internet insecurity, payment methods and option, broad band technologies and advancement were to be identified as the criteria that could affect the business flow. E-commerce is process of doing business through computer network. As a human being, on his chair in front of a computer may access all the facilities of the internet to buy or sale the products.*

*Unlike conventional business that is carried out physically with effort of a person to go and get products, e-commerce has made it easier for human to reduce physical work and save time. It is one of the most effective ways to keep in touch with customers. It is usually cost effective and if done properly, may construct brand consciousness as well as faithfulness.*

*E-Marketing is an innovative marketing concept in the business world, it improve and earlier the business operation today. Previous to some decades this idea had not been accepted by the prospects as its complexity made obstacle to make it popular one, that's why the business firm did not get encourage implementing it. However, in the era of gazette dependency the E-Marketing introduce an enormous success and proved it very much gainful for the commerce individuals in India.*

**Keywords:** E-marketing, E-commerce, Marketing Techniques.

### **Introduction:**

The present study emphasizes on “Innovative Trends in E-Marketing” which has massive significance in the world-wide marketing. There is an important as well as active growth of E- Marketing in recent days. There are many small units of business enterprises that have an important role in the World of economy. In the recent era of globalization and advancement of technology, there is a large modify in the way of communication among of people. These changes are also improving the business policies among the country in E-Marketing. E-Commerce encompasses all business conducted by means of computer networks. Advances in telecommunications and computer technologies in recent years have made computer networks an integral part of the economic infrastructure. More and more companies are facilitating transactions over web. There has been tremendous competition to



target each and every computer owner who is connected to the web. All firms viewed that internet and e-mail is essential for business in the 21<sup>st</sup> century. It provides the services platform, which enables to enter new markets, reducing the investment and resources required to work internationally. Most of the firms are actively using the internet as a marketing medium. Basically firms were using the internet for three main purposes in this area:

1. Marketing infrastructure,
2. Customer association organization,
3. As marketing guide, sales transactions and fulfillment

E-business may be define as buying as well as selling of goods and services, servicing customers, collaborating with business partners, conducting e-learning and conducting electronic transactions in the business.

### **Aims and Objectives:**

The present study deals with following aims and objectives:

1. To recognize the obstacles faced by the business that enacted E-Marketing.
2. To make out the relationship of the obstacles and criteria that affects the E-business.
3. To revise the growth of e-commerce in India.
4. To discover the price features of E-marketing on the net.

At the present movement, marketing is the backbone of any type of commerce. Marketing is three stairs procedure which includes identifying, anticipating and satisfying the prospects. By considering this reason, it is expected to identify the target market or target consumer, here it is very much, essential to build segmentation for the bazaar distance. E-Marketing is the shortcut process which helps to aim the objective bazaar. When internet was first initiate not a particular business house recognized the huge potential it had in store as a marketing tool. As untimely as, in 1993, it was just a tool used for emailing and data transfer. The broad reach, cost effectiveness, capabilities to measures the spending and easy ease of access made internet as the most reliable and feasible marketing instrument.

### **Kinds of E-Marketing:**

The following are the kinds of E-Marketing;

1. E-commerce
2. Online Advertising
3. Search Engine Marketing
4. Email Marketing
5. Social Media Marketing
6. Article Marketing

There are more E-marketing strategies that are being make-believe all the moment.

### **Concluding Remarks:**

Thus, the endorsement is a significant element in every marketing or commerce. The Sales promotion is imperative tools and it authority greater portion of the marketing financial plan than advertisement. At the moment, the internet play very important role and it is public, helpful and self sustaining facility accessible by hundreds of millions of people in worldwide.



The internet has been developing at an exponential pace over the past 4 -5 years. It's difficult to estimate the number of users connected to net but there are figures that suggest an audience of over 90 million users.

More and more people are willing to use it for varying purposes. It has started taking shape conducive to business requirements. At the present, gradually the larger software companies are bringing business features and securities to the internet so that business can work securely on it and trust it as inefficient business tool. The proper measure has to be identified and implemented to on line business leads to emerging changes in buying behaviour customer and in worldwide market. So the advantage of E-Marketing is praiseworthy, there is no any doubt and the trend of marketing forces is going to the accurate direction by holding the hand of the E- Marketing.

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## **GST- STRUCTURE, IMPACT AND FUTURE IN BUSINESS, MANAGEMENT & TAXATION**

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### **Abstract:**

*In India, VAT was introduced at the Central level to select commodities in terms of MODVAT with effect from March 1, 1986 and in a step by- step manner for all commodities in terms of CENVAT in 2002-03. Subsequently, after Constitutional Amendment empowering the Centre to levy taxes on services, these service taxes were also added to CENVAT in 2004-05. The concept of Goods and Services Tax or GST was mooted by Dr. Vijay Kelkar, former Finance Secretary in 2004. The Kelkar Task Force had suggested a comprehensive Goods and Services Tax (GST) based on VAT (Value Added Tax) principle. VAT was introduced in India from April 1, 2005 with a view to substituting sales tax with many falling states in line from that date onwards. Afterwards, the remaining states had fallen in line. Now, all States and Union Territories implemented Value Added Tax in lieu of sales tax and VAT has been an unqualified success in raising the tax revenue for the States. The rate of growth of tax revenue has nearly doubled from the average annual rate of growth in the pre-VAT five-year period after the introduction of VAT. After VAT, the next logical step is GST. GST is an improvement over VAT. The implementation of GST is a step towards a comprehensive indirect tax reform in the country. The groundwork for implementation of GST with effect from April 1, 2010 was started way back in 2007 after the then Finance Minister, P. Chidambaram, announced GST rollout while presenting the Union Budget 2007-08 in Parliament. France introduced GST in 1954 being the first country to introduce it. As of now, it is prevalent in more than 150 countries, including Australia, New Zealand and Singapore. Most countries introduced a single GST while Canada has a dual GST.*

### **Introduction:**

Indirect taxes on goods and services at the state level constitute 85% of own tax revenue of the state governments of which sales tax alone accounts for 61%. A change in regime in recent times from cascading types sales taxes to taxes based on input-tax credit within taxation of goods, as well as the adoption of a uniform rates of tax, has resulted in buoyant revenues. However, the reform agenda is far from completion. The proposed GST regime constitutes the next step towards comprehensive reforms of indirect taxes in India. It would be the final step or a step in the right direction, depending on how the country chooses to define the constituents of this new regime.

The Empowered Committee has agreed to phase out CST (Central Sales Tax at present at a rate of two percent) upon introduction of GST (Goods and Services Tax) on



understanding that the States would be adequately compensated, by the Centre for any revenues loss on account of phasing out of CST.

### **GST Structure:**

**Dual GST:** A dual GST structure is recommended. The two components are: Central GST (CGST) to be imposed by the Centre and State GST (SGST) by the States.

**The following Central Taxes should be, to begin with, subsumed under the Goods and Services Tax:**

- a. Central Excise Duty
- b. Additional Excise Duties
- c. Excise Duty levied under the Medicinal & Toiletries Preparation Act
- d. Service Tax
- e. Additional Customs Duty, also known as Countervailing Duty (CVD)
- f. Special Additional Duty of Customs - 4% (SAD)
- g. Surcharges, and
- h. Cesses.

**Following State taxes and levies would be, to begin with, subsumed under GST:**

- a. VAT / Sales tax
- b. Entertainment tax (unless it is levied by the local bodies).
- c. Luxury tax
- d. Taxes on lottery, betting and gambling.
- e. State Cesses and Surcharges in so far as they relate to supply of goods and services.
- f. Entry tax not in lieu of octroi

**Some Taxes kept out of GST purview:**

- a. **Alcoholic Beverages:** They will be kept out of GST.
- b. Crude oil, diesel, petrol and ATF: They will be kept out of GST. States will be free to levy taxes on them.

**Decision is yet to be taken on certain taxes:**

- a. **Purchase Tax:** (Usually imposed by Punjab and Haryana on buyers of food grains.) The decision to subsume this under GST will be decided later in consultation with GOI.
- b. **Natural Gas:** A final view will be taken later in consultation with GOI.

**Tobacco Products:** They will be subjected to GST with input tax credit (ITC).

**Taxation of Services:** Both the Centre and States will have concurrent power to levy tax on all goods and services. For inter-State transactions, an innovative model of Integrated GST will be adopted by appropriately aligning and integrating CGST and SGST.

**GST Rate Structure:** It has been decided to adopt a two-rate structure, a lower rate for necessary items and goods of basic importance and a standard rate for goods in general. There will also be a special rate for precious metals and a list of exempted items. The GST rates will be decided later.





**Exports:** They would be zero-rated, meaning exporters of goods and services need not pay GST on their exports. GST paid by them on the procurement of goods and services will be refunded. Exports are “zero rated” as in competitive international markets one cannot export taxes.

**Imports:** Both CGST and SGST will be imposed on imports of goods and services into the country.

The administration of GST shall be divided into states and Centre with a proposition to have uniform compliance procedures across states under the respective laws.

### **Impact of GST on India:**

It is debatable whether India Inc. is ready for a rollout of GST by April 1, 2011. The implications for India Inc. are enormous. Overall, GST is expected to reduce tax incidence for several goods and services in the country. Lesser taxes and cost means higher demand for goods and services. GST is expected to bring in uniform indirect tax system across the country which is easy to understand and implement. Its effective implementations will have beneficial impact on Indian companies in the form of lower working capital, needs better supply chain management, reduction in ware house costs and the others. Reduced working capital requirement would result in less interest costs. A company, like, Maruti Suzuki is readying itself for GST rollout. The company thinks with GST, the tax incidence on their cars will come down substantially which means the car will be dearer and demand for their cars would go up.

Tax experts are of the opinion that GST will result in reduced taxes for many goods and services.

GST is going to change the way FMCG and other manufacturing companies do business in India. Companies have to be better prepared for its rollout and make their processes (IT, business, etc.) stronger well before GST implementation.

Industries, like, cement, aluminum, copper, VFY, telecom, FMCG suffer from not only heavy taxation but also multiple taxation and various slabs. Once GST is implemented these sectors will be relieved of the twin problems of higher and multiple-taxation. It will have a salutary impact on the operations of these companies.

The impact on FMCG sector will be from a different perspective also. After GST, the need for maintaining several warehouses across the states will be removed. This is big scope for FMCG companies to re-structure their operations, logistics and ERP systems in a big way.

In the existing regime, companies set up several warehouses in many states to avoid certain taxes. With the introduction of GST, companies need not resort to such practice of setting up warehouses in many states.



Once GST is introduced, several bottlenecks in the supply chain can be removed and companies will save substantial costs.

A corollary of the reorganization on the part of FMCG sector will be felt on the logistics sector. This entire supply chain will undergo a thorough overhaul and this will create huge opportunities, for integrated logistics players in India. The dynamics involved in this massive exercise are yet to be fully appreciated or analyzed in the investor community. However, industry veterans like, Adi Godrej, have been expressing the readiness of their companies for the GST rollout.

The implementation of GST across the Centre and States and UTs presupposes the existence of a robust information technology (IT) services. This is a great opportunity for IT and IT-related companies, especially in the medium-sized IT players.

The operations of NBFCs too will undergo as they too suffer from various forms of service taxes. It is hoped that the GST rollout will create tremendous scope for NBFCs to ease their burden of multiple taxes.

#### **Impact of GST on Economy:**

Finance Commission, says the introduction of GST would be the single biggest measure after the elimination of licensing in 1991. In fact, this could also provide the requisite stimulus to the economy during the present economic slowdown. GST once introduced will create a common market across the length and breadth of the country. Effective implementation of a unified GST with minimum exemptions will give a fillip to the GDP growth. As per the rough estimates of Dr. Vijay Kelkar, the economic value of the GST reforms in India will be an extent of USD 500 billion, or roughly 50 % of India's GDP. The introduction of GST is expected to have a salutary impact on total tax collections, employment and fiscal deficit. The 13th Finance Commission that was set up in November 2007 (award period: 2010-15), is reviewing the GST structure and deciding on the sharing of taxes between the Centre and States. State finances would be shaped by the recommendations of the Commission.

#### **Future In Business & Taxation:**

Indirect taxes in India have driven businesses to restructure and model their supply chain and systems owing to multiplicity of taxes and costs involved. With hopes that the Goods and Services Tax (GST) will see the light of the day, the way India does business will change, forever.

Total tax collection in India (direct & indirect), currently stands at Rs 14.6 lakh crore, of which almost 34 per cent comprises indirect taxes, with Rs 2.8 lakh crore coming from excise and Rs 2.1 lakh crore from service tax. With the implementation of the GST (Goods and Services Tax), the entire indirect tax system in India (excise, state-level VAT, service tax) is expected to evolve.



The tax revenue mix can change as per the economic condition of the country. In developing countries, indirect taxes comprise a higher share of total taxes; in developed countries, their contribution is significantly lower. For example in Australia, indirect tax contributes just 13 per cent of total tax collection. After GST, the percentage of indirect tax is expected to increase in India.

### Conclusion:

The implementation of GST in India in the form of a comprehensive Value Added Tax is contingent on several key decisions. While there is clarity that the tax would be in the form of a dual VAT is the only detail about the tax that is available in the public domain. Presuming that the country is going to witness considerable tax reform, it is only fair on the taxpayers that the details are worked out well in advance so that preparations for a smooth transition can be made. Various numbers of Indirect type of taxes presently being levied by Central Government and State Government.

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## A STUDY OF MOBILE COMMERCE IN INDIA

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### Abstract-

*M-Commerce is E-commerce on mobile phones. E-Commerce introduced Anytime online transactions and M-Commerce introduced Anytime Anywhere online transactions. In the last few years, there had been immense growth of wireless technology in India. This growth has changed people to do business in mobile commerce (M-Commerce). Although many people have started E-Commerce but still they hesitate to use M-Commerce because of security problems, payment issues and complexity of mobile applications. This paper identifies facts about the feasibility of M-Commerce in India today its growth and the Strength and opportunity, weakness and threats lying ahead. M-Commerce and E-Commerce made people to transfer funds, shopping, bidding without going to shops within a moment. E-commerce is conducted on laptops, desktop computers using internet whereas M-Commerce is conducted on mobile phones using internet. This paper sheds light on the M-Commerce, the growth of M-Commerce in India and advantages of M-Commerce. This paper is based on secondary sources.*

**Keywords:** M-Commerce, E-Commerce, Mobile applications.

### Introduction :

Mobile Commerce refers to wireless electronic commerce used for conducting commerce or business through a handy device like cellular phone or tablets. It is also said that it is the next generation wireless e-commerce that needs no wire and plug-in devices. Mobile commerce is usually called as 'm-Commerce' in which user can do any sort of transaction including buying and selling of the goods, asking any services, transferring the ownership or rights, transacting and transferring the money by accessing wireless internet service on the mobile handset itself. The next generation of e-commerce would most probably be mobile commerce or m-commerce. Presuming its wide potential reach all major mobile handset manufacturing companies are making WAP enabled smart phones and providing the maximum wireless internet and web facilities covering personal, official and commerce requirement to pave the way of m-commerce that would later be very fruitful for them. M-commerce has several major advantages over its fixed counterparts because of its specific inbuilt characteristics such as personalization, flexibility and distribution. Mobile commerce promises exceptional business, market potential and greater efficiency. M-commerce can be a huge success for the Indian market but this requires a complete ecosystem, partners must be synchronized so that the best benefits go to consumers and their confidence is assured. Although m-commerce market in India is in nascent stage, m-payment and m-banking segments have shown significant growth over the last few years.

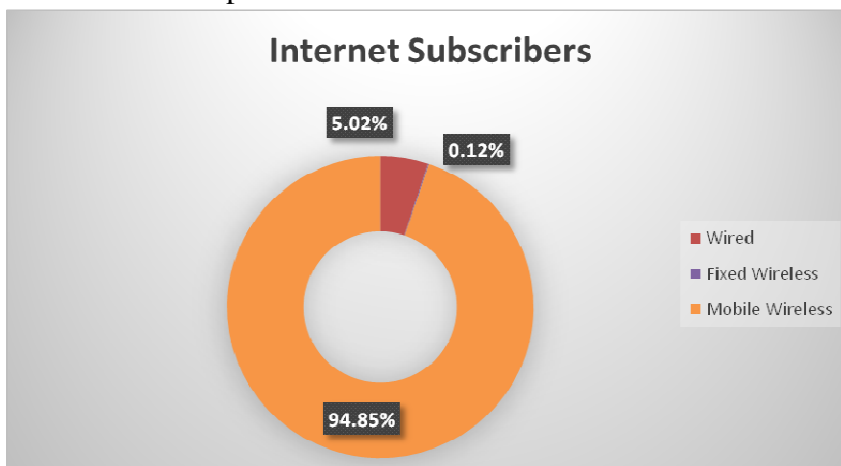


Mobile commerce adoption has increased significantly in the country due to multiple factors such as enhanced 3G/4G penetration and availability of affordable smartphones.

**Composition of internet subscription in India**

Internet subscribers	Wired	Fixed Wireless	Mobile Wireless
Percentage	5.02	0.12	94.85

Source-TRAI report June 2017



**Growth of M- Commerce in India :**

Various mobile applications are developed for Smartphone users. State Bank Freedom of State Bank of India , iMobile of ICICI , Axis Mobile for Android of AXIS Bank are the mobile banking applications which are used for online fund transfer, utility bill payment. IRCTC Connect is used for railway ticket reservation, Mpesa by vodafone is used to transfer fund, pay utility bills, Book My Show is used to book movie tickets. Ubiquitous feature of M-Commerce is turning people from E-Commerce to M-Commerce. The development of low-cost smart phones and low mobile tariffs helped for tremendous growth in mobile internet subscribers and hence tremendous growth of M Commerce in India. In India 60% of internet users access the internet via their mobile phones. The number is expected to reach 315 million by 2017, estimates IAMAI-KPMG report.

The potential and the growth rate of the Indian Mobile Commerce market hints at an exciting future ahead. The market size is about 3% of the US non-store retailers sales (\$560 billion). In the US, the nonstore retailers are growing at the rate of 13.2 %. Currently, online sales in India is dominated only in the metros. As of 2015, smartphone users in India was at 220 million, growing at 23%. It is predicted that by 2017 India will overtake the US as the second largest market for smartphones, after China. Mr. Nitin Gadkari, Minister of Road Transport and Highways, and Shipping announced in January 2017 that the Government of India would be investing US\$75.30 billion for the road, railway and port connectivity projects. With better infrastructure and continued smartphone adoption, one can expect online shopping in India to grow at the current rate if not better.

The number of consumers who purchase online is expected to cross 100 million by the end of 2017, with the e-retail market likely to jump 65% year on year in 2018, a recent research study reveals. By the end of 2018, Indian e-retail is expected to touch USD 17.52



billion. Mobile commerce is likely to jump to 45-50% in 2017. The report also laid out challenges for e-commerce in India including an absence of e-commerce laws, low entry barriers leading to reduced competitive advantages, rapidly changing business models, urban phenomenon, shortage of manpower and customer loyalty. Demonetisation and a reduction in cash transactions, along with an improvement of net banking facilities, can be opportunities for the Indian e-commerce sector, according to stats made public by an ASSOCHAM-Resurgent India study, Indiatimes.com reports.

Thus India is going through a sort of E-Commerce revolution and with more activities happening on the smartphones, experts believe that M-Commerce is becoming the future of E-Commerce. M-Commerce is benefiting from an evolution in consumer behaviour and advancement in technology. More and more consumers are shopping across smartphones and tablets. Consumers are getting more comfortable using mobile devices for payment via everyday activities like buying coffee. These repetitive purchases with mobile apps not only open the way for larger transactions, but provides companies more and more information about their customers to give more relevant offers and increase long term customer value.

#### **Advantages of M-commerce**

**Completely Customization:** the service provider has access to data about the user's preferences and status which facilitates better, personalized service. In addition, the service provider can be constantly updated about the current status and location of the customer so that the service can be customized; for instance, a request for a certain product can be met with the nearest possible source.

**More Convenience:** the small size and ease of use of mobile receivers, coupled with freedom from problems caused by infrastructure, makes for a higher degree of user convenience.

**Expanded reach:** the presence of a wireless link between the customer and the service provider eliminates the need for a fixed interface such as a computer for communication. Providers of e-commerce services can therefore reach customers over a longer range, creating the opportunity for new value added services.

**Quicker access:** connecting through a mobile is faster than dial-up connections using wire line modems.

**Electronic wallet:** Analysts believe that easy mobile payment is one of the main prerequisites for the success of m-commerce, When the mobile phone can function as an electronic wallet for mobile payments, including micropayments, application developers and service providers will find it attractive to introduce new mobile communication services to the market.

#### **Advantages of wireless technology used in m-commerce**

**Ubiquity:** The use of wireless device enables the user to receive information and conduct transactions anywhere, at anytime.

**Accessibility:** Mobile device enables the user to be contacted at virtually anytime and place. The user also has the choice to limit their accessibility to particular persons or times.



**Convenience:** The portability of the wireless device and its functions from storing data to access to information or persons.

**Localization:** The emergence of location-specific based applications will enable the user to receive relevant information on which to act.

**Personalization:** The combination of localization and personalization will create a new channel/business opportunity for reaching and attracting customers. Personalization will take the form of customized information, meeting the users' preferences, followed by payment mechanisms that allow for personal information to be stored, eliminating the need to enter credit card information for each transaction.

**Time Sensitivity:** Access to real-time information such as a stock quote that can be acted upon immediately or a sale at a local boutique.

### **Conclusion**

In India advancement and low cost of smartphones, reduced mobile internet tariff, busy life of people have attracted the people to do transactions on mobile device. Smartphones are developed to overcome the limitations of M-Commerce. Mobile applications are also developed to give more security to the transactions. Increasingly people are using mobile applications instead of web applications. M -Commerce is progressing and within some years huge number of people will be using mobile applications. It is helpful to the buyer and seller to purchase and sale of the products. But it is also accessible to the people living in rural India.

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## EMERGING TRENDS IN ONION MARKETING MANAGEMENT IN INDIA WITH SPECIAL REFERENCE OF NASHIK DISTRICT

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### Introduction :

It has been rightly stated, "produce or perish" in the American industrial sector. Similarly, we can say 'Market or Perish'. In short, marketing of goods along with its production is important for economical prosperity. Developed markets are created through marketing process and it is proved after studying the Agricultural produce Market Committee functions of marketing in Nashik District.

Onion is one of the cash crops in agricultural produces. It is also perishable. Onion is an inevitable daily consumable produce by people. As a result, demand for onion is inelastic. It means even though onion supply increases and its price decreases, it does not mean that its demand will increase. The reason is that there is the problem of preserving the extra onion purchased as a result of reduction in price. So onion is purchased according to daily consumption. On the contrary, even if onion prices rise as a result of reduction in onion is not conspicuously affected and its demand remains more or less the same despite demand for onion is less elastic. It is rigid. In this view, the studies of onion marketing system attract attention.

Similarly is it observed that the supply of onion is also rigid. Onion supply depends upon its quantity of production. Farmers are compelled to sell onion at reduced in further decrease in prices. On the contrary, its price increases and probability of earning profit increases, because of perishable nature of onion and lack of scientific storage of onion. In other words, farmers cannot increase onion supply according to demand and cannot earn more profit. Onion crop is taken thrice a year. Three to four months are required to get the crop.

In modern time, import-export trade has increase as a result of improved transport system, other infrastructure facilities, enhanced credit supply, effective chain of middleman, increased understanding in international trade, bilateral agreements and world organizations. All these factors have also increased international trade the agriculture produce the onion.

Nashik District is an onion producing District in Maharashtra. The Agricultural produce market committee , Vefco and National Agricultural Co-operative Marketing Federation of India Ltd. (NAFEED) promote onion export from Nashik District. State Government, have provided infrastructural facilities for enhancing onion.

Government is giving stress upon onion export management for the benefit of farmers and also in the large interest of the economy of the country.





### **Objectives of The Study :**

The aim of the article is to understand the concept of marketing management particularly in relation to export of onion from agriculture produce market, committees and other institutions, in the Nashik District. It is also intended to make suitable suggestions for those who are involved in production marketing and export of this cash crop ie. the onion.

### **Hypothesis to Be Tested :**

The hypothesis to be tested on the basis of this article are as follows :

- 1) Not only internal marketing but export of the cash crop – the onion is important.
- 2) Special efforts have to be made by farmers, traders and Govt. machinery for enhancing export of onion.

### **Research Methodology :**

It is proposed to undertake research study of marketing of onion crop on the basis of the transactions on the market yard of the Agricultural produce market committee Lasalgaon and Nashik District. The Specific topic of the study is 'Onion Marketing and Export Management Research with reference to APMC in Nashik District. (1998-2008)''.

### **Collection of Data :**

**1) Primary Data :** To collect the primary data, well designed questionnaire will have to be used, one questionnaire for farmers and another questionnaire is for the Government/Agriculture produce market committee officers to get the primary level information.

**2) Secondary Data:** Secondary data will be generated from books and magazines, well reputed journals, Government gazettes, Reports of different committees and study groups, important daily newspapers, internet service, Radio and TV Broad casting services, will be used for collecting the secondary data for the Research work.

**3) Selections of samples :** The total arrivals of agricultural produces, total numbers of officers skilled workers, unskilled workers, total customers visited randomly to the Nashik market committee and total farmers, the details of the are given below.

### **Tools and Techniques To Be Used :**

Different tools and techniques will be used for statistical processing of primary and secondary data collected that will include classification, tabulations, digramatic representations of data collected, different types of averages like mean, median mode etc will have to be used for the study purpose.

### **Scope of The Study :**

After passing agriculture produce market commodities act, 14 (fourteen) APMC's and money other sub markets have been set up in Nashik District. The commodities other institutions and private traders take care of onion marketing management. Now the boundaries of market have extended to other countries ie export of onion.



### **Limitations of The Study :**

It is just natural that there arise certain limitations in the Research work and such limitations have to be taken for granted certain limitations are as follows:

- It is difficult to collect information from farmers.
- Lack of definite and stable policy of Government.
- Lack of interest of merchants while giving information 4) Economical and technical problems in the use of electronic devices.

### **Significance of The Study :**

India being an agricultural country, scientific marketing management of agricultural produce, particularly that of perishable commodities like onion is of paramount significance. Really the country was a food grain importer up to sixth decade. The green revolution in the country changed the phenomenon and the country became an exporter of agricultural commodities. India being second largest produces of onion in the world, attention is paid to its exports for earning foreign exchange for the development of the country.

### **Analysis of The Study :**

#### **A. Significance Of Onion Export Management :**

Basically, India is an agricultural country. Around independence market surplus was available for export of Agriculture product. However, the Green Revolution, introduced by Swami Nathan, enabled Indian farmers to produce sufficiently both for Domestic consumption and export. Export provides valuable foreign exchange for the economic development of the country. Onion export has earned such foreign exchange and contribution to the development.

#### **A) Importance of Agriculture Marketing :**

##### **1) Marketing is last destination :**

Marketing is the last point of onion production of course, any production process is not complete unless it is sold to the consumers. The rules is applicable to agricultural produce also.

##### **2) Wide area under production :**

Comparatively, agriculture produce is spread over a wide geographical area. It has to be collected, sent it to the industry or last consumer.

##### **3) Specialty of Agriculture produce :**

Agriculture produces are different from industrial production. Agriculture produce at different places may be different in respect of quantity, quality, standard etc. and it is taken to market in various quantities ranging from kilogram to truck and wagon loads.

##### **4) Factors of quality :**

Quality of agriculture produce depends on the quantity of lands, quantity of rain water supply available, fertilizers and scientific processes applied.



Agriculture produce is bulky. It requires more space for transport and storage processes are important for agriculture produce.

### **Historical Background :**

Even though India is agricultural country, it used to Import food grains to feed its population. It could never export traditional agriculture production except spices and high quality malmal cloth and never could think of exporting food grains and vegetables. During the sixth decade of the 20<sup>th</sup> Century, it has started exporting onion and other Agricultural produces. Now, India is number two onion exporter in the world, China being the first.

It is important to note that a town – Lasalgaon is famous in Asian continent in respect of onion marketing. It is the number one onion market in the continent.

### **History of APMC Lasalgaon (Estd. On 01/04/1947)**

During the year 1600 certain traders of England came together with an intention to start trading activities with eastern world They established a charter company for this purpose. They intensely desired to start trade with India. Then India was a very rich country and was called 'Golden Land', British traders made agreements with the King Shah Alam through the chartered company and established trading centres at Kolkatta, Kalikat and Wasai.

Even though India was a prosperous country as a whole, there were many small Kings ruling and many of them were very weak. The English traders decided to take advantage of the situation aground 1757 sirajuddaula ruled Bangla and he was engaged in war with Meer Kasim who was assisted by English traders. The result of this was was establishment of Zamindari in Bengal, In the same way English people ruled Bihar and Orissa and the year 1857, entire country was ruled by English people. The Independence was of 1857 (called as mutiny by British people) was over and the charter company had started. Great leaders like Dadabhai Nourajee, Lokmanya Tilak, Mahatma Gandhi, Jawaharlal Nehru and many others led the struggle and ultimately it was successful in 1947, when India got freedom.

Despite prosperity India was divided in many states, So the cartel decided to take avail from this situation, After 1854 they captured total India and started England Parliament rule in India. They started Railway, Postal etc. services, since business searching started in India. And this was the most propitious time for Indian businesses

Lasalgaon was originated as a market place. The same situation was every where in India. But they were scattered . Despite this, the farmers were destitute because they were dependent on nature and goodwill of government.

To overcome the situation, in 1939 Bombay Government started. "Agricultural produce Market Committee". (APMC)

### **Agriculture Produce Market Committees In Nashik Dist. (A.P.M.C.'s)**

Government of India passed A.P.M.C's Act 1939 and established committee market yards at Agriculture centres. The intention was to provide farmers with continuous organized and safe market for Agriculture products. Accordinly in Nashik District 14 (Fourteen) Agricultural produce market committee's have been established. They have been providing market facilities to the farmers, traders and other middleman in respect of trading



Agricultural products. Recently, the number and variety of commodities have increased. Onion has become a major commodity dealt in on market committee yards.

Detailed information about Market Committees's in Nashik is given in the following table :

Sr.No.	Marketing Centres	Date of Established
1.	Lasalgaon	01.04.1947
2.	Nandgaon	02.09.1948
3.	Malegaon	11.11.1948
4.	Satana	24.09.1948
5.	Ghoti	17.09.1952
6.	Nashik	21.11.1952
7.	Sinnar	27.01.1956
8.	Yeola	15.09.1957
9.	Kalwan	01.03.1971
10.	Chandwad	01.04.1982
11.	Manmad	18.07.1985
12.	Dindori	01.01.1989
13.	Pimpalgaon(B)	28.12.1995
14.	Deola	27.05.2004
15	Umrane	26-6-2012

**Source : 1) A.P.M.C. Report in Nashik District 2) Govt. Record**

Onion production is continuously increase in the District. The market committee yards provide to be enadequate for the dealing of larger quantity. So the main market committees took decision to expand trading activities and for that purpose to established 28 (twenty Eight) Sub- Market yards in Nashik District.

### Onion Exports from India :

A. As a result of Green Revolution during the sixth decade, onion production has increased and it became possible for India to export onion from the periods particularly from 1980's. Of course, prior to this certain amount of onion was used to be exported from the country. But the quantity onwards became noteworthy.

Following table throw light upon the quantity in tones exported and value in Rupess and also value per tone both in Rupess and Dollars. The data is from 1980 to 1998.

### Onion Exports from India (1980 to 1998)

Year	Quantity (Tonnes)	Value (000 Rupees)	Unit Value Rs/ Tonne	Unit Value Dollars /Tonne
1988	214200	641700	2996	207
1989	214200	641700	2996	207
1990	240200	908800	3784	211
1991	370900	1495900	4033	165



1992	271900	1193600	4390	143
1993	357100	1826700	5115	163
1994	401000	2050000	5112	163
1995	351000	2310000	6581	197
1996	427000	2650000	6206	175
1997	333000	2020000	6066	163
1998	216000	1760000	8148	194

Source: [www.unctad.org/infocomm/diversification/bangkok/onion.doc](http://www.unctad.org/infocomm/diversification/bangkok/onion.doc)

Export Potential of onion : A case study of India By V.C.Mathur, Senior Scientists, Division of Agricultural Economics, Indian Agricultural Research Institute.

### Onion Marketing and Export Management :

In the present era of market based economics, marketing of both industrial and agricultural commodities is of paramount significance. The Govt. has to take care of Marketing of agricultural commodities particularly onion as it is a perishable commodity. The transportation of onion from the fields to the markets have to be very quick and speedy. Special care during storage period has to be taken. Some scientific processes like dehydration and irradiation must be carried out to increase longevity of onion. The management of marketing of onion demands special attention.

Export of onion requires further care in addition to high quality of onion, collection, gradation, standlisation , packaging, branding, safe transportation etc. are point of great concern in onion export management. The competition at the International level is very keen. Even a slight mistake in marketing process may result in rejection of onion exported. Resulting in great loss to exporters and farmers.

In Nashik District Govt has taken appropriate steps to streamline export of agricultural commodities including onion. Internal roads fast railway trucks and airways have been introduced for fast transportation. Cold houses are provided for storage of onion, priority is given to transportation and marketing to agricultural commodities and onion. Appropriate attention is also given to simplify the complicated process of export. The Reserve Bank of India and other Nationalized Banks have been advised to simply the process of export foreign exchange. In this way all in and all out efforts are a foot at all levels to enhance export of onion.

### Role of Govt. in Onion Export Management :

Both the central Govt. and Maharashtra State Govt. has been playing an important role to enhance export of onion.

For this purpose farmers, are advised and assisted for taking good quality of onion crops use improved fertilizers manures pesticides and insecticides, improved seed variety of onion etc are provided.

Besides network of good internal roads, fast railways trucks, scientific storage facilities and quick transportation means are provided by the Govt.

Maharashtra Govt. has also taken lead to increase export of onion. Different institutions like Agriculture produce market committee's vefco state trading corporation centres of Nafeds have been established to promote onion exports. Banks and other financial



institutions have been suitably instructed to finance freely export activities. In short all in and all out effects are a foot to increase onion export and earn foreign exchange.

### **Economic Significance Of Onion :**

Onion is a cash crop. So it has importance in the life of farmers. Nashim District has been most suitable for onion crop. The Natural Condition of Nashik District is also onion supporting so many farmers take this crop. Agricultural produce market committees in the district look after the interest of onion producing farmers. This crop has multisided effects, It gives benefit to farmers. It provides employment to landless labours and also to farmers. It provides employment to landless labours and also to farmers of small holdings in the district. Many people get employed as merchants and traders of onion. Not only this but many other people get employment by providing many commercial and other allied services in the market.

### **Significance, Relevance And Expected Contribution of The Study**

“Onion Marketing and Export Management Research with reference to APMC in Nashik District. (1998-2008) In this study it is expected to appreciate the issue of the farmers community and the my study is intended to make recommendations to solve the problems. Accordingly it is decided to make efforts in the following direction: .

- 1) To understand the needs of farmers, Merchants other middlemen marketing of onion and other agricultural produce.
- 2) To evaluate the functions & effectiveness in working of different marketing institutions and leading agricultural produce market committees.
- 3) To make suggestions and recommendations which will be directing & useful to he Governments Market institutions, agricultural produce market committees, private traders, and businessmen .
- 4) To make an endeavour to educate farmers and give them up to date information about world trade and Agriculture marketing and thereby create vigilance among them.
- 5) To make recommendations to have maximum facilities for the development of Agricultural market committee & different intermediaries functioning in this agricultural produce market committee.
- 6) It is expected to make recommendation's for increasing employment in trade, commerce and business & for increasing entrepreneurial opportunities by onion marketing development.

### **Conclusion :**

Thus it can be concluded that the production of cash crop, the onion has created enthusiasm among farmers, traders, middleman, service providers, Govt. agencies to increase export of onion in the benefit of all farmers and others. The traders exporting institutions, bank and financial institutions have been playing very important role in the stream lining onion export management and earn foreign exchange.

### **Recommendations / Suggestions :**

#### **1) Increase onion Production :**

The Govt. should provide farmers with include variety and technique of production and also provide adequate irrigation facilities and more importantly guidance for improving standard of production for export.



## **2) Improvement in Infrastructure facilities :**

In order to increase export of onion, transportation, communication scientific storage, facilities should be improved so that movement of the commodity is fast and safe.

## **3) Simplifying export procedure :**

Majority of farmers and money traders are either illiterate or inadequately educated as a result they cannot understand the lengthy and intricate procedure of export so it is suggested that the export procedure should be simplified and shortened.

## **4) Guidance and Training :**

The onion producing farmers, traders and exporters should be given proper training and provided them with guidance irrespective of onion production export procedure foreign exchange.

## **5) Establishment of Cold Storage :**

Onion is a fast perishable commodity, Export procedure requires long time as the distance is great adequate cold storage facilities at the places where onion is kept and even in the means of transportation should be provided.

## **6) Reduction in Perishability of Onion :**

Efforts should be made to see that it is not perished and its quality is not hampered due to passage of time adequate scientific measures should be taken. It may included dehydration, irradiation etc.

## **7) Market Intelligence :**

In export of onion information about market available for onion around the world, the trends in production cost of onion and selling prices of onion in different parts of the world should be made available to the Indian farmers and traders for this purpose technological development should be brought about in informatics.

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## A STUDY OF CRITICAL ANALYSIS OF CONTRACT FARMING IN MAHARASHTRA

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### Introduction

As close to 58% of the population depends on agriculture as their principle means of livelihood where most of the Indian farmers are illiterate, financially are not strong and marginal in nature. Main objective of the farming is to satisfy the need of family, stock the agricultural produce for the future use and sell if surplus remains. Excessive use of traditional farming methods, low quality seeds, outdated technology, not having enough capital these are the major issues of Indian farmers. This resulted into low growth rate, low productivity and not having reasonable price for the agricultural produce.

On the other hand in India consumption pattern of high value commodities and processed foods have been increased due to changing dietary patterns, rising income levels of people, increasing urbanization and increase of female employment. Thus, the spread of supermarkets and rising demand for high-value commodities has given an opportunity for organized agribusiness. Although, India is the world's second largest producer of food next to China, still only two percent of its total agriculture and food produce is processed. Due to the lack of public and private investment in infrastructure, logistics, information and technology have resulted in inefficient and uncompetitive markets. It is a need to have collaboration between all the parties operating in and around agri-markets.

This research work is addressing the issue about the critical analysis of contract farming in Maharashtra state of India. Contract farming is urge of today which require to accept in large extent due to huge gap between demand and supply of agricultural produce. The research work focusses on the conceptual aspects of contract farming, types and its pros and cons to different parties such as farmers and sponsors.

### Objectives Of The Study

To conduct the research work, researcher had been put forwarded the below mentioned objectives

1. To study the conceptual aspect of contract farming.
2. To understand the types of contract farming.
3. To understand the advantages and limitations of contract farming to the farmers and sponsors.

### Research Methodology And Limitations

This section of the report emphasizes on the procedure used to complete the research work. To accomplish the research work, data has been collected, which are basically secondary data. The study is basically exploratory in nature and depends exclusively on secondary data. Secondary data are collected from various reports published by GOI, NABARD, and other research papers on Contract Farming.

Major limitation of this research is the research work purely based on secondary data.





## Contract Farming

Maharashtra is a leading producer of fruits, vegetables and flowers. The state has strength in production of grapes, mangoes, banana, pomegranate, oranges, tomato, and onion. Similarly, Maharashtra is also a major cereals and pulses producer. Though the production of these fruits and vegetables and cereals has increased many folds, poor post-harvest practices are followed leading to substantial loss in value of these commodities, Inadequate availability of post harvest facilities at the village level also leads to loss to cereals and pulses producers. Though Maharashtra is leading state producers of fruits and vegetables, uncertain natural environment, monopoly of intermediaries, not fixed market price for agricultural produce. There also exist regional disparities. Contract farming could be good solution for marginal farmers of Maharashtra which can improve the socio-economic conditions of the Maharashtra's farmers.

Contract farming is an agreement that involves producers/farmers, intermediaries, processing and or marketing firms, to provide the farm produce at predetermined prices and quality, at specified places, after a specified duration.

## Types Of Contract Farming

Contract farming is of mainly three types

1. **Procurement contract** in which only sale and purchase related conditions are mentioned.
2. **Partial contracts** in which contracting firm supplies some of the inputs and take produces at pre agreed price.
3. **Total contracts** in which farmer is only supply land and labour and the contracting firm provide all the required inputs and manages it.

## Advantages of contract farming

This point will cover the issue from farmers' point of view and sponsor's point of view

- Advantages to the farmers-

1. Easy available of credit
2. provision of quality inputs such as seeds, fertilizers etc.
3. Assistance of latest technology
4. Good and fixed price for agricultural produce
5. Availability of Wide market

- Advantages to the Sponsors

1. Government acceptance
2. Steady flow of produce
3. Control on quality
4. Efficient use of inputs
5. Increase the production capacity

## Limitations of contract farming

- Limitations to the farmers

1. Greater risk
2. Outdated technology used in contract farming
3. Fertile quality of land may disturb



4. Malpractices in issuing contracts
  - Limitations to the Sponsors
1. Constrains in availability of land
2. Geographical disparities
3. Using low quality inputs from farmers
4. Farmers may disagree for contracts

#### **Conclusion And Recommendations :**

The Indian Government's vision is to double the income of farmers by 2022. The total allocation in the Union Budget for rural, agricultural and allied sectors for FY2017-18 has been increased by 24% year-on-year to 1,87,223 crore (US\$ 28.1 billion) in this case contract farming may assist to the vision of Indian government. It can be concluded from this research that, although contract farming is useful for marginal farmers, Maharashtra observes disparities in crop pattern and geographical differences, different climatic conditions of Maharashtra state in such situations contract farming could be beneficial only for few crops such as maze, wheat, onion , tomato, chilies and fruits such as banana, guava.

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## **BENEFIT AND GROWTH OF E-COMMERCE AND M-COMMERCE IN INDIA**

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### **Abstract**

*Today in the world India is highest internet data user and growth of internet use is faster than other developing country. Business though mobile is hugely expanded because of its speedy and time saving methods. Most of people quickly adopted this online buying and selling system because of time consuming and 24 hrs availability. Online business provided few advantages to different engaged partner. According to Google India, there were 35 million online shoppers in India in 2014 Quarter 1 and is expected to cross 100 million mark by end of year 2016. Consequently we should prepare ourselves to give warm welcome to internet business which is a conspicuous result of globalization and mechanical upset the World over*

**Key words:** E-Commerce, M-Commerce, M .wallets

### **Introduction**

E commences started over 40 years ago, and has evolved over time. Today in 21 century mobile phone have become a product that every generation and mostly in any age group people rapidly using for their day to day life. Now a day mobile phone became a central utility that customers need in their lives and youth and teen agars are not exception for that. In mobile markets lots of online free application is available on play store , use of large no of application customer can easily trading with products which they are needed. As the revolution in 4G speed is more than 2 or 3 mbps and competition among the telecom operator speed and data benefit received by customer. Currently more than 30.2% of the world has entry to the web and henceforth, web based businesses rapidly increase in India. So it is essential to study the E commerce growth and M- Commerce growth in the view of customer

### **Objective of the paper**

- 1) To understand the E-Commerce And M-Commerce
- 2) To study the Benefit of E-Commerce in India.
- 3) To Study the M-Commerce in India
- 4) To Study the barriers of E-Commerce and M-Commerce

### **Research Methodology**

This research is primary based on secondary data such as policies of government related with Internet, Books, Newspaper, and use of internet

### **Review of literature:**

**Devkate, BalajiNarayan(2013)**

E commerce problems and prospects in Maharashtra in this study he stated that Manufacturers don't have freedom to operate an E-commerce site because of the



manufacturer's individual agreements with one or more selected dealers as not to operate an e-commerce site. Customers do not have whole information about operating an ecommerce site for e-buying procedure

**Arvind Panagariya (2000)**

Reported that e-commerce growth is unprecedented opportunities to both the developing and developed countries .In developing county the speed of e-commerce development is less because of lack of computer literacy, lack of advance modem for access internet but it is necessary for both country in the view of customer.

**Elizabeth Goldsmith and Sue L.T. McGregor (2000)** analyzed the impact of e-commerce on consumers, public policy, business and education. A discussion of public policy initiatives, research questions and ideas for future research are given.

**Concept of E-Commerce**

E-commerce refers to the sale of goods or products through online Stores. Online stores are not just about selling products. Many work on more sophisticated functions such as flight or hotel booking systems, comparison sites, online brokers or affiliate marketing schemes. It's a big area but still many companies operate in sectors where this model of business isn't always appropriate so looking more widely at the internet and emerging technology is important in presenting a presentation that is of use to each and every person accessing it

**Concept of M-Commerce**

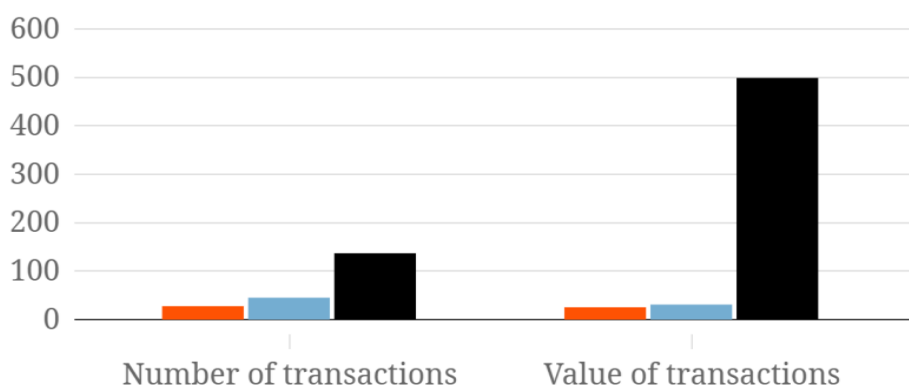
Mobile Commerce is also known as M-Commerce. M-Commerce is the buying and selling of goods and services through wireless handheld devices. M-Commerce is the process of paying for services using a mobile phone or personal organizer

**Growth of M-Commerce in India**

M-Commerce is useful to customer not only for order the product but online payment of various transactions through the M-wallets .. A report by performance marketing technology firm Criteo showed that during the festive season last year, "40% of the online traffic on major retail companies was generated by mobile phones". So, if your business is not on mobile, you might get out of business. Everybody wants to plunge in to explore more possibilities. Current market trends. Following Image is example of use of payment methods adopted currntly by Indian cutomer. Mobile Wallets are often use by customer for online payment .

Growth of different payment methods between 2014-2016 (%)

■ Credit cards ■ Debit cards ■ M-wallets



Scroll.in

Data: Reserve Bank of India



### **Methods in M-Commerce**

Different Mobile Applications Available in the Market

- Travelling and Ticketing
- E-Auction
- M-shopping
- M-education
- M-Wallet

### **Benefit of E-Commerce and M-Commerce**

1) 24/7 Availability and Access :-

Online shopping and online booking of various Trading activity is done easily because all shopping sites are available 24 hrs in a day and also 365 days in year

2) Choice products:-There are number of variety of products available on every sites. Customer can choose among them as per their needs and wants,

3) Fast Compare products:

On mobile customer can easily compare their products to other products there are various site and various mobile application are available for compare product For e.g. My Smart prise.com /Application, Prise dekho.com

4) Customer gain: - Today on cutthroat competition every shopping and online website provide various scheme for attract customer . in India every cultural event they provide various types of discount to customer

5) Superior after sales services:- After self service is important point in the view of customers in online mobile shopping company customer Support agent directly contact and resolve problem . Also on Web customer can easily find the service centre and resolve the problem

6) Higher margin

In the view of agent and provider of various products they get proper way to sell product there is less need to spend money on advertisement. So they get higher margin on various product.

7) Reduce distribution chain:

M-shopping is useful to customer .Customer can directly contact with seller and received the product in this process the distribution chain reduce and direct benefit received by customer

### **Limitation of E-commerce**

- Basic technical knowledge require
- Paid minimum cost for internet uses
- Low Internet connectivity
- Cost of require equipment
- Lack of trust on online system
- Physical appearance not existing of product
- Lack of secrete and private data

### **Conclusion**

In India E trade is a developing pattern in trading activity. Customer and seller are come in the same platform and buying and selling their product. Today mobile is use as shopping pocket . Customer can find the product, choice the product and paid the prise through the mobile. M-Commerce play vital role connected with E-Commerce . The year 2016 has witnessed mobile power like never before, and its only getting better. Almost all E-



commerce marketplaces have launched Lite' m-sites, mobile & app shopping as India's internet users base has increased by 49% and continues to rise in a dynamic fashion. It's true that in 2017 will be a year in which majority of customer pay with their mobile phones instead of cash.

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## NEW TRENDS IN RURAL MARKETING

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### Abstract

*The emergence of rural markets as highly untapped potential emphasizes the need to explore them. Marketers over the past few decades, with innovative approaches, have attempted to understand and tap rural markets. Some of their efforts paid off and many markets still an enigma. Rural marketing is an evolving concept, and as a part of any economy, has untapped potential; marketers have realized the opportunity recently. Improvement in infrastructure and reach, promise a bright future for those intending to go rural. The rural population has shown a trend of moving to a state of gradual urbanization in terms of exposure, habits, lifestyles, and lastly, consumption patterns of goods and services. So, there are dangers on concentrating more on the rural customers. Reducing the product features in order to lower prices is a dangerous game to play. Rural buyers like to follow the urban pattern of living. Astonishingly, as per the census report 2003-04, there are total 638365 villages in India in which nearly 70% of total population resides; out of them 35 % villages have more than 1000 population.*

*Near about 70 percent population of India resides in rural areas. So, there is large rural market. From the strict marketing point of view, the market structure in India is dichotomous having rural and urban markets. But many do not concur with this view as they contend that consumer everywhere is a consumer and hence their needs, aspirations, beliefs and attitudes will also be the same. Conditions existing in urban markets at present can also be analyzed in this context. First, the urban markets have almost reached a saturation level that further tapping them with a high profit margin has become difficult. Secondly, competition is becoming tough in urban markets compelling many firms to incur heavy costs in promotional expenditure. Thirdly, the awareness level of urban consumers is high and hence product features have to be changed often. Needless to say this process needs a huge investment which will have a negative impact on profitability.*

**Key Words-** Standard of living, Foreign remittance

The concept of rural marketing differs from different things to different persons who are active participants in marketing. This confusion leads to distorted understanding of the problems of rural marketing and, more often perceptions. However, rural markets and rural marketing have special features as compared to urban markets.

Rural markets offer great scope for concentrated marketing effort because of the recent increase in the rural per capita incomes and the likelihood that incomes will increase faster because of better production and higher prices for agricultural products.

The rural market has drastically changed in the past one decade. A decade ago, the rural market was more unstructured target location for corporate. Very less agro-based companies were concentrating in these markets. Illiteracy and lack of technology were the



other factors leading to the poor reach of products and lower level of awareness amongst rural peoples.

Gradually the corporate realized that there was saturation and stiff competition in the urban market, but a demand was building up in rural areas. Seeing the vast potential of 72 percent Indians living in rural areas, many corporates started focusing on these unexplored and high-potential areas. From the strict marketing point of view, the market structure in India is dichotomous having rural and urban markets. But many do not concur with this view as they contend that consumer everywhere is a consumer and hence their needs, aspirations, beliefs and attitudes will also be the same. The fact, however, remains that there are certain unique characteristic features which call for separate marketing strategies to be distinctively developed to suit the rural and urban market behaviour. Conditions existing in urban markets at present can also be analyzed in this context. First, the urban markets have almost reached a saturation level that further tapping them with a high profit margin has become difficult. Secondly, competition is becoming tough in urban markets compelling many firms to incur heavy costs in promotional expenditure. Thirdly, the awareness level of urban consumers is high and hence product features have to be changed often. Needless to say this process needs a huge investment which will have a negative impact on profitability.

### **Significance of Rural Markets**

The rural markets are estimated to be growing fastly compared to the urban markets. The potentiality of rural markets is said to be like a 'woken up sleeping giant'. These facts are substantiated in a study of market growth conducted by various researches. In recent years, rural markets have acquired significance in countries like China and India, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities. On account of the green revolution in India, the rural areas are consuming a large quantity of industrial and urban manufactured products. Sometimes, *rural marketing* is confused with *agricultural marketing* – the later denotes marketing of produce of the rural areas to the urban consumers or industrial consumers, whereas rural marketing involves delivering manufactured or processed inputs or services to rural producers or consumers. A number of factors have been recognized as responsible for the rural market boom to come into existence:

1. Increase in population and hence increase in demand.
2. A marked increase in the rural income due to agrarian prosperity.
3. Standard of living is also increasing in rural areas.
4. Large inflow of investment for rural development programmes from government and other sources.
5. Increased contact of rural people with their urban counterparts due to development of transport and wide communication network.
6. Increase in literacy and educational level and resultant inclination to sophisticated lives by the rural folks.
7. Inflow of foreign remittances and foreign made goods into rural areas.
8. Change in the land tenure systems causing a structural change in the ownership patterns and consequent changes in the buying behaviour.





9. Rural markets are laggards in picking up new products. This will help the companies to phase their marketing efforts. This will also help to sell inventories of products out dated in urban markets.

### **What makes Rural Markets Attractive?**

Rural market has following arrived and the following facts substantiate this.

- \* 742 million people
- \* Estimated annual size of the rural market
  - FMCG Rs. 65,000 Crores
  - Durables Rs. 5,000 Crores
  - Agri-inputs (incl. tractors) Rs. 45,000 Crores
  - 2 / 4 wheelers Rs. 8,000 Crores
- \* In 2001-02, LIC sold 55 % of its policies in rural India.
- \* Of two million BSNL mobile connections, 50% in small towns/villages.
- \* Of the six lakh villages, 5.22 lakh have a Village Public Telephone (VPT)
- \* 41 million Kisan Credit Cards issued (against 22 million credit-plus-debit cards in urban) with cumulative credit of Rs. 977 billion resulting in tremendous liquidity.
- \* Of 20 million Rediffmail signups, 60 % are from small towns. 50% transactions from these towns on Rediff online shopping site
- \* 42 million rural HHs availing banking services in comparison to 27 million urban HHs.
- \* Investment in formal savings instruments: 6.6 million HHs in rural and 6.7 million in urban

### **Rural Marketing Strategies**

Considering the environment in which the rural market operates and other related problems, it is possible to evolve effective strategies for rural marketing. Some of the typical characteristics which will help in rural market segmentation are land holding pattern, irrigation facilities, progressiveness of farmers, cropping pattern; mix of enterprise, education levels, proximity to cities/towns, sociological factors, occupation categories.

#### **A. Product Strategies**

Meaningful product strategies for rural market and rural consumers are discussed here.

##### **1. Small unit and low priced packing**

Larger pack sizes are out of reach for rural consumers because of their price and usage habits. This method has been tested by other products like shampoos, biscuits, pickles, vicks five gram tins, etc.

In the strategy of keeping the low priced packed the objective is to keep the price low so that the entire rural community can try. This may not be possible in all types of products, but wherever this can be resorted to, the market is bound to expand.

##### **2. New product designs**

A close observation of rural household items indicates the importance of redesigning or modifying the products. The manufacturing and marketing men can think in terms of new product designs specially meant for rural areas keeping their lifestyles in view.

##### **3. Sturdy products**



Sturdiness of a product either in terms of weight or appearance is an important fact for rural consumers. The product meant for rural areas should be sturdy enough to stand rough handling and storage. People in rural areas like bright flashy colours such as red, blue, green etc., and feel that products with such colours are sturdy but they are more concerned with the utility of the item also.

#### 4. Brand name

The rural consumers are more concerned with the utility of the products. The brand name awareness in the rural areas is fairly high. A brand name and/or logo is very essential for rural consumers for it can be easily remembered.

### B. Pricing strategies

Pricing strategies are very much linked to product strategies. Some of these strategies are mentioned here.

#### 1. Low cost/cheap products

This is a common strategy being adopted widely by many manufacturing and marketing men. Price can be kept low by small unit packings.

#### 2. Avoid sophisticated packing

Simple package can be adopted which can bring down the cost as it is presently being done in the case of biscuits. Some innovation in packing technology is very necessary for rural markets.

#### 3. Refill packs/reusable packaging

Such measures have a significant impact on the rural market. By such technology also the price can be reduced. In addition the packaging material used should preferably lend itself for reuse in rural areas. An ideal example in this direction can be the packing of fertilizers. Now companies have started packing fertilizers in LDPE or HDPE sacks, which are not only tamper proof but also reusable.

#### 4. Application of value engineering

This is a technique which can be tried to evolve cheaper products by substituting the costly raw material with the cheaper one, without sacrificing the quality or functional efficiency of the product, for example in food industry, 'soya protein is being used instead of milk protein. Milk protein is expensive while soya protein is cheaper but the nutrition value is same. This technique yields itself for application in many engineering or product designed areas so that the price can be kept at an affordable level. These areas have to be explored by manufacturing and marketing men in the context of rural markets. The pricing strategy for rural market will depend upon the scope for reducing the price of the product to suit the rural incomes and at the same time not compromising with the utility and sturdiness of the product.

### C. Distribution strategies

Most manufacturers and marketing men do have a distribution arrangement for village with a population of at least 5000 people. While it is essential to formulate specific strategies for distribution in rural areas, the characteristics of the product, its shelf life and other factors have to be kept in mind. The distribution strategies that are specifically designed for rural areas are: through co-operative societies, public distribution system, multi-purpose distribution centres, distribution up to feeder markets/mandi towns shanties/hat/jathras/melas,



agricultural input dealers etc. Experience has shown that the cooperatives have played a useful role in improving the marketing services in the regulated markets. The fact, however, remains that these societies command only a small share of the total markets and do not present any challenge to the private trade at inmost places. The Gujarat Cotton Cooperative Marketing Societies set a good example of vertically integrated markets. The cooperative marketing institutions have to introduce scale economies in their marketing operation and provide efficient and comparable services to the customers in competition with the private trade. Cooperative institutions would do better if the state level marketing federations enter into multilevel activities to improve the turnover of their business. The non-governmental organizations can anchor a key role in conscientizing the rural people to form into cooperatives highlighting the possible benefits without being exploited.

#### **D. Promotion strategies**

Mass media is a powerful medium of communication. It could be television, cinema, print media, radio and so on. The other means of mass media available are hoardings/wall paintings, shanties/hats/melas, non-price competition, special campaigns etc. Besides these, other mass media like hand bills and booklets, posters, stickers, banners of the schemes etc. For disseminating the information, related to agricultural and other rural industries products, the government should circulate pamphlets either to panchayati raj office or to schools where it can be documented for the reference. While making efforts to improve the marketing system within rural areas and the marketing of rural produce to other areas, we should foresee the forces of globalization affecting the market forces.

#### **Advertisements**

Dynamics of rural markets differ from other market types, and similarly rural marketing strategies are also significantly different from the marketing strategies aimed at an urban or industrial consumer. Rural markets and rural marketing involve a number of strategies, which include:

**Client and Location specific promotion** involves a strategy designed to be suitable to the location and the client.

**Joint or co-operative promotion** strategy involves participation between the marketing agencies and the client.

**'Bundling of inputs'** denote a marketing strategy, in which several related items are sold to the target client, including arrangements of credit, after-sale service, and so on.

*Management of demand* involve continuous market research of buyer's needs and problems at various levels so that continuous improvements and innovations can be undertaken for a sustainable market performance.

**Developmental marketing** refer to taking up marketing programmes keeping the development objective in mind and using various managerial and other inputs of marketing to achieve these objectives.



**Media**, both traditional as well as the modern media, is used as a marketing strategy.

**Unique Selling Propositions (USP)** involves presenting a theme with the product to attract the client to buy that particular product. For examples, some of famous Indian Farm equipment manufactures have coined catchy themes, which they display along with the products, to attract the target client, that is the farmers. English version of some of such themes would read like:

- The heartbeats of rural India
- With new technique for a life time of company
- For the sake of progress and prosperity

**Extension Services** denote, in short, a system of attending to the missing links and providing the required know-how.

**Ethics in Business.** form, as usual, an important plank for rural markets and rural marketing.

**Partnership for sustainability** involves laying and building a foundation for continuous and long lasting relationship.

**Selection of sales force:** The salesman in rural markets should be selected from the educated unemployed villagers, trained well and appointed as salesmen. The town-to-villages shuttling salesmen are to be replaced by stationary salesman in villages.

### **Opportunities:**

**1.**Infrastructure is improving rapidly.

- In 50 years only 40% villages connected by road, in next 10 years another 30%.
- More than 90 % villages electrified, though only 44% rural homes have electric connections.
- Rural telephone density has gone up by 300% in the last 10 years; every 1000+ pop is connected by STD.

**2.** Social Indicators have improved a lot between 1981 and 2001

- Number of "pucca" houses doubled from 22% to 41% and "kuccha" houses halved (41% to 23%)
- Percentage of BPL families declined from 46% to 27%
- Rural Literacy level improved from 36% to 59%

**3.**Low penetration rates in rural so there are many marketing opportunities.



## **GREEN BANKING IN INDIA**

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### **Abstract:**

*In the environment friendly society “Go Green” mantra has become relevant in each and every aspect of business. There is a wave of change with all business activities to not only focus on profit but also on people and planet. Due to environment consciousness and awareness businesses can no longer run after profits only. There is a move towards green economy and in every sphere organizations have to be environmentally sensitive. One such area is Green Banking. Green Banking means ensuring environment friendly practices in banking sector and thereby reducing internal and external carbon footprints.*

**Key Words:** Green Banking, Green Technologies, Ethical Bank

### **Introduction:**

The banking sector is major economic agent which influences the economic growth and development in terms of both quality and quantity, there by changing the nature of economic growth. Banking sector is one of the major sources of financing investment for commercial projects which is one of the most important economic activities for economic growth. Although, banks are considered environmental friendly and do not impact on environment greatly through their own internal operations, in terms of emission and pollution, but their “external” impact on the environment through their customers activities is substantial. Therefore, the banking sector can play an intermediary role between economic development and environmental protection, for promoting environmentally sustainable and socially responsible investment, banking of this kind can be termed as “Green Banking”. As providers of finance, banks can make sure that businesses adopt environment-friendly practices. Banks can provide Incentives to industries by offering cheaper funds for adopting green technologies will have a long-term beneficial impact on the environment. As major implementers of technology, banks themselves can adopt green practices and thereby lead the way in this global initiative.

### **Objectives:**

1. To study the concept of green philosophy in banking.
2. To study the importance of green banking for banks and economy.
3. To study the various initiatives taken by banks in India
4. To create awareness about green banking among the general public and consumers and bank employees

### **Methodology:**

The study is mainly based on secondary data taken from the reputed Published Sources like Economic Surveys, various books and websites, Newspapers, and Magazines.



### **Green bank and banking:**

Green Banking is not a separate bank. Green Banking means ensuring environment friendly practices in banking sector and thereby reducing internal and external carbon footprints.

The concept of Green Banking emerged in 2009 with coming of the first Green Bank based in Mt. Dora, Florida, United States. The Institute for Development and Research in Banking and Technology established by RBI defines Green Banking as:

‘Green Banking is an umbrella term referring to practices and guidelines that make banks sustainable in economic, environment, and social dimensions. It aims to make banking processes and the use of IT and physical infrastructure as efficient and effective as possible, with zero or minimal impact on the environment.’

Green is becoming a symbol of Eco consciousness in the world. According to Indian Banks Association (IBA, 2014) “Green Bank is like a normal bank, which considers all the social and environmental factors with an aim to protect the environment and conserve natural resources”. It is also known as ethical bank or sustainable bank. Their purpose is to perform banking activities but with an additional plan towards taking care of earth’s ecology, environment and natural resources. Green banking is making technological improvements, operational improvements and changing client habits in the banking sector. It means to promote environmental friendly practices and to reduce the carbon footprint from banking operations. It is a smart and proactive way of thinking with a vision of future sustainability. Banks should promote those products, process and technology which substantially reduce the carbon footprint from the environment. Initially, banks were doing analysis of their financial performance only, but now it is a time to do analysis of social and environmental performance as well. Green Banking is not only a CSR activity of an organization, but also it is about making the society habitable without any considerable damage. However, there is general lack of adequate awareness on the above issues and hence there is urgent need to promote certain urgent measures for sustainable development and corporate social responsibility.

### **Green Banking Financial Products:**

#### **Green Deposits:**

Banks offer higher rates on commercial deposits, money market accounts, checking accounts and savings account if customers opt to conduct their banking activities online.

#### **Green Credit Cards:**

A green credit card allows cardholders to earn rewards or points which can be redeemed for contributions to eco-friendly charitable organizations.

#### **Paper-less Banking:**

As banks have computerized their branches, there is ample scope for doing paperless or less-paper banking. Mostly Public sector banks use huge quantities of paper for office correspondence, audit reporting, recording public transactions etc. These banks can switch over to electronic correspondence and reporting. Banks should encourage



their customers also to switch over to electronic transactions and popularize e-statements.

#### **Go Online:**

Online banking is the developing concept in young and corporate India. Online banking helps in additional conservation of energy and natural resources. Online Banking includes: a. Paying bills online, b. Remote deposit, c. Online fund transfers and d. online statements.

#### **Green Reward Checking Accounts:**

A bank product called reward checking accounts pays a bonus rate for customers who;

#### **Using Mass Transportation System:**

Banks can become fuel efficient organization by providing common transport for group of officials posted at one office.

#### **Use of Solar and Wind Energy:**

Using solar and wind energy is one of the noble cause for going green. State Bank of India (SBI) has become the first bank in the country to venture into generation of green power by installing windmills for captive use. As part of its green banking initiative, SBI has installed 10 windmills with an aggregate capacity of 15 MW in the states of Tamil Nadu, Maharashtra and Gujarat.

#### **Green Building:**

The Indian banking industry uses more than one lakh premises for their offices and residential houses throughout the country. These banks should develop and use green buildings for their office and employee accommodation.

#### **Benefits of Green Banking:**

Green Banking comes with a bundle of benefits such as:

- i. Cash back will be credited to all existing account holders shifting into Green.
- ii. Cash back will be credited to all new customers opening „Green accounts
- iii. Rationalization of paper use by giving free access to do all the banking transactions through Internet Banking, SMS Banking, Phone Banking and ATM Banking.
- iv. Free Electronic Bill Payment Services.
- v. E-Remit services for remitting funds to the customers' home country which is a unique service.
- vi. E-Statement will be generated and sent to the customers' email.
- vii. Online Account opening form for opening Green Account
- viii. Customer can opt for Go Green through various channels through Online Banking, Branches and Call Centre.

#### **Literature Review:**

Jha and Bhome (2013) in their study on similar topic stated that Green Banking will ensure organization's move towards sustainability.

Yadav and Pathak (2013) study the Green Banking approaches opted by private and public bank for environment sustainability. Using case study approach they find that Indian



banks have understood the relevance of taking positive steps towards the environment. Moreover results of the study conducted reveals that public sector banks have taken more initiatives as compared private sector with exception of ICICI bank. In private sector only ICICI bank's approach is a sustainable approach.

Sharma, Gopal et al. (2014) attempt to study the level of consumer awareness of Green Banking initiative in India with special reference to Mumbai. From the primary survey they concluded that people who are using online facilities provided by their banks nearly three fourth of them are unaware of the term Green Banking. They find that among those who are aware of Green Banking term consider it mainly related to online bill payment and cash deposit system.

### Conclusion:

Banks are responsible corporate citizens. Banks believe that every small "GREEN" step taken today would go a long way in building a greener future and that each one of them can work towards better global environment. „Go Green" is an organization wide initiative that is moving towards banks, their processes and their customers. The purpose is to provide cost efficient automated channels and to build awareness and consciousness of environment, nation and society.

Possible policy measures and initiative to promote green banking in India has become the need of the hour. What is needed is increasing consumer awareness in context of implementation of Green Banking .So proper training and educational programs by banks for the green initiatives will actually make Green Banking a success.

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## ROLE OF INTERNET - MARKETING IN BUSINESS

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### **Abstract:**

*E-marketing joins creative and technical aspect of the Internet, Including design development, advertising and sales. It includes the use of a website in combination with online promotional techniques such as search engine marketing, Internet media such as websites and e-mail. Today, Internet Marketing saves time, labour and money. Now a days Internet Marketing becomes the essence of the Modern economy. So the use of Internet Marketing takes the fast growth among the young generation.*

### **Introduction :**

E-Marketing is also referred to as Internet Marketing (I-Marketing) on line Marketing or web-marketing E-marketing (Electronic) refers to the use of the internet (mail) and digital media (wireless, mobile, cable, satellite) capabilities to help sell your goods or service E-Marketing means using digital technologies to help sell your goods and service, these Technologies are a valuable complement to traditional marketing method whatever the size of your business model. The nature of the internet means business now have a truly global reach while traditional media cost limit this kind of rich to huge multinationals, e-marketing open up new avenues for Smaller business, on a much smaller to access potential from all over the world.

### **Need of Internet Marketing :**

As we know that technologies are there for mass communication on a scale never before imagined. There have never been so many means of massaging; not just the Web, or traditional e-mail, but faxback services, interactive television, SMS (short messaging service) text messages to phones, paging and the forthcoming broadband generation - 3G & 4G phones featuring animation and video. Even now, car computers along with all digital facilities are with us now Web-ready domestic appliances are also available. Thus the number of devices that can communicate is huge. In fact, new generation of communication devices are increasingly become part the parcel of our lives, with the accompanying promise that a good marketer that a good marketer can establish ever more intimate links with individuals. The objective of the e-marketing is to create a strategy to deliver the right messages to the right people. It has given additional option in the field of marketing. Though business will continue to make use of traditional marketing method such as advertising, direct mail etc., e-marketing is definitely adds a whole new element to the marketing mix. It is also observed that with the help of e-marketing, its flexibility and cost-effective nature most of the businesses are producing great results.

### **Advantages of Internet Marketing :**

Online buying provides the same basic benefits to consumers as other forms of direct marketing. It is convenient : Customers don't have to battle traffic, find a parking space, and walk through seemingly countless stores and aisles to find and examine products. They can compare brands, check out prices, and order merchandise 24 hours a day from any location. Online buying a



day from any location. Online buying is easy and private : customers face fewer buying hassles and don't have to face sales people or open themselves upto persuasion and emotional pitches.

Online marketing can reduce costs and increase efficiency. Online marketer avoid the expense of maintaining a store and the accompanying costs of rent, insurance, and utilities. Because customer deal directly with sellers, online marketing often results in lower costs and improved efficiencies for channel and logistics functions such as order processing, inventory handling, delivery, and trade promotion. Finally, communicating electronically often costs less than communicating on paper through the mail. For instance, a company can produce digital catalogs for much less that the cost of printing and mailing paper ones. The relatively low costs of setting up an online marketing operation mean that both small and large firms can afford it. For example, it generally cost less to set up an effective We site than it does to purchase 30 seconds of commercial time on prime-time network television.

- 1) **Fast Availability of Information** : The basic advantage of e-Marketing is quick dissemination of information. The information is available as soon as it is uploaded on the net. Further any consumer can access the internet from anywhere is the world.
- 2) **Inexpensive Medium of communication** : E-Marketing is the most inexpensive medium of communication. Further it reaches a wide audience across the globe.
- 3) **Movement from Local to Global is Easy** : This is the one media which allows an organization to move from local to global in a jiffy. The uploading of one website is enough for a company to have its presence all over the world.
- 4) **Measurability** : E-Marketing allows a marketing organization to track and measure the traffic on its website. Thus the organization can track the visitors and understand the behavior of its visitors.
- 5) **Specific Targeting** : This medium allows the organization to target its customer's very specifically.
- 6) **e-Marketing is Personalized** : Internet marketing allows you to tailor your message and marketing communication based on the customer's previous purchase history or purchase preferences. This medium enables you to send the customer a personalized e-mail. This has a far greater impact on the customer than sending him a generic message.
- 7) **It Allow you to Build Relationship** : Social media is a great platform for engaging customers in a two-way conversation. The organization is not just talking to the customers it is talking with them.
- 8) **e-Marketing Allow an Organization to Overcome Distance Barriers** : With e-Marketing an organization can reach and sell to anyone in the world that has an Internet access.

#### **Challenges before Internet Marketing :**

Since the boom of the Internet in the late 1990s, Web-based companies have been starting up every day. What is more, new opportunities for growth emerge daily, expanding the reach and capabilities of the cyberspace. However, for all its benefits and advantages, e-marketing faces some problems that are unique to the industry. That is, Web-based enterprises have a special set of challenges that traditional brick-and-mortar business do not have. In this article, we have taken look at those and their possible solutions.

1. **Marketing Integration** : Most major sales efforts employ multiple channels, both online and offline, e.g. email advertising, outbound call handling, social networking, and so on. The problem with these is that they are often handled as a different parts of the work when they are supposed to serve a concrete and measurable goal as part of an integrated campaign.
2. **Security and Privacy** : Most people do not completely trust Web companies and, thus, are careful about offering information about themselves on the cyberspace. This is especially true when companies that collect data are exposed to spammers and



scammers. To address this, it is imperative for e-business to adopt a sound policy and implement a fool-proof security measure. Encryption systems, in particular, are a tool that online companies should seriously consider investing in.

3. **Impersonal Service** : Businesses operating online often use electronic methods of providing customer service, such as emailing and posting info on the website to answer possible user questions. This may be perceived by customers as just too impersonal or uncaring. To address this problem, merchants must develop efficiency checkout procedures for selling goods via the Web. They may also consider hiring call handling services, so that customers can talk to real people when they have inquiries or problems that need instant answers.
4. **Improving Brand Awareness** : This is particularly a big challenges for companies that primarily use the Internet to sell their products and services. This is because unlike traditional advertising (such as television, radio, billboards, and print) in which the campaign's message can be reinforced and repeatedly introduced to consumers at the marketer's will, online adverts can be shut off by users-they are more averse to it, too. Web companies are therefore challenged to be more innovative in their advertising strategies.

#### **Conclusion :**

Internet-Marketing is very interactive field of making money online. There found thousand of websites developed and promoted in search engines like Google, Bing and Yahoo etc. The Indian finance market and banking sector are one of the major and most dominant player in the arena of digital market or internet marketing in India. With the help of electronic media or e-marketing, we have the potential to reach customers in a speedy with low cost and can promote wide range of products and services. With the development of e-marketing and social media advertising has led to examples of business in recent years that appear to little more than categories and filter information relating to products and services on the internet, talking a small cut from any transaction that may occur as a result.

Today, Internet Marketing saves time, labour and money. Now a days Internet Marketing becomes the essence of the Modern economy. So the use of Internet Marketing takes the fast growth among the young generation.

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## ANALYSIS OF E-COMMERCE & M-COMMERCE & ANALYSIS OF SECURITY ISSUES

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### **Abstract:**

*E-commerce refers to wide collection of online business activities for products and services. E-commerce is subdivided into three categories: business to business or B2B (Cisco), business to consumer or B2C (Bigcommerce), and consumer to consumer or C2C (eBay) also called electronic commerce. M-commerce is a term that is used to refer to the growing practice of conducting financial and promotional activities with the use of a wireless handheld device(Ola App). The term m-commerce is short for mobile commerce, and recognizes that the transactions may be conducted using cell phones, personal digital assistants and other hand held devices that have operate with Internet access. E-commerce reduces the burden of infrastructure to conduct businesses and thereby raises the amounts of funds available for profitable investment. E-commerce security has its own particular nuances and is one of the highest visible security components that affect the end user through their daily payment interaction with business.*

**Keywords:** E-commerce, M-commerce, Advantages of E-commerce and M-commerce, Limitations, Security Issues, M-Commerce Applications.

### **Introduction:-**

Electronic commerce, or e-commerce, refers to economic activity that occurs online. E-commerce includes all types of business activity, such as retail shopping, banking, investing and rentals. Even small businesses that provide personal services, such as hair and nail salon, can benefit from ecommerce by providing a website for the sale of related health and beauty products that normally are available only to their local customers. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web at least at one point in the transaction's life-cycle, although it may encompass a wider range of technologies such as e-mail, mobile devices social media, and telephones as well. E-commerce differs from e-business in that no commercial transaction, an exchange of value across organizational or individual boundaries, takes place in e-business.

Mobile commerce is a type of e-commerce conducted through mobile devices such as mobile phones, personal digital assistants (PDAs) and other devices with a wireless connection. It basically depends upon the availability of mobile connectivity. Mobile e-commerce, m-commerce is also known as next-generation e-commerce, it enables user to access the internet without needing to find a place to plug in. The emerging technology



behind m-commerce which is based on the Wireless Application Protocol (WAP), has made far greater strides in Asia, Europe, where mobile devices equipped with Web-ready micro-browsers are much more common than in the United states. Payment mechanism (Micro Payments) is another essential feature of m-commerce. The objective and usage of these micro-payments can bring opportunities to small businesses both to sell new services and to operate more efficiently.

#### **Related Works:-**

1. The main difference in M-commerce definition with Ecommerce uses the wireless net for performing financial, services and purchases. In other words in M-commerce all kinds of trends such as business-to-consumer, business-to-business and consumer-to-consumer are there. The booming popularity has forced the corporate world to develop a new commerce platform that can reach to masses. Mobile commerce has attracted massive traffic because of its unique characteristics
2. Nowadays communication-centric and computing-centric devices are becoming a single intelligent wireless device. Peoples around the world are making use increasingly of electronic communications facilities in their daily lives. This mostly involves interactions between parties who have never formerly met. Consequently, communications networks of all kinds are being exploited in new path to conduct business, to facilitate remote working and to create other "virtual" shared environments.
3. M-commerce is a new area arising from the marriage of electronic commerce with emerging mobile and pervasive computing technology. The newness of this area and the rapidness with which it is emerging makes it difficult to analyze the technological problems that m-commerce introduces and, in particular, the security and privacy issues.
4. In fact while the use of Ecommerce is provided only when the user is at his/her own home or workplace or in any other location he/she has to access media such as, Internet, TV.... M-commerce merely need the Mobile-phone. However this doesn't bear the meaning that M-commerce is limited to ordinary applications like reading E-mail or reporting. Within the pass of time the services and ample abilities of M-commerce are getting more popular and more complete than the Ecommerce. Generally, M-commerce has several major advantages to consumers.
5. Educating the consumer on security issues is still in the infancy stage but will prove to be the most critical element of the e-commerce security architecture. Trojan horse programs launched against client systems pose the greatest threat to e-commerce because they can bypass or subvert most of the authentication and authorization mechanisms used in an e-commerce transaction. These programs can be installed on a remote computer by the simplest of means: email attachments.

#### **Purpose of Study:-**

Study the Overview of E-commerce and M- commerce.

Discuss M-Commerce VERSUS E-Commerce

Challenges before E-commerce and M-commerce



**Advantages of E-Commerce:**

1. Faster buying and selling procedure, with number of choice for selection.
2. 24/7 access which in turn significantly increase the profits.
3. Low operational costs and better quality of services.
4. Number of service providers can be selected for the inventory management.
5. Up-to-date and improved product with customer satisfaction.

**Disadvantages of E-Commerce:**

1. Lack of Business Model.
2. Lack of trust.
3. Lack of key public infrastructure.
4. Both technological and non-technological.

**Advantages of M- Commerce:**

1. It includes cost saving and new business opportunities.
2. It can be used anywhere anytime with light weighted device.
3. Single owner has control over data whereas the mobile device can be highly personalized.

**Disadvantages of M- Commerce:**

1. Providing wider reach here customer loyalty is tested.
2. Costlier than e-commerce.
3. Security of data moved across some mobile and wireless networks.

**E-Commerce V/s M-Commerce**

Points	E-commerce	M-Commerce
Ubiquity	The use of wireless device enables the user to receive information and conduct transactions anywhere, at anytime	It's the explosion of applications and services that are becoming accessible from internet-enabled mobile devices.
Accessibility	Mobile device enables the user to be contacted at virtually any time and place	The user also has the choice to limit their accessibility to particular persons or times.
Instant Connectivity	Instant connectivity or "always on" is becoming more prevalent will the emergence of 3G... networks, GPRS or EDGE.	Mobile internet sites, or WAP sites.

**Challenges before E-commerce and M-commerce**

1. Reliability and integrity: Interference and fading make the wireless channel error prone. Frequent handoffs and disconnections also degrade the security services.
2. Confidentiality/ Privacy: The broadcast nature of the radio channel makes it easier to tap. Thus, communication can be intercepted and interpreted without difficulty if no security mechanisms such as cryptographic encryption are employed.
3. Identification and authentication: The mobility of wireless devices introduces an additional difficulty in identifying and authenticating mobile terminals.



4. Capability: Wireless devices usually have limited computation capability, memory, size, communication bandwidth, and battery power.

**Conclusion:-**

E-commerce and M-commerce are playing very important and essential role in online retail marketing and peoples using this technology all over the world. Mobile commerce involves all kind of electronic transactions by the use of mobile phone E-commerce security is the protection of e-commerce assets from unauthorized access, use, alteration, or destruction. Security has been an issue of m-commerce development right from the start of this effort. Current infrastructure considering the limitations and enhancement offers a comfortable environment for secure mobile payment transactions.

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## E-BUSINESS AND ITS CHALLENGES

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### Abstract–

*The concept of E-business is being studied in the present research paper. The days have gone, when you have to go to the market to buy the single item. Now a days you just, order online and get the product at your door step within few minutes/days. This is possible only because of E-transactions. Since 1997, the concept of E-commerce and E-business has started in business. The use of E-business has resulted in a large increase in business. These include the E-banking, E-marketing. According to the figures of the Government of India, more than one lac jobs were created per year in E- Business. There is a big business opportunity in E-transactions. E Business is more effective than the traditional marketing. According to the Survey by Govt. of India will be second largest in e - commerce in the next 20 years .The E-commerce market will be worth \$ 64 billion by 2020.e-business grieves many benefits, such as improved productivity ,cost saving, better customer service ,new business opportunity, increase in profit, short time marker, 24/7 etc.*

*In short, due to e-commerce and E-business, there will be increase in the business and employment.*

### Key Concept -

E-Business, types of E- Business, Advantages of E-business, Challenges...

### Objectives of the study -

1. To study the concept of E-business.
2. To study the types of E-business
3. To study the advantages and challenges of E-business.

### Hypothesis –

1. The use of e-business is increasing in the business.
2. E-business creates an employment opportunities.

### Research Methodology –

For this research paper the secondary data was collected. The required data have been collected from various sources such as text book, reference books, newspapers, and internet websites and research articles etc.

### Introduction –

Since 1997, the concept of E-business has started in business. In 1999, the concept of Business to Consumer (B to C) was changed from Business to Business (B to B). The use of these concepts of e-commerce, e-banking, e-marketing, M. marketing, and e-government, E-learning has started. According to the data, there were 4.43 billion cell phones users in the world by 2015.

In 2016, the number increased to 4.677 and by 2017 it was 4.77billion. The number of smart phone users was 2.6 billion, the number is expected to rise to 6.1 billion by 2020, the Internet expansion was 12.6 per cent, in 2012, it was 34.8 per cent by 2016 .According to the





Government of India data, e - commerce business in the country will be second in the next 20 years in the world. According to Business World, India e - Business has made a business of 5500 cores in 2013-14 .In 2020, the e - commerce market will be worth \$ 64 billion .With the number of internet subscribers in 2016, it was 39 cores . Although the concept of e-commerce, e-business is being used in the same sense, but there is a difference in this. Both of these concepts use electronic media. The concept of e-business is bigger than e-commerce.

### **E-Business-**

“E-Business includes not only electronic trade with customer but also-

- Servicing customer and vendors.
- Trade information with customer and vendors.
- electronic recording and control of internal process.”

Electronic business is known as e-business, it is an online medium of business. E-business done through Internet or electronic data interchange. E-Commerce is an important part of e-business. E-business is not only limited to the purchase but also sale of goods and services. Including purchase of goods, along with other transactions. E-business is also done to provide customer service, communicate with company customers, employees, and partners. There are some issues with the company that the e-business is resolved with the help of electronic media.

### **Difference between Traditional Business and E- Business-**

Traditional businesses usually grow organically and develop step by step. They usually have clear definitions and deal with little change in the business environment. On the other hand, the e-business journey is less predictable thanks to ongoing change in the business and technology environment. Time to market and speed are major competitive factors in e- Business, which demands fast adaption.

- To trade goods and services online.
- To conduct electronic retailing (E- Retailing)
- To create internet and extranet to conduct research and manage business activities.
- For website marketing and online communication such as email.
- As online training for staff (E- Learning).

### **Types of E-Business-**

1. **B 2 B** – Business to business.
2. **B 2 C** – Business to consumer.
3. **C 2 C** - Consumer to consumer.
4. **C 2 B** - Consumer to Business.
5. **B 2A** - Business to Administration.
6. **C 2A** - Consumer to Administration.

#### **1. B2B-Business to Business-**

In this types of electronic transaction sale of goods and service between business and business

#### **2. B2C- Business to Consumer-**

In this types of electronic transaction sale of goods and service between business and Consumer.



### **3. C2C -consumer to Consumer –**

It Includes transactions between consumer to consumer. These transactions are conducted through a third party who provides the online platform where the transactions are actually carried out.

### **4. C2B -Consumer to Consumer –**

It is a traditional method of buying Goods, which includes electronic transactions involving consumer and business.

### **5. B 2A -Business to Administration –**

This type of electronic transaction involves business and public administration. This type is used in financial social security, employment, legal documents and records.

### **6. C 2A- Consumer to Administration –**

This includes the transactions involving the individual and the general administration. Such as promoting education information, social security etc.

### **Advantages of E- Business-**

#### **1. Lower overhead cost-**

an e-business cut break or out most of the cost invaliding running a physical location e-business have less expensive plane rent and utility bills then business with physical location.

#### **2. Reduces Transaction Cost –**

Online business reduce the cost per transaction because it takes less manpower to complete online transaction.

Cost Effective Marketing-online marketing efforts are very low cost or free, so an E-Business allows for highly cost effective marketing.

#### **3. Flexible Business Hours-**

E-Business break down the time barriers. Because the internet is available 24 hours a day, 7 days a week

#### **4. Eliminates Geographic Boundaries-**

Online business can reach customer in the four corner of the world.

#### **5. Cost effective marketing-**

Online marketing efforts are very low cost or free, so an e-business allows after highly cost-effective marketing strategies.

#### **6. Improving productivity-**

#### **7. Cost Saving-**

#### **8. Better Customer Service-**

#### **9. Opportunities for New Business-**

#### **10. Global Accessibility and Sales Reach-**

#### **11. Market Base Expansion-**

#### **12. Increased Profits-**

#### **13. Improved Customer Service and Loyalty-**

#### **14. Supply Chain Integration –**

#### **15. Faster Buying and selling Process –**



## Challenges before E- Business-

### 1. Cash on Delivery-

In India, most of the people prefer to pay cash on delivery, Because of low trust in online transaction. So many people not like electronic payment. Manual cash collection is more expensive and laborious.

### 2. Internet problem-

In India internet problem is the challenge of E- Business.as compare to western country like USA, UK France the internet penetration is very low. Moreover, the quality of the connectivity is low in various regions.

### 3. Return of products-

Indian customer Return much of their product they buy on line at the time of delivery of the goods, the customer is not satisfied because of they are not sure about what they expect. And finally they started feeling regret and return the goods. Therefore, return of product is the biggest problem in India. For E-Business retailers, returns are extremely expensive.

### 4. Postal Addresses are not consistent-

Many times postal address are not consistent at the time of online transaction the company asking about exact location. The given address is not enough because there is always a little mistake while writing post addresses. It is also the biggest challenges that faced by E-Business in India.

### 5. Limited smart phone users-

In India, various people still use feature phone, they are not use smart –phones. So that the e-transaction is limited. Many customer are unable to make the e-transaction.

**6. Lack of verification-**The E- business portal is unaware about customer except the information they entered. The credibility of customer is questionable in cash on delivery the business unsure whether the customer is genuine or not.

### 7. Customer issue going unnoticed –

E business receives a lot of complaints from the customers that the business unnoticed.

### 8. Customer Loyalty-

As E business is not solving the customers' problems, customers are not loyal to business.

## Conclusion-

From the above all, it is clear that the use of e-transaction is increasing the business and employment opportunities .E-Commerce is the major part of E-Business .There are sum challenges before E- Business such as cash on delivery, Internet problem, limited smart phone users, lack of verification etc. but that challenges Are solving in future, with increasing numbers of smart phone users. at the present most of companies are doing e-business just capture the maximum part of the market.



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## STRATEGIC COST MANAGEMENT A -N ESSENTIAL STRATEGY FOR ORGANIZATIONAL SUCCESS

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### Abstract :

*The purpose of this paper is to identify the importance of Cost Management in attainment of business strategy among the various manufacturing units, because present day business management involves complexities and economic constrains. Therefore every management require adequate, systematic and useful cost data and reports to manage a business enterprise and to achieve business objectives. Cost management becomes an essential area, so that detailed review is undertaken in order to evaluate the role of cost Management in successful attainment of business strategy. In this complex business model we have covered some important aspects of Cost Management, which can be helpful to the business.*

*In this paper we have tried to give some general explanation of strategic Cost Management.*

**Keywords –Strategic Cost Management, Business Strategy, Management Accounting**

### Introduction

Cost management has become an essential area now days. While formulating the strategy for the accomplishment of organizational overall objectives, different cost driver should be clearly identified. Identification of key cost drivers helps companies to focus on key activities that will constitute almost 90% of the total costs. In view of this, the importance of strategic cost management should not be underestimated. This implies that organization should be installing appropriate framework of strategic cost management to reduce its costs in key areas on which the success of organization is heavily dependent.

To give spotlight to the companies in this complex business model we have covered some important aspects of strategic cost management. Which can be very much helping to the business. In this paper we have tried to give some general explanation of strategic cost management. We have first defined the meaning and applications of strategic cost management and then we went on to describe the framework and steps involved in strategic cost management programme. And lastly we have tried to identify some key enablers that will facilitate effective implementation of strategic cost management programme along with the questions that are to be answered while implementing strategic cost management programme in an organization successfully. Many of the terms are not new cost reduction, target costing, total cost management, cost avoidance etc. These efforts have been targeted in several organizations but how many organizations have adopted these tactics for the short-term and long term gain and how many have taken a strategic approach in cost control. More



and more will be taking the strategic approach, focusing on strategic cost management which is essential for every organisation.

### **Meaning of Strategic Cost Management:**

Strategic Cost Management is the provision and analysis of Cost and Management Accounting data about a firm and its competitors for use in developing and monitoring the business strategy. Strategic Cost Management focuses on the cost reduction and continuous improvement and change than cost containment only. Strategic cost management is the development of cost management information for strategic management purpose. Strategic cost management can be defined as “scrutinizing every process within your organisation, knocking down departmental barriers, understanding your suppliers’ business, and helping improve their processes.”

### **Advantages of strategic cost management**

- 1) It helps in controlling the project specific cost, in turn also the overall business cost.
- 2) One can predict the future expenses and costs and accordingly work towards the expected revenues.
- 3) Predefined costs can be maintained as records for the business.
- 4) It helps in taking those actions that are necessary to assure that the resources and business operations aim at attaining the chalked objectives and goals.
- 5) It helps in analyzing the long term trends of the business.
- 6) The actual cost incurred can be compared to the budgeted to see if any component of the business is spending more than expected.
- 7) It helps in analyzing the business positioning in terms of making an acquisition factoring the cost component involved.

### **What is Cost?**

Cost is defined as the monetary valuation of effort, material, resources, time consumed, risk and opportunity forgone in production / delivery of a good or service. It is simply put as the amount that has to be paid or given up for something to be acquired.

### **What is cost management?**

It is defined as the process of planning and controlling the budget of the business. It helps in predicting the expenses of the business so that one can avoid going over budget, thereby being an integral part of business management.

Cost management involves different cost accounting methods that have the goal of improving business cost efficiency by reducing costs or at least having measures in place to restrict the growth of costs.

### **Cost can be managed by**

**Cost Estimation,  
Cost Budgeting and  
Cost Control**



Cost management system helps in identifying, collecting, classifying and collating information that can be used by managers in planning, controlling and taking decisions to keep costs in the desirable limits.

### **Factors affecting cost management**

- Growth in information technology
- Global and overall domestic competition
- Growth of service and manufacturing sectors

### **Cost management techniques**

Managing a business has containing cost of utmost importance. Below are mentioned some of the techniques through which the overall cost of the business can be controlled and maintained within the required limits.

### **Capitalize on technology**

This is one of the methods that help in streamlining the business. The latest of technology helps in getting quality of higher standards, less time consumption with higher productivity and keeps the employee count within the desirable range. All of this very strongly reflects in the overall cost of the business.

### **Time management**

The one who owns the business definitely knows the value of time for his / her business. However, it is important to pass down the relevance across the hierarchy of business to view the desired results. It is very essential to make the employees understand the value of time and how to be efficient to do more work in the same time span. This is one of the methods that will help increase the productivity without adding to the labor cost.

### **Inventory management**

One of the major cost as well as ways of generating revenues is through inventories. First and foremost one needs to chalk out the inventory requirements, the quantity check that needs to be stored, vendor costs etc as all of this helps in knowing the requirements of the business and helps avoid stocking excess inventory and deploy the capital elsewhere rather than tying up in the inventory stocks.

### **Outsourcing**

Outsourcing is one way that helps take employees on third party roles especially when it is for one time projects. This saves the employer from taking the cost onto his books. This is definitely done keeping in mind that the outsourcing partners are of the standards that do not hamper the quality of services to the customers of the business. Besides the employees, certain projects also can be outsourced, which helps in saving the additional employee costs onboard as well as get access to outside talent and technology, helping in optimizing the resources.

### **Updated market sense**

It is very important to be updated with the trends in the markets as it is game of survival of the fittest. One has to be constantly in touch with the vendors and see that renewal of the contracts keep happening with the trend in prices. This will help in negotiating for the best prices available rather than dragging on the set prices of long term contracts.



## **Control of headcount**

The second most important cost to a business is the employee cost. Although we take employees as assets or the backbone of the business, one needs to keep in mind that they also have cost associated with them. Besides the regular pays and salaries, workplace, licenses, software's are the additional costs added per employee. That is why, it is essential that the manager knows how to reduce the employee costs, either by taking less number of people onboard, or by taking more of low cost employees rather than few high costs ones.

## **Strategic Cost Management Techniques**

### **The following techniques involved in strategic cost management.**

#### *1. Activity Based Costing:*

ABC is a natural outgrowth of today's competitive and complex environment. ABC provides a closer approximation of the cost of a product than that provided by the traditional volume based costing method. The main principle of ABC states that activities cause costs and to control costs, the activities must be controlled.

Under ABC system, the activities are identified, the expenses related to each activity are clubbed together to get activity-wise expenses, a cost driver for each activity is selected and finally the cost of the product is worked out.

#### **Target Costing:**

As customers become more demanding and seek great value, importance of effective cost management becomes even more. Much of the Indian manufacturing in the past was occurring in a cost plus environment, aided by extensive government regulations. The operating practice was to fix a price as,  $\text{Price} = \text{Cost} + \text{Profit}$ . But in the global market the customer will dictate the price and features that he will be looking for.

Target costing is a new attempt in which cost is the difference between the price expectation of the customers and margin expectations of the corporation entities.  $\text{Cost} = \text{Price} - \text{Target Profit}$ . Management Accountant will have to work closely with design and engineering personnel to achieve this target.

#### **Total Quality Management:**

Total Quality Management is a set of management practices throughout the organisation, geared to ensure that the organisation consistently meets or exceeds customer requirements. Total Quality Management places strong focus on process measurement and controls as means of continuous improvement.

Total Quality is a people-focused management system that aims at continual increase in customer satisfaction at continually lower real cost. In a Total Quality Management effort, all members of an organisation participate in improving processes, products, services and the culture in which they work.

#### **Benchmarking:**

Benchmarking is the process of determining who is the very best, who sets the standard, and what that standard is. In other words, Benchmarking refers to the search for the best practices that yields the benchmark performance, with emphasis on how you can apply the process to achieve superior results. Often Benchmarking is used to evaluate performance. Benchmarking represents **best practice** available inside or outside the organisation.





### ***Business Process Reengineering:***

Business Process Reengineering, when fully implemented, will reduce a lot of clerical work and maintenance of records. Thus Purchasing, Material Receipts, Accounts Payable procedures and documentation will be virtually eliminated. Instead annual contracts with a few reliable suppliers to whom payments for quantities consumed in production will be made.

These improvements are made possible by the rapid strides made in Information Technology. Government support and the attitude of Business Executives at the top level will determine the pace of acceptance of these recent developments.

It can be noted that the above system and practices would lead in overall improvement in the performance of the organisation, reduction in cost of production and improvement in productivity. As such the above singularly and collectively play a very vital role in the financial control of an organisation.

### ***Just InTime Inventory Control System:***

Under this system, a company should maintain a very minimal level of inventory and rely mostly on suppliers to provide parts and components **Just in Time** to meet assembly requirements. JIT philosophy is dedicated to the elimination of waste because stocks of raw materials and finished goods are reduced leading to minimum holding cost of inventory.

However, this system may not be applicable in the present Indian situation because of unreliable transport arrangement, not so excellent relations with suppliers and distance of supply sources from the factory. Over emphasis on safety stock will come in the way of its implementation.

### ***Balanced Score Card:***

The balanced score card is a strategic cost management technique for communicating and evaluating the achievement of the strategy of the organisation. It has been developed by Kaplan and Norton. This technique has been adopted by rapidly growing organisations as a mechanism to help effectively manage their performance and strategy. Traditional financial measures such as return on investment, value added, earning per share, variance analysis etc. deal with past performance and are inadequate for evaluating current information.

Balanced Scorecard is a Performance metric used in strategic management to identify and improve various internal functions and their resulting external outcomes. The balanced Scorecard attempts to measure and provide feedback to an organisation in order to assist in implementing strategies and objectives.

### ***Kaizan Costing:***

Kaizan refers to continual and gradual improvement through small betterment activities, rather than large or radical improvement made through innovation or large investment in technology. It is the process of cost reduction during the manufacturing phase of an existing product. Kaizen costing is most consistent with the saying "slow and steady wins the race."

It is a Japanese term for making improvements to a process through small, incremental amounts rather than through large innovations. It is a planning method used during the manufacturing cycle with an emphasis on reducing variable costs in one period below the costs in a base period.



### **Six Sigma:**

Six Sigma originated at Motorola in the early 1980s in response to a CEO-driven challenge to achieve tenfold reduction in product-failure levels in five years. It is a multifaceted approach to process improvement, reduced costs, and increased profits. With a fundamental principle to improve customer satisfaction by reducing defects, its ultimate performance target is virtually defect-free processes and products.

The Six Sigma methodology, consisting of the steps: Identifying the Process— Define- Measure-Analyse-Improve-Control,” is the roadmap to achieving this goal. Within this improvement framework, it is the responsibility of the improvement team to identify the process, the definition of defect, and the corresponding measurements, improvement and control.

The primary objective of Six Sigma is to improve customer satisfaction, and thereby profitability by reducing and eliminating defects. Defects may be related to any aspect of customer satisfaction high product quality, schedule adherence, cost minimisation etc.

### **Life Cycle Costing:**

A life cycle cost analysis calculates the cost of a system or product over its entire life span. This also involves the process of Product Life Cycle Management so that the life cycle profits are maximised.

The analysis of this system includes cost for planning, research & development, production, operation, maintenance, cost of replacement and disposal or salvage. This concept provides important information for pricing and also helps in managing cost incurred throughout lifecycle of a system or product.

### **Process of LCC:**

LCC involves identifying the individual costs relating to the procurement of the product or service. These can be either “one-off” or “recurring” costs. Examples of one-off costs include (i) Procurement (ii) Implementation and acceptance (iii) Initial training (iv) Documentation (v) Facilities (vi) Transition from incumbent supplier (vii) Changes to business processes; and (viii) Withdrawal from service and disposal. Examples of recurring costs include (i) Retraining (ii) Operating costs (iii) Service charges (iv) Contract and supplier management costs (v) Changing volumes (vi) Cost of changes (vii) Downtime due non-availability (viii) Maintenance and repair and (ix) Transportation and handling.

It is important to understand the difference between these cost groupings because one-off costs are sunk costs once the acquisition is made whereas recurring costs are time dependent and continue to be incurred throughout the life of the product or service.

Furthermore, recurring costs can increase with time for example through increased maintenance costs as equipment becomes old. These types of costs incurred will vary according to the goods or services being acquired.

### **Theory of Constraints:**

During the 1980s Goldratt and Cox (1984) advocated a new approach to production management called optimized production technology (OPT). Optimized production technology is based on the principle that profits are expanded by increasing the throughput



of the plant. The optimized production technology approach determines what prevents throughput being higher by distinguishing between bottleneck and non-bottleneck resources.

A bottleneck might be a machine whose capacity limits the throughput of the whole production process. The aim is to identify bottlenecks and remove them or, if this is not possible, ensure that they are fully utilized at all times. Non-bottleneck resources should be scheduled and operated based on constraints within the system, and should not be used to produce more than the bottlenecks can absorb.

The optimized production technology philosophy therefore, advocates that non-bottleneck resources should not be utilized to 100% of their capacity, since this would merely result in an increase in inventory. Thus, idle time in non-bottleneck is not considered detrimental to the efficiency of the organisation.

If it were utilized, it would result in increased inventory without a corresponding increase in throughput for the plant. The process of maximizing profit when faced with bottleneck and non-bottleneck operations is known as theory of constraint.

#### **The process involves five steps:**

(i) Identify the system's bottleneck (ii) Decide how to exploit the bottlenecks (iii) Subordinate everything else to the decision in step (iv) Elevate the system's bottlenecks (v) If in the previous steps a bottleneck has been broken go back to step i

#### **Activity Based Management:**

The adopters of activity based costing used it to produce more accurate product or service costs but it soon became apparent to the users that it could be extended beyond purely product costing to a range of cost management applications.

The term activity based management or activity based costing management are used to describe the cost management applications. To complement an Activity Based Management system only first three stages of the five stages for designing an activity-based product costing system are required. They are (i) Identifying the major activities that take place in the organisation (ii) Assigning costs to cost pools/cost centers for each activity (iii) Determining the cost driver for each major activity.

Activity Based Management rules business as a set of linked activities that ultimately add value to the customer. It focuses on managing the business on the basis of activities that make up the organisation.

#### **Conclusion**

In global competitive environment, the most efficient firms view all of their spending as an investment. They make efficient spending decisions based on a strategic vision and their internal capabilities to deliver value from that investment. Traditionally firms have been under pressure to cut costs in the short term without really thinking about sustainable growth and integration with the overall business strategy. In today's business environment of increased global competition, new markets, increasing regulation and changing demographics, successful companies must develop a multifaceted cost competence. It has been observed that traditional firm's tactical solutions, despite consuming considerable resources, have failed to deliver the planned reduction of costs and have not resulted into competitive advantage.



In many cases the cost savings achieved in the short term have leaked away and the cost base has returned to previous high levels and considerable damage to corporate structure, image, culture and morale has been done. Therefore it should be understood that 'Cost' is a strategic issue. There is a need to continuously strive to optimize the same in the context of the entire business model of the firm. Execution of any chosen strategy has to be carefully managed to ensure the appropriate balance between revenue growth and cost. It has also been observed that firms that are taking the investment approach to managing cost are thriving in this new environment, striking a balance between a competitive cost structure, cost effective strategy execution and investment in the future. They are delivering a very good response to the cost challenge. Thus it becomes necessary to link the Cost Management to strategies of the organisation.

It is quite natural that most important objectives for any organisation are its long term growth and survival. Profit maximisation is the key to attainment of these objectives, which in turn depends on how efficiently the revenues are bolstered and how effectively the costs are minimized by the use of Strategic Cost Management.

Many of the cost systems followed in the organisations are desperately obsolete, so they have to get rid of these systems and to redesign them or to attune them to the changed requirements. Effective cost management helps companies to achieve business performance improvement.

It has been observed that the traditional cost control systems mostly maintain status quo and the ways of performing the existing activities are not reviewed. Hence the strategic cost Management goes a step ahead and uses several approaches for efficient management of cost.

The basic aim of strategic cost Management is to help the organisation to achieve the cost leadership and as per Michael Porter's model, get the sustainable competitive advantage.

A well-conceived cost reduction strategy enables the managers to capture maximum value in the form of direct savings. It is an effective way of reducing cost, increasing revenue and facilitating survival in the competitive world. There is no doubt however that accounting information plays a vital role in determining the most appropriate strategic direction for the organisation; particularly cost information is a critical type of information needed for effective management. From the above we can conclude that Strategic Cost Management helps to find lower cost solutions by solving cost related problems.

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## **'DELHI-MUMBAI INDUSTRIAL CORRIDOR' (DMIC) POLICY FOR INDUSTRIAL GROWTH**

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### **Abstract:**

*As per the agreement signed in December 2006 on the 'Delhi-Mumbai Industrial Corridor' a project between Secretary, Department of Industrial Policy & Promotion (DIPP) of Government of India and Vice Minister, Ministry of Economy and Trade and Industry (METI) of Government of Japan. A Final Project Concept was presented to both the Prime Ministers during Mr. Shinzo Abe's visit to India in August 2007. Delhi Mumbai Industrial Corridor is conceived to be developed as a Model Industrial Corridor of international standards with emphasis on expanding the manufacturing and services base and develop DMIC as the 'Global Manufacturing and Trading Hub'.*

*The Delhi-Mumbai Industrial Corridor Project is a planned state sponsored industrial development project of the Government of India. It is one of the world's biggest infrastructure projects with an estimated investment of US\$90 billion, and is planned as a hi-tech industrial zone spread across seven states along the 1483 km long western dedicated freight corridor which serves as it's backbone. It includes 24 industrial regions, eight smart cities, two airports, five power projects, two mass rapid transit systems and two logistical hubs. The eight investment regions proposed to be developed in Phase I of DMIC project. India needs to employ over 100 million people within the next decade and so this project assumes vital importance to develop manufacturing centers that could employ millions. The ambitious Delhi Mumbai Industrial Corridor (DMIC) has received major boost with India and Japan inking an agreement to set up a project development fund. The initial size of the Fund will be 10 billion (US\$148.6 million). Both the Japanese and Indian governments will contribute equally. The work is already underway and progressing at a rapid pace, with the dedicated freight corridor expected to be completed by 2019.*

**Keywords:** DMIC: Delhi Mumbai Industrial Corridor, DFC: Dedicated Freight Corridor.  
DMICDC: Delhi Mumbai Industrial Corridor Development Corporation

### **Introduction:**

Government of India plans to develop 'Multi-modal High Axle Load Dedicated Freight Corridor' (DFC) between Delhi and Mumbai, covering an overall length of 1483km, with end terminals at Tughlakabad and Dadri in the National Capital Region of Delhi and Jawaharlal Nehru Port at Mumbai. Government of India has further proposed establishing, promoting and facilitating Delhi Mumbai Industrial Corridor (DMIC) along the alignment of DFC between Delhi and Mumbai. The objective of DMIC, supported by world-class infrastructure, would be to optimize on the present potential, enhance investment climate and promote the economic development of the region through creation of a long term enabling environment.



The envisaged alignment of freight corridor passes through six states Uttar Pradesh, NCR of Delhi, Haryana, Rajasthan, Gujarat and Maharashtra and is mostly aligned parallel to the existing railway tracks. Distribution of length of dedicated freight corridor indicates that Rajasthan (39%) and Gujarat (38%) together constitute 77% of total length of the alignment of freight corridor, followed by Haryana and Maharashtra (10% each) and Uttar Pradesh and the National Capital Region of Delhi (1.5% of total length each) between Delhi and Mumbai. The developmental planning for DMIC aims to achieve certain end results with implementation that would ensure realization of envisaged vision for the project and lead to economic development. Accordingly the project goals for DMIC are:

- Double employment potential in five years.
- Triple industrial output in five years.
- Quadruple exports from the region in five years.
- Up gradation of existing industrial clusters/industrial estates with requisite facilities.
- Developing new industrial clusters or townships and export oriented manufacturing zones.
- Development of 'Skill Development Centers (or) Knowledge Hubs' consisting of schools, colleges, vocational institutes, engineering/ technical institutes, agricultural colleges with state-of-the-art research and development facilities with integrated residential, health/recreational facilities.
- Developing agro-processing hubs with cold storage, packaging and distribution and other allied infrastructure.
- Developing IT/ ITES Hubs/ other service oriented facilities.
- Efficient logistics chain with multi-modal transshipment zones and logistic hubs.
- Provision of Feeder Road and Rail connectivity to ports, hinterlands and markets.
- Augmentation of existing port infrastructure and developing Greenfield ports.
- Up gradation/ Modernization of Airports.
- Captive Power Generation Plants with power transmission facilities.
- Ensuring effective environment protection mechanism for sustainable long term development.
- Dovetailed residential, commercial, institutional, leisure/ recreational infrastructure to ensure attractive investment climate.

### **Review of Literature:**

First step on DMIC policy was taken in 2006 by Indo – Japan agreement but it come into focus after 'Make in India policy', so very less books are published on DMIC policy. Researcher has collected most of the data from Government gazettes and e-governor websites, newspaper article research thesis and research papers.

### **Statement of Research problem:**

As per the DMIC project on the Government records, it is expected that the policy will achieve large Indian industrial growth. However, researcher wanted to ensure if the work is really happening as it was projected and estimated.



**Objectives:**

1. To study the DMIC policy.
2. To study implementation of DIMC project.
3. To study impact of DMIC project on expected Indian industrial growth.

**Hypothesis:**

India is a under developing country, and there is large scope to industrial development.

**Methodology:**

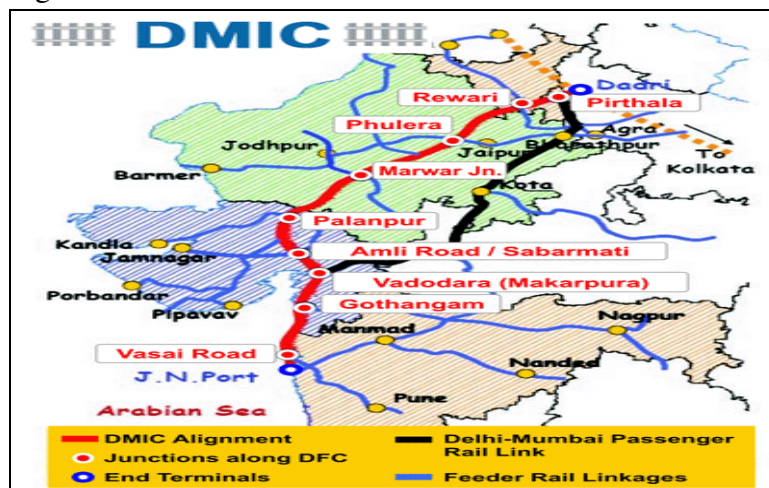
As of today, DIMC project is in progress and actual outcome will be ensured after the completion of the project. Hence, for the data collection, researcher has interacted with Government officers, industrialist, analytics and personal interviews, schedule and observation methods during the research.

**Discussion:**

1. Project influence area:

Project Influence Area (PIA) for DMIC comprises of 436,486 Sq.km. areas, which constitutes 13.8% of geographical area of overall India. Based on the area distribution, PIA of DMIC comprises of seven states and two union territories. Project Influence States includes Delhi, Uttar Pradesh, Haryana, Rajasthan, Madhya Pradesh, Gujarat, Maharashtra and project Influence Union Territories includes Diu & Daman, Dadra & Nagar Haveli. Project influence area for DMIC comprises of a combined population of 178 Million constituting approximately 17% of total population of the country. DMIC states contribute 50% of agricultural produce of principal crops of the country and 60% of overall exports from the country. Moreover, the foreign investment trends indicate that DMIC states cater to 52% of overall FDI equity investments into the country during January 2000-December 2006 Project influence area comprises of ten major cities with over 1 Million population viz. Delhi, Greater Mumbai, Faridabad, Meerut, Jaipur, Ahmedabad, Surat, Vadodara, Pune and Nashik as well as six cities with a population of 0.5 to 1 Million viz. Ghaziabad, Aligarh, Jodhpur, Ajmer, Bhavnagar and Bhiwandi. In terms of prominence of economic activity, DMIC region constitutes large industrial belts of the country such as Ghaziabad, Noida, Faridabad, Jaipur, Ahmedabad, Vadodara, Surat, Valsad, Vapi, Nashik, Thane and Pune besides Delhi and Mumbai, the Commercial Capital of the country.

Figure 1: DMIC route





Mineral rich areas such as Nagaur, Pali, Jhunjhunu, Bhilwara, Chittaurgarh, Kota, Udaipur of Rajasthan and Mahesana, Amreli, Bhav Nagar and Bharuch of Gujarat. In order to optimize on the alignment of DFC and the feeder transport infrastructure requirements, influence region for development of high impact economic regions with quality infrastructure is considered to be extended up to 150km to 200km on both sides of the alignment of DFC.

## 2. Implementation of DMIC:

A high impact area of within 150 Km distance on both side of the DFC is identified as DMIC. DMIC is intended to be the manufacturing hub serviced with world class infrastructure. Total 24 industrial nodes are identified across the DMIC, out of which, 6 nodes as enumerated below falls within the State of Gujarat in two phases. DMICDC expects phase I of India's largest infrastructure project to be completed by 2019. This phase will involve construction of Dholera, special investment region in Gujarat and Shendra-Bidkin Industrial Park in Maharashtra. These two are part of the eight smart industrial cities that have been planned along the length of the corridor.

## 3. Source of funding for DMIC:

DMIC involves development of investment regions, industrial areas with requisite physical and social infrastructure and capacity enhancement up-gradation measures for various infrastructure facilities to ensure world-class standards and attract global investments. These development works require systematic mobilization of funds from various multi-lateral (World Bank, ADB) and bilateral agencies (JBIC) besides availing the existing funding mechanisms of Government of India. There are four major pillars for funding:

- Government of India
- International Agencies
- State Governments
- Private funding

## 4. Transportations infrastructure :

### 4.1 Road network:

Observation of road network scenario indicates that DMIC states constitute about 34% of total road network of the country. Delhi has the highest density of road network (i.e.1739km per 100 sq.kms of area) compared to the national average length of 75km. With respect to the length of surfaced roads, DMIC states constitute 45% of total length of surfaced road network in the country. DMIC states constitute 41% of total length of National Highway network in the country, which also includes 213km length of expressway between Delhi-Haryana and Ahmedabad-Vadodara on NH-8 and Mumbai-Pune Expressway in Maharashtra. Further, the length of National Highway network under Project Influence Area of DMIC is estimated at 6,012km, constituting 9% of total National Highway length of the country.

### 4.2 Rail network:

Railway network is the backbone of DMIC project. Adequate connectivity between ports / hinterlands and the proposed dedicated freight corridor is essential for successful implementation of the project. Review of railway network deals with the overview of existing railway network as well as review of ongoing plans for further





development of railway network. Existing Length of Rail Network in DMIC States constitute 43% of total length of rail network in the country (63,332km). Apart from Union Territories of Diu & Daman and Dadra & Nagar Haveli, Delhi constitutes least length of rail network length (204km). In Rajasthan, the length of rail network (5838km) is slightly higher than the respective lengths in Maharashtra and Gujarat states.

#### 4.3 Sea ports:

The states of Gujarat and Maharashtra, being located along the western coast, have a coast line of 1600km and 720km length respectively, which together constitute about 31% of total coast length of the country. Gujarat has one major port at Kandla and 40 minor and intermediate ports. Of which, 21 minor and intermediate ports are operating at present. Maharashtra has two major ports of the country, Mumbai Port and Jawaharlal Nehru Port, and 48 minor ports. The minor ports of Maharashtra fall into 5 groups. Of these, the development of Rewas-Aware, Dighi ports are already in progress through private sector participation. Major ports of Maharashtra and Gujarat together catered to 30% of overall country's cargo handling requirements.

#### 4.4 Airports:

DMIC States have 37 airports of various categories, as per the categorization defined by the Ministry of Civil Aviation (MoCA), which includes four international airports, four customs airports, three model airports and twenty-six other domestic airports and civil enclaves. There exist 14 airports within the influence area of DMIC which includes four international airports, two model airports and other domestic airports.

#### 5. Electricity power for DMIC:

In order to meet energy demands of the expected growth along the corridor the Government of India predicts needing at least 100,000 MW. To help meet this number, the DMIC will be building power plants that will provide around 4000 MW each. While the final number of power plants to be built is still unknown, the DMIC plans on power them with Coal, Gas and Lignite.

#### 6. Logistic hubs:

The concept of Custom Bonded Warehousing has been promoted with a view to facilitate deferred payment of custom duty to encourage entrepreneurs and export oriented units to carry out their operations with least investment. These bonded Warehouses are located all over the country at places well - connected with the port towns for smooth movement of goods to and from the discharge points. The Central Warehousing Corporation of India (CWC) operates 95 Custom Bonded Warehouses with a total capacity of 0.7 Million Tonnes. It is important to note that DMIC States constitute 41 Custom Bonded Warehouses catering to a total capacity of 0.329 Million Tonnes. About 99% of capacities of custom bonded warehouses in DMIC States are located within the project influence area.

Logistic Parks/ Transshipment Zones As part of the development of Western Dedicated Freight Corridor (DFC) between Delhi and Mumbai, Indian Railways have proposed development of Freight Logistic Parks at six locations along the DFC to enhance rail based



traffic along the DFC. These locations include; Navi Mumbai, Vapi, Ahmedabad, Gandhidham, Jaipur and Delhi.

#### 7. Skilled employments:

Extensive educational infrastructure and resources are required to meet the challenge of producing quality trained personnel in sufficient numbers in the country in the arena of research and development, vocational education, engineering and manufacturing technologies, agricultural research, science and technology services and health, management services. Over the years Governments of Gujarat, Maharashtra, Haryana, Uttar Pradesh, Madhya Pradesh and Delhi are increasingly investing in Knowledge based infrastructure for various industrial sectors such as engineering/ industrial technology, IT-enabled services, agriculture, marine training, aviation, management, medical, and Biotechnology and they are making constant endeavors in the direction. Some of the initiatives that have been undertaken in this regard are setting up of educational institutions, investing in Research and Development, Setting up R&D centers, improvement in infrastructure and undertaking policy initiatives for developing such knowledge hubs.

#### 8. Foreign Direct Investment (FDI) policy:

The policy permits FDI up to 100 % from foreign / NRI investor without prior approval in most of the sectors including the services sector under automatic route. FDI in sectors / activities under automatic route does not require any prior approval either by the Government or the RBI. 100% FDI allowing in the areas : Special Economic Zones (SEZ), Export Oriented Units (EOUs) Industrial Parks, Software Technology Park Units and Power Sector etc.

#### Conclusion:

- India is a developing country. Population wise India is the second largest country in the world, hence, big domestic market is definitely available. Favorable environment is available; manpower is cheaper compared to other countries. Hence, there is a large scope for industrial development in India.
- After shift in the central government ruling power, many new concepts and policies are introduced and DMIC is one of them. DMIC is established under the policy of 'Make in India'. Smart city project is also supporting to DMIC.
- In current days, political and trade relation with many countries is improving. Most of the developed countries are interested to invest in India by unilateral and multilateral agreements.
- Central government has expanded the limit of FDI and FII in some sectors, in some cases, 100% FDI will allowed which will also benefit to DMIC project investments.
- DMIC policy design is well planned and designed with perfect vision and goals.
- Japan has already invested in DMIC but UK and Germany are also interested to invest in DMIC.



- Many multinational companies like Toshiba, Hitachi, Mitsubishi and other 19 top Japanese multinational companies are selected for investing in DMIC.
- Top MNCs of Automobile, Pharmacy, IT, Agricultural product and other sectors are applied to run their manufacturing plants under DMIC.
- So, there is for sure possibility of success of the project however, there are some challenges like land acquisition, Public funding V/s PPP, Political interference etc.

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**NEW TRENDS IN EDUCATION****Prof. Vikas Shivaji Shinde**

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**Abstract:**

*Education is the key to progress in any nation. Great management thinker Peter Drucker shocked many in 1997 when he suggested that “universities won’t survive” and argued that “today’s college buildings are hopelessly unsuited and totally unneeded”. Although Drucker was perhaps exaggerating with this prediction since universities are still around and continue to grow, he helped us to recognize that while higher education is becoming a dynamic, global enterprise, the strategic management of higher education facilities is becoming increasingly complex. Not surprisingly, in a recent study conducted among the most important management-oriented higher education associations in the United States, an increasing number of higher education leaders identify the challenges associated with “aging and expanding facilities” as one of the top change drivers in the field, exceeded only by insufficient financial resources, technological change and changing student demographics. In the same report, “insufficient facilities” are also considered among the top threats to the success of higher education. The study concludes with a call to action and the recognition that leadership is “a key ingredient that will ensure higher education’s future success and help mitigate its threats.” Two of these change drivers, resource scarcity and information technology, figure as well in the top ten critical issues that higher education facilities professionals face, according to The Association of Higher Education Facilities Officers in the United States. There is no question that, confronted with the changing needs and means for delivering education, institutional planners and managers need to reconsider the way higher education facilities are designed, planned and managed.*

**Keywords :** organized anarchy, Reinvent Autonomy, Integrative, Reflexive.**Introduction :**

Pressure of public accountability has placed increasing pressure on higher education institutions to provide information regarding critical outcomes, this chapter describes how knowledge management can be used by educational institutions to gain a more comprehensive, integrative, and reflexive understanding of the impact of information on their organizations. The practice of knowledge management initially derived from theory and practice in the business sector, has typically been used to address isolated data and information transfer, rather than actual system wide change. However, higher education institutions should not simply appropriate KM strategies and practices as they have appeared in the business sector. Instead, higher education institutions should use knowledge management to focus on long-term, organization-wide strategies. An indication is given of recent developments of management training provision in relation to schools and further and higher education in England and Wales. As Local Education Authorities and providing institutions seek to grasp the new opportunities implicit in changed financial arrangements for



in-service training, four issues are identified as being in contention: The relative merits of long award-bearing courses and more flexible, but less expensive, short courses. The most appropriate target group; 3. the relevance or otherwise of industrial management models; and 4. the evergreen issue of orientation to practice. The discussion is focussed on the situation in England and Wales; the issues may be perceived to be of wider significance.

Universities and educational institutions are faced with the challenges similar to private enterprises. Such challenges involve globalisation and competition, diversity, financial restrictions, quality assurance, and investment in new technologies. Globalisation, including on-line degrees and academic accreditation, impacts on policy initiatives and planning. Competition, as a result of declining population and new entries of private and international universities, has brought profound changes in how the universities recruit new students and promote themselves. Diversity from students' background, age, and demographical locations has brought the need to look at ways to utilise these diverse experiences into campus life. Financial restrictions and budget constraints have definitely impacted liquidity and the ability to upgrade and replace expensive laboratory equipment, especially those with rapid depreciation. Quality assurance, as demanded by key stakeholders such as students, parents, and employers, has played a more prominent role in promoting research and external funding and publications as well as in changing the teaching and learning methodologies.

How to address and overcome the above challenges will be a difficult task for administrators and academicians alike. How to manage changes in universities and educational institutions can be strenuous and complicated. How to blend research and extension services into strategies of educational management represents an ongoing challenge faced by all administrators. The culture and independence nature of staff in the name of academic freedom are still important for excellence in teaching and learning. More importantly, emerging issues such as life-long learning, quality of work life and safety of students, and asset and financial investment have to be better understood.

Past successes and failures, current practices, and future plans relating to contemporary issues and trends should be brought up, shared, and discussed. Sharing this knowledge can potentially lead to more effective management in and higher performance for universities.

The business and management education could play a pivotal role in social uplift and triggering the entrepreneurial spirit in a society. The business schools face several challenges in terms of imparting quality education. External environmental forces and stakeholders continuously put pressure on the business schools to adapt the changes happening in the business world. The rapid trend of globalization and technological changes have made difficult for organizations to survive in the competitive world. As a result the importance of management education has increased many folds. Business executives need to update their skills due to sudden changes in the external environment. In order to meet the challenges of the future, the reform of the higher education could be unavoidable. The Education Institutions need to strive to achieve balance between the education cost and the quality. One of the major criticisms of MBA schools is the gap between theory and practice.

Management education attracts young men and women who are usually motivated by the positive consequences associated with management education. In India higher education



especially management education is witnessing an exponential growth in terms of number of institutes imparting management education which are usually termed as business school. The management education plays an essential role in today's dynamic business environment. The rapid trend of globalization and technological changes have made it difficult for organizations to survive in the competitive world. As a result the importance of management education has been increased many folds. Business executives need to update their skills due to sudden changes in the external environment. Due to the increasingly complex nature of organizations and businesses, there is a need that the business schools impart relevant, current, and cutting edge knowledge to the students. This research also identifies some of the emerging areas in the business and management education. Given the significance of management education which is essential for today's organizations, the business as well as engineering schools should play a pivotal role in equipping our future managers with the emerging trends of management skills to face the challenges of a dynamic business world. It studies the trends prevailing in management education in India, and tries to find out the implications of management education in India. Industry and individuals. Further it tries to study emerging issues of management education, and to find implementation of possible directions and policies towards improvements of management education in India.

### **Commerce Education :**

At present most of the major industries of the world are controlled and owned by the developed western countries. To overcome the lack of entrepreneurship it is imperative for us to promote advanced commercial education in our country. Modern business and commerce education cover diversified fields of education and research in management, finance, marketing, accounting and commercial & business law. In industrialized countries, commercial education is organized on dynamic and systematic lines. Their experts are able to plan and design finances, establish and operate big factories in months while it takes years to do so. Unfortunately in our country commerce was not given a fair chance as an education or a profession. In the past, we treated it inferior to medicine and engineering in every respect.

**Importance of Management Education:** Management education adds value to the existing qualifications. It helps students irrespective of their domains in graduation as it widens their knowledge base and encourages them to think differently. Management education enhances managerial and leadership skills by sharing of ideas, insights through healthy, meaningful and case study discussions. Having students with cross-cultural backgrounds adds value to management education as there is a probability of generating multiple ideas. Apart from providing requisite skills and abilities to get going smoothly at the corporate world, it provides an opportunity to network with others and promotes cross-cultural diversities. It helps in equipping the executives with competencies and capabilities to take on the corporate challenges with confidence. Now a days, we find there is a growing demand for the programs in the domain of strategy and leadership development in MBA education.

### **Management Education :**

The emergence of such a new dimension has already begun. Companies are feeling the need for global standards to benchmark human resources, and academics are encouraging the use of merit-based candidate selection systems. India's position as a lead contributor to



the global IT human resources pool will need to be supported by the adoption of global standards for talent selection. At the time of independence, Indian economy was developing and hence we required bureaucratic management skills. However 50 years after independence, the Indian economy has become more mature and hence we require entrepreneurial management skills. Our management schools have failed to meet this challenge. Therefore there is a need to revamp our management education. Keeping in view the above facts and demand of the time, prospects of Commerce as Education and Profession seems very bright. To avail the advantage of this requirement, a lot of people have opened educational institutions to educate students in the field of Commerce and Management.

Growth of Management Education in 1950, the Department of Commerce of the Andhra University Started the first M.B.A. programme in India. In 1963, Indian Institute of Management, Ahmedabad was set up in collaboration with the Harvard Business School. The 1950s and 1960s witnessed the growth of commerce education and 1970 and 1980s witnessed the growth of Management Education in India. There has been a tremendous growth of management institutes in our society. Every year about 14,000 students pass out of management schools. Keeping in mind the demand, the supply is very meager. Management courses have become 'Academic Courses' rather than 'Professional one'. Management Institutes, barring a few exceptions, have reduced to commerce colleges. There is an urgent need to restructure management education to meet new challenges of 21 Century. India has adopted domestic policies and institutions that have enabled people to take advantage of global markets and have thus sharply increased the share of trade in their GDP. India has been catching up with the rich ones – our annual growth rates increased from 1 percent in the 1960s to 5 percent in the 1990s. Now it is above 8%. Indians saw their wages rise, and the number of people in poverty declined. New trends & issues in business and management education Role of B-schools. The business schools should focus on nitty-gritty of general management and also about a functional specialization so that the students can become jack of all trades and master of management. The Indian Business schools should reinvent themselves with changing times and redesign their academic curriculum for facing the current challenges in the business environment. The course curriculum should be designed to suit new perspectives for building managerial and leadership skills. The responsibility lies with business schools to do the needful in this regard.

### **Higher Education Trends :**

Universities and colleges the world over have undergone profound transformations in the past three decades. The changes to institutions and the nature of academic work have no precedent in the history of post-secondary education. Public resources have declined significantly and in the fiscal crisis, ideas of universities as producers of public goods have been substituted by stress on their links with markets and by notions of 'entrepreneurial universities', excellence, managerial goals such as 'productivity' or 'efficiency', and educational privatisation. Following on continuous expansion of higher education until the 1970s, the subsequent funding decline has been accompanied by a redefinition of the meanings, goals and practices of higher education. The ability of universities to exercise initiative within system-wide authority structures is often measured on a continuum that has, at one end, a 'bottom-up' system where state policy follows rather than leads changes initiated



by academics or institutions (high autonomy), and at the other end a 'top-down' system in which institutions respond to government policy initiatives enforced by the state (low autonomy). National systems differ substantially in the ways governance is organised and the literature features several different conceptual models of governance - such as collegial, bureaucratic, political, organised anarchy, professional and, more recently, the entrepreneurial university, service university, enterprise university, corporate-managerial university and so on.

A central question in research on governance is whether the university is an exceptional institution that has retained its core authority structure over the centuries, or whether it must be understood in the same way as a modern corporation? Some research stresses university resilience and suggests current changes are the codification of existing practices. Others argue that the move to corporate enterprise undermines the claim of exceptionality and that universities face similar challenges to public service agencies during the late 20<sup>th</sup> Century. (High autonomy) While governance reform movements of the 1960s and 1970s were about democratisation and the inclusion of staff and students in decision-making, from the 1980s the governance debate shifted toward issues of efficiency and accountability, accentuated by the introduction of New Public Management (NPM), which alters the structure and policy processes of public bodies in an effort to make them more efficient and effective. "In higher education systems the management models of the 1980s and 1990s entailed a much more direct ideological and political attack on the institutional and professional autonomy of universities which continues to have ramifications," Meek and Davies write. Governments introduced NPM in the hope of maximising output while reducing unit cost, and in the process shifting the accountability for achieving these ends to the institutions themselves," say the authors. For instance, universities have assumed former government responsibilities such as establishing salary policies, allocating expenditure, entering into contracts with outside agencies and businesses, and receiving and owning assets.







## TRENDS IN TAX REVENUE COLLECTION: A CASE STUDY OF NASHIK MUNICIPAL CORPORATION

**1. Dr. Mukinda B. Khandare & 2. Prof. CA Prashant R. Kadam**

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### Abstract:

*Octroi was the main source of tax revenue for all municipal bodies in Maharashtra, but step by step it was abolished by Govt. of Maharashtra in each major municipal corporation and introduced LBT in Maharashtra. LBT was introduced in Maharashtra under the provisions of Maharashtra Municipal Corporation Act, 1949, and the Bombay Provincial Municipal Corporation Rules, 2010. Further, the LBT replaced Octroi since it was cumbersome levy and collected at Octroi check posts which were set up on city limits when the goods moved into the area of Municipal Corporation while in case of LBT, the traders themselves are responsible to determine the tax amount and pay it to the corporations. However, by the abolition of Octroi and further the LBT, the Municipal Corporations have undergone financial strains to provide better civic services to the public in their jurisdictional area. In this regard, the present research paper is an attempt to analyse trends in tax revenue income of Nasik Municipal Corporation is a leading corporations in the State of Maharashtra. On the analysis, it is revealed that the financial autonomy of the corporation has been distressed and it has solely depended on the grants released by the State Government. Besides, the grants as released by the State government would not quit enough to meet expenditure on ever increasing demand of the civic services with rapid urbanisation. Hence it advisable that the corporation should raise its own sources of revenue and also channelized the liquor tax being covered under the ambit of local tax for revenue generation.*

**Key Words:** - Octroi, Local Body Tax, Goods and Services Tax, Liquor Tax.

### Introduction:

The LBT was introduced in the Maharashtra in April 2013, replacing Octroi in all municipal corporations except Mumbai. However, traders were opposed it by claiming that it widens tax burden with unnecessary paperwork and lead to harassment at the hands of municipal inspectors. In addition it was levied double taxation with LBT and Value Added Tax (VAT), it also imposed the additional responsibility on traders of computing the tax. By the protestation of traders and switching to GST, local body tax was partially abolished in the State in August 2015, and under the amended rules, now only traders who have a turnover exceeds Rs. 50 crore per year have to pay LBT while the traders who are already registered under VAT rules are also automatically deemed to be registered under the LBT. However, the registered traders whose turnover goes below Rs. 50 crore after registration, they are not liable to pay Local Body Tax for the next financial year. After the abolition of LBT and switching over to the GST, LBT of the transition period remains to outstanding with the



traders and its collection is going on. By the implementation of GST, the State Taxes such as VAT, Central Sales Tax, Luxury Tax, Entry Tax (All Forms), Entertainment and Amusement Tax (Except when Levied by the Local Bodies), Taxes on advertisement, Purchase Tax, Taxes on Lotteries, Betting & Gambling, State Surcharge and Cesses related to supply of goods and services, etc have been abolished. As a result, the LBT away with Municipal Corporations and they obtain grants from the State Government for the revenue foregone at a rate as decided by the state. In this view, the present study is an attempt to analyse the trends in tax revenue income of Nasik Municipal Corporation as a case study.

### **1.2: Objectives of the Study:**

The present paper pursues the following objectives:-

1. To overview the Local Body Tax since it abolished.
2. To analyse trends in the tax revenue in the form Octroi and LBT.
3. To analyse the grants received by the Nasik Municipal corporation from the State.
4. To make suggestion wherever necessary.

### **1.3: Research Methodology:**

The Study is descriptive and analytical nature. Hence, it primarily based on secondary information. For this purpose, the relevant secondary information has been gathered from books, Municipal Corporation budgets, Newspapers, Official Gazettes, articles and papers published on different websites.

### **1.4: Statutory Framework of LBT:**

Local Body Tax, popularly known by its abbreviation LBT. The tax imposed by the local civil bodies of India on the entry of goods into a local area for consumption, use or sale. The tax is imposed on 52 of the State List from the Schedule VII of the Constitution of India, which says; "Taxes on the entry of goods into a local area for consumption, use or sale therein." Trader pay taxes to the civic bodies and the rules and regulations of these change from state to state within India. LBT means Taxes on the entry goods into a local area for consumption, use or sale therein. Most of the state governments withdraw octroi about Six years ago when the (VAT) Value Added Tax was introduced. However, barring a same small cities, Octroi is collected in more cities of Maharashtra, such as Mumbai-Pune. The State Government has announced that octroi will be ended from most of the municipal corporations by April 2013 and LBT will be introduced.

#### **1.4.1: Levy for Local Body Tax:**

Any Transaction incidental or in connection with or ancillary to such Trade, Profession, Commerce, Consumption, Manufacturing, Adventure or Concern is made by the dealer, the levy of LBT shall be attracted. The levy of LBT is a complete Local Body Tax Solution for Business, traders and tax practitioners. It mechanizes all the purchase activities related to local body tax compliance.

#### **1.4.2: Goods that attract LBT in Maharashtra:**

The Local Body Tax has 2 schedules of goods under it. Goods listed under Schedule A are taxable and those under Schedule B are non-taxable.

##### **1.4.2.1: Items under Schedule A include:**

Precious metals and articles made from them, precious stones, imitation jewellery, ores and minerals, aeroplanes and helicopters and their components, capacitors and bearings, agricultural machinery, electronic communication and electrical equipment, pump sets,



industrial charcoal, renewable energy devices, iron and steel items, pipes, dry batteries, lime stone, aluminium and its alloys, crude oil and its products, LPG, aviation and motor fuel, printing ink and printed materials, helmets, torches, sports goods except footwear and apparel, writing instruments, bricks, bamboo, wood and bamboo pulp, textile articles, fabrics, handloom materials, cotton yarn, coir mattress, plastic footwear, hosiery goods, sanitary napkins, medicinal drugs, bandages and syringes, sugar, papads, areca nut, raw cashews, sunglasses, clay, coffee beans and chicory, green tea leaves, processed vegetables, edible oil, fertilizers, pulse flour, Glucose-D, herbs, flavouring essences, oil seeds, pizza bread, branded milk products, spices, sweets and snacks, vegetable oils, dry fruits, animal products, liquor and toddy, tobacco and its products, and aerated beverages.

#### **1.4.2.2: Items under Schedule B include:**

Manually operated agricultural implements, non-industrial charcoal, aides for physically challenged persons, equipment used for hand spun yarn production, khadi garments, broomsticks and brushes, earthen pots and red soil, animal feed, betel and beedi leaves, books, bread, cereals and flours, clay lamps, contraceptives and drugs for family planning, drugs for treatment of cancer and HIV, semen and frozen semen, blood and its components, non-branded buttermilk and curd products, milk, fresh plants and flowers, fresh vegetables, bangles not made from precious metals, clay and POP idols of deities, bicycles and its components, kumkum, leaf utensils, raw meat and seafood, eggs, domestic animals and poultry except horse, National flag, stamp paper and postal items, organic manure, silk worm products, tender coconut, goods distributed by Public Distribution System, lac and its products, incense products and camphor, pre-fabricated domestic biogas units, newspapers, handmade washing soap, currency notes, coins, neera and arrack.

#### **1.5: LBT in Various Cities of Maharashtra:**

Local Body Tax rates vary in each municipal corporation, though the Schedule B of goods exempt from LBT is common for all cities. The general range of LBT is between 0.1 percent and 10 percent. The highest LBT is usually levied on Indian-made foreign liquor (IMFL), imported liquor, wines and country liquor. Currently, LBT is charged by the following local civic bodies like Pune, Bhiwandi, Thane, Pimpri Chinchwad, Nagpur, Ahmednagar, Amravati, Nashik and Navi Mumbai

#### **1.6: LBT Registration, Payment and Returns**

The Local Body Tax process comprises 4 parts:

**1.6.1:Registration:** Dealers, buyers or sellers – who bring goods into a municipal corporation limit for sale, consumption or use – basically to earn profit through the sale of the goods have to register themselves using Form A. If dealers are already registered under VAT rules, they do not have to register separately for LBT.

**1.6.2:Value Assessment:** The value of goods has to be assessed by the traders themselves, and they have to pay the LBT dues based on the tax rates fixed as per Schedule A of the LBT Rules for the municipal corporation concerned. If there is any dispute on the value of the goods, the local body Commissioner can determine the amount based on the fair market price.

**1.6.3:Payment of LBT:** The tax amount determined based on the LBT rates can be paid to the municipal body concerned via online payment, cheque, demand draft or in cash at the



municipal offices or dedicated bank counters within 10 days of the following month i.e. within 40 days of movement of goods.

**1.6.4: Filing Returns:** Returns for Local Body Tax have to be filed on a half-yearly and annual basis. Half-yearly return has to be filed by filling in Form E-I within 15 days from the end of the half-month period. Annual returns can be filed by filling in Form E-II within 15 days of the end of the assessment year.

### 1.7: Analysis and Discussion:

The presentation, discussion and interpretation of secondary data relating to the revenue collection from Octroi and local body taxes have been made in the following manner.

#### 1.7.1: Trends in Tax Collection from Octroi and LBT:

The analysis of tax collection through the Octroi from the year 1982-83 and partial collection of the same during the period 2013-14 and 2014-15 is made in the Table No.7.1 to signify the trends in overall revenue in the Nasik Municipal Corporation.

**Table No. 7.1**

#### Trends in Tax Collection from Octroi and LBT in Nasik Municipal Corporation

(Rs. in Crore)

S.N.	Year	Revenue	Growth	S.N.	Year	Revenue	Growth
1	1982-83	4.13	0	18	1999-00	100.50	7.35
2	1983-84	7.23	3.10	19	2000-01	125.55	25.05
3	1984-85	8.24	1.01	20	2001-02	124.20	(1.35)
4	1985-86	9.73	1.49	21	2002-03	145.23	21.03
5	1986-87	11.89	2.16	22	2003-04	175.87	30.64
6	1987-88	14.05	2.16	23	2004-05	213.19	37.32
7	1988-89	17.40	3.35	24	2005-06	258.84	45.65
8	1989-90	20.12	2.72	25	2006-07	309.13	50.29
9	1990-91	24.27	4.15	26	2007-08	370.21	61.08
10	1991-92	31.14	6.87	27	2008-09	370.83	0.62
11	1992-93	37.06	5.92	28	2009-10	347.47	(23.36)
12	1993-94	44.37	7.31	29	2010-11	494.16	146.69
13	1994-95	54.57	10.20	30	2011-12	525.33	31.17
14	1995-96	68.96	14.39	31	2012-13	695.51	170.18
15	1996-97	88.00	19.04	32	2013-14	125.56	(569.95)
16	1997-98	110.94	22.94	33	2014-15	60.48	(65.08)
17	1998-99	93.15	(17.79)				

The Table No. 7.1 indicate the trends in tax revenue from Octroi and LBT of Nasik Municipal Corporation. It can be inferred from the table that the overall revenue collection from Octroi has been significantly increased from Rs. 4.13 Crore to Rs. 695.51 Crore during the period 1982-83 to 2012-13 and further it decreased by Rs. 60.48 Crore due to its partial abolition in the year 2013-14 and 2014-15, however, its growth rate in absolute money is not commendable. Hence, it can be concluded that the performance of revenue income of Octroi is not constantly increased during the period of last 31 years.

#### 1.7.2: Tax Collection from Local Body Tax:

The analysis of tax collection from the Local Body Tax during the period 2013-14 to 2015-16 is made in the Table No.7.2 to designate the growth in overall revenue collection in the Nasik Municipal Corporation by way of LBT as compared to Octroi.



**Table No.7.2 Tax Collection from LBT in Nasik Municipal Corporation (Rs. in Crore)**

S.N.	Year	Revenue Collection	Growth Rate
1	2013-14	452.74	0
2	2014-15	663.47	46.55 %
3	2015-16	841.15	85.79 %

Table No. 7.2 shows Tax collection from LBT in the Nasik Municipal Corporation. It can be gathered from the table that the overall revenue collection from LBT has been significantly increased from Rs. 452.74 Crore to Rs. 841.15 Crore during the period 2013-14 to 2015-16 during the partial and fully abolition of Octroi. It can also be observed that the growth rate of tax collection from LBT has been extensively increased by 85.79 percent over the base 2013-14. Hence, it can be concluded that the performance of revenue income of LBT as against Octroi incredibly enhanced during years.

**1.7.3: Grant Against the abolition of LBT (From August 1, 2015)**

The State Government has given the grant to the Municipal Corporations in the State after the partial abolition of LBT to compensate the LBT forgone by allowing exemption to the traders whose total turnover was below Rs. 50 Crore. Accordingly, traders/ dealers whose turnover was below Rs. 50 Crore were exempted from the LBT. The Grants received by the Nasik Municipal Corporation during the period April to March, 2017 analysed are:

**Table No.7.3**

**Grants Received from the State Government as Against LBT Abolition**

S.N.	Month	Actual (Rs. in Crore)
1	April	31.64
2	May	31.64
3	June	31.64
4	July	31.64
5	August	31.64
6	September	31.64
7	October	31.64
8	November	31.64
9	December	31.64
10	January	10.90
11	February	24.89
12	March	34.17
<b>Total</b>		<b>354.72</b>
Add- Budgeted LBT Collection		360.00
Add- Budgeted Stamp duty @ 1%		60.00
<b>Total Tax Revenue</b>		<b>414.72</b>
Less- Budgeted LBT Grant Refund to Govt.		69.00
<b>Net Tax Revenue</b>		<b>705.72</b>

Table No. 7.3 indicates the month-wise grants received from the State Government by the Nasik Municipal Corporation during the year 2016-17. It can be examined from the table that total grant of Rs, 354.72 Crore in the financial year 2016-17 with constant amount of Rs. 31.64 Crore from the month of April to December 2017 but it is much less of Rs. 10.90 Crore and 24.89 Crore in the months of January and February, 2017 and further it is increased to



Rs. 34.17 Crore. After making the adjustments budgeted collection of LBT and Stamp duty and also budgeted LBT grant refund the State Government the Net Tax Revenue of the Corporation is Rs, 705.72 Crore which is significantly less by Rs.135.43 Crore than the tax collection of LBT in the year 2015-16. On the analysis, it can be concluded that the grants received from the State Government as against LBT foregone is less and it would adversely affect the functioning of the Corporation.

### **1.8: Findings:**

1. The performance of revenue income of Octroi is not constantly increased during the period of last 31 years.
2. The performance of revenue income of LBT as compared to Octroi incredibly enhanced during three years. Hence is said that LBT was proved a good revenue source to Nasik Municipal Corporation after its implementation.
3. After partial abolition, financial dependency of Municipal Corporation on the grants of the State Government is significantly increased
4. The grants received from the State Government as against LBT foregone is less and it would adversely affect the functioning of the Corporation.
5. The compensation of 14 percent as decided would not enough to recover the income foregone by the abolition of LBT by the Corporation.

### **1.9: Suggestions:**

1. GST council should provide some percentage of state revenue forever to the municipal corporation otherwise financial dependency will be increased year after year,
2. Financial autonomy to Local Authorities is the part of formalization of e-governance as per the constitutional amendment hence; it must be conferred to them in the interest of the public.
3. Nasik Municipal Corporation should not solely depend on the grants but it should raise its own sources of revenue by another ways.
4. Nasik Municipal Corporation should frame and implement its own strategy to raise tax revenue by the collection of liquor tax since it recently come under the ambit of local taxes of Municipal Corporations.
5. State Government should release the grants to the Municipal Corporation on basis of population and area covered under the jurisdiction of the Corporation.

### **1.10: Conclusion:**

The systems of Octroi and LBT were in force only in Maharashtra and Punjab. The GST council considered the demand of State of Maharashtra and has given a big relief. The Union finance department will make provision of the compensation from their budget. GST council has also agreed to compensate 14% of the total revenue collection of the state for five years. Maharashtra became the first state to bring amendments in the draft GST bill to provide sufficient compensation and protection to local bodies following enforcement of Goods and Services Tax from July 1, 2017. The decision also means the state government to make financial provisions of more than Rs 15,000 Crore for the local bodies. The government has been accepted the responsibility of compensation to local bodies for five years, for the loss of revenue due to abolition of Octroi and local body tax due to GST. It is found that the



grants released to Municipal Corporations by the state are not quit enough and not released in time. The Grant as released to the Nasik Municipal Corporation is comparatively less than the LBT collection in the year 2016-17. Besides, the grant from State is not released to Nasik Municipal Corporation from June 2017 to November 2017.

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## MARKETING OF SERVICES: CHALLENGES & STRATEGIES

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### Abstract

*Service sector is the lifeline for the social economic growth of a country. It is today's the largest and fastest growing sector globally contributing more to the global output and employing more people than any other sector. The real reason for the growth of the service sector is due to the increase in urbanization, privatization and more demand for intermediate and final consumer services. Availability of quality service is vital for the well being of the economy. In advanced economics the growth in the primary and secondary sectors are directly dependent on the growth of services like banking, insurance, trade, commerce, entertainment etc*

*In alignment with the global trends, Indian service sector has witness a major boom and is one of the major contributors to both employment and national income in recent time. The activities under the purview of the service sector are quite divers, Trading, transportation and communication, financial, real estate and business service, community, social and personal services come within the gambit of the service industry. This Research paper discuss concept, importance, strategies, types, of service marketing & challenges in marketing of services.*

**Key words-** Challenge, organizational change, strategic vision .

### Objectives of research paper-

- 1) To study the concept of services and services marketing.
- 2) To study importance of service marketing.
- 3) To study marketing strategies for a service firms
- 4) To know types of Service marketing strategies
- 5) To study challenges in marketing of services.

### Introduction:

Concept of services-Services can be defined as identifiable, intangible activities that are the main object of a transaction designed to provide want-satisfaction to customer. A service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.

Marketing a service business is not the same as marketing a product. When marketing a retail good, you are selling a product that is tangible - an item that can be seen, handled and used. Consumers can gain information and evaluate the product based on what they see. Marketing a product focuses on getting the item to as many people as possible. You can sell and ship a product to any geographical area, as it allows for physical handling.





Hence, broad marketing strategies designed to reach the largest possible audience like mass-market techniques, in-store promotions, and direct mail work perfectly for a product-based business.

In a service business, you are marketing yourself - your expertise and capabilities, your reliability, and commitment to excellent service. Your service technically does not exist until the customer pays for it. Service is not a tangible good, so what you are selling is the promise to deliver what you set out to deliver. Your marketing efforts will have to focus on communicating that promise to your clientele.

Those who work in a service business often face greater marketing challenges than those who offer tangible products. The service marketer typically does not have the advantage of demonstrating the physical features of a product, so it may be difficult for the prospect to comprehend the benefits of the service. Additional creativity is often required to market services successfully.

### **Importance of Service Marketing**

#### **Relationships Are Key**

In service marketing, because there is no tangible product, relationships are key. Service marketers must listen to and understand the needs of customers and prospective customers to build loyalty and trust. Ultimately, effective relationships in service marketing will lead to repeat sales and positive word of mouth.

#### **Multiple Touch points**

Service marketing involves many touch points for the consumer. Interactions with multiple people and experiences that are less tangible than when buying an actual product all impact the consumer's perspective of the purchase process. These touch points work together to establish a perception in the consumer's mind.

#### **Services Proliferate**

Consumers have many service options to choose from, and because the product is intangible, the challenge for the service marketer is to somehow make her services stand out from the crowd. Because service marketing is so prolific, marketers must think of ways to communicate the benefits of the service they offer in language that reflects consumer need and value.

#### **Feedback Improves Service**

Unlike the marketing process for a tangible product, service marketing actually involves the consumer in the marketing process. He is engaged in the process and contributes to a positive outcome. For this reason, it is important to seek consumer feedback and to use that feedback to improve service marketing effectiveness.

#### **Technology Impacts**

Technology is having a major impact on the service economy. You can use technology to streamline service activities and provide do-it-yourself options for consumers. Internet-based services, for instance, allow consumers to participate actively in the service



marketing process, often never involving contact with another human being. Having a website is important, because people like to get information about service providers before deciding which one to use.

### **Marketing Strategies for a Service Firms**

Developing a strong marketing plan is vital to the success of any business. Service firms can face challenges in their marketing strategies as they often don't offer physical products that can be demonstrated for customers. These companies therefore depend on delivering high levels of professionalism and efficiency. A comprehensive marketing strategy can help service providers highlight capabilities and attract clients.

### **Customer Referrals**

Qualified sales leads can usually be found in the existing customer base. When a professional service firm deals with their current crop of satisfied customers, its sales staff should find out if those clients have business associates that would benefit from their services. These referrals come with an instant connection to the prospect and remove much of the anxiety often associated with making a cold call.

### **More Options**

Professional networking opportunities give service firm chapters an additional avenue to implement their marketing strategies. Networking groups allow companies to conduct face-to-face interactions with potential clients and industry leaders. Gatherings that mix business with pleasure, such as conventions, charitable functions and civic events, give sales staffers additional chances to spread the word about the company. They can also interact with important contacts in ways that leave personal impressions.

### **Industry Specialization**

With so many service firms competing for a limited number of potential clients, their respective marketing plans must include methods on how to stand out from their rivals. Since no firm can meet every customer's every need, each company must determine which skill sets it possesses and emphasize those skills. For instance, a law firm specializing in bankruptcy law will stress its abilities to clients seeking help in reorganizing their debts.

### **Social Media**

Social media has quickly become one of the most effective marketing tools for service firms. Sites such as Facebook, Twitter and Tumblr give companies new outlets to spread their messages to a worldwide audience. Professional networking sites such as LinkedIn allow marketers and sales staff to connect with prospective customers based on work experience and industry status.

### **Types of Service Marketing Strategies**

Marketing a service differs from promoting a tangible product because consumers often need to be educated about a service. Service marketing often requires more explanation as to why the customer needs the product, how it works and why you are the best entity to



deliver the service. If you're a solo entrepreneur, selling a unique skill you have, you're even more under the gun to explain what you do. Using a multi-pronged educational approach for marketing a service will be your best bet to boost sales.

### **Referrals**

One of the best ways to market an intangible is through word of mouth. A happy customer will not wait to be asked about a service from friends and will often want to share her experience and tell people why she likes the service. Some service providers use referral programs as an integral part of their marketing. You can offer clients a cash bonus for each referral they send to you, offer them a free service for each lead or offer their friends a reduced rate on service if they mention the customer.

### **Education**

Another way to market a service is to provide customer education. You can do this by offering free seminars, lunch-and-learns or other educational meetings. You can write articles for magazines and newspapers and give talks at trade shows and conferences. With an educational marketing strategy, you do not emphasize your product features or prices, but the benefits of using the service. For example, if you own a dog grooming business, you might write articles for local newspapers discussing the effects of pet ticks and fleas on a family's health and a pet's well-being, showing how regular grooming can alleviate these problems.

### **Demonstrations**

Customers might be gun shy about trying a service if they aren't sure what they are getting. Offering free demonstrations helps ease their concerns and can result in immediate sales. For example, if you offer personal training, you might contact a large company with a wellness program and offer to give an employee talk and free exercise class. If you offer public relations services, you might offer meet with a business owner, discuss his current marketing strategy and suggest PR initiatives he could try and outline the cost to do so.

### **Social Media**

Social media are hard to escape, with millions of people sending texts and emails to friends when they see interesting items they want to share. They can also be an inexpensive way for smaller businesses with few advertising dollars to make an impact. A social media marketing strategy lets service providers take advantage of free tools such as Facebook and Twitter to educate consumers and get them to spread the word to their network of contacts. With Facebook, for example, you can create a free business page that lets you detail your service. Put customer testimonials and case histories on your page or run contests offering a cash prize or a free session or visit. Place Facebook "Like" buttons on your website pages to encourage visitors to share what they find with friends. Send Twitter messages that give customers free tips.

### **Key challenges in marketing of services:**

#### **1) Marketing Intangibles**

Unlike the marketing of products, which allows the prospect to use five senses as part of the evaluation process, selling services requires an explanation of an intangible product. As a result, it may be harder to envision how the service can benefit your potential customer.



The prospect also may have difficulty determining if the value of the service is worth the asking price.

## **2) Developing Trust**

Marketers of services may have a more difficult time in developing the trust of the prospect. For example, an insurance agent is essentially marketing a promise that his company will deliver when it comes time to pay a claim. If the agent does not appear trustworthy or if his company has a poor reputation, he will have a hard time convincing the prospect to purchase a policy.

## **3) Extra Competition**

Service companies are not only competing against other companies in the same market, but sometimes against their prospects as well. For example, a company that markets a bookkeeping service for small businesses may run into a situation where the prospect decides to do the accounting as a way of minimizing expenses.

## **4) Emphasizing Service Instead of Features**

Marketers of services need to focus on the customer service aspect of what they are selling, as opposed to the features. For example, instead of emphasizing a multi-car discount or first accident forgiveness, which are offered by many insurance companies, the agent should make the prospect feel that personal attention will be given in the time of need to ensure that the policy provisions are executed properly.

## **5) Creating a Need**

Service marketers may have more of a challenge in creating a need for what they are selling. While an individual may understand the necessity to purchase a new car, such as when a current vehicle breaks down, the business owner may not understand why the purchase of advertising is necessary. The salesperson must create a need for the service by showing examples of how other businesses increased revenues with an advertising campaign

## **6) One versus Many**

Marketing products tends to involve multiple products that make up the line. For example, cleaning product manufacturers tend to market not just one cleaning product. Instead, they have a line of cleaning products to serve the various needs of their customers. Services, on the other hand, typically have a single option. It can be harder to promote and sell the reputation of one single service over the benefits of many different products.

## **7) Comparing Quality**

Measuring the quality of a product is easier than measuring that of a service. If a customer buys a cleaning product to clean the kitchen sink and it doesn't do the job, the customer knows the value of the product is zero. On the other hand, it is harder to measure the quality of a service.

## **8) Return Factor**

If a customer purchases a product and it doesn't work as it is supposed to, the customer can return the product for her money back or at least to receive a store credit. A service is consumed as it is offered, so it lacks the return factor that a product has. Some service providers overcome this by offering money-back guarantees.

## **9) Relationship and Value**

Products tend to fill a customer's need or want, so companies can use this to sell a product. A service is more about selling a relationship and the value of the relationship



between the buyer and seller of the service. For example, a car is something a buyer can touch and see as well as use. A service, such as lifestyle coaching, for example, is not tangible. A lifestyle coach may be able to assist clients in creating a life plan and implementing steps to transform his life into one that the client wants to live, but it is not something tangible that the client can place in his home and look at every day. Therefore, the client needs to perceive the value of the service, which can be harder to get across.

**Conclusion:** Service marketing is varied from product marketing due to the fact that services are in substantial and normally require personal interface with the customer. As a result, the quality of this services interface become an important set of marketing strategy. Companies that are promoting a service face different challenges compared with those that are marketing a product. If you're transitioning from marketing products to services or vice promote and sell. The different challenges in service marketing can help you to establish the right approach towards way to overcome the challenges.

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## IMPACT OF E-COMMERCE ON THE MANAGEMENT OF TODAY'S BUSINESS ORGANISATIONS

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### **Abstract:**

*E-commerce is a transaction of buying or selling online. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle although it may also use other technologies such as e-mail. There are three areas of e-commerce: online retail, electric markets, and online auctions. E-commerce is supported by electronic business.*

*There are several effects from this technology and new system of buying and selling. This change of business practices will fundamentally change our views of how business is to be conducted and change management attitudes. Finally, I believe that a final effect of this system would be on the management of business organizations. E-Commerce is a phenomena that is emerging rapidly between businesses all over the world, and it has affected the businesses in many aspects especially at management. This research is looking at the impact of electronic commerce on the businesses management.*

**Keywords:** E-commerce, online market, electric market, business organization, management, functions of management

### **Introduction:**

E-Commerce is a phenomena that is emerging rapidly between businesses all over the world, Electronic commerce is the use of the internet or a network to transfer and use data.

It can also be defined as the use of the internet to buy and sell products and services. This can be either through business to business or business to customer or customer to customer. With the use of the internet more and more business' have to find more ways to interact and supply things for their customers. The introduction of e-Commerce over the past 15 to 20 years has had a major impact on society and the way business is done on a global scale. This has had many positive effects on the business and on management. Additionally there are risks that have had a negative impact on both the management of businesses. This research paper discusses the impact and risks associated with e-commerce to an organization and to global business and society in general. To help and understand the impact of e-Commerce on



management of business the present study has been chosen. Use of this article to help you understand different impacts of E commerce on business management so that you can research this topic further.

### **Objectives:**

The most commonly cited objectives of the impact of electronic commerce on business are:

1. To study the concept of E-Commerce.
2. To study the implementation of E-Commerce Models of Business.
3. To study the impact of E-Commerce on Business.
4. To study the benefits and barriers of E-Commerce to management of business Organizations.

### **Research Methodology:**

Present study is based on the secondary source of data. All secondary data obtained from the various reference books on E-Commerce, E-Business, Mobile Commerce, Internet Marketing, Electronic Advertising, Commerce, and Management. For the said research study the secondary data is also collected from the various National and International Research Books and Journals which are related to E-Commerce, Internet, Commerce, and Management.

### **Results and Discussion:**

#### **Concept of E-Commerce:**

E-commerce (electronic commerce or EC) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. These business transactions occur either as business-to-business, business-to-consumer, consumer-to-consumer or consumer-to-business

Electronic commerce or e-commerce refers to a wide range of online business activities for products and services. It also pertains to “any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact.” E-commerce is usually associated with buying and selling over the Internet, or conducting any transaction involving the transfer of ownership or rights to use goods or services through a computer-mediated network. Though popular, this definition is not comprehensive enough to capture recent developments in this new and revolutionary business phenomenon. A more complete definition is: E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals.

#### **E-Commerce Models of Business:**

E-Commerce or Electronics Commerce business models can generally categorized in following categories.

- Business - to - Business (B2B)
- Business - to - Consumer (B2C)
- Consumer - to - Consumer (C2C)
- Consumer - to - Business (C2B)



- Business - to - Government (B2G)
- Government - to - Business (G2B)

### **Impact of E-Commerce on Business:**

The Impact of Electronic Commerce on Business is about a new business concept that incorporates all previous business management and economic concepts. As E-Commerce impact on many areas of business and disciplines of business management studies as follow.

- 1) Impacts of E-commerce on Marketing
- 2) Impacts of E-commerce on Management Information Systems
- 3) Impacts of E-commerce on Production and Operations Management
- 4) Impacts of E-commerce on Human Resource Management
- 5) Impacts of E-commerce on Operations
- 6) Impacts of E-commerce on Finance
- 7) Impacts of E-commerce on Economics

### **Benefitsof E-Commerce to management of business Organizations**

The Impact of Electronic Commerce on Business management results into various benefits as follows

#### **1) Reduces Costs for Inventory Management**

With e-commerce, the suppliers can reduce costs to manage their inventory of goods because they can automate the inventory management using web-based management systems. This method indirectly can save their operational costs.

#### **2) Reduce Labor Costs**

The labor costs can be reduced with e-commerce because the sellers can automate their online store fronts.

#### **3) Reduce Advertising Costs**

E-commerce can reduce advertising costs because it is easier to update the advertisement using software technology.

#### **4) Personnel management:**

A complete automation of check-out, billing, inventory management, payments and other type of operational costs lower the total number of employees that you require to run your ecommerce business.

#### **5) New markets**

Whether geographical, industry or niche, the clever use of email and a website can increase customer numbers, purchasing volumes and frequency of return (loyalty). It will improve your ability to capture and leverage customer intelligence to direct your marketing, purchasing, warehousing, delivery and pricing strategies and will ultimately result in increased revenues.

#### **6) More fruitful customer/supplier relationships**

#### **7) Faster provision of products and services to the marketplace through streamlined and thus cheaper production**

#### **8) Market leadership**

#### **9) Intellectual and human capital**

#### **10) Across the board cost savings**





## **The Barriers of E-Commerce**

The drivers of e-commerce were identified and summarized there are barriers to the growth and development of e-commerce. Numerous reports and surveys identify the different kinds of barriers, and many of them focus on security as being one of the largest inhibitors to and problems for e-commerce. Different Businesses are at different stages of development of e-commerce and as such the issues that are relevant to one business may not be relevant to another. Similarly, the issues that are relevant to the type of organization also differ. Overall, all kinds of organizations have similar barriers but with different emphases for discuss as follows:

1. Commercial Infrastructure - Relates to issues such as international trade agreements, taxation laws and other legal agreements that facilitate all kinds of on-line trading and so is a barrier relevant to all types of businesses.
2. Technology Infrastructure - Deals with issues of standardization of systems and applications, which is a particular concern for larger organizations who want to implement solutions such as value chain integration and e-supply chain management.
3. Internet Infrastructure - Deals with issues such as availability and quality of the Internet in terms of speed and reliability. This barrier is of particular concern to Business to Consumer organizations, since their business relies more on general consumers, and so the ease with which the general public can connect to the Internet has a direct impact on their Web-based business.
4. Security -In its broadest term is one of the most significant barriers toe-commerce both within the organization and external to it. Identified as Security and Encryption; Trust and Risk; User Authentication and Lack of Public Key Infrastructure; Fraud and Risk of Loss it relates to the development of a broader security infrastructure and it also relates to the kinds of measures barriers to e-commerce businesses can take to improve security.
5. Interoperability of systems– This is identified as one of the major barriers for large US based Business to Business corporations. This refers specifically to implementation and compatibility problems of integrating new e-commerce applications with existing legacy systems and resources within organizations. This problem also extends to interacting with systems of business partners and stakeholders.
6. Lack of Qualified Personnel- This is a particularly strong concern because internally they do not have sufficient resources to attract and maintain their own support staff to develop a sophisticated technology infrastructure. With regards to third parties, the qualified personnel tended to work for larger organizations.

## **Conclusions and Suggestions:**

E-commerce is becoming immensely popular and is in a nascent stage. Information technology has played a vital role in the advancement of business functions. With the time, the concept of online commerce has got attention in business world. All these developments in business organizations show that, the businesses are marching towards modern business and changing their traditional look. It is a grate change in business organization because of information technology development. They are trying to utilize the information technology for trade, commerce and provide technology based business products and services to their customers. On the basis of the analysis most of the business have already implemented the e-



commerce modules, as these facilities are beneficial to both i.e. business as well as consumers. But the adoption of e-commerce by the business is still at the early stage due to various challenges to the management of business organizations.

The challenges such as lack of electronic Commercial Infrastructure, Interoperability of systems, Lack of Qualified Personnel, security risk, privacy risk, trust factor and less awareness about e-commerce are acting as hurdle in the adoption of e-commerce facilities. Considering the challenges and risk related to e-commerce, the Government of India along with various government agencies is making an effort to make e-commerce more safe, secure and reliable. The paper only presents the overview of E-commerce in Indian context. Studies in the past have shown that with the time Indian businesses are opting E-commerce services with the time. E-commerce will not only be acceptable mode of business but will be preferred mode of business. Considering this in mind, the future studies may be conducted to analyze the various factors which influence the management intention to adopt E commerce services.

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## IMPACT OF M-COMMERCE ON BUSINESS

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### **Abstract :**

*Mobile commerce has become the latest topic for today. Business organizations have been restlessly evaluating the revenue potential of the m-commerce market and developing business models to exploit the huge profit potential of this new market. In the current Business organizations, mobile commerce or M-commerce has been entered in finance, services, retails, telecommunication and information technology services. In these sectors, M-Commerce is not only being widely accepted but also it is being more used as a popular way of business/commerce. In this paper we try to provide an overview of the fundamentals about m-commerce ad e commerce. This paper attempts to help business managers, particularly those without IT background, to understand the key elements and basic issues of m-commerce and to access the impact of m-commerce on current and future business as well as to identify new business prospects.*

**Key Words :** Mobile commerce, Business organizations, wireless technologies, E-commerce, security.

### **Introduction :**

Mobile is becoming the dominant means for accessing communications primarily because deploying mobile network is not only more cost-efficient but also mobile provides greater flexibility and convenience to its subscribers than landline telephone.

Mobile Commerce is the subset of e-commerce, which includes all e-commerce transactions, carried out using a mobile device.

The booming popularity has forced the corporate world to develop a new commerce platform that can reach to masses. Mobile commerce has attracted massive traffic because of its unique characteristics. The user can change the service of any financial institute or banks if gets better product and service or user is unsatisfied with the service of the subscribing company. Mobile has played a giant role in communication technology through its versatility and superiority. The ubiquity and easy usage has further made it extremely popular across the globe. It has already surpassed the fixed phone in the world. Software platform is essential for operating any mobile and this tool has revolutionized the communication world because of its functioning as a small computer. Despite of huge popularity of mobile commerce, it is yet in the initial stage and can be further expand in to all the fields, which affect the human life.

### **Aim of study :**

This paper aims to :

- Provide an overview of the fundamentals about m-commerce and e commerce.
- Understand the relationship between mobile commerce and e-commerce.
- Help business to define what benefits they could derive from mobile commerce.



### **Research Approach :**

In an attempt to learn as much as possible about the Mobile Commerce, we conduct in depth research to obtain most of the necessary data. We used secondary sources of data collection such as the Internet, websites, books and magazines etc.

### **Concept of mobile wireless technologies and mobile commerce :**

Mobile commerce, which is commonly referred to as m-commerce, has become an important concept in today's business environment.

Mobile commerce involves the use of mobile computing devices in carrying out different types of economic transactions or enabling them to take place over space and time. The m-commerce includes use of the integration of low-level digital carriers to IP based services through WAP or Compact HTML like the Japanese I-Mode service. This integration is one of the fastest growing markets of E-business and it will involve the development and design of a host of new applications, services, business models and technological solutions. On the other hand, According to Malladi et al.(2002), mobile wireless technologies consist of two aspects – mobility and computing. They claimed that mobile computing represents user's continuous access to network resources without limitation of time and location. Wireless means that transmission of any form of data – texts, voice, video or image. Is conducted through radio waves, infrared waves or microwaves rather than using wires. Therefore, mobile wireless technologies is defined as any wireless technology that uses radio frequency spectrum in any band to facilitate transmission of text data, voice, video, or multimedia services to mobile devices with freedom of time and location limitation. The freedom of time and location is related to the concept of anytime and anywhere access that represents the two main characteristics of mobile wireless technologies: mobility and reach ability.

### **Mobile Commerce: beyond e-commerce :**

Electronic commerce has attracted significant attention in the last few years. This high profile attention gas resulted in significant progress towards strategies, requirements, and development of e-commerce applications. The growth forecast for both business-to-consumers (B2C) and business-to business(B2B) aspects of e-commerce applications envisioned and developed so far assume fixed or stationary users with wired infrastructure, such as a browser on a PC connected to the Internet using phone lines or a Local Area Network (LAN). We envision many new e-commerce applications will be possible and significantly benefit from emerging wireless and mobile networks. We term these applications "wireless e-commerce" or "mobile commerce". Mobile commerce is a natural successor to electronic commerce. With the rapid proliferation of mobile devices, including mobile phones, PDAs, and handheld computers, mobile commerce is widely considered to be a driving force for next-generation e-commerce. M-commerce should not be viewed as e-commerce with limitations, but rather as a unique form of e-commerce with its own unique benefits. Additionally, m-commerce is not a substitute for PCs. Rather, it is a new and much more powerful way to communicate with customers. Ubiquity, intimacy, time sensitivity and location awareness are key concepts that make mobile commerce so different from 'traditional' e-commerce. The other difference



between m-commerce and e-commerce is the opportunity to connect information with objects in a more direct way than has been possible until now.

While electronic commerce continues to see phenomenal growth, mobile commerce is still in its infancy. However, as wireless network grows, it is expected that emerging wireless and mobile networks will provide new avenues for growth in mobile commerce, create new business models for mobile operators and offer new applications to business and consumers.

According to the Gartner Group, consumer to business e-commerce will soon come from smart phones using mobile commerce technology. Many researchers suggested that next phase of electronic business growth will be in wireless and M-commerce. To better understand the potential impacts of mobile commerce on businesses, a quick review of definition and background information about it would be helpful. M-commerce is also known as mobile electronic commerce or wireless electronic commerce. It is believed to be the next gold rush after e-commerce. Business organizations of different industries are rushing to stake a claim. However, m-commerce is many things to many people. Some people conceive m-commerce as an extension of e-commerce to mobile phones. Some people think it is another new channel after the Internet. In general, m-commerce refers to any transaction with a monetary value that is conducted via a mobile telecommunications network. According to this definition, m-commerce represents a subset of all e-commerce, including both business-to-business and business to consumer. M-commerce uses the internet for purchasing goods and services as well as sending and receiving messages using hand-held wireless devices. Wireless web applications will enable users with Internet enabled cell-phones.

M-commerce is believed to be driving fundamental changes in the way business is conducted in many industries, particularly in telecommunications, information technology, media and financial services. M-commerce is so important because it represents the extension of the Internet beyond the static terminal of the PC, or even the television, into a more nimble, anytime, anyplace and anywhere context. It will enable millions of people to access web information services wherever they go.

Today, the mobile Internet is emerging even faster, in part because providers, content partners, customers, and investors are leveraging lessons from e-commerce. Cellular carriers, both nationally and globally, have made significant advances to enable next generation data or "Wireless Web" services and mobile, "m-commerce". Broadly defined, m-commerce involves an emerging set of applications and services people can access from their Web enabled mobile devices.

Yet, m-commerce is facing many obstacles as an emerging market, particularly in the U.S. For example, in addition to lack of standards, cost and speed issues, a Yankee Group survey suggests that U.S. consumers are not convinced they want or need mobile services and many think it is simply too complicated. This is in contrast to other global markets in Asia and Europe where "going online" means reaching for a mobile handset, not turning on a PC. In Korea, for example, Reports suggest that one-third of all mobile subscribers use their handsets for m-commerce activities.



### Categories of Mobile Commerce Applications

Many more people have access to a mobile phone than to a computer and this means that m-commerce has the opportunity to connect not just big businesses but also small business and consumers on a massive scale. In this sense, mobile phones have the potential to bridge the digital divide and allow organizations and individuals to reach out to one another more easily than ever before.

Mobile Commerce has gained increasing acceptances amongst various sections of society in last few years. The reasons for its growth can be traced to technological and demographical developments that have influenced many aspects of the socio-cultural behavior in today's world. Mobile services have registered impressive growth in preceding signs of a healthy growth.

Table 1 : Major mobile commerce applications :

Mobile Category	Major Applications	Clients
Commerce	Mobile transactions and payments	Business
Education	Mobile classrooms and labs	Schools and training centers
Enterprise resource planning	Resource management	All
Entertainment	Games/Images/Music/Video downloads and online gaming	Entertainment industry
Health care	Accessing and updating patient records	Hospitals and nursing homes
Inventory tracking and dispatching	Product tracking and dispatching	Delivery services and transportation
Traffic	Global positioning, directions, and traffic advisories	Transportation and auto industries
Travel and ticketing	Travel management	Travel industry and ticket sales

### Specific Advantages of Mobile Commerce

Mobile commerce is an effective and convenient way to deliver electronic commerce to consumers from anywhere and at anytime. Realizing the advantages to be gained from mobile commerce, many major companies have begun to offer mobile commerce options for their consumers in addition to the electronic commerce they already provide. Generally, M-commerce has several major advantages to consumers.

Context-specific services – Mobile Commerce makes it possible to offer location based services, which are specific to a given context.

Time-critical situations – The ubiquity and immediacy of Mobile Commerce allows user to perform urgent tasks in an efficient manner, irrespective of his current geographic location.

Spontaneous decisions and need – Spontaneous needs are not externally triggered and generally involve decisions that do not require a very careful consideration, e.g. purchase decisions involving small amounts of money.

Efficiency increase – Mobile Commerce helps increase the productivity of the workforce by increasing the efficiency of their daily routines. Time can use 'dead spots' in



the day, e.g. during the daily travel to and from workplace, more effectively.

Nevertheless in India, Mobile Commerce is still in the development phase as the use of mobile phones for carrying out transaction is very limited. However, the development is taking place at a nice speed and in the coming years, Mobile Commerce is most likely to make its presence feel as companies and businesses have started understanding the benefits of Mobile Commerce.

Some of the companies have even incorporated this technology. Airtel, ICICI, Reliance are some of the companies/businesses that are using this technology as their users are allowed to make limited purchases from their phones. For now, the users are mainly allowed to pay phone bills, utility bills, book movie tickets, book travel tickets with their cell phones. However, more services will be introduced in coming years.

Security is one of the main concerns of Mobile Commerce as it's very important to offer secure transactions and this is the reason why Mobile Commerce is still in the development phase in India. For now, users are mainly allowed to do Mobile Banking i.e. to access the bank account with a cell phone in India. For now, users are mainly allowed to do Mobile Banking i.e. to access the bank account with a cell phone in order to pay the utility bills. With the current rate of development, users will be soon allowed to purchase products, advertise, to take part in auctions and pay bills with the help of a cell phone, while they are on the move.

### **Conclusion :**

M-Commerce players need to improve the user interface soon and implement innovative pricing structures. Despite the initial frustrations of the users, consumers envision that once the glitches are worked out, mobile applications will become an integral part of their daily lives. On the other hand, Investing in mobile commerce has its risks. While there is potential for a lot of money to be made, there is also potential for a lot of money to be made, there is also potential to lose everything. Organizational and system changes in a business to allow for m-commerce can be huge, and that means a lot of extra cost. Getting a return on this type of investment can take a long time, and businesses aren't always prepared to stay afloat until they recoup that money. Another big cost concern is the implementation of earmarks for consumer safety and confidence. A consumer who uses a device for mobile e-commerce needs to feel secure doing so. No security can mean any business for an e-commerce company. Because customers must provide personal and financial information, stability and reliability of the systems the businesses use must remain high. However, in India Mobile services have registered impressive growth in preceding years and m-commerce is slowly but surely showing signs of a healthy recovery.

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## THE GLOBAL IMPACT OF E-COMMERCE ON SOCIETY

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### **Absract:**

*Electronic commerce or business is more than just another way to sustain or enhance existing business practices. E-commerce is one amongst the fastest growing technologies in the online marketplace today. E-commerce is buying and selling of goods and services over the internet. People these days are very busy and find least time to buy or do shopping of their daily needs and requirements. E-commerce sites for such kind of people are a blessing of science and technology that has given a comfort in shopping while sitting at home. Even small business owners also choose to go online for exist in competition.*

*The present study has been undertaken to describe The Impact of e-Commerce on society can be seen as both positive and negative here are the main points for both...*

**Keywords:** E-Commerce, Impact, Society, Global, Technology, Online, India, Internet.

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### **Introduction**

E-Commerce stands for electronic commerce. It means dealing in goods and services through the electronic media and internet. Before e-commerce buying and selling were done without internet, physically in the markets but after the arrival of e-commerce in India our life has become more convenient because of its number of advantages. Popular term called e-business due to which the business of enterprises has increased electronically with the help of internet by which they can reach to many customers which increases their sales. The introduction of **e Commerce** over the past 15 to 20 years has had a major **impact** on **society** and the way business is done on a **global** scale.

### **E-commerce**

Electronic commerce or e-commerce refers to a wide range of online business activities for products and services. It also pertains to "any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact. E-commerce is simply the buying and selling of various products and services over the internet. Anyone with access to the internet can engage with e-commerce trading. E-commerce has two types of trading and that is business-to-customer (B2C) and business-to-business (B2B).

It has become very popular in the way that it has allowed businesses to trade globally. Products can be accessible to everyone in the world, as E-Commerce has become a global market allowing businesses to sell products across the world and potentially receiving more profit from their goods. E-Commerce has many benefits and drawbacks that can have huge impacts on society in a good and bad way. I will be discussing both the benefits and drawbacks with facts and personal opinion.



## Issues of E-Commerce on Society

There are many issues that can have a big impact on both business and consumer.

### Security

Security is a big issue with e-Commerce businesses, with the popularity of customers shopping online there is a big threat of hackers trying to get vital information. Businesses are required to ensure that all data and personal information is kept secure, as hackers may find a weak spot and potentially steal personal and credential information for fraudulent offences.

### Payment Process

Another issue for business and consumers is the transaction of payment. Businesses need to ensure that their system processes payments quickly and accurately. Business should display certified certificates or third party logos to boost the trust of the consumer. Consumers may not trust a website with credential details, so accepting popular payment methods should be taking into consideration.

### Order Process

When ordering a product online it can be daunting for the customer as they may be worrying about if their order will actually be delivered. These issues may draw potential customers away if the business does not offer features that will make the process smoother and a lot friendlier. Features such as tracking their order, using popular and well-known postal services and ensure products are up to date on availability.

## Positive Effects of E-Commerce on Society

**Convenience** - Easier to find the products that you want online compared to looking around different shops hoping to find what you want.

**Helpful for disables and aged people** - all they need is an internet connection and they can order their food for week with companies like Tesco where you can order your weeks shopping and they will deliver to your house for you.

**Time saving** - saves time walking around looking at shops.

**Information availability** - the products that you look at give detail product information and customer reviews

**Helpful for new business** - many new business cannot afford to run a shop with many costs including electricity, gas and rent which can be very expensive compared to running a website, and you could be running your business out of your front room

**24/7 Service** - you can purchase the product that you at any time of day compared just the opening times and closing times of a shop.

**Environment friendly** - less electric and gas being used.

**Easy to compare prices of products** - certain website and designed to compare prices with of products.

**Global market place** - the internet spreads across the world and anyone with access to it can see what is up there.



### Negative effects of e-commerce on society

**Unemployment** - less shops in the local area means that less jobs for people to have.

**Increase in online crime** - more theft of debt and credit cards used to purchase items online

**Loss to retailers** - loss of money going to shops

**Wrong information** - certain products might have the wrong information and you might buy that product based on the information that is given and it may turn out to be totally different product when it arrives

**Returns and complaints** - certain online companies will not accept returns on their products or re-funds, and some may not even so the complaints of that product on their website as well.

**Direct Communication and product Experience** - when you order a product online the customer have no face-to face contact with the sales person and no hands on experience with the product.

### **Conclusion**

E-commerce has undeniably become an important part of our society. The World Wide Web is and will have a large part in our daily lives. E-commerce has had a positive effect on society because it has allowed us to purchase products whenever we need them from the comfort of our own homes, as someone who hates walking around shops looking for things to buy, it has made life much more easier, it has also been a great help for disables and aged people, who can't walk around. Yes the closer of our local shops is sad and the lack of jobs to go with it, but everything is cheaper online compared to the shops anyway. Having looked at the negative impacts e-Commerce has had on society such as job loss and physical stores closing down. It means businesses have to turn to online stores if they want to compete with other retailers, the big changes can sometimes run a business into the ground and not being successful as they may struggle to find power in the competitive market place.

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## Goods and Service Tax – An Overview

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### **Abstract:**

*This paper highlights on significance of Tax policies of a country play an important role on the economy through their impact on both efficiency and equity. A good tax system should keep in view issues of income distribution and at the same time, also generate tax revenues to support government expenditure on public services and infrastructure development.*

*GST is one of the most critical tax reforms in India which has been long awaiting decision. It is a comprehensive tax system that will subsume all indirect taxes of State and central Governments and whole economy into seamless nation in national market. It is expected to remove the burden of existing indirect tax system and play an important role in growth of India. GST includes all Indirect Taxes which will help in growth of economy and proves to be more beneficial than the existing tax system. GST will also help to accelerate the overall Gross Domestic Product (GDP) of the country. GST is now accepted all over the world near about 150 countries are using it for sales tax system. This paper will help to show that, what will be the impact of GST after its implementation, difference between present Indirect Taxes and GST and what will be the benefits and challenges of GST after implementation to the small Business and also government.*

**Key Words:** Goods and Service Tax, Value added tax, Excise duty, Service tax and Sale s Tax

### **Introduction:**

After independencethere is big change in the indirect tax structure in India. In the place of VAT (Value Added Tax) and Service Tax the common tax was introduce i.e. GST (Goods and Service Tax).Goods and Services Tax (GST) is a comprehensive tax levy on manufacture, sale and consumption of goods and services at a national level. One of the biggest taxation reforms in India the (GST) is all set to integrate State economies and boost overall growth. Currently, companies and businesses pay lot of indirect taxes such as VAT, service tax, sales tax, entertainment tax, octroi and luxury tax. Once GST is implemented, all these taxes would cease to exist.

It is one of the significant steps towards the development of the country. It is one of the biggest tax revolutions which is all set to integrate the state and national economy to boost the overall growth of the country. Almost 150 countries have introduced GST in some form. While countries such as Singapore and New Zealand tax virtually everything at a single rate, Indonesia has five positive rates, a zero rate and over 30 categories of exemptions. In China, GST applies only to It also increases the allocation of government resources for such a petty amount of revenue which may be much more costly than the amount of revenue collected. The first impact of setting higher tax threshold would naturally lead to less revenue



to the government as the margin of tax base shrinks; second it may have on such small and not so developed states which have set low threshold limit under current VAT regime.

### **Objectives of the study:**

- 1) To understand the concept of Goods and Services Tax.
- 2) To know the benefit of Goods and Services Tax to economy, business and industry and consumer.
- 3) To examine the features of Goods and Services Tax.

### **Research Methodology:**

The research paper is an attempt of exploratory research. The study focuses on study of Secondary data collected from various books, national & international journals, government reports, publications from various websites which has been published and focused on various aspects of Goods and Service tax.

#### **1. Concept of Goods and Service Tax.**

The Goods and Services Tax (GST), the major change in India's indirect tax structure since the economy began to be opened up 25 years prior, finally looks set to end up reality. The Constitution Amendment Bill for Goods and Services Tax (GST) has been permitted by The President of India post its passage in the Parliament (Rajya Sabha on 3 August 2016 and Lok Sabha on 8 August 2016) and sanction by more than 50 percent of state governing bodies .The Government of India is committed to substitute all the indirect taxes levied on goods and services by the Centre and States and put into action GST by April 2017. With GST, it is foreseen that the assessment base will be comprehensive, as virtually all goods and services will be assessable taxable, with least exclusions. GST will be a diversion changing reform for the Indian economy by making a common Indian market and reducing the cascading effect of tax on the cost of goods and services. It will affect the tax structure, tax incidence, tax computation, tax payment, compliance, credit utilization and reporting, prompting to an entire upgrade of the current indirect tax system. GST will have a broad effect on every one of the parts business operations in the country, pricing of products and services, supply chain optimization, IT, accounting, and tax compliance systems.

#### **2. Constitutional Amendment**

It basically seeks to penance the Constitution to allow both the Centre and the states to charge

GST. This they cannot do now, because the Centre can't compel any tax on goods beyond manufacturing (Excise) or primary import (Customs) stage, while states do not have the power to tax services. Thus the constitution does not vest articulate power either in the Central or State government to impose tax on the "supply on goods and services". More over the constitution does not allow the state to impose tax on imports. Therefore it is essential to have Constitutional Amendments for empowering the Central to impose tax on sale of goods and States for charge of service tax and tax on imports. On 08th September 2016 The President of India has gave his assent to the GST bill. Later the Government of India has



processed the pattern and functioning of GST Council and its first meeting will be held on 22nd and 23rd September 2016. Members of this council are the Finance Ministers of 29 states and 02 union territories in India and its chairman is Union Finance Minister. The target of government is to start GST from 1st April 2017.

### **3. Definition of GST**

GST means Goods and Service Tax.

G – Goods

S – Service

T – Tax

Goods and Service Tax is a complete tax imposed on manufacture, sale and expenditure of goods and service. It is mostly a proxy of all indirect taxes which imposed on goods and services by the Central and State government of India. Goods and Services Tax would be levied and collected at each phase of sale or purchase of goods or services based on the input tax credit process.

### **4. SALIENT FEATURES OF GST**

There are two segments of GST, one is central GST & other one is state GST.

2. All transactions will be covered up in central & state GST except exempted goods & services.
3. There would be 2 rate structure in GST one is the lowest rate for goods of basic importance other one is standard rate for other than basic goods. In addition to above two rates we have a special rate for any specified goods like metal & precious metals.
4. GST would be applicable if there should be an occurrence of import of products and services.
5. Administration of state GST would be given to state & administration of central GST would be given center. Because of this, the issue of circulation of income of expense between center and state can be diminished.
6. Meaning of taxable person, taxable event, changeability, a measure of levy etc. would be same in CGST & SGST.
7. Central GST would be paid to central government & state GST would be paid to state separately.
8. Central GST paid on inputs can be claim against central GST only & same thing is applicable in case of state GST.
9. Procedure for gathering will be same in central and state GST.
10. Return to central & state GST would be submitted periodically & to the concerned author.
11. PAN card based identification number would be allotted to taxpayer to facilitate data exchange.
12. The Central GST and State GST are to be paid to the accounts of the Centre and the States individually

### **5. Indirect taxes included under GST**

The following indirect taxes from state and central level is going to integrated with GST



### 5.1 State taxes

1. VAT/Sales tax
2. Entertainment Tax (unless it is levied by local bodies)
3. Luxury tax
4. Taxes on lottery, betting and gambling.
5. State cesses and surcharges in so far as they relate to supply of goods and services.
6. Entry tax not on in lieu of octroi.
7. Purchase tax (This is not sure still under discussion)

### 5.2 Central Taxes

1. Central Excise Duty.
2. Additional Excise Duty.
3. The Excise Duty levied under the medical and Toiletries Preparation Act
4. Service Tax.
5. Additional Customs Duty, commonly known as countervailing Duty (CVD)
6. Special Additional duty of customs- (SAD)
7. Surcharges
8. Cesses The above taxes dissolve under GST; instead only CGST & SGST exists.

### 6.. Applicability of CGST and SGST

There have been suggestions for including the rail sector under the GST umbrella to bring about significant tax gains and widen the tax net so as to keep overall GST rate low. This will have the added benefit of ensuring that all inter – state transportation of goods can be tracked through the proposed Information technology (IT) network. Financial Services In most of the countries GST is not charged on the financial services. Example, In New Zealand most of the services covered except financial services as GST. Under the service tax, India has followed the approach of bringing virtually all financial services within the ambit of tax where consideration for them is in the form of an explicit fee. GST also include financial services on the above grounds only. VI. Information Technology enabled services To be in sync with the best International practices, domestic supply of software should also attract G.S.T. on the basis of mode of transaction. Hence if the software is transferred through electronic form, it should be considered as Intellectual Property and regarded as a service. And if the software is transmitted on media or any other tangible property, then it should be treated as goods and subject to G.S.T. 35 According to a FICCI – Technopak Report. Implementation of GST will also help in uniform, simplified and single point Taxation and thereby reduced prices. VII. Impact on Small Enterprises There will be three categories of Small Enterprises in the GST regime. Those below threshold need not register for the GST Those between the threshold and composition turnovers will have the option to pay a turnover based tax or opt to join the GST regime. supply, or other name.” The first known system of taxation was in Ancient Egypt around 3000 BC - 2800 BC in the first dynasty of the Old Kingdom. Records from that time show that the pharaoh would conduct a biennial tour of the kingdom, collecting tax revenues from the people. Other records are granary receipts on limestone flakes and papyrus. Early taxation is also described in the Bible. In Genesis2, it states "But when the crop comes in, gives a fifth of it to Pharaoh. statutes



There will be two types of GST laws, one at a central level called 'Central GST (CGST)' and the other one at the state level - 'State GST (SGST)'. As there seems to be different tax rates for goods and services at the Central Level and at the State Level, and further division based on necessary and other property based on the need, location, geography and resources of each state.

## **7. Benefits of GST**

### **7.1 To Trade**

7.1.1 Reduction in range of taxes

7.1.2 Mitigation of cascading/ double taxation

7.1.3 More efficient balance of taxes particularly for exports

7.1.4 Development of Common National Market or Common Economic Market

7.1.5 Simpler tax administration regime with less rates and exemptions.

7.1.6 Increase in cost competitiveness' for local enterprises with reduction in tax cost and also reduced cost of compliance

### **7.2 To Government**

7.2.1 Simpler tax framework

7.2.2 Broadening tax base

7.2.3 Improved compliance and revenue collections

7.2.4 Efficient utilization of resources

7.2.5 Investments out of savings by consumers - due to mitigation of cascading effect, contributes to increase in availability of funds out of savings of consumer - which may be used for financing developmental activities

### **7.3 To Consumer**

7.3.1 Reduction in cost of goods and services due to removal of cascading effect of taxes

7.3.2 Increase in buying force and real income

7.3.3 Increase in savings due to decline in cost

7.3.4 Increase in investments due to increase in savings.

## **8. Challenges of GST in Indian Context:**

At Present, lots of speculations are going regarding when the GST will actually be applicable in India. Looking into the political environment of India, it seems that a little more time will be required to ensure that everybody is satisfied. The states are confused as to whether the GST will hamper their revenues. Although the Central Government has assured the states about compensation in case the revenue falls down, still a little mistrust can be a severe drawback. The GST is a high-quality type of tax. However, for the successful implementation of the same, there are few challenges which have to be faced to implement GST in India.

Following are some of the factors that must be kept in mind about GST:

1. Firstly, it is really required that every one of the states actualize the GST together and that too at similar rates. Otherwise, it will be really cumbersome for businesses to comply with the provisions of the law. Further, GST will be very advantageous if the rates are same,





because in that case taxes will not be a factor in investment location decisions, and people will be able to focus on profitability.

2. For smooth working, it is important that the GST clearly sets out the taxable event. Presently, the CENVAT credit rules, the Point of Taxation Rules are amended/ introduced for this purpose only.

3. The GST is a goal based tax, not the origin one. In such circumstances, it should be clearly identifiable as to where the goods are going. This shall be difficult in case of services, because it is not easy to identify where a service is provided, thus this should be properly dealt with.

### Conclusion:

GST is a single national uniform tax levied across India on all goods and services. In GST, all Indirect taxes such as excise duty, octroi, central sales tax (CST) and value-added tax (VAT) etc. will be subsumed under a single regime. Introduction of The Goods and Services Tax (GST) will be a significant step towards a comprehensive indirect tax reform in the country. It is expected to bring about efficiency and transparency in the indirect tax mechanism in India. Further it will also encourage an unbiased tax structure that is neutral to business processes and geographical locations. Given the enormity of the implication of GST, it requires a consensus among all political parties and states. However the implementation of GST has been delayed several times on account of lack of consensus among the States and Centre on aspects relating to limiting fiscal autonomy of the States. History has proved that many countries have benefited from moving to a GST regime.

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## IMPACT OF GST ON AGRICULTURE

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### Introduction:

Agriculture is one of the most important sectors of the Indian economy. Growth and development of agriculture and allied sector directly affects well-being of people at large, rural prosperity and employment and forms an important resource base for a number of agro-based industries and agro-services. The agriculture sector in India has undergone significant structural changes in the form of decrease in share of GDP from 30% in 1990-91 to 17.4% in 2015-16 indicating a shift from the traditional agrarian economy towards a service dominated one. However, this decrease in agriculture's contribution to GDP has not been accompanied by a matching reduction in the share of agriculture in employment. About 52% of the total workforce is still employed by the farm sector which makes more than half of the Indian population dependent on agriculture for sustenance.

Goods and service tax will have both negative and positive impact on agriculture. The price of agricultural commodities will go down, as previously the agricultural commodities are charged with different prices within the state, inter-state and in overall country. GST would lead to efficient allocation of resources. Terms of trade move in the favour of Agriculture as compared to manufacturing sector. This will increase prices of some commodities like milk, tea, etc. thus, boon the millions of farmers in India. In nut shell we can say that it will effect directly and indirectly to agriculture sector.

### Goods And Services Tax :

GST is an indirect tax which was introduced in India on 1 July 2017 and was applicable throughout India which replaced multiple cascading taxes levied by the central and state governments.

GST is a destination-based tax, as against the earlier principle of origin-based taxation. The new tax regime follows a multi-stage collection mechanism wherein tax is collected at every stage and the credit of tax paid (input tax credit) at the previous stage is available as a set-off at the next stage of transaction. This helps to eliminate "tax on tax" or the cascading impact of tax. GST benefits the industry through better cash flows and better working capital management. From consumer point of view, GST helps to bring down overall tax.

Input tax credit: GST is charged on the value or selling price of the products. The amount of GST incurred on input (input tax) can be deducted from the amount of GST charged (output tax) by the registered person. However, if the input tax is more than the output tax, the difference will be refunded by the Government.

GST rates on goods and services have been classified into broadly four tax rates: 5 per cent, 12 per cent, 18 per cent and 28 per cent. Some goods and services have been exempted.



Precious metals like gold will attract a separate tax rate of 3 per cent. A cess will be levied over the peak rate of 28 per cent on specified luxury and sin goods.

The GST to be levied by the Centre would be called Central GST (CGST) and that to be levied by the States (including Union territories with legislature) would be called State GST (SGST). An Integrated GST (IGST) would be levied on inter-state supply (including stock transfers) of goods or services. This would be collected by the Centre. Import of goods would be treated as inter-state supplies and would be subject to IGST in addition to the applicable customs duties. Exports will be treated as zero-rated supplies which means no tax will be payable on exports of goods or services. However, exporters can claim input tax credit.

### **Benefits of GST:**

- 1) The uniformity in tax rates and procedures across the country will lead to various benefits for the economy and the consumers.
- 2) Unified market - the amalgamation of various taxes into one will simplify the procedure and help in evolution of a common market at national level
- 3) Increase in tax revenue is projected due to better compliance and broader tax base
- 4) Increase in exports due to cost effective production
- 5) The burden of tax on goods is expected to fall under GST leading to benefits to the consumers
- 6) The GDP is predicted to grow in the range of 0.9 – 1.7 percent annually

However, in lieu of it, it is important to analyze impact of GST on Agriculture. The analysis will help us determine how GST will aid in faster economic growth.

### **Impact on Agriculture:**

In the agriculture sector look at how GST will impact cost of agriculture inputs, Supply chain of agriculture products and unification of agriculture in one national market.

#### **1) Agricultural Inputs**

Any input taxes placed on inputs used in the farm sector such as seeds, fertilisers, pesticides, tractors etc, contribute to increase in cost of farm output. On the other hand, farm output prices are controlled by market forces on which farmer has little control. As the input price rises and output price remains stagnant, the farmer will have no option but to absorb the cost, thus increasing his burden. Indian farmer is already reeling under tremendous pressure from many ends and the increased burden of taxes will create a crater in his income. In this context let's look at tax incidence on some major inputs

**Seeds** - Seeds were exempted both under earlier tax structure and under new GST regime.

**Tractors** - The tax incidence on Tractor's inputs combined with VAT on final product takes the total tax incidence for the industry to levels of 12-13%. The fixation of a GST rate of 12% on tractors and on tractor inputs at 18% would allow the manufacturers to take credit of the cumulative input duties and taxes. Thus, the total tax incidence on tractors would remain at broadly similar levels and its implementation is neutral for the tractor industry.



**Fertilizers** - Fertilisers an important element of agriculture was previously taxed at 6% (1% Excise + 5% VAT). In the GST regime, the tax on fertilisers has been reduced to 5%. Thereby reducing cost for farmers

**Pesticides** - Pesticides currently attract an excise duty of 12.5 per cent. But under GST regime, crop protection products like pesticides are taxable at 18%. So, this might increase tax burden on farmer. So, by and large either tax incidence under GST regime is similar to incidence under earlier tax structure.

Agriculture Input	Tax burden under previous Tax Regime	Tax burden under New Tax Regime
Seeds	Nil	Nil
Tractors	12-13%	12%
Fertilizers	6%	5%
Pesticides	12.5%	18%

## 2) Supply Chain:

One of the major issues faced by the agricultural sector is the transportation of agriculture products across state lines all over India. Agricultural commodities are perishable in nature in varying degrees therefore trade is influenced by the time required for transportation. The Economist reports that long distance trucks in India are parked for 60 per cent of the time during transportation. Currently, trucks wait outside for hours to pay taxes on borders of states and cities. These taxes are State entry tax and Octroi. However, GST will subsume State entry tax and Octroi this means seamless movement of trucks. Thus, simple uniform tax regime is expected to improve the transportation time, and curtail wastage of precious food as well as it would ease interstate movement of agricultural commodities which would improve marketing efficiency, facilitate development of virtual markets through warehouses and reduce overhead marketing cost.

## 3) Agriculture Trade:

The taxes applicable on agricultural trade vary from state to state. The degree of market distortions on account of variation in the levy of market taxes/cess applicable on different commodities in different states. The implementation of GST is a move towards making One National Agricultural Market on account of subsuming all kinds of taxes/cess on marketing of agricultural produce.

## 4) Other Impact of GST:

The implementation of GST would have a major impact on transportation of agriculture products across state lines across the country.

State VAT was previously applicable to all the agricultural goods at each state, it passes through prior to final consumption.

GST will provide each trader, the input credit for the tax paid on every value addition, which will create a transparent supply chain and lead to free movement of agri-commodities across India.



Food grain such as wheat, rice and pulses might become cheaper after GST is implied later this year, as the GST Council has decided to keep them 0-rated under the new tax regime.

Commodities like edible oil, tea, coffee and sugar are also likely to cost less as the proposed 5% tax rate is either lower than the value added tax (VAT).

Perishable commodities like fruits & vegetables will benefit from improved supply chain as GST, would reduce the time taken for inter-state transportation. Some states like Maharashtra, Punjab, Gujarat, Haryana earn over Rs.1,000 crores charging CST/OCTROI/Purchase Tax. All these costs will be saved. But Dairy farming, poultry farming, and stock breeding are kept out of the definition of agriculture. Therefore, these will be taxable under the GST. Previously, only 2% VAT is charged on milk and certain milk products but under the GST, the rate of fresh milk is nil and skimmed milk is kept under 5% and condensed milk is going to be taxed at the rate of 18%. The impact of the new tax rates is yet to be seen on the sector.

In simple words, GST will apply to goods at the point of consumption (rather than where they are produced) which will not only reduce the cascading effect of taxes but will also allow producers to easily claim credits and minimizing the opportunity for corruption.

#### **Conclusion:**

An increase in the cost of few agricultural products is anticipated due to the rise in inflation index for a brief period. Though, implementation of GST is going to benefit a lot, the farmers/ distributors in the long run as there will a single unified national agriculture market.

The central problem plaguing the Indian agricultural sector is related to agriculturists not fetching fair prices for their produce. The deep-rooted agricultural distress in India is linked to the low prices of agricultural products. The sector will benefit largely if the GST can address this issue.

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## GST – STRUCTURE, AUDIT, ADVANCE RULING & TDS MECHANISM

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### Introduction:-

Evolution of GST in India The idea of a Goods and Services Tax (GST) for India was first mooted sixteen years back, during the Prime Minister ship of Shri Atal Bihari Vajpayee. Thereafter, on 28th February, 2006, the then Union Finance Minister in his Budget for 2006-07 proposed that GST would be introduced from 1st April, 2010. The Empowered Committee of State Finance Ministers (EC), which had formulated the design of State VAT was requested to come up with a roadmap and structure for the GST. Joint Working Groups of officials having representatives of the States as well as the Centre were set up to examine various aspects of the GST and draw up reports specifically on exemptions and thresholds, taxation of services and taxation of inter-State supplies. Based on discussions within and between it and the Central Government, the EC released its First Discussion Paper (FDP) on GST in November, 2009. The FDP spelled out the features of the proposed GST and has formed the basis for the present GST laws and rules.

After GST Council approved the Central Goods and Services Tax Bill 2017 (The CGST Bill), the Integrated Goods and Services Tax Bill 2017 (The IGST Bill), the Union Territory Goods and Services Tax Bill 2017 (The UTGST Bill), the Goods and Services Tax (Compensation to the States) Bill 2017 (The Compensation Bill), these Bills were passed by the Lok Sabha on 29th March, 2017. The Rajya Sabha passed these Bills on 6th April, 2017 and was then enacted as Acts on 12th April, 2017.

Thereafter, State Legislatures of different States have passed respective State Goods and Services Tax Bills. After the enactment of various GST laws, GST was launched with effect from 1st July 2017 by Sh.Narendra Modi, Hon'ble Prime Minister of India in the presence of Sh.Pranab Mukherjee, the then President of India in a mid-night function at the Central Hall of Parliament of India.

### GST Council structure

As per Article 279A of the amended Constitution, the GST Council is a joint forum of the Centre and the States, and consists of the following members: -

Union Finance Minister	Chairperson
The Union Minister of State, in-charge of Revenue, Min. of Finance	Member
The Minister In-charge of Finance or Taxation or any other Minister nominated by each State Government	Member



The Council is empowered to make recommendations to the Union and the States on the following:-

- (a) The taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and services tax;
- (b) The goods and services that may be subjected to, or exempted from the goods and services tax;
- (c) Model Goods and Services Tax Laws, principles of levy, apportionment of Integrated Goods and Services Tax and the principles that govern the place of supply;
- (d) The threshold limit of turnover below which goods and services may be exempted from goods and services tax;
- (e) The rates including floor rates with bands of goods and services tax;
- (f) Any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster;
- (g) Special provision with respect to the States of Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand; and
- (h) The date on which GST shall be levied on petroleum crude, high speed diesel, motor spirit (petrol), natural gas and aviation turbine fuel
- (i) Any other matter relating to the goods and services tax, as the Council may decide.

The Constitution (One Hundred and First Amendment) Act, 2016 provides that every decision of the GST Council shall be taken at its meeting by a majority of not less than 3/4th of the weighted votes of the Members present and voting. The vote of the Central Government shall have a weight age of 1/3rd of the votes cast and the votes of all the State Governments taken together shall have a weight age of 2/3rd of the total votes cast in that meeting. One half of the total number of members of the GST Council shall constitute the quorum at its meeting.

**On 12th September, 2016 the Union Cabinet under the Chairmanship of the Hon'ble Prime Minister approved setting up of GST Council and creation of its Secretariat as follows:**

- (a) GST Council as per Article 279A of the amended Constitution;
- (b) GST Council Secretariat, with its office at New Delhi;
- (c) Secretary (Revenue) as the Ex-officio Secretary to the GST Council;
- (d) Inclusion of the Chairperson, Central Board of Excise and Customs (CBEC), as a permanent invitee (non-voting) to all proceedings of the GST Council;
- (e) One post of Additional Secretary to the GST Council in the GST Council Secretariat (at the level of Additional Secretary to the Government of India), and four posts of Commissioners in the GST Council Secretariat (at the level of Joint Secretary to the Government of India).

The Cabinet also decided to provide for adequate funds for meeting the recurring and non-recurring expenses of the GST Council Secretariat, which shall be borne by the Central Government. The GST Council Secretariat shall be manned by officers taken on deputation from both the Central and State Governments.



## **ASSESSMENT AND AUDIT**

### **Provisional Assessment:-**

(1) Every registered person requesting for payment of tax on a provisional basis in accordance with the provisions of sub-section (1) of section 60 shall furnish an application along with the documents in support of his request, electronically in FORM GST ASMT-01 on the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

(2) The proper officer may, on receipt of the application under sub-rule (1), issue a notice in FORM GST ASMT-02 requiring the registered person to furnish additional information or documents in support of his request and the applicant shall file a reply to the notice in FORM GST ASMT – 03, and may appear in person before the said officer if he so desires.

(3) The proper officer shall issue an order in FORM GST ASMT-04 allowing the payment of tax on a provisional basis indicating the value or the rate or both on the basis of which the assessment is to be allowed on a provisional basis and the amount for which the bond is to be executed and security to be furnished not exceeding twenty-five per cent. of the amount covered under the bond.

(4) The registered person shall execute a bond in accordance with the provisions of sub section (2) of section 60 in FORM GST ASMT-05 along with a security in the form of a bank guarantee for an amount as determined under sub-rule (3): Provided that a bond furnished to the proper officer under the State Goods and Services Tax Act or Integrated Goods and Services Tax Act shall be deemed to be a bond furnished under the provisions of the Act and the rules made there under.

(5) The proper officer shall issue a notice in FORM GST ASMT-06, calling for information and records required for finalization of assessment under sub-section (3) of section 60 and shall issue a final assessment order, specifying the amount payable by the registered person or the amount refundable, if any, in FORM GST ASMT-07.

(6) The applicant may file an application in FORM GST ASMT- 08 for the release of the security furnished under sub-rule (4) after issue of the order under sub-rule (5).

(7) The proper officer shall release the security furnished under sub-rule (4), after ensuring that the applicant has paid the amount specified in sub-rule (5) and issue an order in FORM GST ASMT–09 within a period of seven working days from the date of the receipt of the application under sub-rule (6).

### **Scrutiny of returns.-**

(1) Where any return furnished by a registered person is selected for scrutiny, the proper officer shall scrutinize the same in accordance with the provisions of section 61 with reference to the information available with him, and in case of any discrepancy, he shall issue a notice to the said person in FORM GST ASMT-10, informing him of such discrepancy and seeking his explanation thereto within such time, not exceeding thirty days from the date of service of the notice or such further period as may be permitted by him and also, where possible, quantifying the amount of tax, interest and any other amount payable in relation to such discrepancy.

(2) The registered person may accept the discrepancy mentioned in the notice issued under sub-rule (1), and pay the tax, interest and any other amount arising from such discrepancy





and inform the same or furnish an explanation for the discrepancy in FORM GST ASMT- 11 to the proper officer.

(3) Where the explanation furnished by the registered person or the information submitted under sub-rule (2) is found to be acceptable, the proper officer shall inform him accordingly in FORM GST ASMT-12.

**Assessment in certain cases:-**

(1) The order of assessment made under sub-section (1) of section 62 shall be issued in FORM GST ASMT-13.

(2) The proper officer shall issue a notice to a taxable person in accordance with the provisions of section 63 in FORM GST ASMT-14 containing the grounds on which the assessment is proposed to be made on best judgment basis and after allowing a time of fifteen days to such person to furnish his reply, if any, pass an order in FORM GST ASMT- 15.

(3) The order of summary assessment under sub-section (1) of section 64 shall be issued in FORM GST ASMT-16.

(4) The person referred to in sub-section (2) of section 64 may file an application for withdrawal of the summary assessment order in FORM GST ASMT-17.

(5) The order of withdrawal or, as the case may be, rejection of the application under sub-section (2) of section 64 shall be issued in FORM GST ASMT-18.

**Audit:-**

(1) The period of audit to be conducted under sub-section (1) of section 65 shall be a financial year or multiples thereof.

(2) Where it is decided to undertake the audit of a registered person in accordance with the provisions of section 65, the proper officer shall issue a notice in FORM GST ADT-01 in accordance with the provisions of sub-section (3) of the said section. 77

(3) The proper officer authorized to conduct audit of the records and the books of account of the registered person shall, with the assistance of the team of officers and officials accompanying him, verify the documents on the basis of which the books of account are maintained and the returns and statements furnished under the provisions of the Act and the rules made there under, the correctness of the turnover, exemptions and deductions claimed, the rate of tax applied in respect of the supply of goods or services or both, the input tax credit availed and utilized, refund claimed, and other relevant issues and record the observations in his audit notes.

(4) The proper officer may inform the registered person of the discrepancies noticed, if any, as observed in the audit and the said person may file his reply and the proper officer shall finalise the findings of the audit after due consideration of the reply furnished.

(5) On conclusion of the audit, the proper officer shall inform the findings of audit to the registered person in accordance with the provisions of sub-section

(6) of section 65 in FORM GST ADT-02.

**Special Audit:-**

(1) Where special audit is required to be conducted in accordance with the provisions of section 66, the officer referred to in the said section shall issue a direction in FORM GST



ADT-03 to the registered person to get his records audited by a chartered accountant or a cost accountant specified in the said direction.

(2) On conclusion of the special audit, the registered person shall be informed of the findings of the special audit in FORM GST ADT-04

#### **Advance Ruling:-**

Qualification and appointment of members of the Authority for Advance Ruling- [The Government shall appoint officers not below the rank of Joint Commissioner as member of the Authority]

#### **Form and manner of application to the Authority for Advance Ruling-**

(1) An application for obtaining an advance ruling under sub-section (1) of section 97 shall be made on the common portal in FORM GST ARA-01 and shall be accompanied by a fee of five thousand rupees, to be deposited in the manner specified in section 49.

(2) The application referred to in sub-rule (1), the verification contained therein and all the relevant documents accompanying such application shall be signed in the manner specified in rule 26.

Certification of copies of advance rulings pronounced by the Authority-A copy of the advance ruling shall be certified to be a true copy of its original by any member of the Authority for Advance Ruling.

#### **Form and manner of appeal to the Appellate Authority for Advance Ruling-**

(1) An appeal against the advance ruling issued under sub-section (6) of section 98 shall be made by an applicant on the common portal in FORM GST ARA-02 and shall be accompanied by a fee of ten thousand rupees to be deposited in the manner specified in section 49.

(2) An appeal against the advance ruling issued under sub-section (6) of section 98 shall be made by the concerned officer or the jurisdictional officer referred to in section 100 on the common portal in FORM GST ARA-03 and no fee shall be payable by the said officer for filing the appeal.

(3) The appeal referred to in sub-rule (1) or sub-rule (2), the verification contained therein and all the relevant documents accompanying such appeal shall be signed,- (a) in the case of the concerned officer or jurisdictional officer, by an officer authorised in writing by such officer; and (b) in the case of an applicant, in the manner specified in rule 26.

#### **Certification of copies of the advance rulings pronounced by the Appellate Authority-**

A copy of the advance ruling pronounced by the Appellate Authority for Advance Ruling and duly signed by the Members shall be sent to-

(a) the applicant and the appellant;

(b) the concerned officer of central tax and State or Union territory tax;

(c) the jurisdictional officer of central tax and State or Union territory tax; and

(d) the Authority, in accordance with the provisions of sub-section (4) of section 101 of the Act. 26 Substituted vide Notification No. 22/2017 – Central Tax dt 17.08.2017; wef 01.07.2017



### **Manual filing and processing –**

Notwithstanding anything contained in this Chapter, in respect of any process or procedure prescribed herein, any reference to electronic filing of an application, intimation, reply, declaration, statement or electronic issuance of a notice, order or certificate on the common portal shall, in respect of that process or procedure, include manual filing of the said application, intimation, reply, declaration, statement or issuance of the said notice, order or certificate in such Forms as appended to these rules.

### **TDS MECHANISM UNDER GST**

The earlier statement can be explained in the following situations:

- (a) Supplier, place of supply and recipient are in the same state. It would be intra-State supply and TDS (Central plus State tax) shall be deducted. It would be possible for the supplier (i.e. the deductee) to take credit of TDS in his electronic cash ledger.
- (b) Supplier as well as the place of supply is in different states. In such cases, integrated tax would be levied. TDS to be deducted would be TDS (Integrated tax) and it would be possible for the supplier (i.e. the deductee) to take credit of TDS in his electronic cash ledger.
- (c) Supplier as well as the place of supply are in State A and the recipient is located in State B. The supply would be intra-State supply and Central tax and State tax would be levied. In such case, transfer of TDS (Central tax + State tax of State B) to the cash ledger of the supplier (Central tax + State tax of State A) would be difficult. So in such cases, TDS would not be deducted. Thus, when both the supplier as well as the place of supply is different from that of the recipient, no tax deduction at source would be made.

### **Registration of TDS deductor:**

A TDS deductor has to compulsorily register without any threshold limit. The deductor has a privilege of obtaining registration under GST without requiring PAN. He can obtain registration using his Tax Deduction and Collection Account Number (TAN) issued under the Income Tax Act, 1961.

### **Deposit of TDS with the Government:**

The amount of tax deducted at source should be deposited to the Government account by the deductor by 10th of the succeeding month. The deductor would be liable to pay interest if the tax deducted is not deposited within the prescribed time limit.

### **TDS Certificate:**

A TDS certificate is required to be issued by deductor (the person who is deducting tax) in Form GSTR-7A to the deductee (the supplier from whose payment TDS is deducted), within 5 days of crediting the amount to the Government, failing which the deductor would be liable to pay a late fee of Rs. 100/- per day from the expiry of the 5th day till the certificate is issued. This late fee would not be more than Rs. 5000/-. For the purpose of deduction of tax specified above, the value of supply shall be taken as the amount excluding the Central tax, State tax, Union territory tax, integrated tax and cess indicated in the invoice. The purpose of TDS is just to enable the Government to have a trail of transactions and to monitor and verify the compliances.



**TDS Return:**

The deductor is also required to file a return in Form GSTR-7 within 10 days from the end of the month. If the supplier is unregistered, name of the supplier rather than GSTIN shall be mentioned in the return. The details of tax deducted at source furnished by the deductor in FORM GSTR-7 shall be made available to each of the suppliers in Part C of FORM GSTR-2A electronically through the Common Portal and the said supplier may include the same in FORM GSTR-2. The amounts deducted by the deductor get reflected in the GSTR-2 of the supplier (deductee). The supplier can take this amount as credit in his electronic cash register and use the same for payment of tax or any other liability.

S. No.	Event	Consequence
1.	TDS not deducted	Interest to be paid along with the TDS amount; else the amount shall be determined and recovered as per the law
2.	TDS certificate not issued or delayed beyond the prescribed period of five days	Late fee of Rs. 100/
3.	TDS deducted but not paid to the Government or paid later than 10th of the succeeding month	Interest to be paid along with the TDS amount; else the amount shall be determined and recovered as per the law
4.	Late filing of TDS returns	Late fee of Rs. 100/- for every day during which such failure continues, subject to a maximum amount of five thousand rupees

Any excess or erroneous amount deducted and paid to the Government account shall be dealt for refund under section 54 of the CGST Act, 2017. However, if the deducted amount is already credited to the electronic cash ledger of the supplier, the same shall not be refunded

**Conclusion:**

The mechanism of GST Council would ensure harmonization on different aspects of GST between the Centre and the States as well as amongst the States. It has been provided in the Constitution in discharge of various functions, shall be guided by the need for a harmonized structure of GST and for the development of a harmonized national market for goods and services.

Even after almost four month of the launch of GST in India, people and businesses are still struggling to accept it completely. Let's see how people from different areas are reacting to GST and what their concerns are. While many people have already started adjusting themselves to the new GST based tax system, many others are still struggling with the shortcomings of GST and the extent of adjustment they are supposed to make. As we have all realised so far, the government may have officially launched the system through the country, common men are facing new problems every day in the post-GST era. Government also trying to make it easy for the stake holders; some major improvement and issue as incorporated under.



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## E-MARKETING IN DIGITAL INDIA

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### **Abstract:**

*The digital economy is the new productivity platform that some experts regard as the third industrial revolution. Marketing concept is going to change into E-Marketing. There are several pillars of opportunities that are going to built e-marketing in digital way. The nine pillars of the Digital India programme face serious challenges. It is necessary to overcome all the challenges with the help of a proper IT security solution like e-scan. The first step towards e-Marketing in Digital India is access to high quality broadband and at least smart phone. Combination of access to affordable broadband, smart devices and monthly data packages should be there to avail all facilities of the campaign. The paper highlights the latest strategy and success of e-marketing in Digital India.*

**Keywords:** Digital economy, Internet economy, E-marketing, latest strategy.

### **Introduction:**

India is the second largest country after China in terms of population in the world. The digital economy is a new platform for E-Marketing. This is also known as digital marketing; web marketing; online marketing; search marketing or Internet marketing which is the marketing promotion of product or services over the Internet. E-Marketing is considered to be broad in scope because it not only refers to marketing done via e-mail and wireless media. Digital customer data and Electronic Customer Relationship Management (ECRM) systems are also often grouped together under internet marketing.

E- marketing ties together the creative and technical aspects of the Internet, including design, development, advertising and sales. E-marketing firstly starts from 1990<sup>th</sup> century. Today, there will be tremendously change in e-marketing system due to some aspects like faster internet connection, Images, and Videos. E-marketing is the process of marketing of a product, or services through Internet.

Digital India initiative will give a big push to mobile marketing, commerce & banking. E-Governance is going to change into mobile governance which is quite an ambitious plan. As of January 2015, India has 979.21 million telephone subscribers. Of this, 952.34million is wireless out of these 553.45 million from urban areas and 398.89 million from rural areas.

### **Pillars of Opportunities:**

There are several pillars of opportunities that are going to be built to escalate public behavior and expectation in digital way

1. Broadband Highways
2. Digital Locker
3. Mobile Connectivity
4. E-Kranti
5. Manufacturing



6. My Government
7. Information for all

### **Research Methodology:**

This paper presents the latest strategy and success of E-Marketing in Digital India. Information and Data about the Research Paper has been collected from the various secondary sources such as Websites, Research Articles, Research Books, Government Reports and Journals.

### **Objectives:**

The following are the main objectives of the Research Paper.

- To study the meaning of E-marketing
- To study the latest strategy for E-marketing in Digital India
- To present recommendations for the success of E-marketing in Digital India.

### **Latest Strategy In E-Marketing:**

As a E-marketing is dependent on technology which is ever evolving and fast changing the same features should be expected from digital developments and strategy.

1. **Segmentation:** More focus has been placed on segmentation within marketing in order to target specific markets in both business and business to customer sections.
2. **Influence Marketing:** Important nodes are identified within related communities, known influencers. This is becoming an important concept in digital targeting.
3. **Online Behavioral Advertising:** It refers to the practice of collecting information about a user's online activity over time. On a particular device and across different unrelated websites in order to deliver advertisement tailored to that user's interests and preferences.
4. **Collaborative Environment:** It can be set up between the organization, the technology service provider and the digital agencies to optimize effect resources sharing reusability and connections.
5. **Remarketing:** It plays a major role in e-marketing. This tactic allows marketers to publish targeted ads in front of an interest category or a defined audience generally called searched for particular products or services or visited a website for same purpose.
6. **Game Advertising:** Such type of advertisement exist within computer or video games one of the most common examples of in game advertising is billboards appearing in sports games. In game ads also might appear as brand name products like game car or clothing that exist as gaming status symbols.

### **E-Marketing Challenges:**

We are in a mission to accustom every single Indian to digitally literate, then it might take years or rather decades. In order to keep the momentum at par and mission fruitful, we could have termed it as Digital India Year. A Digital India Year would make sure that every aspect of E-Marketing is pushed to show results on the ground and not go into hibernation after one week of enthusiasm. Considering that most of the seven pillars of the e-marketing in



Digital India face serious challenges in implementation. Seven pillars of the programme are directly related to high-end consumers and not for 70% (almost, according to 2013-2014 survey) of the rural population in India. Following are the challenges of the E- marketing in Digital India.

- Problem of Implementation
- Risk of loss of data and privacy
- Problem of Excessive server hits
- Problem of Man-in-the-middle attack
- Problem of IT Security
- Education of Antivirus Software
- Availability of high quality broadband and at least a smartphone
- Gram Panchayat Connection- BSNL WIFI Connection
- Weak link of Electronic Manufacturing
- Problems of integration of technology and language
- Different internet protocols in different states
- Problems of inter-governmental coordination
- Scarcity of resources
- Problems of data stealing and privacy breach
- Problems of Land Acquisition in Infrastructure projects
- Problems of Digital IT Literacy
- Problems of Digital Hacking
- Spectrum Crunch
- Standardization of the network.



### **Recommendations:**

Following recommendations should be consider for the success of E-Marketing in Digital India.

- Access to high quality broadband and at least a smart phone is the basic need of E-Marketing in India.
- Improving IT literacy is very important because entire mass who is using internet should know how to secure his/her online data.
- Providing proper usability guidance of Anti-Virus software and its role in securing the records should happen simultaneously.
- The entire programme should be designed as a top-down model for the success of pillars of the programme such as electronic delivery of services, information for all and IT for Jobs.
- Broadband highways programme should be implemented properly avoiding difficulties.
- Problem of deployment of Wi-Fi hotspots across the country especially in villages should be solved through proper mechanism.
- Land acquisition was the bottleneck in infrastructure projects. Rehabilitation and resettlement is needed to avoid the problems from the rural society.





- The government should note that Internet is all about democracy and transparency because it facilitates interactivity.
- Silence approach should be avoided in the face of many raging controversies. Such approach kills the very purpose of using digital and social media.
- Manufacturing has always been a weak link in the India story which should be converted in strong link.
- The government's net-zero import target in the sector has been set at 2020. It will have to move fast on this front to attain this objective.
- On the whole, while the intent of the initiative is good, it is riddled with challenges. We will have to wait and watch how fast the government will succeed in fulfilling the dream.
- Combination of access to affordable broadband, smart devices and monthly data packages should be there to avail all the facilities of the campaign.
- India is diversified country, in terms of language, culture, laws which vary from states to states. Implementation of integration of technology and language one of the main challenges which should be tackled out through proper strategy.
- There are different internet protocols in different states depending on what kind of hardware and software they implement and chances are that might lead to connectivity glitches. Hence there must be some sort of directives to standardize all the software protocols.
- We live in world where Internet and cyber crime are inseparable enemies. The entire architecture should be designed in such way that there is proper authentication done of all the documents put online by citizens and it is available to the right users at any time they want with the right authentication.
- The entire digital platform is being managed by the government organization, National Informatics Centre. The people of the country need to understand those rules and regulations.
- Security in the platform, at the end users side and conformity with strict privacy norms should be there together to take care of digital hacking.
- There should be some sort of a regulation for training in the industry.
- Digital literacy should be coupled with country wise drive on cyber security awareness, so that users have a safe experience on the internet.
- There should be efficient inter-governmental coordination. Although the Department of Electronics & IT is leading it forward, there is an active involvement of telecommunication, justice, finance and planning, health department, etc.
- The digital India plan comes at a time when the debate of net neutrality is important for entrepreneurs, who play major role in e-marketing. Hence it is of utmost importance that the debate be resolved at the earliest.

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## MOBILE COMMERCE ISSUES: A REVIEW

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### Abstract:

*Though many companies are still just beginning to grasp the potential uses and impacts of the web and e-commerce advances in technologies and their application continue. These advances often present various managerial and technological issues for individuals, companies, Governments, and other entities. One significant area of technological advancement is the development of mobile commerce, which encompasses interactive business activities and processes related to a commercial transaction conducted through communication networks that interface with wireless devices. These systems provide the potential for organizations and users to perform various commerce-related tasks without regard to time and location (anytime from anywhere). This emerging mobile commerce environment presents a new set of issues. This research paper identifies and categorizes some of these issues so that researchers, developers and managers have a starting point for focusing their activities within the emerging m-commerce domain. My examination categories them technological (both client and infrastructure) issue*

**Keywords:** mobile, wireless, e-commerce, m-commerce, m-commerce environment issues

### Introduction:

While electronic commerce (e-commerce) continues to impact the global business environment profoundly, technologies are beginning to focus more on mobile computing and the wireless web. With this trend comes a new set of issues specifically related to mobile commerce. Electronic commerce is the electronic exchange (delivery or transaction) of information, goods, services and payments over telecommunication networks. E-commerce activities include establishing and maintaining online relationship between an organization and its suppliers, dealers, customers, strategic partners, regulators, and other agents related to (or in support of) traditional delivery channels.

**Mobile commerce** (also called m-commerce) is defined as all activities related to a (potential) commercial transaction conducted through communication networks that interface with wireless (or mobile) devices. **Mobile devices** are those devices that are used to connect them to mobile services.

### Mobile commerce activities include:

- ✓ Product searches and comparisons by consumers;
- ✓ Product information presentation and promotion by manufacturers and retailers;
- ✓ Post-purchase customer support;
- ✓ Communication between seller and shippers or banks; and
- ✓ Other activities that are not directly related to the transaction itself.



**Objective:**

1. To present and categorize a number of possible issues in mobile commerce.
2. To study the wireless technology issues, including those related to mobile devices and communications infrastructures that are currently used for mobile commerce.
3. Looks at issues relevant to the global use of m-commerce.

**Research Methodology:**

The methodology that I use to identify issues is a review of the nascent literature of mobile commerce found in both academic and trade publications. I reviewed many of the relatively small number of academic articles and some relevant trade articles in preparing this paper.

**Mobile commerce issues:**



**Mobile clients issues**

- Physical form
- Personalization of information
- Usability
- Client software
- Protocols

**infrastructure issues**

- Local area network issues
- Technology issues

**global issues**

- Standardization
- Adoption
- Variation in pricing
- Identification of services

**Other Issues**

- social acceptance
- security
- Revenue generation
- Safety in Automobile
- Respect user privacy
- Lack of integrity
- Synchronization
- Inter and intra-organizational



## **1. Mobile client issues:**

Mobile clients (sometimes called mobile commerce terminals) are those devices and their client software used by individuals to communicate with wireless communication networks. The issues related to mobile clients primarily centre on hardware and software technology.

### **1.1 Physical form:**

The devices currently used most commonly for mobile clients are mobile telephones, handheld computers, laptop computers, and vehicle-mounted devices. Hybrid devices are appearing, such as the combinations of mobile phones and handheld devices (sometimes called Smartphone's)

### **1.2 Personalization of information:**

Information viewing can be personalized for the user either on a single wireless device or across multiple devices, thus giving users a consistent and familiar environment when going from one device to another.

### **1.3 Usability:**

Handheld and phone devices differ from desktop and laptop computers in several ways, including smaller screen sizes and limited input capabilities. Many handheld devices display only a few lines of text and do not have traditional keyboards. Larger screens and the use of colour can enhance usability but at the expense of battery life some mobile Phones are without keypads. Voice interfaces also show potential for use with Mobile clients, but currently have limitations including the need to train devices to recognize a user's voice, the relative slowness of voice versus other input means, and the exclusion of graphics or other visual information display.

### **1.4 Client software:**

Special mobile web browsers, such as pocket internet explorer and mobile browser, were also created to function with smaller displays. Although current mobile device software meets some needs, its functionality is limited.

### **1.5 Protocols:**

The wireless application protocol (wap) enables wireless devices, such as mobile phones and handheld computers, to access the internet. Many wap-enabled devices are on the market, there is doubt as to whether wap will become a globally accepted standard.

## **2 Infrastructure issues:**

The communication infrastructure is necessary for mobile commerce. Its technologies can be roughly divided into those that primarily support wireless local area networks (lans) and those that are used for wireless telecommunications purposes. This paper explore wireless communication technologies only those most relevant to mobile commerce.

### **2.1 Local area network issues:**

#### **2.1.1 Limited bandwidth:**

Wireless networks lack the bandwidth of their wired counterparts. Applications that run well on a wired network may encounter new problems with data availability, processing efficiency, concurrency control, and fault tolerance when ported to a mobile environment. Data and processing-intensive applications may need to be redesigned to function properly when communication speeds are limited and possibly inconsistent.

#### **2.1.2 Frequency spectrum:**



As bandwidth demand increases for new and existing network applications, there may be problems with obtaining unused “airspace.” While frequency reuse is increasing, the availability of both frequencies and bandwidth may become more limited in the future.

### **2.2 Technology issues:**

One type of interference occurs when a channel employing “frequency hopping” (for security) interrupts another channel when it briefly “steps on” the latter channel’s frequency. Whether such interference becomes problem remains to be seen.

#### **2.2.1 Contact:**

Seamless transfer of the communication linkage will be necessary when moving from location to location and from device to device.

#### **2.2.2 Graphics capability:**

The advertising-based web model may not work for the wireless web due to small screen sizes with limited graphics capabilities.

#### **2.2.3 Security:**

Users and their organizations, however, will want assurance that their sensitive wireless communications and transactions are not intercepted. Certain methods may reduce the chances of unapproved access.

#### **2.2.4 Virus management:**

This issue even more problematic is that hackers could use stolen wireless devices to create and disseminate a virus, after which the devices could be physically destroyed, making it almost impossible to trace the origin of the virus or to identify its creator.

#### **2.2.5 Identify users positively:**

Organizations want positive user identification to validate user transactions but doing so with limited devices may be difficult.

#### **2.2.6 Privacy:**

Location technologies, especially the global positioning system (gps), will play a large role in wireless communications allowing the geographic location of anyone in the world. With these technologies, organizations can determine where users are located, but access to this information must be controlled for the privacy of the user.

### **3 Global issues:**

The global use of wireless technologies and applications adds another layer of complexity to the issues in m-commerce. This complexity derives from the legal, cultural, social, Political, and technical differences among countries.

#### **3.1 Standardization:**

Technologies continue to evolve and change on a daily basis worldwide. Mobile phone standards vary from country to country and even within a country. The implementation of wap devices is slower and there are doubts as to whether it will become the accepted worldwide standard. How global enterprises should address the various wireless communication standards around the world is an open question, and a critical one, for achieving competitive success.



### **3.2 Adoption:**

Explore opportunities abroad through partnerships, direct sales, or new foreign divisions. Businesses plan for the continued disparity in adoption of mobile commerce around the world.

### **3.3 Variation in pricing:**

These pricing differences, however, are becoming less pronounced as many service providers change their pricing policies to make them more affordable to the average consumer. Whether variations in access pricing in different countries affects the use of wireless services

### **3.4 Identification of services:**

Demand for wireless applications differs around the world. Wireless handheld computers, with screens larger than mobile phones, also are expected to contribute more in m-commerce transactions in the United States compared to other Countries.

## **4 Other Issues:**

### **4.1 Social acceptance:**

Ringtone mobile phones and key tapping users are not appreciated by many people in public locations, such as theatres and restaurants. Whether legal or cultural barriers will limit the use of mobile devices in certain situations is unknown.

### **4.2 Security:**

Mobile banking allows banks to offer customer services, such as account information and transactions, without the overhead of a brick and mortar location. Services such as wireless stock trading. Wireless devices (sometimes in conjunction with smart cards) are also beginning to be used for payments to merchants and for transfer of cash between devices. Before any of these wireless applications will be fully accepted by users, financial and other data must be made secure.

### **4.3 Revenue generation:**

This issue can be seen in the context of wireless entertainment. Mobile betting and gambling is available through wireless devices. Revenue in these cases might be obtained through service charges, sponsorships, commissions on the gambling wagers themselves. Other companies provide Multi-player games that can be played from a phone or handheld device.

### **4.4 Safety in automobile:**

Traffic advisory systems can guide a driver to his or her destination or warn of impending traffic jams. Automobiles will eventually be able to report potential problems to service centres themselves before they become serious. The service centre might make minor adjustments to the car online or contact the driver to bring in the car.

### **4.5 Respect user privacy:**

Even without gps, location identification with m-commerce applications may become Possible. The location of users can also be used to target market customers in commercial areas, such as grocery stores and shopping malls or when they are near a restaurant.

### **4.6 Lack of integrity:**

Many applications do not maintain a single source of data for mobile and non-mobile applications, nor do they allow direct sharing of data among devices and applications, which can result in a lack of integrity in the data.



#### **4.7 Synchronization:**

When mobile clients are synchronized with other devices (such as desktop computers), changes within each device are sent to the other devices according to rules of precedence. The current proliferation of non-interoperable synchronization technologies creates barriers to developing robust mobile commerce systems a consortium of global technology firms, including wireless handset manufacturers, is developing a standard for synchronizing data between mobile client devices and other platforms.

#### **4.8 Inter and intra-organizational:**

While most initial mobile commerce applications seems to be aimed at the business-to-consumer market, business-to-business and intranet applications are also appearing. Wireless technologies and m-commerce can facilitate the redesign of organizational activities. Companies that use a just-in-time manufacturing approach can track inventory through wireless transmitters and can also track the location of vehicles bringing materials to be processed. All these mobile enterprise applications are complex; however, developing them requires careful planning, analysis, design, and implementation.

#### **Conclusion:**

In this research paper I identify numerous issues related to the design, implementation and management of mobile commerce systems. My examination showed that these issues may be categorized as technology, global & other issues, where technology issues may focus on the client itself or on the underlying infrastructure. While my list of issues is certainly not exhaustive, it represents a useful overview of the social, technical, and practical environment within which m-commerce activities are establish. Each distinct dimension technical level, organizational level, and geographic level represents an alternate continuum for evaluation. Legal issues, such as laws governing the public use of mobile phones, are primarily non-technical issues impacted by the technology. Such issues as acceptance of standards that have both technical and nontechnical considerations the organizational dimension is a way in which issues can be segmented according to the level of organizational impact. Issue primarily affect the individual, the workgroup (or team), the department, the entire organization, multiple organizations (within or across industries), or the environment outside the organization.

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## IMPACT OF GST ON AGRICULTURAL SECTOR

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### Abstract

*Goods and Services Tax is a single and a broad based tax levied on goods and services consumed in an economy. Agricultural sector has been the root of Indian economy and it contributes to around 17.4 per cent to GDP. About 52 per cent of the total rural livelihood depends on this sector as their primary means of livelihood, so it is important to study the impact of GST on the Agriculture sector. GST will have both positive and negative effect on Agriculture. GST is expected to create a business friendly environment, as price level and inflation rate go down. The implementation of GST is expected to bring uniformity across states and centre which would make tax support policy of a particular commodity effective. This paper is helpful in bringing out the light on Impact of GST on Agriculture Sector.*

**Key words;** goods services, Agricultural, environment, Implementation, commodity.

### Introduction

The impact of GST on agricultural sector is foreseen to be positive. The agricultural sector is the largest contributing sector the overall Indian GDP. It covers around 16% of Indian GDP. The implementation of GST would have an impact on many sections of the society. One of the major issues faced by the agricultural sector is the transportation of agriculture products across state lines all over India. It is highly probable that GST shall resolve the issue of transportation. GST may provide India with its first National Market for the agricultural goods.

### Objectives of The Study

1. To know the Goods and service tax.
2. To understand the feature and benefits of GST
3. To know the impact of GST on agricultural industry
4. Challenges in Implementation of GST in the Agricultural Sector

### Goods and Services Tax (GST)

Goods and Services Tax proposes to introduce a single tax on supply of goods and services or both, by amalgamating all the central indirect taxes (excise duty, countervailing duty and service tax) and state indirect taxes (VAT, luxury tax, entry tax, octroi, etc). GST seems to be more comprehensive, compliable, simple, harmonized and development oriented tax system. The GST, unlike the present system, will allow the supplier at each stage to set-off the taxes paid at previous levels in the supply chain. It is essentially a tax on value added at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages (GOI).



### **Features of Indian GST**

1. It will be collected on VAT method i.e. tax at every stage of value addition.
2. It will be imposed at an uniform rate @20 per cent (Centre state share = 12 and 8 per cent respectively)
3. Indian government will also apply an integrated GST that means only Centre can collect GST in case of inter-state trade and commerce and further this tax will be divided between Centre and state based on recommendation of GST council advisory body. Furthermore, indirect tax will not be subsumed into GST.

### **Benefits Of GST**

1. Unified market - the amalgamation of various taxes into one will simplify the procedure and help in evolution of a common market at national level
2. Increase in tax revenue is projected due to better compliance and broader tax base
3. Increase in exports due to cost effective production
4. The burden of tax on goods is expected to fall under GST leading to benefits to the consumers

### **Agricultural Sector In India**

India is primarily an agriculture based society. This agrarian society is one of the largest contributors to the Indian GDP (Gross Domestic Product). It is estimated that more than 58 p % of the rural household depends on the agriculture sector for earning their livelihood. The definition of agriculture includes the breeding and cultivation of plants, animals, and fungi for the purpose of food, medicine, clothing, fuel, and other allied purposes. Therefore, the agriculture sector not only includes merely farming, horticulture or animal breeding. The agriculture sector includes everything under agriculture including the allied sectors such as forestry and fisheries.

### **Impact Of GST On Agricultural Sector**

The overall impact of GST is foreseen to be positive for almost all of the sectors including the agriculture sector. The agriculture sector contributes more than 15% of Indian Gross Domestic Product. This is among the largest contributing sectors of India's economy. Some of the positive indicators for the agriculture sector due to the implementation of GST include:

- **Help in reducing the cost of heavy machinery:** GST is essential to improve the transparency, reliability, timeline of supply chain mechanism. A better supply chain mechanism would ensure a reduction in wastage and cost for the farmers/retailers. GST would also help in reducing the cost of heavy machinery required for producing agricultural commodities. Under the model GST law, dairy farming, poultry farming, and stock breeding are kept out of the definition of agriculture. Therefore these will be taxable under the GST.
- **Resolving the issue of transportation:** Implementation of GST is supposed to improve the mobility of goods and services from one state to the other. This would, in turn, improve the transportation of agricultural products between states and different parts of the country. This would further improve the overall revenue generation for the sectors and the individuals involved in the sector particularly.



- **Creation of a National Market for Agricultural products:** This free flow of agricultural produce within states and from one state to the other would help in creating a national market for agricultural produce. This National Agricultural Market (NAM) proposed by the central government would involve the farmers and the traders of the agricultural produce market. The purpose of this National Agricultural Market is to create a centralized regulated marketplace and a common e-commerce platform for conducting impartial, transparent, and free trade of agricultural products. Creation of NAM would help in subsuming all the different indirect taxes implemented in the agriculture sector, thus creating a hassle-free and transparent supply chain by providing due input credit for the taxes paid for each value addition in the supply chain.
- **Gains for the Farmers:** Farmers or those who are involved in the creation of all the agricultural products have always been at the lagging end of the supply chain. This lagging end has always been neglected and poverty has almost been synonymous with this end of the supply chain. Implementation of GST would reduce the time of the supply chain which is bound to reduce waste of agricultural produce. This clearly indicates that more produce would reach the market and reap benefits for the farmers. Further, the farmers would also be benefited by the creation of National Agricultural Market by selling their produce at the best price directly.
- **Efficient Supply Chain:** While GST is bound to create shorter, efficient and effective supply chains for the agricultural market, implementation of GST would also ensure an increase in transparency, increase reliability, increase in the effective sale and purchase, and reduce in the supply chain timeline by ensuring smooth flow of agricultural produce from the farms to the marketplace.
- **liberalizing the marketing of agricultural products :** Interstate trading of a particular product often is subjected to various taxes, permission, license required for different states at every point of their transaction. This had often created hindrance in trading of products across the country for many traders in the past. So implementing GST would be the first step towards liberalizing the marketing of agricultural products and creating a smooth transaction of goods.
- **Benefit the national agricultural market** -Agricultural products were always subject to diversity in the taxation rates so a single rate of goods and service tax would benefit the national agricultural market and help the farmers and traders to sell their products in any part of the country and receive the best price for their product.

### **Challenges in Implementation of GST in the Agricultural Sector**

Changes are often resisted and such resistance arises because of the challenges faced while implementing the change or the struggle of coming out of the comfort zone during the process of change. Some of the changes, which are being preempted while implementing GST specifically in the Agricultural Sector include:

- **Hassle in a creation of National Agricultural Market:** Implementation of NAM can be challenging because of the existing differential Value Added Tax implemented by the respective states. This, when accompanied by Agricultural Produce Market



Committee Law of the state, can actually make the implementation of GST in the agricultural sector quite tedious.

- **Coordination between the states and the center:** Implementation of GST would have an impact on the state revenues, which in fact has delayed the process of implementation of GST across states and sectors of industry. Therefore, political will and state support would be required in synergy for implementing an effective GST regime across sectors.
- **Creation and Availability of Infrastructure:** In order to have an effective and efficient supply chain in the agricultural sector, infrastructure needs to be in tune with the increased volume of supply and trade. This would require some time and effort of the central government, state government, and all the individual stakeholders of the agricultural sector.

### Conclusion

An increase in the cost of few agricultural products is anticipated due to the rise in inflation index for a brief period. Though, implementation of GST is going to benefit a lot, the farmers in the long run as there will a single unified national agriculture market. GST would ensure that farmers in India, who contribute the most to GDP, will be able to sell their produce for the best available price. GST will make tax system more transparent as single tax system is available to whole country. Agricultural products were subjected to diversity of taxation rates; as single rate of goods and service tax would help the farmers and also to traders because they can sell their produce in any part of the country.

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## THE ROLE OF ECO TOURISM IN SOCIO-ECONOMIC:

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India, with 2.4 per cent of the world's area harbors 8.1 per cent of the world's total biodiversity. It is one of the 12 mega-biodiversity countries of the world. India is equally rich in its cultural heritage. Traditionally, India has sought to protect its biodiversity through a Protected Area (P A) network. The network with over 600 Protected Areas covers approximately 4.8 per cent of India's geographical area.

Ecotourism is define as environmentally-responsible travel and visitation to relatively undisturbed natural areas, to enjoy, study and appreciate nature (and accompanying cultural features, both past and present), that promotes conservation, has lower visitor impact, and provides for beneficially active socioeconomic involvement of local populations. Ecotourism needs to be seen more as a philosophy or as an approach where communities are part of the tourism initiative and thus, derive financial incentive to conserve biodiversity. Ecotourism, if practiced in an appropriate way, can provide local communities with a source of income. As important stakeholders, communities then also become protectors of the biodiversity and partners in conservation.

Following four essential characteristics of ecotourism are nature based activities, eco-cultural sustainability, and conservation education (for tour operator and the tourist) as a major component and significant involvement of and benefits to local people. These paper emphases on the problems and policies of ecotourism in India. Following are the problems faced by the Indian economy in the application of ecotourism policy.

### **Problems of Ecotourism in India:**

The problems of ecotourism are as follows.

#### **1. Inadequate infrastructure:**

The greatest constraint is inadequate infrastructure. Constraints include lack of sufficient airports and airport facilities, international and domestic air-seat capacity, surface transport systems, basic wayside amenities, accommodation, restaurants, shopping and recreational facilities, trained labour force resources. Both quality and quantity of infrastructure are major impediments to the growth of tourism in the country.

The international air-seat capacity for India is presently about 5.3 million which is just enough to cater for the existing level of passenger traffic. A number of tourist origin countries are not directly connected by air to India. Additional international air seat capacity of at least 2 million would be required if 3.2 millions tourists were to come by 2000. If the target of 5 million tourists is to be achieved, the additional capacity required is estimated to be 5 million seats. Lack of adequate air-seat capacity on international flights during the tourist season, which is from October to March, further compounds the problem, and works against increasing foreign tourists.



## **2. Lack of Transport access to major Tourist destinations:**

There is need to address problems of insufficient flights to; major tourist destinations particularly during the tourist season, the high cost of internal air travel and inconvenient flight schedules. Efforts also need to be undertaken to improve the efficiency of Indian Airlines and foster growth of private airlines. An efficient and responsive domestic air transport system is an essential prerequisite for generating more tourism to India.

## **3. High price and inconvenient schedule:**

Other important areas which require attention are airline quality and networking. There are too few flights available, particularly during the best tourist season, and the services that do exist are high priced and their schedule of arrivals/departures are inconvenient for travellers. Within the country, the services of Indian Airlines require substantial improvement, and they need to network with private airlines. A viable hub-and-spoke operation, networking larger commercial centres with smaller tourist destinations needs to be developed to improve access to the interior of the country.

## **4. Scarcity and high cost of accommodation:**

The second serious handicap to tourism in India is the scarcity and high cost of hotel accommodation. The number of approved hotel rooms available in 1997 was around 64 500, with about 36 000 under construction. The demand by the year 2000 has been estimated at 1.25 lakhs, which means there would be a shortfall of 27 000 hotel rooms. Lack of economically priced hotel accommodation in the tourist season is being cited as one of the reasons for not choosing India as the place for a holiday. The agencies can also play a role in bringing private buyers and sellers together to enable entrepreneur's easy access to land and buildings in private hands.

## **5. Difficulty of obtaining Visas:**

Another major inhibitor of the growth of tourism is the difficulty of obtaining visas for India. Visa restrictions need to be liberalized, to ensure a larger flow of tourists to the country. A number of options are available. The visa regime must be liberalized at least in respect of those countries which do not pose any political or security problems. The procedure for the issue of visas can also be made simple and at least in the major tourist originating countries the applications for a tourist visa could be received through the internet and processed on computers. Another area that requires attention is the possibility of reducing visa charges, particularly special Charges on visiting restricted areas.

## **6. Increasing Competition from neighbours:**

Increased competition from neighbouring countries and poor perception of the Indian tourism product (particularly with regard to transport infrastructure) in the major tourist originating markets are the other constraints on the growth of tourism. An added negative factor is the image of India as a country overrun by poverty, disease, riots and political instability. The promotional expenditure in the overseas markets of competitor destinations like Singapore, Thailand and Malaysia far exceeds the promotional expenditure by India. India needs to make vigorous efforts to improve its image as an attractive destination, and for this more resources are required.



### **7. Lack of priority in the planning of development:**

There are numerous other constraints in the development of tourism in India, including lack of priority in the planning of development, poor upkeep of monuments and wildlife sanctuaries, inadequate surface transport facilities, poor quality of services etc. The Government of India has set up a group of Ministers under the Minister of Tourism to coordinate activities of various government departments and agencies. Many of the activities in the tourism sector are dependent on initiatives of the state governments. Enlightened state governments like Kerala, Goa and Rajasthan have done a lot to attract more tourists by making facilities more tourist friendly.

### **Measures to Promote Ecotourism in India:**

The key players in the ecotourism business are governments at both levels, the local authorities, the developers and the operators, the visitors, and the local community. Each one of them has to be sensitive to the environment and local traditions and follow a set of guidelines for the successful development of ecotourism. In addition, nongovernmental organisations and scientific and research institutions also have to play a key role in the development of ecotourism.

### **Government and Authorities Responsibilities for Ecotourism:**

1. Specify environmental, physical and social carrying capacities to limit development.
2. Ensure continuous monitoring of adverse effects of tourism activities and initiate suitable corrective measures.
3. Provide visitor information and interpretation services covering particularly (i) what to see; (ii) how to see it; and (iii) how to behave. This can be by way of brochures, leaflets, specialized guides, visitor information centres and such.
4. Launch training programs on ecotourism for tourism administrators, planners, operators and the general public.
5. Undertake environmental impact assessment for all new projects and conduct regular environment audits for all ongoing activities, leading to development of environmental improvement programs.
6. Recognise the optimal environmental capacity and sociological use-limits of the site in creating tourist facilities; also take into account the safety and convenience of tourists.
7. Employ eco-friendly physical planning, architectural design and construction of tourist facilities, for example use solar energy, capture and utilise rainwater, recycle garbage, use natural cross-ventilation instead of air conditioning, ensure a high level of self-sufficiency in food through orchards, ecological fauna, aquaculture and such.
8. Employ energy and water-saving practices to the extent possible; freshwater management and controlled sewage disposal should also be practised.
9. Control air emissions, chemical pollutants and noise.
10. Control and reduce environmentally unfriendly products such as asbestos, CFCs, pesticides and toxic, corrosive, infectious, explosive or flammable material.
11. Respect and support historic or religious objects and sites.



12. Provide information and interpretive services to visitors especially on attractions and facilities, safety and security, local customs and traditions, prohibitions and regulations and expected behavior. Ensure adequate opportunities for visitors to commune with nature and native cultures.

13. Provide correct information in marketing ecotourism products, as visitors who appreciate ecotourism products usually belong to environmentally-aware groups.

14. Involve the local community to the extent possible in various activities and vocations.

Just as the government authorities and the tourism operators play fundamental roles in the success of ecotourism, so does the tourist. Main recommendations from the preparatory discussion are

1. Integrate ecotourism policies and planning across national boundaries
2. Ensure national governments provide necessary leadership and guidance
3. Create a planning framework for protected areas
4. Formulate ecotourism plans jointly between public agencies, NGOs and other stakeholders, with a long term vision and clear goals
5. Develop tools to assist in planning and management of ecotourism (e.g. appropriate land use planning and visitor management techniques)
6. Provide adequate and appropriate funding for projects, protected areas and partnerships
7. Involve governments, development agencies, NGOs, private businesses and others in building local capacity, to encourage participation and employment of local people
8. Ensure careful consultation and participation of all stakeholders in planning and policy development processes.

### Conclusion:

Although beginning to be understood for its potential to provide for development in India, tourism still remains a sector that needs serious attention. The movement towards ecotourism is at once a threat and an opportunity to create more sustainable tourism: by diverting tourist traffic to ensure the carrying capacity of any destination is not exceeded; by planning for regeneration of natural resources; and by generating awareness in the host community whereby they are prepared and forearmed to deal with the negative impact of mass tourism.' As in most cases, a middle path is the most creative way to maximize the economic potential of tourism, while at the same time minimizing the negative social influences and threats to the environment. Only ecotourism where the tourists, the service providers, the host community and authorities are well informed and prepared to harness tourism as an engine of growth can yield sustainable results.

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## **TOURISM INDUSTRY : A MEANS FOR FOREIGN EXCHANGE EARNINGS.**

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### **Introduction:**

India has spectacularly attractive natural and cultural tourist attractions. It has a rich, over 5000- year-old, cultural heritage and thousands of monuments and archaeological sites for tourists to visit and enjoy. India offers enormous diversity in topography. natural resources and climate. There are land-locked mountainous regions, lush valleys and plains. arid desert regions, white sandy beaches and islands. Central India has numerous wildlife sanctuaries with countless varieties of flora and fauna. The country has unparalleled cultural diversity a kaleidoscope of races. languages, religions, customs and traditions. Indians have embraced almost all the major religions of the world.

Some of the important fairs and festivals are the Pushkar fair in Rajasthan, the Crafts Mela at Surajkund, Holi and Diwali in North India, Pongal in Tamilnadu, On am in Kerala. Baisakhi in Punjab. Bihu in Assam, dance festivals at Khajuraho and Mamallapuram. Tourism in India can be a gastronomic delight. As the fastest growing sector in the tourism industry, otourism is an attractive investment proposition. Estimates of its relative significance in terms of global tourism expenditure vary considerably. Real GDP growth for the Travel & Tourism Economy is expected to be 0.2% in 20 II and to average 7.7% per annum over the coming 10 years.

This paper consists of economic significance of tourism. potential of tourism industry in India Economic Significance of Tourism. Tourism sector contribute in many ways. On the basis of following points it can be explain as.

### **1. Foreign exchange earnings :**

In India, tourism is emerging as a key sector in the economy. It is presently India's third largest foreign exchange earner after garments. and gems and jewellery.

The foreign exchange earnings from tourism during 1997-98 have been estimated to be about Rs.11264 cores (US \$3173 million). The rate of growth in foreign exchange earnings from tourism is exceptionally high. The contribution of Travel & Tourism to Gross Domestic Product (GDP) is expected to stay the same at 6% (fNR3, 239.4 billion or US\$67.3 billion) in 2009 to 6.0% (INRI 0, 274.1 billion or US\$J 87.3 billion) by 2019. Export earnings from international visitors and tourism goods are expected to generate 6.0% of total exports (TNR811.9 billion or US\$16.9 billion) in 2009. growing (nominal terms) to rNR2,819.0 billion or US\$SI.4 billion (4.1 % of total) in 2019.

### **2. Large-scale employment opportunities:**

The most significant feature of the tourism industry is its capacity to generate large-scale employment opportunities. particularly in remote and underdeveloped areas. A special feature of the tourism industry is that it employs a large number of women and young people



in hotels. airline services. travel agencies, making handicrafts, undertaking cultural activities. and other tourism-related tasks. The direct employment in the sector during 1995-96 was about 8.5 million persons. accounting for about 2.4% of the total labour force. Estimates of indirect employment show that in total about 22 million persons derive their livelihood from tourism. Different forecasts of direct employment in the sector have been made, however. they underline the fact that tourism is growing to become an important economic activity. It is estimated that one new job is created in tourism every 2.4 seconds. The contribution of the Travel & Tourism Economy to employment is expected to rise from 31, T OS, 000 jobs in 2009, 6.4% of total employment, or 1 in every 15.6 jobs to 40,037,000 jobs, 7.2% of total employment or 1 in every 13.8 jobs by 2019.

### **3. National integration and the social transformation:**

Another important feature of the tourism industry which is of particular significance to India, is its contribution to national integration and the social transformation of the economic lives of people. Over 176 million domestic tourists visiting different parts of the country every year, return with a better understanding of the people living in other regions of the country and of the cultural diversity of India. Tourism also encourages preservation of monuments and heritage properties and helps the survival of art forms, crafts and culture.

### **4. Help for sustainable human development:**

Tourism has become an instrument for sustainable human development through poverty alleviation, environmental regeneration, job creation, and the advancement of women and other disadvantaged groups. The Working Group constituted for the formulation of proposals for the Ninth Plan. on Tourism considered a growth target of 8% per annum in tourist arrivals as feasible during 1997-2002 leading to total arrivals of about 3.12 million tourists by the year 2000 subject of course to substantial improvement in infrastructure and services.

### **Potential of Tourism in India:**

The reasons for India having great potential as a tourism destination have been explored by Boniface and Cooper (2005) as follows:

The country has a very old civilization that offers many opportunities in terms of tourism development. This includes the different cultures and religions that have been considered in previous parts of The country has a population of well over a billion and it has almost 20% of the world's population and over half of the population is under 25 years old so the pressures for economic development including tourism are huge.

India has retained a democratic government and the country has states and autonomous territories that can determine their tourism development policies.

India is one of the most rapidly developing economies of the world with the high-tech cities of Bangalore, Hyderabad, Mumbai and Chennai leading the way in terms of business development.

The country has quite good transport infrastructure compared to other developing countries although there is still a great need for improvements.



### **Observations of Tourism in India:**

India, being considered as the most favoured tourist destination of the future, needs a lot of focus on managing its resources and requires a close attention on various issues. The need of the hour is to make heavy investments on various issues that govern the growth of tourist arrivals, to provide a keepsake visitor experience, in order to make their stay a memorable one and encourage repeat visit. The present study has identified various issues that have to be encountered. in order to make the visitors have a pleasant stay. It seeks to improve the image of India as a better tourist destination.

It is found that majority of the tourists are women and children, tourist safety is becoming a concern these days. Though India is a tourist friendly city, issues concerning the safety of tourists and their belongings are becoming topic of discussion. The definition of tourist safety is broad as term means a condition free of cheating. Fraudulence, misguiding, more serious issues like, stealing, harassing physically attempts of looting belongings etc. have to be carefully addressed.

Different governments have warned tourists about insecurity in India and take precautions to avoid any unpleasant incidents. Improvement of infrastructure is a very serious concern. Existing facilities are insufficient to meet the growing demands of local people and tourists.

Improvement of infrastructure and tourist safety is a very serious concern that is growing as the days pass. The respondents were also of the opinion that the existing facilities are insufficient to meet the growing demands. The relations with the local populace get strained many a times on account of this.

Repeatedly incidents are taking place in the cities where the foreign visitors abnormally behave or create problem to local people, after consuming intoxicated items. There is a need to maintain stringent measures to curb drug trade and usage of drugs by both state and central governments.

Service provided by local tour operators, local guides, room service, availability of tourist information room service, cleanliness, and crowd management were found to require more attention as these are the areas which the tourists felt that it was inadequately managed.

The next key issue is to create awareness on the impact of tourism on the local community, as this would induce a cohesive environment among the visitors and local people, where the local community as well as the visitors knows their responsibilities. In a destination, there are many occasions tourists directly contact local people.

The economic impact of tourism in India is highly visible during the off and peak seasons. People work in unorganized sector which is the most vulnerable section. where the off season directly hit their livelihood. Any tourism development programme will be successful only when the involvement of local community is ensured.

### **Conclusion:**

The major constraint in the expansion of international tourist traffic to India is non-availability of adequate infrastructure including adequate air scat capacity, accessibility to tourist destinations, accommodation and trained manpower in sufficient number. Poor visitor experience, particularly, due to inadequate infrastructural facilities, poor hygienic conditions



and incidents of touting and harassment of tourists in some places are factors that contribute to poor visitor experience.

To sum up, Indian tourism has vast potential for generating employment and earning large sums of foreign exchange besides giving a fillip to the country's overall economic and social development. Much has been achieved by way of increasing air seat capacity, increasing trains and railway connectivity to important tourist destinations, four-lining of roads connecting important tourist centres and increasing availability of accommodation by adding heritage hotels to the hotel industry and encouraging paying guest accommodation. But much more remains to be done. Since tourism is a multidimensional activity, and basically a service industry, it would be necessary that all wings of the Central and State governments, private sector and voluntary organisations become active partners in the endeavour to attain sustainable growth in tourism if India is to become a world player in the tourist industry.

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## **A COMPARATIVE STUDY OF BANKING SERVICES RENDERED BY PUBLIC, PRIVATE AND CO-OPERATIVE BANKS**

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### **Abstract :**

*The various services offered by the banks can be utilized by the customers, only when they are made aware of these services. The banker has to understand the customers' needs and in the same way, the customer has to know about the various services offered by the banks. The banker and customer have to know about one another. Increased level of awareness among the customers leads to increased preferences. The purpose of this study is to investigate the bank services and satisfaction level of customers towards loans, deposits schemes, insurances and value added services rendered by public, private and co-operative banks in north Maharashtra. The present study is to compare and analyze the customer preference and satisfaction towards banking services public, private and co-operative banks in north Maharashtra region.*

**Keywords:** Banks, services, customer, awareness, satisfaction

### **Introduction :**

Banks play a very important role in the Indian financial market as they are the biggest purveyors of credit and attract most of the savings from the population. Banking is necessary for the economic development of all the nations of the world because a developed banking system holds the key as well as serves as a barometer for the economic health of a country. Banking Industry is one of the most successful and strong industry of our country. The banks also rarely evaluate customer expectation. The most popular view of customer satisfaction by academia is that customer satisfaction is the judgment borne out of the comparison of pre-purchase expectations with post-purchases evaluation of the product or service experience.

### **Objectives of the study**

Following objectives are finalized for the study.

1. To study of banking services in India
2. To analyse the banking services rendered by different types of banks
3. To focus the customer satisfactions about various services provided by banks

### **Hypotheses for the study**

Following hypotheses were finalized for the study:

1. Bank performance has shown positive change.
2. After liberalization, there is positive change in the quality and number of services rendered by banks.
3. Customer satisfaction for services of private and public banks is more than that of co-operative banks

**Sample for the study**

Present study has been conducted for ten public sector, ten private sector and ten cooperative banks. The researcher has selected these public, private and co-operative banks from North Maharashtra region.

**Table-1 Public, Private and Co-operative banks from North Maharashtra Region.**

District	Public Sector Banks	Private Sector Banks	Co-operative Banks	Total
<b>Ahemadnagar</b>	State Bank of India Punjab National Bank	The federal Bank Ltd. Yes Bank	Pravara Sahakari Bank Ltd. Nagar district central co-operative bank	6
<b>Dhule</b>	Syndicate Bank Union Bank of India	ICICI Bank Kotak Mahindra Bank	Dhule Merchant Co-op. Bank, Dhule Vikas Sahakari Bank.	6
<b>Jalgaon</b>	United Bank of India Vijaya Bank	Yes Bank The ING Vyasya Bank Ltd.	Jalgaon Janta Sahakari Bank Ltd, Jalgaon Mahila Cooperative Bank.	6
<b>Nandurbar</b>	Bank of India Bank of Baroda	Axis Bank HDFC Bank	Nandurbar Merchant Co-op. Bank, Nandurbar District Co-operative Bank.	6
<b>Nashik</b>	Dena Bank Bank of Maharashtra	Ratnakar Bank City Union Bank	Nashik Merchant Co-op. Bank, Nashik Godavari Urban Co-operative Bank, Nashik	6
<b>Total</b>	10	10	10	30

**Scope of the study**

As number of banks are on very huge scale and customer number is also limitless so the study is restricted to zone selected banks only.

**Research Methodology**

There are two methods/sources of data collection. They are Primary sources and secondary sources. The required information for this research work was collected through both primary sources as well as secondary sources.

**Data Collection**

After the validation of the tool and the pilot study, the data collection process was started. The researcher approached the bank managers from the randomly identified banks and explained them the purpose of research. Three officers from each bank who were randomly identified were given the questionnaire/schedule and at the same time their interview was conducted to get additional inputs and insights.

**Interpretation and analysis of data**

**Hypothesis: 1 Bank performance has shown positive change.**



**Table 2 Performance of bank**

<b>a) Corporate Expansion</b>					
Opinion	Disagree	Unbiased	Agree	Total	$\chi^2$ p Value
Number of employees	25	19	46	90	0.001231
Equal Frequencies	30	30	30	90	Sig at 0.001
<b>b) Increased Efficiency</b>					
Opinion	Disagree	Unbiased	Agree	Total	$\chi^2$ p Value
Number of employees	24	19	47	90	0.000591
Equal Frequencies	30	30	30	90	Sig at 0.001
<b>c) Increased Deposits</b>					
Opinion	Disagree	Unbiased	Agree	Total	$\chi^2$ p Value
Number of employees	10	14	66	90	7.43E-15
Equal Frequencies	30	30	30	90	Sig at 0.001
<b>d) High level of infrastructure</b>					
Opinion	Disagree	Unbias ed	Agree	Total	$\chi^2$ p Value
Number of employees	17	13	60	90	1.48E-10
Equal Frequencies	30	30	30	90	Sig at 0.001

**Hypothesis 2: After liberalization, there is a positive change in the quality and number of services rendered by bank**

The banks introduced net banking soon after the essential processes were revamped. The employees were given necessary thorough training to handle e-banking. Customers were educated in using e-banking. Efforts were taken by the banks to instill confidence in net banking. Banks set up mechanism to alleviate the fears in the minds of customer regarding security of their financial transactions.

**Quality of services**

In order to develop confidence in the customers, banks took many measures like end to end encryption, identity verification, issuing digital certificates and automatic session time-out. These measures offer double security to all the transactions. They may be text or voice. Banks also take additional measures to minimize financial frauds. They use 206 OTP or UB Tokens to for the same. The customers are requested to create password in a unique way using different combinations of letter case, special characters and numbers, to avoid frauds. They request the customers not to keep the very obvious password and also to change the same regularly. Two level securities are built up in the system to visit the website. Only three attempts are given in case the customer provides wrong log in and/or password. In case of failure to log in the given time the customer's account cannot be accessed. This does cause some inconvenience to the customer at that time, but it is a great security measure to avoid hacking of the bank accounts. If the genuine customer is idle on the bank website beyond permitted time of being idle, he is automatically logged out. This is to safeguard his account. Multi-layer log on verification is done in case of phone banking. Customer care help lines are available 24X7. These are on a toll free number to facilitate customer. Banks have established their own call centres as a support system to address all kinds of queries from the customers.





**Services provided**

After liberation process the banks started net banking. This has affected customer services to a great extent. Online banking helped customer to avail all the banking services at the click of the mouse. Services like checking balance and account activity, viewing and printing statement of accounts, requesting cheque books, issue of demand draft, standing instructions, instructing stop payment, investing in term deposit plans, getting loan and its payment, third party bill settlement, sending secured messages to customer care, transferring funds across own accounts or others' accounts within the same bank or other banks are provided by the banks to their customers. Earlier these services were provided to the customers but for these they have to visit the bank which was more time consuming and cumbersome.. Different types of credit and debit cards were designed with multiple options to suit each pocket. This has made consumers spend more and more as they did not have to spend money immediately as card issuing banks give few days credit to pay the amount. It was easy for people to carry plastic money as the cash was inquired to be carried on one self. In order to remain in business and progress in the competitive world, banks have started to innovate more products and services for their customers.

**Hypothesis 3: Customer satisfaction for services of private and public banks is more than that of co-operative banks**

**Table-3 Satisfaction of e-banking services**

**a) Public Banks**

Levels of Satisfaction	Full Satisfaction	High Satisfaction	Moderate Satisfaction	Low Satisfaction	No Satisfaction	$\chi^2$ p Value
Observed %	18	31	30	15	6	0.00017466
Expected %	20	20	20	20	20	Sig at 0.001

**b) Private Banks**

Levels of Satisfaction	Full Satisfaction	High Satisfaction	Moderate Satisfaction	Low Satisfaction	No Satisfaction	$\chi^2$ p Value
Observed %	35	40	15	9	1	1.50084E-11
Expected %	20	20	20	20	20	Sig at 0.001

**c) Co-operative Banks**

Levels of Satisfaction	Full Satisfaction	High Satisfaction	Moderate Satisfaction	Low Satisfaction	No Satisfaction	$\chi^2$ p Value
Observed %	9	8	14	31	38	1.56232E-07
Expected %	20	20	20	20	20	Sig at 0.001

In Table6 (a to c ) the  $\chi^2$  p Value is significant for all the three banks. It means that there is a significant difference in the levels of satisfaction across customers in each of the types;



public, private and co-operative banks. It may be noted that the % of private banks customers in full and high satisfaction categories is the highest (75%) amongst all the three types of banks. This is followed by public banks (49%) and only 17% in co-operative banks.

**Table-4 Comparative Satisfaction of e-banking services**

Levels of Satisfaction	Full Satisfaction %	High Satisfaction %	Moderate Satisfaction %	Low Satisfaction %	No Satisfaction %
Private Banks	35	40	15	9	1
Public Banks	18	31	30	15	6
Co-op Banks	9	8	14	31	38

**Table 5 Satisfaction of on line banking services**

Type of Bank	Absolute Number			Percentage		
	Public	Private	Co-operative	Public	Private	Co-operative
Excellent	45	65	5	31.3	45.8	3.6
Very good	44	31	12	30.6	21.8	8.6
Good	30	32	21	20.8	22.5	15.0
Fair	11	8	51	7.6	5.6	36.4
Poor	14	6	51	9.7	4.2	36.4

It is, therefore, finding that the percentages of satisfied customers of private banks are significantly higher than that in public and cooperative banks. Hence the hypothesis that 'Customer satisfaction for services of private banks is more than that of public and co-operative banks, is retained.

**Conclusion**

This study was undertaken with a view to study the performance of private, public and cooperative banks in terms of the services provided by them to their customers post liberalization and the customer satisfaction. The study has concluded that post liberalization, banks have initiated many services through online banking. The customers of all these three types of banks do use these services and are happy about the kind of support they receive from their banks. Private Banks were pioneer in providing these services followed by the public banks and later by the cooperative banks.

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## THE ROLE OF AGRICULTURE PRODUCE MARKET COMMITTEE IN AGRICULTURAL MARKETING (STUDY OF NASHIK APMC)

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### Abstract:

*Agriculture is the back bone of human life but in India and in Maharashtra, there are number of problems is face by the agriculture sector. It required special attention towards the development and implementation of various schemes of this sector. The strategy for marketing of agriculture produce is necessary thus some suggestions are given in this article.*

**Key Words:** Agriculture Marketing, Agriculture Produce, Agriculture Marketing Committee.

**Introduction:** India is an agricultural based economy and approximately sixty percent of the population depends on agricultural sector directly or indirectly but Indian agriculture sector contribution to the national gross domestic product (GDP) is 13% percent only.

As per Agriculture departments about 40 percent of agriculture produce is lost in transit from farm to market, due to non-availability of various facilities. Thus, main focus of this work is to identify the lacunas of the marketing system and to identify, how to reduce the costs of marketing and to avoiding waste in the marketing chain. It also identifies the value addition that can be support for creating employment in rural areas. The study aims to develop markets with potentially less regulation but more outputs to segregate produce according to quality and get reasonable rate to the saleable agriculture produce especially perishable produce like vegetables and fruits.

**Objectives:**

1. To study the functions and management of APMC
2. To study the SWOC analysis of APMC.
3. To develop a proper method of marketing for Agriculture produce through APMC.

**Hypothesis:** APMC plays the major role in Agricultural Marketing.

**Scope of the study:** The study is planned for the general working of agriculture marketing for discuss the issues involved in agriculture marketing and the difficulties faced by the farmers while selling their produce in regulated market (APMC).

**Limitations of Study:** The scope of the study is clearly limited up to the agriculture marketing from Nashik APMC. The findings and conclusion may be relevant to the selected area.

**Research Methodology:** The present study is an exploratory and descriptive in nature. Primary data is collecting from the Nashik APMC, from Employees of APMC and the



farmers who are sale their produce to Nashik APMC by taking the interviews of selected samples. Secondary data and information is collect from the reports and website of APMC and various articles from journals and books on related subject.

Nashik climate is suitable for the agriculture thus the cropping pattern shows variety of crops like Bajra, maize, onion, paddy, wheat, grapes, pomegranate and tomato are the major crops. In terms of vegetable production Onion and Tomato's are top in the list. Nashik is a major exporter of Onion, Grapes as well as producer of Raisins. Tomatoes and Pomegranates are an upcoming horticulture crop, but grapes have a commendable position in the district.

**Present Agriculture Marketing Scenario in Nasik:**

- a. There is one main regulated market yard of APMC on Peth Road, Nashik and four sub market yards at Panchavati, Nashik Road, Harsul and Trymbak.
- b. There are unregulated markets in the city for the vegetables and fruits.
- c. There are two private markets for one crop, i.e. pomegranate at Aurangabad road Nasik- Perfect Krishi Market Yard and Old Jakat naka, Nasik -Premium Private Market.

Still APMC is the major marketing channel for agriculture products, 75 percent of total volumes of all saleable agricultural commodities traded in APMC.\*

**Functions of A.P.M.C.:**

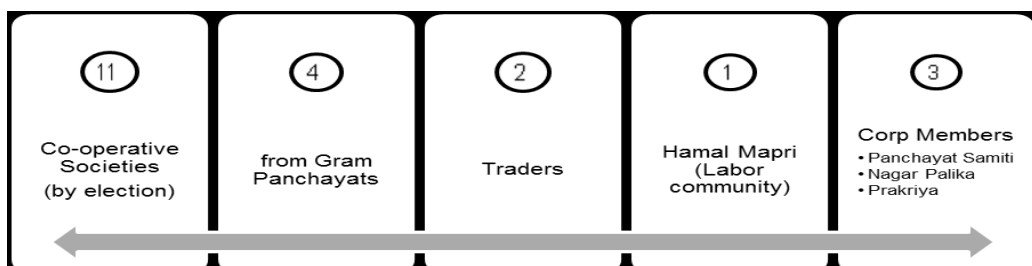
1. To enforce the provisions of the APMC Act and rules and bye-laws made under the notified area.
2. To established a market and provide various facilities to the stake holders.
3. Do such acts which are related for the direction and control for the regulating marketing of agriculture produce.
4. To maintain and manage the market yard and sub market yard.
5. To regulate, conduct or supervise the auction of notified agricultural produce.
6. To provide support for the settlement of dispute between buyer and seller.
7. To take possible steps to prevent adulteration of notifies agricultural produce.

All the above functions are well defined in act but there is no information about the application of proper marketing functions and any other method of sale followed for the agriculture produce.

**APMC Management Structure:**

An APMC has supervising the day to day activities by the Directors.

**Total 21 Directors**





## Board of Directors

State level agriculture department has set up MSAMB (Maharashtra State Agriculture Marketing Board) in 1984 which is responsible for all the market activities of buying and selling of commodities. The regulated markets develop marketing conditions and increase the regulated market yards at every tahsil, In Maharashtra, 305 APMCs with main markets and 603 sub markets has improve the farmers access.

In July 2016 Maharashtra government issued an ordinance amending the Agricultural Produce Market Committee Act, 1963, deregulating sale of fruits and vegetables. The main purpose was to make assured that farmers get a fair price and consumers get fruits and vegetables at reasonable rate. At farmer-consumer markets, the farmer directly selling his produce to consumer, cutting out middlemen involved in APMC markets.

At the APMC market, vegetables and fruits travel from farms to consumer through a multi-tier system. "The produce first reaches *adtiyas* (commission agents) at the APMC market yards, who auctions it by negotiating the price with the buyers. This system leaves a lot of scope for farmers getting exploited because it is not transparent and price does not know immediately after auction. The agent also charges 3 percent of the price as service charge, after the farm produce is auctioned; the traders licensed by APMC take it to wholesale markets, where retail buyers and hawkers buy the vegetables and fruits and after that it is sold to the consumer. As the produce travels from farm to consumer through multiple stakeholders, its retail price goes up by 50 percent over the price paid by the commission agent at the auction. In the mean time the produce suffers at least 25 percent damages. Under this system farmers don't get the benefit of price appreciation but the consumers pay for it.

After the amendment in APMC act, A model act, agriculture produce marketing (development and regulation) Act 2003 was prepared for the reforms in agricultural marketing sector,. Model Act covers the following schemes:

- Minimum support price for specific crops.
- Grading and standardization service
- Agriculture marketing Information Network
- Scheme for marketing survey and research grant in agriculture marketing.
- Scheme for marketable spare and post crop losses of agricultural produce.
- Terminal market under NHM (National Horticulture Mission)
- Market intervention scheme for horticulture.
- National Agricultural Insurance Scheme

The above changes or schemes included in the model act are beneficial to the farmer but not sufficient to cover or solve the various problems of farmers. Therefore it is essential to accept organized and advance practice for farming and marketing of agriculture products, the agriculture processing industry is also not well developed. Current way of APMC;s working does not provide a good marketing infrastructure and it does not perform the functions such as planning of production, soil testing, financial support and many more marketing activities. Thus it is necessary to find out the proper solution for the marketing of agriculture produce.



**SWOC Analysis of APMC:**

The analysis of strengths, weaknesses, opportunities and challenges of Nasik APMC helped understand the essential factors which positively influence APMC functions. The APMC needs to develop the activities on requirements of the farmers.

**APMC - SWOC Analysis**

S. No.	Strength	Weakness	Opportunity	Challenges
1.	District and prime Location,	Limited area	Develop cereals, pulses, oilseed market,	private markets,
2.	Well known for leafy and fruit vegetables.	No processing unit for vegetable,	pre-cooling, cold storage and processing facility,	Govt. regulation for free trading and direct market,
3.	Well connected to road and rail.	Less quantity of cereals and pulses	provide supporting services to the farmers and traders	field selling and direct selling by farmers in local market
4.	Largest APMC area of Nasik, Peth, Trambaktaluka and for other districts. All type crops are traded.	No grading facilities, . . . Only auction method use.		
5.	start submarket at Peth and Trimbakeshwar	Marketing functions are not use.  No expert guidance to farmers and traders  No controls on the prices of agriculture produce.  No co-ordination with the other departments of agriculture.		

The above SWOC analysis table shows information about infrastructure and marketing practices and understands that there is not enough storage facility in APMC, especially no storage facility for vegetables and fruits and the Nashik APMC is well known for the trading of perishable agriculture produce, thus there is plenty scope for infrastructure development. As far as marketing practices are concerned open auction is followed in APMC. There is no facility for mechanized cleaning and grading for the agriculture produce. The APMC have also been assessed for the use of display boards for current market prices, the availability of daily incoming stock quantity for the sale, the availability of cleaning units



and other services. APMC not provided the financial support to farmers, agent or merchant and advisory or consultancy services to any stake holder. Thus APMC is not use any marketing functions for agriculture products trade. The APMC employees are also not secure in service. In Swaminathan's report, various issues faced by the agriculture sector are discussed in detail and have provided suggestions on the minimum support price for agriculture produce but does not provide an extensive solution on how to get the fair price in the market and what needs to be done to make it a plain level field.

**Agriculture produces arrivals at Nashik APMC (in Qtl.)**

Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Arrivals	2998966	3585900	1925259	5704623	8412713	8887231	N/A
%of Total District	13.43	10.76	8.80	15.32	24.6	24.90	N/A

(Source: Nashik APMC report)

The above table provides the information about the yearly arrivals of agriculture produce to the APMC for selling by farmers. It clearly shows increase trend, it means the maximum saleable agriculture produce traded through the APMC and thus it shows that without any support or facilities provide to stake holders, APMC Plays a major role in agriculture produce trading. According to the government reports and available data, the 75% saleable produce is traded through the APMC.

**Data Analysis and Interpretation:** The Primary data is collect by taking interview of the farmers, who sold their produce to Nashik APMC and APMC Employees by researcher to understand marketing problems of farmers. The samples are selected from these respondents by visiting the APMC.

**a. The response from the farmers is analyses as follows:**

- I. 88% land holding is on the name of male farmers and only 12% land holding on female farmers
- II. 84% farmers are from the age group of 35 to 50, 11% farmers are from above 50 years age and only 5% farmers are from below 35 years age group.
- III. 70% farmers are having marginal land holding i.e. less than 5 acers and only 30% farmers are holding land more than 5 acers.
- IV. All the farmers are literate but very few i.e. 14% farmers having the qualification from agriculture sector.
- V. All the farmers prefer to sale their produce to APMC rather than direct sale or sale to agent.
- VI. 88% farmers are not satisfied with the sale method (auction method) for sale of agriculture produce.
- VII. The agents or middlemen and APMC employees are not too much cooperative with farmers (78%).





VIII. According to 96% farmers APMC is not suitable for the sale of perishable produce because there is no guarantee of sale and reasonable rate.

IX. According to farmers APMC not provide any support and guidance to farmers for production and marketing of agriculture produce.

**b. The response from the A.P.M.C. Employees is analyses as follows:**

I. 56% Employees having more than 5 years working experience, 28% employees having more than 10 years working experience and remaining employees having less than 5 years of working experience.

II. According to the employees, following facilities are provided by APMC to farmers:

i. Shed facility for selling their agriculture produce

ii. Canteen and refreshment facility (very unhygienic)

iii. Restroom and washroom facilities ( available but uncomfortable)

iv. Parking facilities for vehicle (unhygienic and rules are not followed)

v. Display board and notice facility for information

vi. Drinking water facility

vii. Storage facility is available but only for non perishable produce

viii. Conflict handling system

III. Following facilities are not provided by A.P.M.C. To farmers:

- Training system
- Weighing system
- Payment system
- Handling charges
- Guidance to farmer

IV. APMC not apply any marketing function for the marketing of agriculture produce.

V. APMC only provide the market place to farmers to sale their produce.

**Findings:** Following are the significant findings of the study;

**A. Farmers Respondents:**

1. Majority farmer respondents are the male farmers and majority young generation is not interested to make a career in the field of farming and agriculture.
2. The farmers are not getting any expert guidance for farming thus they conduct the various farming activities on their own experience and without considering any future changes.
3. The majority farmers are marginal farmers (holding less than 5 acers).
4. The respondent farmers are educated but not having the specialized education in the field of agriculture or farming.
5. The major problems in farming are scarcity of capital, unskilled labour, non availability of market and weather information.
6. The farmers are not satisfied with the auction sale method at APMC.
7. There is no guarantee of sale of produce immediately or in the same day after arrived in market yard.



### **APMC Employees:**

1. The APMC is not applying any marketing function for the saleable agriculture produce arrived at market yard.
2. The APMC provide only place to farmers and middlemen to sale their produce and solve the dispute if any.
3. The sale is performed by Auction method only.
4. The sale price of the produce is purely depending upon the available agriculture produce for sale in market yard.
5. The storage facility is very limited and not for the perishable agriculture produce.

### **Suggestions for marketing for Agriculture produce:**

Therefore, it is necessary to find out the proper method of sale for agriculture produce so that the farmer get reasonable price for the produce and also have the guarantee of sale when he arrived in market.

Thus following steps should be taken by the APMC to solve the above problem:

**New Method of Marketing for Agriculture Produce:** The APMC should take initiative for the application of various marketing functions and systematic way of marketing and consider agriculture as a profession. Following steps should be adopted by APMC:

1. Make a group of Farmer Members for the 500 to 1000 Acers land holding.
2. Make the contract with Agriculture Universities for expert guidance.
3. Make a contract among the farmer members for the further activities of agriculture.
4. Collect the data of agriculture of the particular area for future planning.
5. Make the agreement with whether department or develop a special method of whether forecasting for farmers.
6. According to planning the further activities of cropping and farming should be implementing.
7. The APMC collect the entire crop from farm and classified the produce according grading and standardization. For collection of crop the APMC develop collection centre at specific distance.
8. The further process of selling the agriculture produce will perform by the APMC i.e. transport the produce from one place to another as per demand, packing and labeling and remaining produce will transfer to processing unit.
9. After collecting the agriculture produce, the data should be keep by APMC and make necessary payment by transferring the fund through bank.

### **Conclusion:**

Agriculture is the core factor of nature and society. Food is the uttermost need of human being and as population increase creating more need of food every day. In India, it is essential to provide proper guidance and implementation of management for farming regarding the various activities of farming and provide basic infrastructure for marketing, even today the farmers do not have complete facilities for their various requirements such as crop insurance, market information, finance, grading, standardization and branding etc. Thus the implementation of above plan will be definitely helpful not only to the farmers but also to



reduce the production cost of agriculture, reduce the unemployment and increase the growth of economic development. Along with this the agriculture method also helpful to solve the various healths related problems.

When compared to Israel a major exporter of fresh produce and a world-leader in agricultural technologies and with the fact that the geography of Israel is not naturally favorable to agriculture. More than half of the land area is desert, and the climate and lack of water resources do not favor farming. Only 20 percent of the Israel's land area is naturally arable and suitable for agriculture. The irrigated area of farmland has increased from 30,000 ha in 1948 to some 190,000 ha today. Israeli agricultural production rose 26 percent between 1999 and 2009, while the number of farmers dropped from 23,500 to 17,000. Farmers have also grown more with less water, using 12 percent less water to grow 26 percent more produce.

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## **PREVAILING TAXATION POLICY - ITS STRUCTURE, GOVERNING BODIES & CHALLENGES IN ITS IMPLEMENTATION**

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### **Abstract:**

*India, as a Democratic Country, had various challenges for setting the tax structure and implying those as a whole. Recently Goods & Service Tax (GST) is implied for the integration of all indirect taxes in the country as a motto "One Nation One Tax". This paper explains the basic tax structure in India i.e. Direct Taxes and Indirect Taxes, Recent Tax Structure and governing bodies for tax policy in India. The paper explains the basics of GST, its meaning and general idea behind its implication. The paper also states changes in rates of taxes during the Financial Year 2017-18 for Income Tax and GST as on the date. The paper also gives statistics about the revenue collection from the two types of taxes and their share in total revenue collection.*

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**Key Words:** Direct Tax, Indirect Tax, Taxation Policy, Goods & Services Tax (GST), CBDT, CBEC, CBIC, Central Government, State Government, Local Bodies, surcharge, cess, rebate, C&AG, VAT, PAN.

### **I. Introduction:**

Taxation policy refers as a structure and implementation of the taxes in the country at different levels. In India, taxes are structured through Acts, implemented through the Rules & Regulations of the related Acts and Updated or modified the method of working through the Notifications by Government of India. The changes in taxation policy is a need of time and it also helpful to generate the revenue from proper ways, block the illegal sources of income and optimum utilisation of such revenue towards providing the services to the citizens.

### **II. Objectives of the Study:**

As tax is a term which is directly or indirectly affect and concerned with every citizen in the country, it needs more awareness about the same. This paper focus on the following objectives:

1. To study Tax Structure in India
2. To know basics of GST
3. To study the Governing bodies for taxation in India
4. To Study the changes in Tax rates of Income Tax and GST
5. To study the Challenges faced for implementation of taxation policy
6. To know about the revenue collection from the taxes in India

### **III. Tax Structure in India:**

The tax structure in India is a three-tire federal structure. The Central Government, State Government and Local municipal bodies make up the overall tax structure.

Article 265 of the Constitution of India, 1949 states that "No tax shall be levied or



collected except by the authority of law". Therefore, each and every tax which is collected needs to be backed by an accompanying law.

Currently in India, the taxes are divided into two types on the basis of chargeability of Income in the hands of receiver.

i) **Direct Tax:**

- It is levied directly on person as stated in related Acts. Person includes individuals, Hindu Undivided Family (HUF), corporate entities, artificial persons, etc.
- This tax cannot be transferred or borne by anybody else except the person earning the income.
- Some of the examples of direct tax are income tax, wealth tax, gift tax, etc.
- As stated in Constitution of India, every tax has separate Law for structure and its smooth implementation i.e.
  - o Income Tax Act, 1961
  - o Wealth Tax Act, 1957
- Out of these taxes, Income tax is the most famous or say popular within India.
- Income tax is levied on the income earned from different sources of income and calculated as per the different slab rates finalised in Finance Bill every financial year.

ii) **Indirect Tax:**

- These taxes are levied indirectly on the public through goods and services consumed and/or used.
- In this tax, the seller or service provider collects the tax from the purchaser of the goods or receiver of the service and it is then collected by the government bodies who applied that tax.
- This includes Value Added Tax (VAT), Local Body Tax(LBT), Service Tax, Customs Duty, Excise Duty, Securities Transaction Tax, Stamp Duty, Entertainment Tax,etc.
- As stated in Constitution of India, every tax has separate Law for structure and its smooth implementation i.e.
  - o Central Excise Act, 1944
  - o Central Sales Tax, 1956
  - o Value Added Tax, 2002 (Maharashtra)
  - o Customs Act, 1962

**IV. Goods and Service tax (GST)**

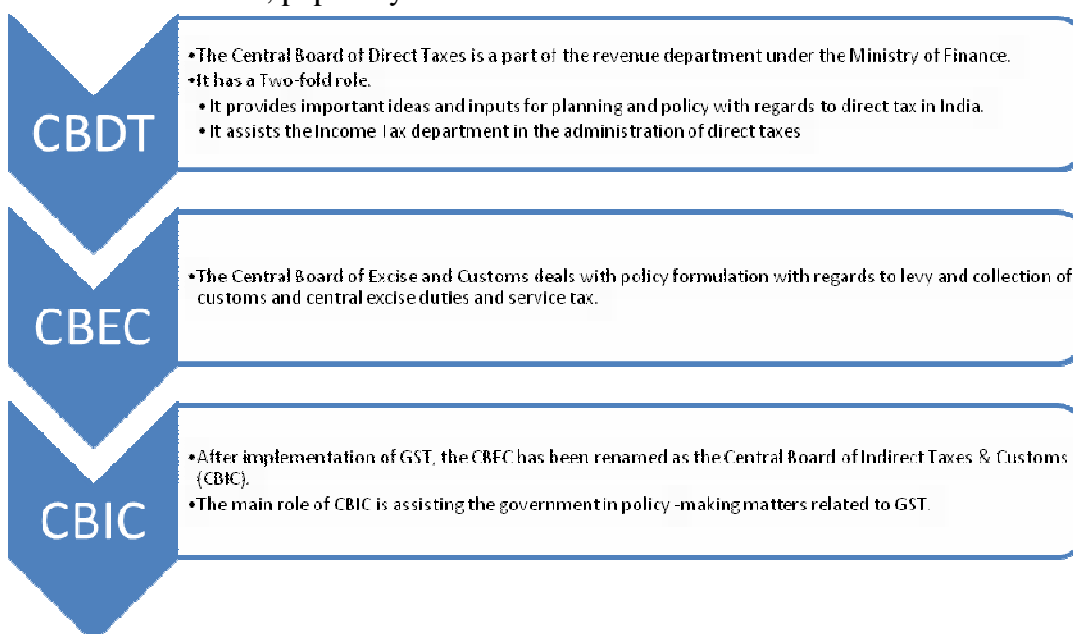
- It is applied and implemented in India w.e.f. 1<sup>st</sup> July, 2017 under the Indirect Tax to abolish the multi taxes under this head.
- Goods and Service Tax is a destination based tax on consumption of goods and services. It is proposed to be levied at all stages right from manufacturer up to final consumption with credit of taxes paid at previous stages available as a set-off.
- It is, in simple words, is a tax only on value addition and tax is to be borne by the final consumer.
- GST **replaced** the following indirect taxes-



- a) Taxes which levied and collected by the Centre:
  - i) Central Excise Duty
  - ii) Duties of Excise (Medical and Toilet Preparations)
  - iii) Additional Duties of Excise (Goods of Special Importance)
  - iv) Additional Duties of Excise ( Textiles and Textile Products)
  - v) Additional Duties of Customs ( commonly known as CVD)
  - vi) Special Additional Duty of Customs (SAD)
  - vii) Service Tax
  - viii) Central Surcharges and Cesses so far as they relate to supply of goods & services.
- b) State taxes that would be subsumed under the GST are:
  - i) State VAT
  - ii) Central Sales Tax
  - iii) Luxury Tax
  - iv) Entry Tax (all forms)
  - v) Entertainment and Amusement Tax (except when levied by the local bodies)
  - vi) Taxes on advertisements
  - vii) Purchase Tax
  - viii) Taxes on lotteries, betting and gambling
  - ix) State Surcharges and Cesses so far as they relate to supply of goods & services.

V. Governing bodies in India :

- Taxes are collected, currently, at two levels i.e. Central Government & State Government. Local bodies are the sub part of collectors for State government.
- For smooth implementation of Indian Tax System, there are bodies dedicated for doing this work.
- These bodies, popularly known as Revenue Authorities. These authorities are:





**VI. Changes in Tax Rates :**

- For the financial year 2017-18, the changes in direct taxes specifically in Income tax and in GST are having direct impact on Economy and on the citizens.
- For Income Tax, the Finance Bill presented in 2017 has finalised the changes in slab rates for individuals and other entities as follows:

Taxable Income	Tax Rates (A.Y. 2018-19)		
	Individual having age less than 60 Years, HUF, AOP, BOI, AJP	Senior Individual Age 60 years but less than 80 years	Super Senior Individual Age 80 years of more
Up to Rs. 250,000	Nil	Nil	Nil
Rs. 250,000 to Rs. 300,000	5%	Nil	Nil
Rs. 300,000 to Rs. 500,000	5%	5%	Nil
Rs. 500,000 to Rs. 1000,000	20%	20%	20%
Above Rs. 1000,000	30%	30%	30%

**Surcharge** is 10% of tax where total income exceeds Rs. 50 lakh & 15% of tax where total income exceeds Rs.1 Crore.

**Education Cess** is 3% on tax plus surcharge.

**Rebate** u/s 87A is available for resident individual having total income up to Rs.350,000.

Rebate is of Rs. 2500 or 100 % of Income tax, whichever is less.

- **For other entities**, the income tax for A.Y. 2018-19 are as follows:

Entity	Income Tax Rate	Surcharge	Education Cess
<b>Partnership Firm (including LLP)</b>	30% of Profit	12% of Tax where total income exceeds Rs.1 crore.	3% on Tax plus Surcharge
<b>Local Authority</b>	30% of Surplus	12% of Tax where total income exceeds Rs.1 crore.	3% on Tax plus Surcharge
<b>Domestic Company</b>	30% of Profit 25% if Turnover or Gross receipts of the company are up to Rs. 50 crores.	7% of Tax where total income exceeds Rs.1 crore.	3% on Tax plus Surcharge
<b>Foreign Company</b>	40 % of profit	2% of Tax where total income exceeds Rs.1 crore,	3% on Tax plus Surcharge





		5% where total income exceeds Rs.5 crores.	
<b>Co-operative Society</b>	10%- Up to Rs. 10,000 20% - Rs. 10,000 to Rs.20,000 30%- Above Rs. 20,000	12% of Tax where total income exceeds Rs.1 crore.	3% on Tax plus Surcharge

- GST rates vary from 8% to 28% as per the nature and use of commodities, services or goods. The rates are specified as per the categories of services and goods under Goods & Service Tax, 2017.
- The tax rate under GST are set at 0%, 5%, 12%, 18% and 28% for various goods and services, and almost 50% of goods & services comes under 18% tax rate.

**VII. Challenges in implementation of Taxation Policy:**

- While changing and designing the taxation policy, the government of India has a motive of collection of revenues from the large earners and distribute it by the way of services to the needy and poor people.
- In India, the tax system is flexible and more manageable because the two types absorb the revenue from direct income and indirect consumption of goods and services.
- The GOI also planning to link adhar card number to the PAN card, so that the benefit is directly received in the hands of beneficiaries and to block the cards which are responsible for generation of illegal or black money in the economy.
- This step helps to run the tax system properly and the implementation of such system more appropriately to generate the revenue to the government.
- In this implementation, there are many **challenges** faced by the governing bodies of taxation. Some of them are:
  1. To search for duplicate or more than one PAN card holders.
  2. To link the Bank Accounts with the Adhar Card, to regularised all legal bank accounts and the investments at other non-scheduled banks or non-core banks is restricted.
  3. To make compulsion of linking of Adhar with PAN , for filling the Income Tax Returns. It is helpful to reduce the paper work with the help of e-verification option in return filing.
  4. To link the mobile number with Adhar card, so that the use of multi sim cards can be controlled. It is helpful to control and prevent the terrorist attacks.
  5. To create awareness about the GST through various seminars, workshops and awareness centres in India.
  6. To update the information in Adhar Card so that the real time data will be available for making the new policy & its implementation for various services to the citizens.



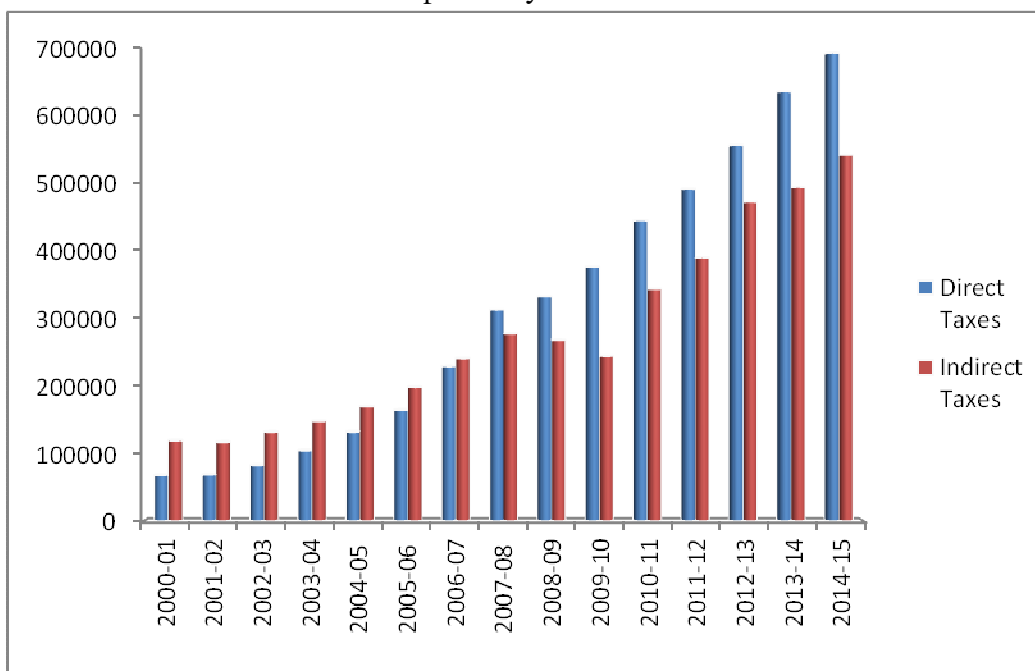
**VIII. Impact on revenue Collection:**

Direct taxes have generated the large amount of revenue from corporate as well as individual level. The following report shows the figures of tax collection since Financial Year 2000-01 till 2014-15.

Financial Year	Revenue Collection ( Rs. In Crores)			% Share in Total Taxes	
	Direct Tax	Indirect Tax	Total	Direct Tax	Indirect Tax
2000-01	68305	119814	188119	36.3	63.7
2001-02	69198	117318	186516	37.1	62.9
2002-03	83088	132608	215696	38.5	61.5
2003-04	105088	148608	253696	41.4	58.6
2004-05	132771	170396	303167	43.8	56.2
2005-06	165216	199348	364564	45.3	54.7
2006-07	230181	242066	472247	48.7	51.3
2007-08	314330	279031	593361	53.0	47.0
2008-09	333818	269433	603251	55.3	44.7
2009-10	378063	245367	623430	60.6	39.4
2010-11	446935	345127	792062	56.4	43.6
2011-12	493959	391738	885697	55.8	44.2
2012-13	558658	474482	1033140	54.1	45.9
2013-14	638543	496238	1134781	56.3	43.7
2014-15	695792	544157	1239949	56.11	43.89

Source: Reports from CBEC and Union Finance Accounts of respective years and reports of C & AG

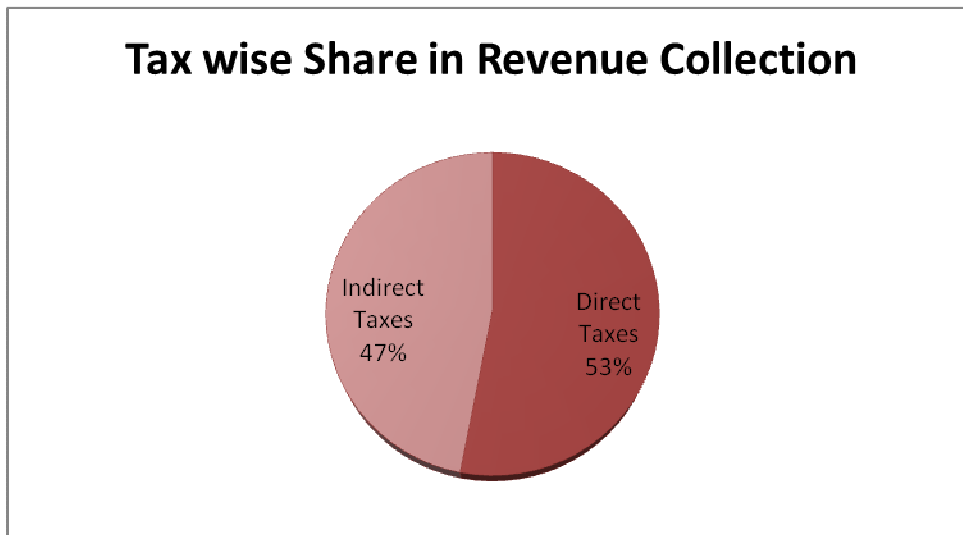
Whereas Income tax collected in Financial Years 2015-16 & 2016-17 are Rs. 741945 crores and Rs. 849818 crores respectively.



**Figure 1 Yearwise Revenue Collection- Direct & Indirect Taxes (Rs. In Crores)**



Contribution of Taxes for Revenue collection from Direct Tax is increasing as compared to Indirect Taxes. It also found that the collection from Direct Taxes has more contribution than that of collection from Indirect Taxes in India since last 15 years.



**IX. Conclusion:**

- From this paper, researcher has an opinion that the Tax Policy, its structure, its implementation are important part of the economy as well as for commerce.
- The management of all resources, consideration of all type of activities and businesses in the net of taxation without duplication of taxation is difficult job.
- This job is performed very well by the CBDT & CBEC in India.
- To enlarge and create the transparency and avoid the confusion within various types of indirect taxes GOI has introduced the GST. It is a step towards compilation of all indirect taxes and like direct tax only one tax prevails in that type.
- The tax policy as drafted by Ministry of Finance is helped by all experts in the field of economics, accounts, auditing, finance and business.
- The proper taxation policy helps the country to increase the Gross Domestic Product, standard of living, social work culture and most important is to make a country more stable by way of self dependent.

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**XI. Abbreviations:**

Abbreviations	Expansion
AJP	Artificial Judicial Person



AOP	Association of Person
AY	Assessment Year
BOI	Body of Individuals
C&AG	Comptroller & Auditor General
CBDT	Central Board of Direct Tax
CBEC	Central Board of Excise & Customs
CBIC	Central Board of Indirect Taxes & Customs
GST	Goods & Services Tax
HUF	Hindu Undivided Family
PAN	Permanent Account Number
VAT	Value Added Tax





## CHALLENGES OF E-COMMERCE IN INDIA

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### Abstract:

*E-commerce stands for electronic commerce. E-commerce is doing business online and electronically. This paper attempts to highlight the different challenges faced by e-commerce in India and to understand the essential growth factors required for e-commerce. This paper describes the different services and opportunities offered by E-commerce to business, Producers, Distributers and Customers. -commerce is playing one of the vital role in business options and facilitate to explore in the future. Ecommerce is concerning the paradigm shift in the business world for trading. Forecast of E-commerce is showing extraordinary prospects in business growth of Indian Economy. The customers base of online shopping is augmented by using internet of things (IOT) and mobile phone applications. Consequently the Indian e-commerce business has seen exciting growth in since from few years. It taking into consideration India's demographic payment system and increasing internet accessibility, the E-commerce business is growing up to greater heights. However, India's overall retail opportunity is substantial, the online business is plagued with some critical challenges. Hence in attending current study has been carried out to depict the present condition and the future prospective of e-commerce business in India. It facilitates to analyze the present trends, explore the challenges and opportunities of e-commerce business in India.*

**Keywords:** - E-commerce, Growth Factors, recent trends, challenges

### Objectives of Study:

The paper has following objectives:

- 1) To explain the concept of E-Commerce.
- 2) To study the India's prospects in E-Commerce
- 3) To study the various challenges E-commerce in India.
- 4) To study essential factors for growth of E-Commerce in India

### Introduction

Electronic commerce comprises core business processes of buying and selling, goods, services and information over the internet. Electronic commerce refers to wide range of online business activities for products and services . E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform and redefine relationships for value creation between organizations and individuals . E-commerce provides platform by which retailers sales and advertise their product and share information on the internet using the information technology like EDI( Electronic Data Interchange) by which moreand more customers can attract get to it.E-



commerce relates to website of the vendor, who sells products or services directly to the customer from portal using digital shopping cart E-mail is one example of how people collaborate to exchange information and work on solution. Today E-commerce is a backbone in Indian society and it has become integral part of our society life. The first e-commerce site in India was rediff.com E-commerce allows different payment through debit card, credit card of EFT (Electronic fund transfer) payments. Ecommerce provides multiple benefits to the customers in form of availability of goods at lower cost, wider choice and saves time .

### Definition

The buying and selling of products and services by businesses and consumers through an electronic medium, without using any paper documents. E-commerce is widely considered the buying and selling of products over the internet, but any transaction that is completed solely through electronic measures can be considered e-commerce“E-Commerce is a concept covering any form of business transactions or information exchange executed using information and communication technology between companies and public administration.”

### Methodology

The researcher has used only secondary data that has been collected from various articles, journals, books, websites etc. It have been used to study the evaluation, conceptual framework, definition, key players, present trends, future prospectus & barriers of e-commerce. The researcher also used quantitative research that is the systematic empirical investigation of variables phenomena via statistical & mathematical, theories pertaining to phenomena All the data included is the secondary base & proper references have been given wherever necessary.

### India's Prospects in E-Commerce

There are some essential factors which will significantly contribute to the boom of e-commerce industry in India i.e. Legal requirement of generating invoices for online transactions, multiple payment option, replacement guarantee, quick service, the product quality and dedicated 24/7 customer care centre should be there. E-commerce also provides various types of opportunities for retailers, wholesalers/distributors, producers and also people .



#### A. Services for Producers

Producers can take advantage of ecommerce by linking themselves with online, by giving better information about their product to the other links in the business chain and by having brand identity. Producers can sell their goods directly to the consumers and

retailers .Providers has easy potential for communication and they can no longer rely on the customer to be forced to communicate with them by sending leaflets or through advertisements.

### **B. Services for whole Distributer**

Wholesalers can take advantage of ecommerce who is capable of establishing contractors with reputed producers and linking their business with the on-line. Ecommerce decreases the cost of creating, processing, distributing, storing and retrieving information by digitizing the process .

### **C. Services for People**

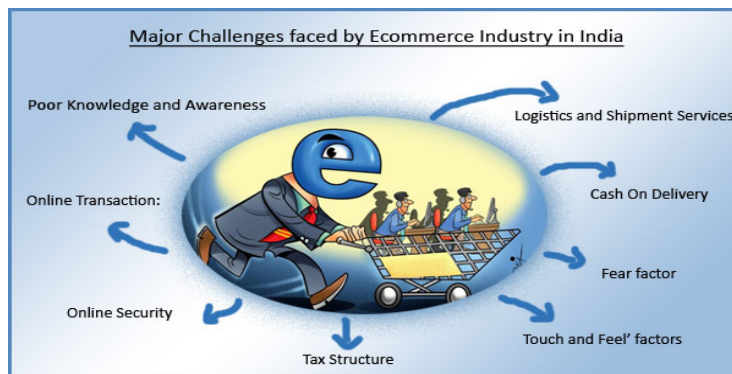
People can buy with a click of mouse button without moving out of their house or office, online services such as banking , ticketi including airlines ,bus, railways, hotel booking etc have been tremendous benefit for the customers. E-commerce allows consumers to interact in electronic communities and to exchange ideas and compare experiences .

### **D. Services for Retailers**

A Retailer can save his existence by linking his business with the on-line distribution .They can make available much additional information about various things to the consumers, meet electronic orders and be in touch with the consumers all the time. Retailer put the information of their product on such web site which is heavily visited by user like yahoo.com etc .When their product advertisement is seen by many people, more customers will get attracted and thus merchant can get more orders.

### **Challenges in E- Commerce**

There are some barriers responsible for slow growth of e-commerce in India. Hamilton(2002)<sup>2</sup> indicate some barrier in using e-commerce including security problems, lack of skills, cost etc. Customer resistance to changing from a real to virtual store. People do not yet sufficiently trust paperless, faceless transactions. For the growth of E-business in India it needs a focus and should to make country in the lines of E-business .



#### **1 Security Issues Fear of making**

online payment is a universal psychological factor of Indian customers. 60% of the users do not trust the web as payment channel .Web transaction takes place with credit card, but credit card itself is not safe. Anyone who can transfer the data of credit card on the web is not sure about the salesman identity. Buyer is also not sure that card is not used for maliciouspurpose which also causes big challenge for e-commerce in banking also .

#### **2 Customer Acquisition Forces Successful**



e-commerce interaction between markets should be strong. Issues related to lack of supply chain integration, high charges for products, delay in delivery and lack of proper courier services in some areas also make customers frustrated and one of challenge faced by e-commerce. To get people to come on e-commerce site and make purchase involves heavy cost due to advertisement and marketing which is biggest problem that early stage of ecommerce startup will face

### **3 Product Target**

More companies flood the marketplace with new products; target marketing is becoming an increasingly important tool of differentiation. Product which is not satisfactory for the customers tend to get replaced or returned . Some products take long delivery time to reach customers home. Delivery time of products may range from days to month .This is major issue which leads into overall loss in revenue, loss of shipment costs and reputation. The average Indian customer poses great trust issues for e-commerce transactions

### **4 Less Awareness Indian**

customers are more comfortable in buying products comfortable . They tend to choose the product by touching the product directly. Majority of Indian rural population are unaware of internet and it uses. When it comes to ratio of internet consumers, scenario is not so admirable one. Very few are aware of the online corruption and fraud and thus darkness still exists. A reliable survey reveals that 50% of Indian online users are unaware of solution of online security

### **5 Cash on Delivery**

E-commerce companies are offering COD as one of mode of payment for the buyers. It is seen that majority of the customers denied to make the payment at the time of delivery of the product. 30%- 50% of buyers are also taking advantage of this while purchase of any product and service over internet. COD has been introduced to counter the payment security issues of online transaction but this mode has been proving expensive to companies .

### **6 Indian customers return much of the merchandise they purchase online.**

Ecommerce in India has many first time buyers. This means that they have not yet made up their mind about what to expect from ecommerce websites. As a result, buyers sometimes fall prey to hard sell. But by the time the product is delivered, they demonstrate remorse and return the goods. Though consumer remorse is a global problem, it is all the more prevalent in a country like India, where much of the growth comes from new buyers>Returns are expensive for ecommerce players, as reverse logistics presents unique challenges. This becomes all the more complex in cross-border ecommerce.

### **7 Internet penetration is low.**

Internet penetration in India is still a small fraction of what you would find in several western countries. On top of that, the quality of connectivity is poor in several regions. But both these problems are fast disappearing. The day is not far when connectivity issues would not feature in a list of challenges to ecommerce in India.

## **Strategies for Growth of E-commerce**

Some strategies for increasing e-commerce in India are given below:





- Banks should educate customers on use of net banking and encourage them to do so.
- Retail shoppers can give incentives to customers for making online purchases.
- By planning and implementing a search-engine friendly architecture new customers can be targeted.
- By streamlining the online sales processes and improving the online shopping experience, marketers can increase the conversion rate and the average ticket price.
- An enhanced, usable, and pleasing e-commerce experience generates greater user satisfaction and trust which can lead to customer loyalty and retention.
- Providing Superior Customer Service and Communications engaging and encouraging customers to use e-commerce tools, online support, and by providing them with comprehensive and timely production formation.

### **Essential Factors for Growth of E-Commerce in India**

There are few online giants for shopping and travelling like flipkart.com, Snapdeal.com, Makemytrip.com who have overcome the challenges and represents the perfect growth trends of e-commerce in India . “E-commerce space is a booming space as internet audience are likely to double in next two-three years and this industry will require talent from various sectors like technology, product, analytics, sourcing, general management talent, merchandising and marketing”.

#### **1 Customer Convenience Providing cash on delivery**

option service to the customers. A replacement guarantee should be there which offers 30 days replacement guarantee to their customers. The convenience of collecting orders post work while returning should be there. Low cost shipment should be there .

#### **2 Adoption of Multi-Channel Investments**

Multi-Channel e-commerce business is an environment in which company can sell through two or more online channels. Crosschannel investments are highly aggressive in augmenting both online and offline buying strategies.

#### **3 Unique or Transparent Establishing**

a reputation and brand for quality products always drives demand. Booming rate of online credit card fraud, online shoppers only want to shop with secure, reputable online retailers. You must be upfront and transparent about your business. Giving insight into you and your business will help build trust with shoppers and lend you an air of authenticity .

#### **4 Location based Services**

Getting the right content and targeting customers with crisp and relevant information is of utmost importance to users on the move. A dedicated 24/7 customer care centre should be there. Customers these days are always on the move, promoting the right product at the right time and location become an integral aspect .

#### **5 Multiple Payment**

Option Standard credit cards, debit cards and bank payment options should be there . Low credit card access and low trust in online transactions has led to cash on delivery being the preferred payment choice also offered by e-commerce . Mindset of the consumer's that majority of customers does not know how to use internet they prefer traditional approach of buying and selling.



## CONCLUSION

In this paper we discuss, E-commerce provides various services to wholesalers who can take advantage of E-commerce and capable of establishing contractors with reputed producers and linking their business with the on-line. Also Retailers meet electronic orders and should be in touch with consumers all the time with Ecommerce. Nowadays, E-commerce is the extensive use of computer network with internet. In this paper, we review there are various segments that would grow in the future like: Travel and Tourism, electronic appliances, hardware product and apparel. E-commerce offers benefits like cost effectiveness, quick comparison shopping, better customer service, information saving and knowledge market development.

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## EMERGING TRENDS IN MARKETING MANAGEMENT IN INDIA

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### Abstract

*The paper focuses on the emerging trend in marketing management in India. The communications tools and techniques are changing rapidly all over the world. After the globalization, there are drastic changes in every field of Industry. It was a really challenging task for the manufacturing and others sectors to sustain in the environment. For this purpose they have made crucial reforms in major department like Purchase, Quality, Production and Marketing. There are various changes in marketing management strategy to attract new market and facing new challenges with the help of changing marketing strategy. This is happening due to various factors like Social media, E-Marketing, E-commerce. The buying behavior of the Customer is also changing tremendously. To counter the situation the industries have already started to adopt new marketing strategies and tools. This paper discusses the some of the emerging tools and techniques of Marketing in current situation.*

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**Keyword:** Emerging strategy, Marketing tools, Digitization, Smart mobile and Customers

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### Introduction

Currently in India, the national economy and marketplace are undergoing rapid changes and transformation. A large number of reasons could be attributed to these changes. One of the reasons in these changes in the Indian Market Scenario is Globalization and the subsequent and resulting explosive growth of global trade and the international competition. The other reason for these changes in the Indian Market Scenario is the technological change. This is an important factor because the technological competitiveness is making, not only the Indian market, but also the global marketplace cutthroat.

Today the companies are operating in such a marketplace where survival of the fittest is the law. In order to win, the companies are coming out with various new and evolving strategies because the Indian market is also changing very fast. It is to capture the Indian market, that the Indian and the Multi National Companies are using all of their resources. The Indian market is no longer a seller's market. The winner is the one who provides value for money. A large number of companies have huge idle capacities, as they have wrongly calculated the market size and installed huge capacities. This has further contributed to converting the Indian market into a buyer's market.

The Indian Marketing Scenario is one of the biggest consumer markets and that is precisely the reason why India has attracted several MNC's. These large Multi National Companies have realized that to succeed in the Indian market-place they need to hire



Indian representative who are much more aware of the Indian economic, political, legal and social realities.

### **Objectives of the paper**

1. To study the emerging trend in marketing.
2. To understand the challenges to marketing strategy in India
3. To make suggestions for the rapid growth of marketing strategy.

### **Research Methodology**

Research methodology for this paper is based on secondary data sources and observations in marketing sector. The Various reports of Government and non government, published reports, articles and various websites are used for secondary data. The literature review is useful to expand the research path. Simple statistical tools used to analysis. Time, money and places are the limitations for the study.

### **Literature review**

Emerging markets are countries that have low-income but that experience rapid economic growths (Cavusgil et al., 2002) and often include developing countries in Asia, Latin America, Africa, the Middle East and transition economies in the former Soviet Union, and China (Hoskisson et al., 2000). While the world is witnessing dramatic shift in wealth creation from firms in developed economies to firms in emerging markets (Bruton et al., 2013), scholarly works have not fully recognized that the behaviour of emerging market firms challenge long-held international marketing concepts and theories developed to explain phenomena in developed markets of Western Europe and North America, which have relatively stable and efficient market supporting institutions

Despite these unique characteristics of, and dynamics in, emerging markets, and the emergence of scholarly works on the international marketing activities of emerging market firms to inform mainstream scholarly discourses (Acquaah, 2007; Kriauciunas et al., 2011; Walumbwa et al., 2014), we still know relatively little about how international marketing strategies are undertaken by emerging market firms (Barney and Zhang, 2015; Tsang, 2015). The report strongly encourage papers that focus on issues that advance and enrich current managerial and scholarly thinking while simultaneously contributing to mainstream international marketing knowledge.

### **Findings and interpretation**

As the buying pattern of the Customer is changing rapidly, to tackle with the new challenges various marketing strategies are redefined. Some strategies are newly developed to sustain in the market. Let us discuss some recent strategies in current era.





### **Trend 1. Integrating Marketing Activities Into the Customer Lifecycle**

Given the way the complexity of marketing and digital marketing has increased, techniques like customer journey mapping for different personas are increasing in importance to help define the most relevant communications and experiences for different touchpoints in the customer journey.

### **Trend 2. Integrating personalization into the user journey / customer experience**

To increase relevance and response of comms, website personalization has been widely used within transactional ecommerce sectors like retail, travel and financial services for a long time now. More recently, lower cost options have become available with different types of solutions. There are many forms of web personalization varying from those integrated into content or commerce management systems; those integrated into analytics solutions or standalone Software as a Service (SaaS) personalization options that integrate with your CMS and analytics.

### **Trend 3. Integrating machine learning into marketing automation**

Personalization can also be applied across the lifecycle in email comms. Yet, our research on email marketing shows that despite the widespread use of email and marketing automation systems, many companies don't manage to put in place a full lifecycle contact system

### **Trend 4. Integrating social messaging apps into communications**

The increasing use of messaging apps is a trend we have mentioned in previous trends round-ups. According to the latest Ofcom Communications Market research more than half of the total mobile audience used Facebook Messenger (61%) and half used WhatsApp (50%). Both properties are owned by Facebook. The Snapchat mobile app had a reach of 28%, with 10.1 million unique visitors.

### **Trend 5. Integrating video into the customer journey**

Video is also increasing in popularity fuelled by social . This breakdown of Google popularity shows the dominance of YouTube.

### **Trend 6. Integrating content marketing into the customer journey using a customer engagement strategy**

Video is just one type of content, albeit important. In previous polls about the technique that will give the biggest uplift in future, content marketing has been popular, in the top one or two in the list.

### **Trend 7. Integrating marketing technology**

If you follow applications of marketing technology you have almost certainly seen Scott Brinker's Martech landscape which has grown to over 5,000 vendors this year.

### **Trend 8. Integrating digital marketing insights sources**

Our digital marketing tools wheel contains many free and paid sources of insight about your digital marketing. Here, I'm talking specifically about services which help you stay up-to-date. We're avid users of these services since they help us keep readers up-to-date via our own blog, twice weekly newsletters and monthly What's Hot feature.

### **Challenges to marketing strategy in India**

1. **Importance to Quality**:-Suppliers are concentrating more on the quality of product



.They want to create the profit, but not through the quantity. But by establishing the value of the product among the customers. Even small and middle scale industries are now looking for ISO type certification

2. **Building special relationship with the customer:-** Organizations are trying to building harmonic relationships with customer .They are ready to invest the resources for the „building relationship programs“. The paradigm is shifting from customer care center to customer relationship center

3. **Integration of Departments:-**The marketing personnel have started to work in multidisciplinary tasks. They are not expected to work with only Marketing department but with all factors which impacts customer's opinion.

4. **Discipline of ethical Marketing:-**While doing the marketing the organizations are now concentrating to follow the norms and rules, regulations imposed by the authority. Because in now-a-days malpractice can suddenly tarnish the image of the brand. The best example of this is Volkswagen, who cheated the customers by altering the software of emission measurement.

#### **Following suggestions will be strengthening future of Emerging Marketing**

- 1) **After service Marketing:-**All most all companies are now providing after service under certain terms and conditions. They have established their authenticated service centers in each town or city and providing well trained workforce there for service of customers.
- 2) **Expanding the marketing network:-**In now days the industries are not only recruiting the wholesalers or retailers but they are marketing their products through other channels also. The best example of this is various branded products are now available with amazon, rediff ,flipkart .
- 3) **Quick adoption of new technology:-**The organizations are now quickly adopting modern technologies. Sometimes despite their higher prices and training requirements they prefer it to tackle the issues like quality, service etc.
- 4) **Preferring customization:-**The manufacturers are now concentrating on customer's needs and concentrating on development of the product as per customer's requirement.
- 5) **To segment the market widely:-**To classify the customers in broader manner.-Female customers can be classified as according fashion styles .A higher income group may further classifies based on gender-age- religion-demography.
- 6) **Modern techniques for market research:-**In past the market surveys were conducted by using questionnaires, personal interviews etc. Now they can be conducted through online surveys using various websites or social media like facebook, etc.
- 7) **Digital marketing:-**The concept is developed in the timeframe of 1990-2000 .At first various Automobile firm started it by providing floppy or CD-ROM (containing the information of their product) along with the magazine or news papers. Now it can be done through online demonstrations, online videos, Virtual reality etc.
- 8) **Direct marketing:-**Almost all information of the product and organization is now available with their web portals. Companies are preferring direct reach to the customers instead of any other channel.
- 9) **Mobile marketing:-**Mobile became the essential part of our life. Companies are



now doing the advertising through mobile messages.

- 10) **Marketing automation**:-This is very interesting thing. It the technology developed for marketing department to carry out its function more effectively. It helps the tasks of E-commerce, online and web portal issues.
- 11) **Marketing through CSR**:-Corporate Social Responsibility is indirectly a tool for marketing. Organization can find a new set of customers some times, while performing the projects of CSR.

### Conclusion:

In an era in which consumers expect a seamless shopping experience as a matter of course, retailers will have to seek other means to differentiate and stand out from the crowd. In this context, building a brand experience will become more important than ever before.

Due to the effects of Globalization-Internet & mobile technology and social media, the Marketing sector is passing through a curious and interesting phase. You cannot scrap the old techniques, but at the same time you have to accept and make applicable the new techniques. There are rapid changes in Marketing techniques, strategies and tools. The Industries have to pick up them suddenly, if they want to sustain in competition. Hence instead of Production the Marketing department is positioning centrally in the organization. The industries have to invest more money for the marketing department. In past the phrases like “Modern Techniques” were associated only with production department. But now they are equally important in case of Marketing department also.

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## Mobile Commerce: An Administrative Working Management in India

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### Abstract

*In the last few years, there had been immense growth of wireless technology in India. This growth has changed people to do business in Mobile commerce (M-commerce). Day by day many people are transferring to M-commerce to attain good and fast transaction in the market. Due to large number of mobile application, growth rate in mobile penetration in India is increasing. Buying and selling of goods and services done by equipment called mobile which is wireless handled device. M-commerce is the next generation of E-commerce which enable user to access internet without need of a place plugin. As the business is backbone of service industries, it ultimately produces the benefits to the economy to develop. The M-commerce doesn't only mean commerce through mobile but it has a broad area covering all types of wireless communication media used as aids- to- trade for supporting the trade. So it flourishes the commerce directly and the economy of the country indirectly.*

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**Key Words:** M-Commerce, E-commerce, Wireless Network Mobile, Service industries, Trade, Economy, Technology, Device, Browser, Operating system

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### I. Introduction:

The increase of mobile phone usage has produced a new avenue for marketing applications and services. Mobile has become the leading way for accessing communications because setting up mobile network is cost efficient but also mobile provides greater flexibility and ease to users than landline phone.

In M-commerce transaction can be completed on equipment called mobile which make possible transactions through a wireless telecommunication network. M-commerce is the extension of E-commerce. Now days, due to advanced technologies the wireless and mobile technologies are conducted from wired network to wireless network. M-commerce includes many applications, technology, services and business models. By using M-commerce we can access advanced mobile applications and high speed services and we can use this devices remotely, anywhere at any time. M-commerce is a subset of E-commerce. Mobile commerce is still in its development phase in India.

### II. Objectives of the Study:

The primary objectives of the present research paper are as follows:

- To study the technology used in M-commerce
- To know the merits and demerits of M-commerce
- To analyze Conditions of M-commerce
- To study Suggestion to improve M-commerce

### III. Research Methodology:

To achieve the objectives secondary data is analyzed and presented. To understand the various corner of the issue information related to E-business is reviewed. The secondary data





is collected from Government publications, reports, reference books. Similarly Journals, newspapers also used to prepare the research paper.

#### IV. Technology used in M-commerce:

Technology	M-commerce
Device	Smart phones, PDAs
Operating system	Symbian (EPOC), Palm OS , Pocket PC
Presentation standards	HTML, WML, HDML, i-Mode
Browser	Phone.com, UP Browser, Nokia Browser, MS Mobile Explorer and other micro-browsers
Bearer Networks	GSM, GPRS, TDMA, CDMA, CDPD

#### V. Merits of M-commerce:

- As we know now days M-commerce is growing rapidly, the use of mobile phones is increasing. M-commerce help each individual to do his/her work smoothly according to their schedule.
- Easy to carry mobile- as mobile device is easy to carry by user, it helps user to avoid to go to shops physically as it also help to avoid once use of laptops.
- Saves time-For making an M-commerce transaction it is not needed that the user needs to plug in his laptop or PC and wait for the system to reload. It is enough that you just hit a single button on your mobile device.
- Quicker access-Connecting through a mobile is faster than dial up connections using
- Ambidextrous- Work and play, business purpose and personal fun
- Willingness- People seem willing to pay for mobile services
- Varied users- Elementary school students, youth, parents, grandparents are the varied users that uses M-commerce and from varied location.
- Broad reaches ability- People can be contacted anywhere and at any time. It is also convenient and provides instant connectivity.
- Flexibility accessibility- Users can be accessible through their mobile phones and at the same time be accessible online to by logging on to various mobile messengers like Facebook, Twitter, Gmail and other networking platforms.

#### VI. Demerits of M-commerce:

- Technology constraints of mobile devices( memory, processing power, input methods, display capabilities )
- Less Graphics Resolution – In comparison of computer/ laptops mobile has less resolution. In other words product is not properly displayed compared to laptops/ computers.
- Less Functionality- As mobile phone provide less functions compared to laptops. Here functionality is limited for mobile phones.



- Lack of Awareness- In India people do not aware about M-commerce. Literacy rate of India is grew by 74.04%, but in world literacy rate is 84% in 2011.In India people is uncomfortable to buy products through M-commerce.
- Small screens of most devices still limit types of file and data transfer (i.e streaming videos etc )
- WAP and SMS limited to small number of characters and text.
- Consumers fear for their privacy.
- Easier for information to get stolen.
- It has taken a while for businesses/ consumers to accept M-commerce.
- Not all cell phones are capable of M-commerce yet.
- Cost of establishing mobile and wireless broadband infrastructure.

#### **VII. Conditions of M-commerce:**

As we know mobile devices are becoming a part of our daily routine life, people use internet for various purposes which include: email, academic and financial information research, music, video chat, voice chat, online banking etc. M-commerce has touched every field of human life from information search to entertainment, job search etc.

#### **VIII. Suggestion to improve M-commerce:**

Indian Government take necessary steps to improve M-commerce in India like building of infrastructure to improve internet connectivity, they had to start campaigns for M-commerce knowledge. As M-commerce is not new in India Government had to take steps to provide awareness of M-commerce.

#### **Conclusion:**

Mobile commerce is known as M-commerce. M-commerce is used to buy and sell goods by using the wireless devices like cell phones, personal digital assistants and other hand held devices that have operated with internet access. The presence of M-commerce has improved the way how to conduct business. Still there is a lot of work, which can be done for M-commerce for its growth. M-commerce market grows in India due to growth of financial area and no. of smart phone buyers are increasing. But India still takes some year to develop compare to other countries like China which is developing very fast. Due to M-commerce our time saves and online transaction on mobile which is less expensive.

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## RECENT TRENDS IN INDIAN BANKING SECTOR

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### **Abstract**

*Today, we are having a fairly well developed banking system with different classes of banks – public sector banks, foreign banks, private sector banks, regional rural banks and co-operative banks. The Reserve Bank of India (RBI) is at the paramount of all the banks. The RBI's most important goal is to maintain monetary stability (moderate and stable inflation) in India. The RBI uses monetary policy to maintain price stability and an adequate flow of credit. The rates used by RBI to achieve this are the bank rate, repo rate, reverse repo rate and the cash reserve ratio. Reducing inflation has been one of the most important goals for some time. Growth and diversification in banking sector has transcended limits all over the world. In 1991, the Government opened the doors for foreign banks to start their operations in India and provide their wide range of facilities, thereby providing a strong competition to the domestic banks, and helping the customers in availing the best of the services. The Reserve Bank in its bid to move towards the best international banking practices will further sharpen the prudential norms and strengthen its supervisor mechanism.*

**Keywords** – Banking Trends, Banking Sector, Globalization, Growth and diversification.

### **Introduction :**

Today, we are having a fairly well developed banking system with different classes of banks – public sector banks, foreign banks, private sector banks, regional rural banks and co-operative banks. The Reserve Bank of India (RBI) is at the paramount of all the banks. The RBI's most important goal is to maintain monetary stability (moderate and stable inflation) in India. The RBI uses monetary policy to maintain price stability and an adequate flow of credit. The rates used by RBI to achieve this are the bank rate, repo rate, reverse repo rate and the cash reserve ratio. Reducing inflation has been one of the most important goals for some time. There has been considerable innovation and diversification in the business of major commercial banks. Some of them have engaged in the areas of consumer credit, credit cards, merchant banking, internet and phone banking, leasing, mutual funds etc. A few banks have already set up subsidiaries for merchant banking, leasing and mutual funds and many more are in the process of doing so. Some banks have commenced factoring business.

The Banking sector has been immensely benefited from the implementation of superior technology during the recent past, almost in every nation in the world. Productivity enhancement, innovative products, speedy transactions seamless transfer of funds, real time information system, and efficient risk management are some of the advantage derived through the technology. Information technology has also improved the efficiency and robustness of business processes across banking sector. India's banking sector has made rapid strides in reforming itself to the new competitive business environment. Indian banking



industry is the midst of an IT revolution. Technological infrastructure has become an indispensable part of the reforms process in the banking system, with the gradual development of sophisticated instruments and innovations in market practices.

### **Objectives Of The Study**

The main objectives of this study are

- 1) To study the conceptual background of Indian Banking Sector.
- 2) To study the Role of Information Technology (IT) and Customer Relationship Management (CRM) in Banking Sector.
- 3) To study the recent Banking Technological Trends.
- 4) To study the Major Challenges faced by Banks.

### **Research Methodology**

The present research study is based on the secondary data. Such secondary data is collected from various reference books on Banking Trends, Banking Sector, Globalization, Growth and diversification in Banks, Commerce, Management, Technology, Finance, and Banking etc.

For the said research study the data pertaining to the above objectives was collected by the review of the literature on the subject concerned. The literature was thus collected by visiting libraries and various concerned websites.

### **Role of Information Technology (IT) and Customer Relationship Management (CRM) in Banking**

IT plays an important role in the banking sector as it would not only ensure smooth passage of interrelated transactions over the electric medium but will also facilitate complex financial product innovation and product development. The application of IT and e-banking is becoming the order of the day with the banking system heading towards virtual banking. Banks, who strongly rely on the merits of 'relationship was banking' as a time tested way of targeting & servicing clients, have readily embraced CRM, with sharp focus on customer centricity, facilitated by the availability of superior technology. CRM, therefore, has become a new mantra in service management, both relationship & information wise.

#### **Foreign Direct Investment (FDI) in India**

Definition of FDI: Investment made to acquire lasting interest in enterprises operating outside of the economy of the investor.

Maximum FDI permitted in Indian private sector banks – 74 percent, under the automatic route which includes Portfolio Investment i.e. FII's and NRI's, Initial Public Issue (IPO), Private Placements, ADR/GDRs; and Acquisition of shares from existing shareholders;

Automatic route is not applicable to transfer of existing shares in a banking company from residents to non-residents. This category of investors require approval of FIPB, followed by "in principle" approval by Exchange Control Department of the RBI.

The "fair price" for transfer of existing shares is determined by RBI, broadly on the basis of the Securities and Exchange Board of India guidelines for listed shares and erstwhile CCI guidelines for unlisted shares. After receipt of "in principle" approval, the resident seller can receive funds and apply to RBI, for obtaining final permission for transfer of shares.



A foreign bank or its wholly owned subsidiary regulated by a financial sector regulator in the host country can now invest up to 100% in an Indian private sector bank. This option of 100% FDI will be only available to a regulated wholly owned subsidiary of a foreign bank and not any investment companies.

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### **Banking Technological Trends :**

Following are the innovative services offered by the industry in the recent past:

#### **1. Electronic Payment Services - E Cheques**

Nowadays we are hearing about e-governance, e-mail, e-commerce, e-tail etc. In the same manner, a new technology is being developed in US for introduction of e-cheque, which will eventually replace the conventional paper cheque. India, as harbinger to the introduction of e-cheque, the Negotiable Instruments Act has already been amended to include; Truncated cheque and E-cheque instruments.

#### **2. Real Time Gross Settlement (RTGS)**

Real Time Gross Settlement system, introduced in India since March 2004, is a system through which electronics instructions can be given by banks to transfer funds from their account to the account of another bank. The RTGS system is maintained and operated by the RBI and provides a means of efficient and faster funds transfer among banks facilitating their financial operations. As the name suggests, funds transfer between banks takes place on a 'Real Time' basis. Therefore, money can reach the beneficiary instantaneously and the beneficiary's bank has the responsibility to credit the beneficiary's account within two hours.

#### **3. Electronic Funds Transfer (EFT)**

Electronic Funds Transfer (EFT) is a system whereby anyone who wants to make payment to another person/company etc. can approach his bank and make cash payment or give instructions/authorization to transfer funds directly from his own account to the bank account of the receiver/beneficiary. Complete details such as the receiver's name, bank account number, account type (savings or current account), bank name, city, branch name etc. should be furnished to the bank at the time of requesting for such transfers so that the amount reaches the beneficiaries' account correctly and faster. RBI is the service provider of EFT.

#### **4. Electronic Clearing Service (ECS)**

Electronic Clearing Service is a retail payment system that can be used to make bulk payments/receipts of a similar nature especially where each individual payment is of a repetitive nature and of relatively smaller amount. This facility is meant for companies and



government departments to make/receive large volumes of payments rather than for funds transfers by individuals.

**5. Automatic Teller Machine (ATM)**

Automatic Teller Machine is the most popular device in India, which enables the customers to withdraw their money 24 hours a day 7 days a week.

**6. Point of Sale Terminal**

Point of Sale Terminal is a computer terminal that is linked online to the computerized customer information files in a bank and magnetically encoded plastic transaction card that identifies the customer to the computer. During a transaction, the customer's account is debited and the retailer's account is credited by the computer for the amount of purchase.

**7. Tele Banking**

Tele Banking facilitates the customer to do entire non-cash related banking on telephone. Under this device Automatic Voice Recorder is used for simpler queries and transactions. For complicated queries and transactions, manned phone terminals are used.

**8. Electronic Data Interchange (EDI)**

Electronic Data Interchange is the electronic exchange of business documents like purchase order, invoices, shipping notices, receiving advices etc. in a standard, computer processed, universally accepted format between trading partners. EDI can also be used to transmit financial information and payments in electronic form.

**Major challenges faced by banks**

1. Increased competition from domestic and international markets;
2. Transaction costs of carrying non-performing assets and substandard assets in its books;
3. Frequent changes in key policy rates and reserve requirements by the RBI;
4. Maintaining sufficient liquidity.

**Conclusion:**

In the days to come, banks are expected to play a very useful role in the economic development and the emerging market will provide ample business opportunities to harness. Human Resources Management is assuming to be of greater importance. As banking in India will become more and more knowledge supported, human capital will emerge as the finest assets of the banking system. Ultimately banking is people and not just figures.

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## GOODS AND SERVICES TAX IN INDIA: AN OVERVIEW

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### **Abstract:**

*In today's scenario we pay various taxes i.e. Direct and Indirect taxes, which are felt as burden on us and due to these taxes the corruption is increasing. So, to overcome from all these taxation system the Central Government has decided to make one tax system i.e. Goods and Services Tax (GST). GST is one of the most critical tax reforms in India which had been long awaiting decision. It is a comprehensive tax system that subsumes all indirect taxes of State and central Governments and whole economy into seamless nation in national market. GST includes all Indirect Taxes which will help in growth of economy and proves to be more beneficial than the previous tax system. GST will also help to accelerate the overall Gross Domestic Product (GDP) of the country. GST is now accepted all over the world and countries are using it for sales tax system.*

**Key Words:** Indirect Tax, GST, Economy

### **Introduction**

India is the hub of taxes where people pay many taxes which create confusion for them. Presently we pay two types of taxes i.e. Direct and Indirect in various sectors. Direct Tax paid directly to the government by the taxpayer i.e. Income Tax, Wealth Tax, and Corporation Tax. Indirect Tax is a tax levied on goods and services rather than on income or profits. It is not directly paid to government but collected from intermediaries (such as retail stores) from the person who bears the ultimate economic burden of the tax (such as consumers). The intermediary later files a tax return and forwards the tax precedes to government with the return for example Sales Tax, VAT, Excise Duty, and Custom Duty and so on. GST is a blanket of Indirect Tax that subsume several indirect state and state taxes such as Value Added Tax (VAT) and Excise Duty and different State Taxes, Central Surcharges, Entertainment Tax, Luxury Tax and many more.

### **History of GST**

GST was firstly introduced in France in 1954, with introduction of GST France became the first country ever to introduce GST. Its introduction was requiring because very high sales taxes and tariffs encourage cheating and smuggling. After France it was adopted by 165 nations. Now, India is also adopted it and India became 166th nation to adopt it. In India before 16 years, in 2000 Shri Former Prime Minister of India Atal Bihari Vajpy brought this system but no one paid attention on it and due to some reasons it was not passed. On 28th February 2006, the Ex-Finance Minister P. Chidambaram, had announced the target date for implementation of GST on 1 April, 2010. The Constitution (122nd Amendment) Bill was



introduced in the Lok Sabha by the present Finance Minister Arun Jaitley, on 19th December 2014, and passed by the house on 6th May 2015. The bill was passed by Lok Sabha on August 2016. The bill, after ratification by the States, received assent from President of that time Pranab Mukherjee on 8th September 2016 and since 1 July 2017 GST is implemented in India. GST bill is brought for the reason that the different taxes paid by us on different rates would be brought under one roof so that all the taxes may get cancelled and only one tax is paid which is GST. Goods and Services Tax (GST) include one tax one nation; this statement was given by the honorable Prime Minister Mr. Narandra Modi of India.

### GST Model of India

GST is a multi-stage destination-based tax. It is Multi-stage because GST levied on each stage of the supply chain and Destination-based because the final purchase is the place whose government can collect GST. GST has three components:

- 1) **CGST:** Stands for Central Goods and Services Act. The central government collects this tax on an intrastate supply of goods or services. (Within Maharashtra)
- 2) **SGST:** Stands for State Goods and Services Tax. The state government collects this tax on an intrastate supply of goods or services. (Within Maharashtra)
- 3) **IGST:** Stands for Integrated Goods and Services Tax. The central government collects this for inter-state sale of goods or services. (Maharashtra to Karnataka)

In India the model of GST is “Dual GST” which is combination of both CGST and SGST. All the goods and services bearing certain exemption of taxes brought under GST where the difference between the goods and services is ignored. Under GST all Indirect Taxes were merged under an umbrella and will help in creation of smooth market.

#### Taxes subsumed in GST: State and Central Taxes

STATE TAXES	CENTRAL TAXES
Value Added Tax (VAT)	Excise Duty
Entertainment Tax levied by states	Excise Duty under Medicinal and Toilet Preparation Act.
Luxury Tax	Additional Custom Duty commonly known as Countervailing Duty (CVD), Special Additional Duty(SAD)
Tax on Lottery, Betting and Gambling	Surcharge
Entry Tax other than for local bodies	CENVAT
	Service Tax

There are certain items which are not covered under GST. They are beyond the scope of GST, i.e., GST is not applicable on them. These are classified under Schedule III of the GST Act as “Neither goods nor services”. Alcohol for human consumption & Petroleum Products such as petrol, diesel, natural gas, kerosene, crude oil, fuel, etc. does not fall under the purview of GST in India at present. The taxes imposed to Alcohol for human consumption & Petroleum Product are continued as per the structure before GST implementation.





### Taxes before and after GST

GST is a tax trigger which leads to business transformation for the industry. Under the present arrangement, the government has decided to implement a 4-slab tax rate structure under GST regime which covered almost every product & commodity sold or bought in India. Tax Rates for various items under the goods & services tax finalized in the GST Council meeting are as follows:

- i. Under 0% tax rate, commodities such as food grains, rice, and wheat are included.
- ii. The first slab is 5% tax rate, under which mass consumption products are included such as mustard oil, tea & spices.
- iii. The second slab is 12% tax rate, under which processed food has been included.
- iv. The third slab is 18% tax rate, under which consumer goods have included such as toothpaste, refrigerator & smart phones etc.
- v. The fourth slab is 28% tax rate, under which luxury items such as cars & secondly tobacco & aerated drinks are included

Following table shows the comparison of few items of GST rate with Pre-GST tax incidence

Description of Goods	Pre-GST tax incidence	GST rate
Wheat	2.5%	0%
Rice	2.47%	0%
Unbranded flour	3.5%	0%
Curd/lassi/butter milk	4%	0%
Unbranded natural honey	6%	0%
Ultra high temperature (UTH) milk	6%	5%
Tea (other than unprocessed green leaves of tea)	6%	5%
Milk powder	6%	5%
Sugar	6%	5%
Sweetmeats	7%	5%
Vegetable edible oils	6%	5%
Spices	6%	5%
Ketchup and sauces	12%	12%
Mustard sauces	12%	12%
Toppings, spreads and sauces (other than mayonnaise, salad	12%	12%



dressings, mixed condiments and mixes seasonings)		
Mineral water	27%	18%
Sugar confectionery	21%	18%
Children's picture/drawing/colouring book	7%	0%
Footwear of RSP (retail sale price) up to Rs. 500 per pair	10%	5%
Kerosene pressure lantern	8%	5%
Coal	9%	5%
Tooth powder	12%	12%
LED	15%	12%
X-ray films for medical use	23%	12%
Diagnostic kits and reagents	16%	12%
Fixed speed diesel engines of power not exceeding 15HP	16%	12%
Fly ash bricks and fly ash blocks	16%	12%
Sewing machine	16%	12%
Hair oil	27%	18%
Toothpaste	27%	18%
Soap	27%	18%
Footwear of RSP more than Rs. 500 per pair	21%	18%
LPG stove	21%	18%
Aluminum foil	19%	18%
School bag	22%	18%
Printers (other than multifunction printers)	19%	18%
Staplers	27%	18%
Tractor rear tyres and tractor rear tyre tubes	20%	18%
Helmet	20%	18%
CCTV	19%	18%



Baby carriages	27%	18%
Plastic tarpaulin	19%	18%
Bamboo furniture	23%	18%
Headgear and parts thereof	27%	18%
Cement	29%	28%

Goods and services tax is continuously upgraded by the GST council for better results for the proper implementation. In the recent 23rd GST council meeting, there are around 178 products which were slashed from the higher 28% slab rate to the lower slab for the benefit of market and consumers.

### Importance of GST to the Economy

GST is designed to remove the burden by ending many Indirect Taxes. GST is important for economy in following ways:

- i. GST will reduce tax evasions; it will help to provide more money to backward states like Bihar, Jharkhand etc. which will improve the economy of the country.
- ii. GST also help in removal of local tax BIAS which means a person can set his factory in any state without worrying about different tax systems.
- iii. According to experts GST is regarded to increase economic growth by 0.9% to 1.7%.
- iv. Exports are expected to increase by 3.2% to 6.3%.
- v. GST is a Value Added Tax (VAT) implemented in India, since 01 July 2017. Government has promised that GST will reduce the previous compliance burdens.
- vi. One of the aims of introducing GST is to reduce the cascading effects i.e. tax on tax system, of taxes which are primary focus of VAT, but VAT system is not comprehensive enough to do so.
- vii. GST will help in removing the manufacturing cost which will bring price of consumer goods down, the lower price will further lead to an increase in demand/consumption of goods, increased demand will lead to increase supply hence this will ultimately lead to rise in production of goods. The increased production will lead to more job opportunities.

### Conclusion

Under GST most of the indirect taxes merged into a single GST system so it can be concluded from the above discussion that Implementation of GST is a significant step towards a comprehensive indirect tax reform in India. GST will provide relief to producers and consumers by subsuming the several taxes. It can be further concluded that GST have a positive impact on various sectors and industry.

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## AN ANALYTICAL STUDY OF WORKING CONDITIONS IN CHEMICAL AND AUTOMOBILE INDUSTRIES

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### 1.1 Introduction-

Whatever developments we have today is because of number of Innovation and Revolution in the past. For the progress of mankind, human underwent many revolutions right from agricultural revolution to industrial one. The industrial Revolution was another of those extraordinary jumps forward in the story of development.

Chemical and Automobile industries were also among the industries which developed gradually in 7000 B.C and 1840 respectively. Both kinds of industries developed gradually over a period of time in India and across the world.

Chemical Industry is backbone of the industrial development of the country and provides building blocks for many downstream industries. The Chemical Industry of India ranks 6<sup>th</sup> in world and 3<sup>rd</sup> in Asia after Japan and China. Automobile industry is one of the sun rising sector of the economy of India. It contributes near about 6% to countries G.D.P. The sector has its importance because of its huge production, export and employment opportunities.

On one side our economy is going through a transformation from agrarian to industrial one leading to establishment of industries, on the other hand we hear conflicts/ accidents/ grudges in industries. One of the major areas where immediate attention is required is Working Conditions of people working in industries.

What are working conditions? Why are working conditions important and what are the innovative measures that are taken by these industries to improve the working conditions of workers and officers in the industries. Thus the study is conducted with the following objectives-

### 1.2 Objectives of Study-

1. To comprehend the concepts of 'Working Conditions' with respect to Chemical and Automobile industries.
2. To gain a brief insight into legislative framework regarding working conditions prevailing in the country.
3. To evaluate the working conditions provided by the selected chemical and automobile industries for security, health and welfare of workers.
4. To share innovative practices regarding working conditions and to make suggestions for improving working conditions for the workers of chemical and automobile industries.

### 1.2 Operational Definition-

a. Analytical study- A detailed survey of chemical and automobile industries with respect to working conditions of workers and officers.



- b. Working Conditions- The physical conditions in which workers and officers work in the industry.
- c. Chemical Industries- Chemical industries includes the industries which are in the process of chemical handling, chemical usage and chemical manufacturing.
- d. Automobile Industries- All auto- ancillary industries situated in Nasik District, MIDC.

### **1.3 Method of Study-**

Survey Method- An exhaustive survey was done in Chemical and Automobile Industries of M.I.D.C of Nasik District, namely, Satpur, Ambad, Gondhe and Sinner, Muselgaon. Nearby 10 industries and 30 individuals data was collected (15 workers and 15 officers).

### **1.4 Tools of Data Collection-**

Questionnaire- A self- made questionnaire was made for workers and for officers. The questionnaire was a mixed questionnaire, it included some open ended questions and some close ended questions.

### **1.5 Population-**

All chemical and automobile industries of Nasik District, M.I.D.C.

### **1.6 Sample-**

In total 10 Chemical and 10 Automobile Industries data was taken which includes 15 officers and 15 workers. The sample was chosen with the help of Simple Random Method.

### **1.7 Type of Sampling –**

Simple Random Sampling- The industries were chosen through simple random method, i.e. through lottery method. The workers and the officers too were chosen through lottery method.

### **1.8 Discussion and Presentation-**

‘An analytical study of Working Conditions in Chemical and Automobile Industries’ was the area of study.

- A self-made questionnaire was made for the officers and a self-made questionnaire was made for the workers. Officers’ questionnaire was in English Language and it was a mixed questionnaire whereas the questionnaire for workers was in Marathi Language and it was also a mixed questionnaire.

- A permission letter was given to number of selected industries which was chosen with the help of Simple Random Method. As per the availability of that particular industry, a time slot was taken where the officers and workers were oriented about the questionnaire and thus it was filled by them.

- For the paper, I have taken sample of 15 workers and 15 officers from different industries namely, Mahindra and Mahindra. Bellota, Sudal, Aumsai , Rainbow, Genex Auto in case of Automobile Industries and Devi Form, Dolphin Ink, Apte and Apte, Rexxon Chemical, VadivareSpecialityetc for Chemical Industries.

**1.9 Analysis of Data Collected-****Analysis of Working Conditions of Officers in Chemical and Automobile Industries****Table No. 1**

	Provision of workplace aspects	HS	S	N	D	HD
1	Illumination	40%	47%	13%	-	-
2	Ventilation	40%	47%	-	13%	-
3	Temperature	33%	53%	7%	7%	-
4	Humidity	33%	53%	14%	-	-
5	Dust	6%	72%	6%	6%	-
6	Smoke and fumes.	13%	53%	28%	-	6%
7	Noise	20%	60%	-	13%	6%
8	Cleanliness	20%	60%	-	20%	-
9	Over-crowding	33%	40%	6%	20%	-
10	Fencing Machinery&Equipments	47%	40%	13%	-	-
11	Others instruments, components, etc	33%	47%	20%	-	-

**Table No. 2**

	Working conditions	O	VG	G	F	DP
1	Environmental protection	20%	40%	28%	12%	-
2	Sufficient basic facilities	28%	20%	40%	12%	-
3	Security in employment	13%	54%	33%	-	-
4	Manageable workloads	28%	20%	54%	-	-
5	Working hours as per law	33%	20%	47%	-	-
6	Length of working days	28%	33%	41%	-	-
7	Flexible work schedules	27%	27%	46%	-	-
8	Manageable overtime work	28%	20%	52%	-	-
9	Performance based pay	28%	6%	47%	13%	6%
10	Safe and sufficient working space	27%	40%	27%	6%	-
11	Fair promotion policy	28%	20%	33%	13%	6%
12	Advance training for promotion	20%	13%	54%	-	13%
13	Standing orders of the establishment	27%	6%	47%	20%	-
14	Friendly working environment	33%	33%	34%	-	-
15	Sufficient career advancement opportunities	27%	20%	27%	13%	13%
16	Cordial relations with co-workers & officers	27%	40%	33%	-	-
17	Sufficient Welfare facilities	27%	20%	40%	13%	-
18	First aid and medical assistance	27%	27%	33%	13%	-
19	Retirement benefits	20%	20%	54%	-	6%
20	Efficient grievances redressed machinery	20%	20%	40%	20%	-



**Analysis of Working Conditions of Workers in Chemical and Automobile Industries**

**Table No. 3**

	कार्यस्थळी कामगार सुरक्षिततेच्या तरतुदी	HS	S	N	D	HD
1	प्रकाशप्रणाली	40%	60%	-	-	-
2	वायुवीजन	40%	60%	-	-	-
3	तापमान	40%	60%	-	-	-
4	आर्द्रता	28%	66%	6%	-	-
5	धूळ	28%	73%	-	-	-
6	धुरआणि धूराडा	20%	73%	6%	-	-
7	ध्वनी	33%	60%	6%	-	-
8	स्वच्छता	28%	73%	-	-	-
9	अति-गर्दी	40%	53%	-	-	-
10	आच्छादित यंत्रे आणि उपकरणे	53%	40%	6%	-	-
11	संरक्षित इतर साधने व औजारे, इ.	33%	47%	20%	-	-

**Table No. 4**

	कार्यपर्यावरण आणि कार्यस्थिती	O	VG	G	F	DP
1	पर्यावरण संरक्षण	32%	28%	40%	-	-
2	कामाच्या ठिकाणी मूलभूत सुविधा	28%	32%	40%	-	-
3	रोजगाराची सुरक्षितता	28%	32%	40%	-	-
4	आटोपशीर कार्यभार	28%	20%	52%	-	-
5	कायद्याने विहित कलेले कामाचे तास	20%	47%	33%	-	-
6	कामाचे एकूण दिवस	28%	60%	12%	-	-
7	कार्यवेळापत्रकामध्ये परिवर्तनशीलता	20%	47%	33%		
8	आटोपशीर जादा कार्यभार	27%	27%	40%	6%	
9	कार्यक्षमतेनुसार वेतन	27%	27%	40%	12%	
10	सुरक्षित आणि पुरेशी कामासाठी जागा	20%	40%	40%		
11	उचित पदोन्नती धोरण	20%	33%	47%	-	-
12	पदोन्नतीसाठी आगाऊ प्रशिक्षण	13%	40%	47%	-	-
13	आस्थापनेचे स्थायी आदेश	13%	47%	40%	-	-
14	मैत्रीपूर्ण वातावरण	20%	60%	20%	-	-
15	पुरेशा सेवा जेष्ठतेच्या संधी	27%	46%	27%	-	-
16	सहकारी-अधिकार्यांशी सौहार्दपूर्ण व मैत्रीपूर्ण संबंध	27%	40%	27%	6%	-





17	पर्याप्तकल्याणकारीसुविधा	27%	40%	33%	-	-
18	प्रथमोपचारआणिवैद्यकीयसहाय्य	33%	40%	27%	-	-
19	सेवानिवृत्तीचेफायदे	28%	40%	20%	12%	-
20	कार्यक्षमत्कारनिवारणयंत्रणा	20%	53%	27%	-	-

### 1.10 Findings and Suggestions –

1. From Table No. 1 which is related to the level of Satisfaction with the provision of workplace aspects of officers, it is observed that near about 25% officers are highly Satisfied, 50% are Satisfied, 10 % are Neutral in their opinion, 10% are dissatisfied and 5% are highly dissatisfied.
2. From Table No. 2 which is related to working conditions of officers, it is observed that 22% of them are extremely happy and have rated in outstanding category whereas 21% feels the working conditions are very good, 40% feels that it is good, 11% feel it is fair and 6% feel that it is Disappointing.
3. From Table No. 3 which is related to level of Satisfaction with the provision of workplace aspects of workers, 33% workers are highly satisfied, 59% are satisfied, 8 % are Neutral in their opinion.
4. From Table No. 4 which is related to working conditions of workers, it is observed that 22% of them are extremely happy and have rated in outstanding category whereas 38% feels the working conditions are very good, 32% feels that it is good, 8% feel it is fair .

### Conclusion-

1. Working conditions in both the category of industries – Chemical and Automobile are at most important and should be provided extremely well both to the officers as well as workers but in both the category we noticed that only 1/4<sup>th</sup> of the population is in Highly satisfied category in terms of provisions of working conditions.
2. Apart from mandatory, voluntary initiatives for good working conditions too should be given by industries.
3. We definitely don't want another Manesar plant incidence in India in which one of the major reasons was unfair working conditions.

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## इ- व्यवसाय आणि इ- व्यवसायासमोरील आव्हाने

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### प्रस्तावना :-

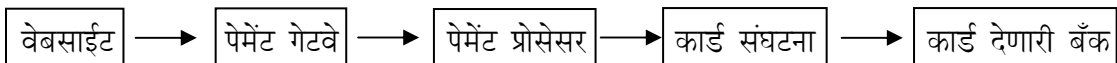
आज सर्वच जग हे संगणक व इंटरनेटच्या जाळ्यामुळे जवळ येवून एक बाजारपेठ बनली आहे. अशा या इंटरनेटच्या व माहिती तंत्रज्ञानाच्या युगात व्यवसाय कसा बाहेर राहिल. म्हणूनच १९ व्या शतकाच्या शेवटी इ- व्यवसाय ही संकल्पना इ-मेल आणि इ- कॉमर्स ह्या संज्ञेपासून उदयाला आली. या अगोदर आपणाज वस्तू खरेदी करण्यासाठी वेगवेगळ्या दुकानांमध्ये जावे लागते. परंतु आता खरेदी जगतात नाट्यपूर्ण बदल घडले आहे. खरेदी करण्यासाठी आता दुकानात जाण्याची गरज नाही. खरेदी करण्यासाठी इंटरनेटची सोय असलेले संगणकावरून वस्तूंची खरेदी करणे, त्यांचे शोधन करणे आणि प्रत्यक्षात त्या वस्तूंची पोहोच केली जाते.

इ- व्यवसायात इंटरनेटच्या माध्यमातून जनतेचा आणि प्रक्रियेचा संबंध जोडला जातो. यामुळे जागतिक स्तरावर कुठल्याही क्षेत्रात काम करण्याची मुभा मिळते. व्यवसायाची कार्यक्षमता सुधारते, नफा वाढतो व उत्तम ग्राहकसेवा प्रदान करता येतात. हा व्यवसाय वेबच्या माध्यमातून केला जातो म्हणून त्यास इ- व्यवसाय म्हणून ओळखले जाते.

### शोधनिबंधाची उद्दिष्टे :-

- १) इ- व्यवसायाची व्युत्पत्ती व अर्थ जाणून घेणे
- २) इ- व्यवसायाच्या यशस्वी अंमलबजावणीस आवश्यक असणारी साधने जाणून घेणे.
- ३) इ- व्यवसायाच्या फायद्याचा अभ्यास करणे.
- ४) व्यवसायापुढील आव्हानांचा अभ्यास करणे.

### पेमेंट गेटवेची पध्दती :-



### इ - व्यवसायाची व्युत्पत्ती व अर्थ :-

‘इ- व्यवसाय’ या संज्ञेची व्युत्पत्ती इ-मेल आणि इ- कॉमर्स ह्या संज्ञेपासून झाली आहे. याची व्युत्पत्ती साधारणपणे १८ व्या शतकाच्या शेवटी झाली. IBM कंपनीने १९९४ ह्या नवीन शब्दाला उपयोगात आणले. खरेदीदाराला इंटरनेटवर वस्तूंची खरेदी व विक्री करण्यास व्यासपीठ उपलब्ध करून दिले. शेवटच्या दशकात (२०००-२०१०) इ- बिझनेस आणि इ- कॉमर्स ह्या जागतिक घटनांपैकी एक रोमांचक खळबळजनक घटना होती.

अनेकदा इ-कॉमर्स आणि इ- बिझनेस या संज्ञेचा वापर समानार्थी केला जातो. परंतु, प्रत्यक्षात इ- वाणिज्य ही इ- बिझनेसची उपशाखा आहे. इ- कॉमर्स हे इ- बिझनेसचे व्यापारी स्वरूप आहे. जिथे



खरेदीदारास आणि विक्रेत्यास इंटरनेटद्वारे जोडले जाते. उत्पादन, खरेदी— विक्री आणि संपूर्ण व्यवसाय इत्यादींचा समावेश इ. बिझनेसमध्ये होतो.

दैनंदिन जीवनाच्या विविध बाजूंवर आज औद्योगिक तंत्रज्ञानाचा प्रचंड प्रभाव आहे. आपल्या समाजाने ह्या प्रभावाशी जुळवून घेवून तसा बदल जीवनशैलीत करणे आवश्यक आहे.

### इ— बिझनेसच्या यशस्वीतेसाठीचे आवश्यक साधने :-

१) ग्राहक ते ग्राहक (Consumer to Consumer) :- आज अनेक वेबसाईट आहेत की, ज्याद्वारे वस्तुची खरेदी विक्री होते. यात ग्राहक वस्तु व सेवांची खरेदी— विक्री दुसऱ्या ग्राहकास करतो. वेबवर माहिती प्रदर्शित करण्यास परवानगी यात असते याचे शोधन करतांना सुरक्षितता असते. उदा. Pay- Net व Pay Pal. हे ग्राहक मंच क्रियाशील असतात त्यामुळे भरपाई मिळणे शक्य होते. या अशा वेबचे उत्तम उदा. म्हणजे ई—बे (E Bay) होय.

२) व्यापार ते ग्राहक (B to C) :- व्यवसाय ते ग्राहक बी टू सी च्या अतर्गत होणारे व्यवहार व्यवसाय संस्था आणि ग्राहक यांच्यात होतात. विपणन कार्यासाठी संस्था यांची (Site) वापरतात. वस्तु व सेवांची किंमत कमी असून व्यवहाराचा वेग जलद असतो. प्रचलित वेबसाईट उदा. www.flipkart.com, www.yebhi.com

३) व्यवसाय ते व्यवसाय (B to B) :- व्यावसायिक संस्थामध्ये होणारे व्यवहार ह्या प्रकारात येतात. विविध प्रकारच्या सेवांसाठी व्यापारी संस्था एकमेकांशी संवाद साधतात. यामध्ये दुयम किंवा साहाय्यभूत भागांचा पुरवठा, उत्पादनसाठीचे घटक Pay Services आदींचा समावेश होतो. उदा. क्रेटिंग

### इ. व्यवसायाचे फायदे :-

- १) इ— बिझनेसची उभारणी करणे हे पारंपारिक व्यवसायापेक्षा सोपे आहे.
- २) इ— बिझनेस करण्याची प्रत्यक्ष जागेची गरज नसते. तर प्रशिक्षित तंत्रज्ञान व्यावसायिकांची गरज असते.
- ३) दळणवळण सोपे होते कारण प्रत्यक्ष समोरासमोर संवादाची गरज नसते.
- ४) परंपरागत व्यवसाहून कमी भांडवल ह्या व्यवसायास लागते.
- ५) पुरवठादार आणि ग्राहक यांच्यात सुसंवाद घडून येतो व संबंध मजबूत होतात.
- ६) इ— बिझनेसमुळे जागतिक स्तरावर व्यवसायाच्या अनेक संधी खुल्या झाल्या आहे.
- ७) शासनातर्फे ही या व्यवसायास अधिक पाठबळ मिळते.

### इ— व्यवसायाची आव्हाने :-

१) विक्री योग्य उत्पादने शोधणे :- शॉपीफाय सारखे शॉपिंग कार्टचे प्लॅटफॉर्म प्रवेशाच्या बऱ्याच अडथळांना दूर केले आहे. कोणीही दिवसात एक ऑनलाईन स्टोअर लॉन्च करू शकतो व सर्व प्रकारची उत्पादने विक्री करू शकतो. ऍमेझॉन त्यांच्या प्रचंड ऑनलाईन उत्पादनाच्या कॉटलॉगसह ई— कॉमर्स जगावर ताबा घेत आहे.

२) योग्य ग्राहक आकर्षित करणे :- ऑनलाईन ग्राहक हा प्रत्येक दिवशी एकाच मार्गाने वस्तु खरेदी करत नाही. तेव्हा इ— व्यवसायाने ग्राहकांच्या अपेक्षेनुसार मार्ग निर्धारित केला पाहिजे. तेव्हाच चांगला ग्राहक वर्ग आकर्षित होईल.



३) लक्ष्य निश्चिती :- डिजीटल मार्केटिंग चॅनल विकसित होत आहे. तेव्हा रिटेलरने यापुढे एकाच चॅनलवर अवलंबून राहणे योग्य नाही. त्यांनी आणखी डिजीटल मार्केटिंग चॅनल विकसित करून आपले विक्री वाढीचे लक्ष्य निर्धारित केले पाहिजे.

४) गुणवत्ता निर्मिती :- ऑनलाईन रिटेलरने १ टक्के ते ३ टक्के च्या दरम्यान गुणवत्ता वाढीसाठी भांडवल गुंतवणूक केली आहे. या मोठ्या गुंतवणूकीमुळे त्यांना अधिक फायदा मिळत आहे.

५) आदर्श संभावना विकसित करणे :- आपण सक्रियपणे आपल्या सदस्यांसह सक्रिय नसल्यास मोठ्या ई-मेल यादी असण्या योग्य आहे. जर आपल्या ई-मेल यादी प्रत्यक्षात ग्राहकांना देण्यामध्ये रुपांतरीत असेल तर आदर्श संभावना विकसित होईल. रिटेलरने त्यांच्या ई-मेल विपणन प्रयत्नासह मुल्य वितरित करणे आवश्यक आहे.

६) फायदेशीर दीर्घकालीन वाढ साध्य करणे.

७) योग्य तंत्रज्ञान आणि भागीदार निवडणे.

८) हे सर्व घडू नये म्हणून योग्य लोकांना आकर्षित करणे.

#### निष्कर्ष :-

१) इ- व्यवसायाच्या यशस्वीतेसाठी ग्राहक ते ग्राहक, व्यापार ते ग्राहक आणि व्यवसाय ते व्यवसाया या साधनांची आवश्यकता असल्याचे दिसून येते.

२) इ- व्यवसायासमोर प्रामुख्याने विक्रीयोग्य उत्पादने शोधणे, ग्राहकांना आकर्षित करणे, उच्च दर्जा, ध्येय निश्चिती, दीर्घकालीन फायदा, तंत्रज्ञान व भागीदार निवडणे यासारखी आव्हाने असल्याचे आढळून आले.

३) इ- व्यवसायामुळे जागतिक व्यापारात वाढ होत असल्याचे दिसून येते.

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**वस्तू व सेवाकरसंरचना, परीणाम, व्यवसाय व्यवस्थापन आणि कर आकारणी  
(GST Structure, Impact and future in Business Management & Taxation)**

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देशभरात एक समान करप्रणाली आणि दर असलेल्या वस्तू आणि सेवा कर प्रणालीचे 'मेकइंडीयावन' हे वैशिष्ट असून या प्रणालीची राज्यात अमंलबजावणी अरतांना कोणत्याही संबंधीत घटकास त्रास होणार नाही याबाबतची काळजी शासन घेईल असे नमूद करण्यात आले आहे.

राज्यात यातून एक सुटसुटीत आणि पारदर्शक कर यंत्रणानिर्माण झाली. राज्यात याप्रणालीचे स्वरूप नेमके कसे असावे याचा अभ्यास करण्यासाठी अर्थतज्ञांचे सहकार्य घेण्यात आले आहे. तसेच संबंधीत घटकांचे मत ही जाणून घेण्यात आले आहे. राज्य हीताची भूमिकाही प्रणाली राबवितांना नक्की विचारात घेतली गेली आहे.

वस्तू व सेवा कर प्रणालीत केंद्र आणि राज्याचे साधारणतः १७ कर विलीन झाले आहेत. ज्यांचा सरासरी कर दर ३० टक्के पर्यंत जातो. वस्तू व सेवाकर लागू करण्याआधी केंद्रसाकार व राज्य सरकारकडून वेगवेगळ्या कायद्या अतर्गत प्रत्यक्ष व अप्रत्यक्ष कर आकारणी केली जात होती. कर वर कर लावले जात होते. प्रत्येक राज्यात त्याचे वेगवेगळे कर कायदे व दर होते. हे सर्व कर बंद करून 'वस्तू व सेवाकर' कायद्या मंजूर करून घेतला आहे.

एकदेश एक कर व एक बाजरापेठ. हे समीकरण वस्तू व सेवाकर कायद्याला लागू होते.

जीएसटी कर प्रणालीची १ जूलै २०१७ पासून संपूर्ण देशात अमलबजावणी सुरू झाली आहे. यापुर्वी केंद्रसरकार व राज्य सरकारकडून वेगवेगळ्या कायद्या अतर्गत प्रत्यक्ष व अप्रत्यक्ष कर आकारणी केली जात होती. कर वर कर लावले जात होते. प्रत्येक राज्यात त्याचे वेगवेगळे कर कायदे व दर होते. हे सर्व कर बंद करून आज जीएसटी हा एकच कर केंद्र आणि राज्यात आकारण्यात येणार आहे. संपूर्ण देश एक कॉमनमार्केट झाले आहे. एक करदाता एक प्रशासन याप्रमाणे अमंलबजावणी होत आहे.

### **वस्तू व सेवाकरसंरचना**

घटनेतील नविन कलमानुसार वस्तू व सेवाकर परिषदेची स्थापना करण्यात आली आहे. केंद्रीय अर्थमंत्री या परिषदेचे अध्यक्ष आहेत. केंद्रीय अर्थराज्यमंत्री व प्रत्येक राज्याचे अर्थमंत्री या परिषदेचे सदस्य आहेत. परिषदेचा कोरम हा एकुण सदस्य संख्येच्या ५० टक्के असेल. उपस्थित सदस्यांच्या ७५ टक्के बहुमताने निर्णय घेतला जाईल. वस्तू व सेवाकर पुढील अनेक गोष्टींची शिफारस करीत आहेत. व करणार आहे.

वस्तू व सेवाकरकायदा, नियमविविध वस्तू व सेवावरीलकरांचे दर वस्तू व सेवाकर मधुन सवलत देण्यात येणा—या तसेच कर लावण्यात येणा—या वस्तू व सेवा, कर नोंदणी करण्याचेनियम, विवरणपत्रांचे



नियम व मुदतकर मागणी, दंड, विलंबआकार व्याजवसुली नियम फेरतपासणी आणि अपीलसंबंधीत नियमांची तसेच करप्रणाली अधिकसुलभ व अचूककरण्यासाठी वेळोवेळी आढावा घेवुन अभ्यास करून नियमात, करदर व सवलती बाबत शिफारस करण्याची जबाबदारी वस्तू व सेवाकर परिषदेवर राहिल. वस्तू सेवाकर परिषदेच्या शिफारसी शिवाय या करप्रणालीत शासन काणेताही बदल करू शकत नाही.

### वस्तू व सेवाकराचेपरिणाम

स्वातंत्र्य प्राप्तीनंतर आणि विशेषतः १९९१ च्या मुक्तअर्थव्यवस्थेच्या कातीनंतर देशाच्या अर्थव्यवस्थेवर दुरगामी परिणाम करणारे अर्थिक विधेयक असे वस्तू व सेवा करचे वर्णन केले आहे.

मुक्त अर्थव्यवस्थेचा रौप्य महोत्सव देशात साजरा होत असतांना वस्तू व सेवाकरचे विधेयक मंजूर झाले. केंद्र आणि राज्य स्तरावरील अनेक करा ऐवजी आता एकच वस्तू व सेवाकर असणार आहे. वस्तू व सेवाकर पूर्वी प्रत्येक राज्यांचे वेगवेगळ्या दरांचे वस्तू व सेवाकर होते. केंद्रीय स्तरावर सेवाकर अबकारी कर असे काही अप्रत्यक्ष कर होते. या सर्वकरांचे एकत्रीकरण होवुन, वस्तू व सेवाकराचा परिणाम म्हणून 'एक देश एक बाजारपेठ, एक कर' ही कल्पना सर्वसामान्यांना सुखावणारी अशी आहे.

- वस्तू व सेवाकरामुळे एकुण राष्ट्रीय उत्पदनात किमान दोन टक्के वाढ म्हणजे साधारणतः एक लाख कोटी रूपांची वाढ होईल असा अर्थतज्ञांचा अदांज आहे. या मध्ये पेट्रोल, डिझेल आणि वीज यांचा समावेश केला गेला नाही. कारण या वस्तू 'वस्तू व सेवाकर' मधुन वगळलेल्या आहेत.
- वस्तू व सेवाकरामध्ये प्रचलीत अप्रत्यक्ष करातील (VAT व सेवा कर) इ. काही मुलभूत संकल्पनांचा समावेश करण्यात आला आहे. वस्तू व सेवा करातून एकाच वेळी राज्याला आणि केंद्राला उत्पन्न मिळणार आहे.
- वस्तू व सेवाकरांच्या आकारणीमुळे सुरुवातीला काही काळ काही वस्तूंची भाव वाढ होणे अपरिहार्य आहे.
- वस्तू व सेवाकरा मुळे केंद्रांचे व राज्यांचे आर्थिक हितसंबंध एकमेकास पुरक होतील. संघराज्य ही संकल्पना अधिक बळकट होईल. व्यवसाय करतांना सुलभता जाणवेल. आजमितीला जगात १५० पेक्षा अधिक देशात वस्तू व सेवा करप्रणाली आहे. परंतु यातील कोणतेही मॉडेल भारताला जसेतसेच लागू करता येत नाही. कारण भारतरतील वस्तू व सेवाकरहा २९ राज्य, ७ केंद्रशासीत प्रदेश आणि एक केंद्रसरकार यांचा समुचय असणार आहे.
- भारतीय अर्थव्यवस्थेत वस्तू व सेवाकर लागू झाल्याने आता प्राप्तीकर आणि वस्तूसेवाकर हे सरकारच्या उत्पन्नांचे दोन स्रोत असतील.

### वस्तू व सेवाकर आकरणी दर व पध्दत

वस्तू व सेवाकरप्रणाली आकारणी वस्तू व सेवा पुरवठा किमतीच्या मुल्यवर्धनावर केली जाते. जसे अगोदर VAT मध्ये करांची आकरणी होत असे.

करमुक्तवस्तू व सेवा सोडून प्रशासनाने कराचे चार दर निष्पत्त केले आहे. हे ५%, 12%, 18% 28% असे आहेत. सामान्य व्यक्तीच्या जीवनातील गरजेच्या वस्तू वरील कमी दर म्हणजे ५ टक्के एवढा ठेवला आहे. इतर वस्तूवर १२ टक्के व १८ टक्के असा मानक दर ठेवला आहे. सर्वात जास्त म्हणजे २८ टक्के दर हा चैनिका व उंचीदराच्या वस्तूवर (पंचतारिकांतील हॉटेल, तंबाखू, तंबाखू पासुन बनविल्या वस्तू)



इ. साठी ठेवला आहे. सोने व चांदीवर ३ टक्के कर लावला आहे. अन्नपदार्थ, अत्यवश्यक वस्तू व सेवा आणि शिक्षण, चिकीत्सा व कृषी संबंधीत सर्व सेवाकरमुक्त ठेवल्या आहेत. मद्य, कच्चेतेल डिझेल,पेट्रोल, विमानाचे इंधन, नॅचरल गॅस यांचा सध्या तरी या करप्रणालीत समावेश करण्यात आलेला नाही.

छोट्या व्यवसायीक करदात्याशी जेमागील आर्थिक वर्षात ५० लाख रूपयांपेक्षा कमी गुतवणूक आहेत असे छोटी उपहारगृहे, उत्पादक, पुरवठादार किरकोळ विक्रेते जे ग्राहकांना प्रत्यक्षात वस्तूचा पुरवठा करतात त्यांना वस्तू व सेवाकरांची 'आपसमेळ' योजना लागू करण्यात आलीआहे. यासाठी त्यांना फक्त ५ टक्के वस्तू व सेवाकर भरावा लागतो.

वस्तू व सेवाकर सल्लागार म्हणून Chartered Accountant, Company Secretary, Cost Management Accountant, Advocate इ. शासनाच्या अटींची व नियमांची पुतता करून मान्यता घेवू शकतात.

वस्तू व सेवाकरांची संरचना, परिणाम आणि त्या दृष्टीने व्यवसायांचे व्यवस्थापन—म्हणजे कंपन्यांना व्यवसायांना वस्तू व सेवाकर लागू होण्यापुर्वी जे अनेक प्रत्यक्ष अप्रत्यक्ष कर केंद्र व राज्य सरकारकडे भरावी लागत होते. ती पध्दत अतिशय किचकट गतांगुतीची होती. त्यातून करचुकीचे प्रमाण मोठया प्रमाणत होत. या सर्व गोष्टींना पायबंद घाल्याण्याकरीता तसेच कंपन्या व व्यवसाय संस्थांना त्याचे व्यवस्थापन शास्त्रीय पध्दतीने करण्याकरीता वस्तू व सेवाकराचा नक्कीच फायदा होईल. वस्तू सेवा करा मुळे भारतीय अर्थव्यवस्थेची एका नव्या आर्थिक पर्वाकडे वाटचाल सुरू होणार आहे.

**जी एस टी देशासाठी लाभदायक !**





## RECENT TRENDS OF EMERGING BUSINESS

### उभरते हुए व्यापार के वर्तमान आयाम

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महान मंदी ने जीवन और व्यवसाय की नींव को बदल दिया है और उद्योगों और कम्पनियों को बदलते हुए परिवर्तनों को बदल दिया है। पृथ्वी के बिखरने वाले व्यापारिक रुझानों के उभरने से व्यापार को जिस तरिके से बदला जाता है उसे फिर से परिभाषित करता है। और नूफाने का एहसास होता है।

उभरते हुए व्यापार रुझानों को जानने के लिए निम्नलिखित बातें हैं

निम्न चार कारोबारी प्रवृत्त व्यवसाय को नया रूप दे रहे हैं। उन्हें समझने से आपको वास्तविकता को कैपिटल करने के लिए अपनी market to market प्रक्रिया का जवाब देने और पुनः परिभाषित करने में सहायता मिलेगी।

(1) सूचना मुद्रा स्थिति सूचना आज तक इतनी स्वतंत्र और आसानी से उपलब्ध नहीं हुई है हालांकि जानकारी की कीमत में गिरावा आई है। लेकिन सूचनाओं की आपूर्ति में जानकारी मुद्रा स्थिति बनाने और भविष्य के लिए नई समस्याओं का एक पूरा सेट विस्फोट हुआ है। इसे अक्सर **big data** कहते हैं।

व्यवसाय राजस्व बढ़ाने और लागत कम करने के लिए **data** का उपयोग कर सकते हैं उदाहरण के लिए व्यवसायों को सफलता पूर्वक खनन करने वाले व्यवसायों को अपने आंतरिक सूचना मूल्य निर्धारण, इतिहास आदी ग्राहकों के **traffic pattern** को संदर्भित करता है, ग्राहकों के व्यवहार को बेहतर समझकर राजस्व बढ़ाने के लिए कई बाहरी स्रोतों के साथ-साथ अक्षमता को नष्ट करने वाले और लागत को कम करके मानव पूर्वाग्रह, ग्राहकों की आवश्यकता की पूर्ति करके, नये ज्ञान के साथ सेवा को संवृद्धि करना और कर्मचारियों को अपने काम को बेहतर प्रदर्शन करने के लिए नये उपकरण देने के जरिये ग्राहक **bond** को मजबूत करना।

सूचना निर्णय लेने का आधार रूप है। व्यवसायों के लिए प्रतिस्पर्धा करने के लिए उन्हें विस्फोट सामग्री की ब्राम्हाण्ड में सही मायने में मूल्यवान **data** खोजने के लिए कौशल और तकनीक की आवश्यकता होती है।

(2) मिथव्यायी उपभोक्ता— उपभोक्तावाद महान मंदी के बाद ही नहीं होगा। हमने अर्थशास्त्री पीटर डाक्सन के अनुसार मिथव्यायी उपभोक्ता के रूप में प्रवेश किया है। वह इस प्रवृत्ति को उपभोक्तावाद की अधिक स्थायी स्थिति की दिशा में एक बदलाव के रूप में देखते हैं जो व्यापार को संचारित करने के तरिके को बदल देगा।

डाक्सन अपने सिद्धांत में अकेले नहीं है वह बाजार अनुसंधान द्वारा समर्पित है मैकिंसेन एण्ड कम्पनी उपभोक्ता खरीद व्यवहार के एक वार्षिक सर्वेक्षण अविजित करता है। उनकी





हालिया रिपोर्ट में कहा गया है। कि "सामान्य तौर पर उपभोक्ता सावधानी पूर्वक विलीय निर्णय ले रहे हैं।" यह आश्चर्यजनक नहीं है कि सर्वेक्षण के उत्तरदाताओं के आधे से अधिक लोगों ने संकेत दिया है कि वे एक साथ पहले की तुलना में समाप्त होने को पूरा करने में कठिन हैं या पेचेक में रहने वाले पेचेक रिपोर्ट में यह भी उल्लेख किया गया था की लगभग एक तिहाई उत्तरदाताओं ने सहमति व्यक्त किया कि उनकी वित्तीय स्थिति वस्तु खरीदने के लिए देरी कर रही है और खर्च में कटौती कर रही है।

सभी आकारों की कंपनियों को पुराने व्यापार मान्यताओं का पुनः मूल्यांकन करने और उन्हें अनुकूलित करने की आवश्यकता होगी नयी परिस्थितियां सभी आय और जनसंख्या के स्तरों के लोग बाध्यकारी खर्च को कम रहे हैं और ध्यान से मूल्य और उत्पादों के खोज कर रहे हैं। जो उनके जीवन को अधिक महत्व प्रदान करते हैं।

(3) मिलेनियन— मिलेनियन जिसे जनरेशन वाई (Y) के नाम से भी जाना जाता है। लोग सन् 1978 और 2000 के बीच पैदा हुये हैं। मिलेनियन 77 है पांच मिलियन से S 1 से अधिक मजबूत सात अरब खर्च करने की (अब तक) खर्च करने की क्षमता ने यह पलटन डिजिटल जीवन जीता है और कार्य बल में उनके प्रवेश के कारण उसे किसी भी अन्य पीढ़ी की तुलना में अधिक अनुकूलिय, सहयोगी अभिनव बना दिया है इस पिढ़ी के बारे में सबसे ज्यादा धरीती का टूटना अधिक विविधता है और वे कैसे समुदाय और साथ ही साथ संस्कृतियों और कक्षाओं को गले लगाते हैं।

कम्पनियों की कुंजी हजारों साल के हित और व्यवसायों पर कब्जा कर रही है। अमेरिकी एक्सप्रेस ओपन फोरम के अनुसार व्यवसाय विषेष रूप से छोटे व्यवसाय, कुछ मिलियन के लक्षण और रुचियों को साझा करने में आसान बनाते हैं तथा स्थानियों कनक्षनों पर बल देते हैं और मिलेनियन वफादारी को **gaymifying** कह सकते हैं।

(4) स्वच्छ और ग्रीन व्यवसाय— ग्रीन व्यवसाय अब अधिग्रहक में तेज हो गया है सरकार के प्रोत्साहन और उद्यम पूंजी में अरबों के साथ, जैवइंधन, सौर मंडल, वायु और पृथ्वी के अनुकूल कंपनियां आगे बढ़ने वाले को बढ़े पुरस्कारों की पूर्ति कर सकती है क्योंकि मानव धरती के लाभ के लिये वाणिज्य परिवर्तन का चेहरा सामने आ रहा है। उपभोक्ता अपने व्यवसायों को अपने द्वारा उपयोग की जाने वाली सामाग्रीयों विनिर्माण प्रक्रिया में हर प्रयास का जवाब देते हैं।

लघु व्यवसाय प्रशासन के अनुसार – पर्यावरणीय जिम्मेदारी पर एक नया ध्यान दिया गया है और एक छोटे व्यवसाय के रूप में स्वामी हम उसका अंतर कर सकते हैं तथा हमारे परिस्थितिक तंत्र की रक्षा कर सके और अपने ग्राहकों की सेवा करे जो हमारे पर्यावरण का महत्व रखते हैं।

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