

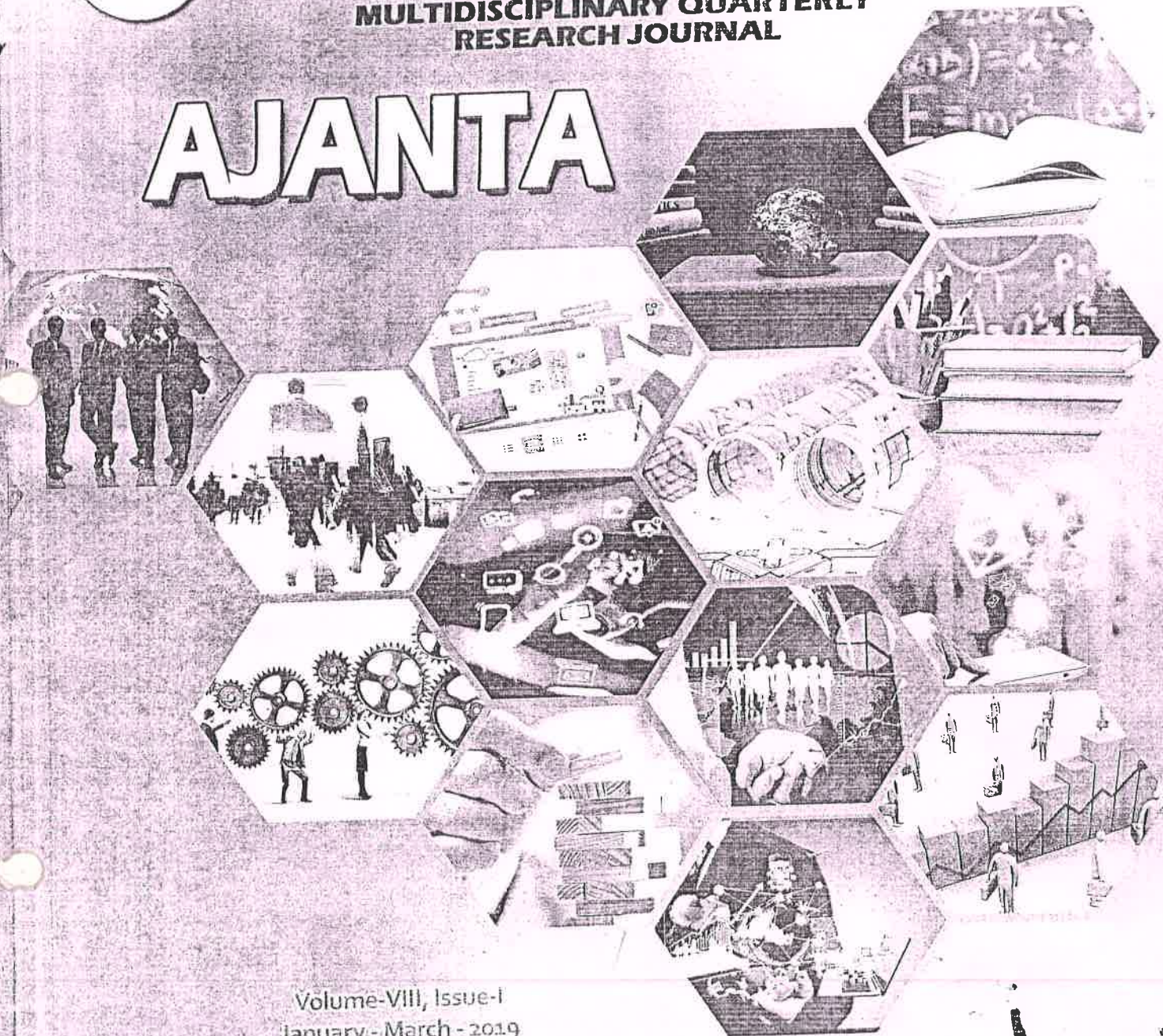


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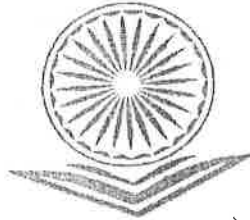
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## ❧ CONTENTS OF PART - I ❧

Title & Author	Page No.
Evaluating Role of ICT in NAAC Accredited Colleges from Rural Areas <b>Prof. Shailaja Bhagwat</b> <b>Prof. Archana Ladkat</b>	1-5
Role of IQAC in NAAC <b>CA Ashok Uttam Mojad</b>	6-12
Role of Principal in IQAC for Enhancement of Quality of Higher Education in the Institution <b>Dr. K. P. Bairagi</b> <b>Dr. Smita Pande</b> <b>Prof. Asmita Kulkarni</b>	13-21
Role of NAAC in Development of Higher Educational <b>Dr. Ashutosh A. Deshmukh</b> <b>Dr. Ramesh S. Desai</b>	22-31
Role of Naac in Ensuring Quality in Arts, Commerce and Science Colleges in Pune City <b>Dr. Kanchan Shinde</b>	32-35
Use of ICT for Assessment and Accreditation <b>Prof. Bharat U. Kangude</b>	36-39
Role of NAAC for Overall Development of Colleges <b>Prof. Lt. S. P. Shende</b>	40-43
Students Centric Innovative Best Practices at Ness Wadia College of Commerce, Pune: An Overview <b>Dr. Manohar Kacharu Sanap</b>	44-53
The use of ICT in Teaching & Learning Process: A Review on Emerging Pedagogy Enabled by ICT's <b>Mr. Shailesh S. Hajare</b> <b>Miss. Dhanashri P. Joshi</b>	54-63
Role of Effective Documentation in the Success of IQAC: A Model <b>Dr. Yashodhan Mithare</b>	64-69
Role of IQAC for Quality Enhancement in Higher Education <b>Dr. D. S. Borkar</b> <b>Dr. D. D. Pathare</b>	70-73

## 8. Students Centric Innovative Best Practices at Ness Wadia College of Commerce, Pune: An Overview

**Dr. Manohar Kacharu Sanap**

Associate Professor & Research Guide in Commerce, Ness Wadia College of Commerce, Pune.

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### **Introduction**

Ness Wadia College of Commerce established in 1969, is one of the prominent / premier Commerce Colleges in India. The College is affiliated to the Savitribai Phule Pune University, Pune and has around 5000 students including foreign students from about 22 countries on its rolls. The College is managed by the Modern Education Society which was established in 1932. The College offers various grantable and self-finance courses such as B. Com., BBA, BBAIB, BBACA, M.Com, B.Voc. (Banking, Finance and Insurance with Actuarial Studies), Post Graduate Diploma in Banking & Finance, Post Graduate Diploma in International Business and Diploma in Taxation Laws. The College is also a Research Centre approved by the Savitribai Phule Pune University, Pune for M.Phil. and Ph.D. students. The students of the college receive all round development inputs from competent and dedicated faculty members. India Today in its recent Nation-Wide Survey, ranked the College "Topmost" among the City Commerce Colleges and one among the top 25 Commerce Colleges in the Country. Notwithstanding this, the college has been ranked one among the top 10 Business Schools in the Country for the Bachelor of Business Administration Course.

### **Objectives of the Paper**

To explore the students centric innovative best practices of Ness Wadia College of Commerce.

### **Research Methodology**

The study is descriptive in nature. Researcher has collected data for this study, it includes College Miscellany, Annual Reports of the various Departments and Associations, College Website, Prospects etc.

### **Best Practices**

The students have a wide option of participating in a large number of curricular, co-curricular and extra-curricular activities undertaken by various students' associations / departments in the college. A student's participation in the activities of these associations is very

important for the overall development of his/her personality. This is easily clear from a glimpse at the objectives of these associations.

The students' associations at the college are responsible for the college curricular, co-curricular and extra-curricular activities. Students have choice to participate in any of the activity of any association. The list of the associations and the nature of their work is given below:

### **1) Samata Mandal (Equal Opportunity Centre)**

Samata Mandal underlines the importance of the ideal of human equality, social, economic, political and cultural diversity of the nation in the development of the country. It organises activities that bring out the importance of equal opportunity to everyone and that benefit students belonging to the weaker sections. The Samata Mandal conducts special coaching in English language as well as other subjects.

### **2) Drama and Film Association**

Drama and Film Association takes efforts to tap students' having potential in performing arts-acting, vocal and instrumental music, dance etc., and with this objective in mind helps them to stage various items before the audience. It also enables students to appreciate performing arts in its various forms.

### **3) Harmony Club**

Being a cosmopolitan culture of the College, this club undertakes various activities that promote ideal of moral education to create social harmony in the minds of students. It stresses the ideal of national integration through communal and cultural harmony and imparts knowledge to the students with regard to the teachings of different religions and cultures that have benefited the mankind as a whole. It thus helps students to develop a regard and respect for all religions communities and cultures.

### **4) Mountaineering and Nature Club**

It helps students develop a love for nature and to enhance their knowledge about the nature around. It also develops awareness among the students about the environmental issues faced by the country and to enhance their knowledge about these issues among the students. With these objectives in mind it undertakes treks, nature trips, and academic activities.

### **5) Vidyarthini Manch (Forum for women students)**

This Manch undertakes activities for the girls' students of the college to promote a sense of empowerment among them. It organizes seminars and workshops on women's issues and offers advice to the women students in the college as regards to health and other personal

matters. It organizes gender sensitization programs, Nirbhaya Kanya Abhiyan, Self Defence Training, Personality Development and Skill enhancement programmes etc.

#### **6) Book Lovers' Group**

Book Lovers' Group organizes various activities especially in the form of book discussions to promote the love for books and to develop reading habits among the students. These discussions are often chaired by the renowned authors of the book themselves.

#### **7) Debating Union**

Debating Union organises debates and other events to promote debating skill among students. It sends them to various intercollegiate debating competitions and other events aiming at developing this skill among students.

#### **8) Entrepreneurship Development Cell (EDC)**

EDC undertakes activities that make students aware of their entrepreneurial qualities and encourage them to start their own business. With this objective in mind, it invites successful entrepreneurs to address to the students and thus facilitates students' interaction with them.

#### **9) Foreign Students' Association (FOSTA)**

FOSTA helps foreign students in the college to adapt to the local environment and integrate themselves with the Indian student community. It also organises activities that help the foreign students in their academic studies in the college particularly with regard to the practical.

#### **10) Induction Programme**

The college conducts an Induction Programme for the first year students. It consists of a workshop on success skills for the corporate and a business etiquette programme. A large number of subjects which go a long way in helping students develop their social skills for the emerging corporate culture in the world are discussed in this programme. These include Confidence Building and Positive Attitude, Career Planning and Goal Setting, Group Discussions, Interviews, Non-Verbal Communication and general Tips for Success in Interviews and GDs. Senior students arrange various activities during this programme to give a brief introduction about college environment, intercollegiate competitions etc. Some leading management companies also conduct various management games and sessions to motivate students.

#### **11) INFINITY**

The college encourages students to host intercollegiate competitions on a large scale by the name "INFINITY", one of the most popular inter-collegiate festivals among the Pune Colleges since 2010. The Annual Social INFINITY is a mega event for stage performers and

artists. The three-day event offers full scope for the hidden talents of the students from various colleges in Pune City.

### **12) Academic and Personal Counseling Cell (APCC)**

The college has developed a unique scheme of academic and personal counseling for every one of its 2000 students. Under the scheme, a student remains counselor who plays the role of a friend, guide and philosopher to the student. It is an attempt to revive the ancient Indian tradition of Guru-Shishya in a new form, one that withstands the pressures of modern times on the teacher-student relationship.

### **13) Placement & Career Guidance Cell**

The Placement & Career Guidance Cell of the College is flooded the year round with requests from prominent national and international firms to hold seminars, workshops and presentations for recruitment into their varied cadres of employment. It organises a Career Fest at the end of the year Ness Wadians into assorted industries. The college promises 100% placement assistance to every student. The College Placement Cell covers job opportunities in the field of Banking, Marketing, Finance, IT, Hospitality, Insurance etc.

Placement Cell also arranges for training in Group Discussions, Interview Techniques, Resume Writing, Public Speaking etc. The Placement & Counseling Cell carries out Internship Drives to help groom students to face the changing business environment. Our students have interned at Amazon, among others, HSBC, VNB International, SQR among others.

### **14) ENWA Association (Alumni Association)**

The purpose of an ENWA Association is to foster a spirit of loyalty and to promote the general welfare of your organization. Alumni associations exist to support the parent organization's goals, and to strengthen the ties between alumni, the community, and the parent organization.

### **15) Arts & Heritage Association**

The Arts Association of the College aims at encouraging students to discover their artistic abilities and creative side. Being a Commerce College, this association serves as a platform where artistic and creative entrepreneurs share their ideas and vision with the students. Seminars, workshops and lecture series are just some events which are conducted to enable students to learn the art of doing business.

### **16) Competitive Examination Centre (CEC)**

Ness Wadia College of Commerce has always been in the forefront to provide various services to students. Considering the need of the students to prepare and compete in the civil and



other services, the college had taken a decision and so establishes Competitive Examination Centre. The centre has been running pre-examination coaching program for Civil Service aspirants supported by UGC under the 11th Plans. Since 2012 the centre has been running Civil Service programs supported by the College.

The objectives of the Competitive Examination Centre are:

- To create awareness and encourage the youth of Maharashtra for UPSC/MPSC Civil Service, Bank Probationary Officer and other Competitive Examinations.
- To cultivate interest and provide specific training required for such Examinations.
- To build confidence among the students through continuous counselling, and provide necessary exposure to competitive environment.
- To provide adequate infrastructure.

### **17) External Students' Guidance Centre**

The College has started External Students' Guidance Centre 10 years back. The main purpose of this centre is to provide regular coaching to students who are registered for Commerce Course externally with the External Cell of Savitribai Phule Pune University at the nominal charges as a part of institutional social responsibility.

### **18) International Business Association**

IBS is the student gateway at Ness Wadia College of Commerce for International Opportunities, professional and personal development. IBA fosters dialogue between students and faculty who recognize the importance of globalization, emerging economies and their underlying developmental challenges. The mission of IBA is to promote an international business agenda at the college, engaging the college community in global business trends, creating interest in potential career channels around the globe. The aim of IBA is to serve as the core communication network for disseminating information and promoting international exchange in the field of international business.

### **19) English Association**

English Association is the oldest Association in Ness Wadia College of Commerce. This club has since its inception, gone on to uplift the English literary standards within the student population of the College. The vision of this Association is to instill, uphold and enhance the English literary skills within the student population of the College and give the necessary skills and confidence needed to use English as an effective tool in conveying ones ideas.

The objectives of the Association's are

- To develop skills required to facilitate the advancement and progress of English literature and the language proficiency as a whole.
- To inculcate the skills among the students to advance in their chosen field through the proper use and knowledge of the English language.
- To bring about a generation of eloquent speakers with the confidence to speak in public.
- To showcase the interesting aspects that is available through the sphere of literature.

## 20) Hindi Association

Hindi Association working in the college. Under this students are given opportunity to express their views in Hindi Language. The association conducts and hosts various activities such as Hindi Elocution Competition on different topics, Poem Recitation Competition, Essay Writing Competition etc. The association is also celebrating Hindi Din every year. Students are also participating in the various activities and competitions throughout the year conducted by the other institutions.

## 21) Marathi Literary Association

The aim of Marathi Literary Association is to encourage students for developing their communication skills and creativity. Marathi Literary Association popularly known as "Marathi Vangmay Mandal" conducts various kinds of programs, activities and competitions throughout the year in the college based on Marathi literature to inculcate and develop liking towards regional language of Maharashtra. These programs include Elocution Competition, Essay Writing Competition, Guest Lectures on Literary work, Shabdotsav, celebration of Jagtik Marathi Bhasha Din and Vachan Prerana Din, Interaction with the Authors, Kavyapuppets etc.

## 22) Users Orientation Programme

The Department of Library of the College is organizing this program every year for newly admitted students in the college. The main aim of this program is to make students aware about the knowledge resources available in the Library.

## 23) Ness Wadia Investors Association

The aim of this organisation is to invite the experts from the investment sector for discussing the recent and contemporary issues in the field of investments, economy and finance. This association conducts continuous lecture series of the experts for imparting and updating the knowledge of students in this regard.

professional courses opportunities. The Cell provides students with the resources and skills necessary to pursue their professional career goals. The Cell is responsible for establishing contact with various professionals such as Chartered Accountants, Company Secretary, Cost & Management Accountant, Chartered and Financial Analysis, ACCA etc. and arranging their guest lectures for the students of the college. It also takes care of Industrial Visits and Summer Training. The Cell functions under the guidance of Placement Officers.

### **31) Alumni Association Lecture Series**

The Alumni Association Lecture Series of Ness Wadia College of Commerce, commenced from the Academic Year 2016-17. The purpose of this initiative is to give successful alumni of the college a platform to impart the knowledge and experience to the outgoing students so that they are equipped with a wide range of tools to forge bright futures as they step out into the business world. This association is constantly organizing the Alumni Association Lecture Series throughout the academic year.

### **32) Alandi Association**

The Alandi Association is the oldest organisation in the College. The main aim of this association is to develop the spiritual values among the students fraternity and inculcate the progressive, cultural, ethical, and social values for the among the youngsters. This association

### **33) National Cadet Corps (NCC)**

The College has the Infantry Unit of National Cadet Corps for imbibing the values of "Unity & Discipline" among the youth and also creates an environment for making entry into the Defence Field as an Officer for the more ambitious students. The College is providing the huge support in the form of monetary and non-monetary form to the NCC Cadets.

### **34) National Service Scheme (NSS)**

The College has 250 Volunteers NSS Unit. National Service Scheme aims at promoting students participation in social work. The NSS Unit is organizing various social and extension activities such as village adoption, blood donation, police mitra, foot polish on social issues like organ donation, save girl child, road safety, anti-drugs, street play on social issues etc. The College is spending huge amount on such activities.

### **Conclusion**

Through this study, it is observed that the college has sought to make learning environment of the students further richer by supplying them additional inputs with respect to overall personal and social development. It is also observed that the activities conducted by these students centric associations of the college on the campus works to ease the transition of student

at a new stage in their career. It is also observed that the students got benefitted through various workshops, seminars, exhibitions, talks, placement drives, gender sensitization, career guidance, skill based programs, induction programs etc. It is also observed that being wide options available of various association, student has choice to opt for any activity of their interest and excel at the high level. It helps them to explore their hidden talent by participating in the activity of their interest and choice. Finally, it can be concluded that students' centric innovative best practices help them in their overall development.

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❧ CONTENTS OF PART - IV ❧

S. No.	Title & Author	Page No.
11	Latest Trends and Future Directions of Cyber Security Information Systems <b>Mr. Mahajan Rahul Anil</b>	72-77
12	Mathematics: It's Importance in Other Subjects <b>Prof. Deepak R. Anjal</b>	78-82
13	Sustainable Development: The Goals and the Challenges Ahead <b>Dr. E. J. Jagtap</b> <b>Dr. Bharti Deshmukh-Arote</b>	83-86
14	Sustainable Development Advantages, Challenges in Business Sector in India <b>Prof. Dr. Gaikwad Vijay Vishnu</b>	87-90
15	Green Entrapreneurs and Sustainable Development: Study of India <b>Prof. Deepa Nitin Kachare</b>	91-97
16	A Study of Performance of Credit Guarantee Scheme for Micro and Small Enterprises (MSE) <b>Dr. Manohar K. Sanap</b>	98-112
17	Conservation of Wild Relatives of Cultivated Crops and Sustainable Development with Reference to Nagzira Wildlife Sanctuary, Gondia District, Maharashtra, India. <b>Dr. Patil D. N.</b>	113-121
18	A Review on Phytochemical Composition and Pharmacological Activities of Dragon Fruit (Pitaya) <b>Pritam Gokuldas Bhole</b>	123-132
19	Design and Evaluation of Self-Emulsifying Drug Delivery System of Nifedipine <b>Bhagyashri Gawade</b> <b>Ajay Shindeb</b> <b>Sagar Wankhedec</b> <b>Sonali Paward</b>	133-

## 16. A Study of Performance of Credit Guarantee Scheme for Micro and Small Enterprises (MSE)

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### Abstract

Micro, Small and Medium enterprises (MSME's) play a pivotal role in overall growth and development of the nation's economy. MSME's fosters economic growth, social stability and contributes to the development of the Country. India is home to a large number of MSMEs and startup companies. Even the Government has realised the importance and the huge potential of the MSME Sector and hence the recent Budgets lays emphasis on MSME's apart from agriculture. The Government recognises the fact that it is the Enterprises in the MSME Sector which will drive growth and progress into our rural areas.

One of the major challenges faced by the MSMEs, particularly during the start-up phase is access to timely and adequate credit. One of the significant reasons for the lack of adequate credit has been the high risk perception of the Banks towards this sector and consequent insistence for collateral security in financing the units in the MSME sector. Realizing the importance as also the lack of adequate flow of credit to the MSME sector, the Government has undertaken a number of schemes/programmes one of which is Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE). The CGTMSE scheme was set up by the Government of India (GOI), Small Industrial development Bank of India (SIDBI) and Ministry of Micro Small and Medium Enterprises in the year 2000-2001 with the aim to provide collateral free credit to the micro and small enterprises (MSE) sector. The Corpus of the Scheme is contributed by Government of India and SIDBI in the ratio of 4:1. The Scheme presently covers collateral-free and third party guarantee-free loans up to Rs,200 Lakhs to the units in the MSME sector provided by banks and financial institutions. The study aims to assess and evaluate the overall performance of the CGTMSE Scheme in India.

**Key words:** CGTMSE, MSE, CGS

### Introduction

The Micro, Small and Medium enterprises (MSME's) commonly referred to as "SME's" play a pivotal role in overall growth and development of any country's economy to which India is also not an exception.

SME (small-to-medium enterprise) is a convenient term for segmenting businesses and other organizations that are somewhere between the "small office-home office" (SOHO) size and the larger enterprises. The European Union has defined SME as a legally independent company with no more than 500 employees.

In the Indian context, SME Segment basically consists of the following:

- **Micro Enterprises**
- **Small Enterprises**
- **Medium Enterprises**

The economic and banking importance of the Micro, Small and Medium enterprises (SME Sector) is well recognized in academic and policy literature. It is also acknowledged that these sectors in the economy may be under-served, especially in terms of finance.

The term 'MSME' is widely used to describe small businesses in the private sector. According to the World Bank data, all round the globe Small and Medium enterprises (SME) sector account for more than 90% of the total formal firms thereby representing the backbone of any economy. As per the Organisation for Economic Co-operation and Development (OECD) Report SME's account for around 90% of the total manufacturing enterprises and even a higher share in the services enterprises in the OECD countries. The contribution of the Micro, Small and Medium Enterprises (MSME) in the development of world economy has been significant in terms of employment generation as also in terms of its contribution to the GDP. Many studies have shown that there is a positive co-relation between the size of the MSME sector and the economic development of a country. Even in some of the high income economies the contribution of MSME sector has been in excess of 50% of the GDP on an average. MSMEs have been globally considered as an engine of economic growth and as key instruments in promoting balanced development.

India is also not an exception to the global scenario. The MSME sector occupies a position of strategic importance in the Indian economy. In India, the MSME Sector is the biggest employment provider next to agriculture. The SME sector plays a major role in creating jobs and

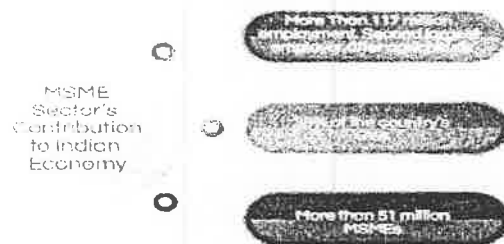
generating income for the low income group. SME fosters economic growth, social stability and contributes to the development of the dynamic private sector.

India is home to a large number of MSMEs and startup companies. With an estimated around 51 million MSMEs in India, they account for about 31% of our Nation's GDP, provide employment to over 117 million people, also creating close to 1 million new jobs annually, contributing about 33% of the manufacturing output and account for around 45% of exports from our country.<sup>1</sup>

Recognising the importance and huge potential of the MSME sector the Government of India enacted a separate legislation Micro, Small and Medium Enterprises Development Act, 2006. The MSMED Act, 2006 made a paradigm shift in terms of wide coverage from industry to enterprise and has redefined the manufacturing and service enterprises depending on the investments in plant & machinery and equipment respectively. Earlier this sector was known as small scale industries (SSI).

The growth rate of the MSME sector during recent past has been very impressive. The number of MSME enterprises has increased from an estimated 26 million units in the year 2000-01 to over 51 million in the year 2016-17.<sup>2</sup>

#### MSME Sector's Contribution to Indian Economy



Source: SIDBI Annual Report 2016-17

There is a radical change that is taking place within India as the 'Startup' market is booming. Over the past 4-5 years a considerably large number of enterprises have been setup in

<sup>1</sup> MSME Annual Report 2016-17; SIDBI Report 2016-17  
<sup>2</sup> SIDBI Annual Report 2016-17

the MSME Sector. There is an increasing trend among the entrepreneurs to be diversified and innovative.

One way to assess the growth of the MSME sector in terms of its market share and business generation is to ascertain the degree of funding that this sector has received in last 4-5 years. Based on an industry report by NASSCOM in the year 2015, the funding was received by the MSME Sector was estimated at Rs. 32,558 Crores which is estimated to be around 125% growth as compared to the year 2014. India is said to be the third largest Startup market in the world after USA and UK.

During the recent years, the Government of India has taken a number of initiatives with the aim of providing impetus to inclusive and sustainable economic growth of the Indian economy, more particularly the MSME sector<sup>3</sup>. With the Prime Minister Mr. Narendra Modi's latest initiatives on "Make in India" and the support for start-up and small businesses, there is expected to be a tremendous growth potential in this sector.

#### Statement of the Problem

Access to financial services is vital in developing a vibrant SME sector in any economy. In many emerging markets, however, access to financial services for SMEs remains severely constrained; to which India is also not an exception.

Even though contribution of the MSME's to the Indian economy has been glorious, the enterprises in the MSME Sector are constantly under the burden of insufficient access to funds. The majority of these MSMEs do not have access to proper and appropriate Credit facilities. Most of the Banks and financial Institutions prefer the old traditional school collateral based lending and assess the borrower based on previous profitability with at least three years of sustained growth. Many a times unrealistic expectations such as high cash flows, steady growth/performance coupled with adequate collateral backed lending norms renders many of the Enterprises in the SME sector as ineligible for adequate Credit facilities. The main reason why most small and medium enterprises lag behind in terms of growth and development, or even have to be shut down in some cases, is that they don't receive financial assistance at the need of hour and they won't have working capital or any funds to acquire/buy plants and machinery at the appropriate point of time.

<sup>3</sup> Chairman's Working Group Speech in SIDBI Annual Report 2016-17



To highlight the picture of the plight of the enterprises in the SME Sector in a better way, we need to look at the percentage (%) of these MSMEs who are able to access institutional finance. Based on the MSME census report of 2007, the percentage of enterprises that did not have access to finance stood at 92.8%. While only 5.2% of these industries were funded through institutional sources and 2.1% through non-institutional sources. In simpler terms, for every 100 MSME Enterprises, about 93 of them have to meet the credit requirements of the business on their own and it is only 5 that are funded through banks while the others rely on other individual lenders or non-bank sources. These factors broadly provide a basis to understand the enormity of the need for capital among the SMEs.

#### Review of Literature

In General, access to credit has always been a challenge for the units in MSME sector. Over the past decade several research and studies have been conducted including those on the government front, with a view to address the financial constraints faced by units in the MSME sector. Some of the studies and research are as follows:

According to the Report of working group on rehabilitation of sick MSMEs constituted by RBI, about 97% of the enterprises in the MSME sector are partnership firms and proprietorship concerns and around 95% of the enterprises in the sector do not have access to any kind of formal institutional or bank credit.<sup>4</sup>

MSMEs primarily rely on bank finance for a variety of purposes including purchase of land, building, plant and machinery as also for working capital etc. Ensuring timely and adequate flow of credit to MSMEs has been an overriding public policy objective, and as a result, over the years there has been a significant increase in credit extended to this sector by banks. However, there have been widespread complaints from the MSME sector that, entrepreneurs find themselves handicapped in accessing credit from the banking system primarily for want of secondary collateral and/ or third party guarantee.<sup>5</sup>

The overarching concerns of the MSME sector remain that of access to adequate credit. The four key issues with regards to MSME Finance and Credit Policies include (a) high cost of credit to MSME sector in comparison to their larger counterparts, (b) Deficiency of domain knowledge (of sectors or products) among branch managers which enhance their risk perception

<sup>4</sup> Report of an rehabilitation of sick MSMEs, Reserve Bank of India, 2007

<sup>5</sup> Report of the Working Group to review Credit Guarantee Scheme of the Credit Guarantee Fund Trust for Micro and Small Enterprises constituted by Reserve Bank of India in 2009-10 under Chairmanship of Mr. V. K. Sharma.

(c) Lack of transparency (in fixing charges, credit rating process, disposal of loan applications etc.) and (d) poor quality of service.<sup>6</sup>

Of the overall finance demand of INR 32.5 trillion (\$650 billion), 78% or INR 25.5 trillion (\$510 billion) is either self-financed or from informal sources. Formal sources cater to only 22% or INR 7 trillion (\$140 billion) of the total MSME debt financing and banks account for nearly 85% of debt supply to the MSME sector. Despite the increase in financing to MSMEs in recent years, there is still a considerable institutional finance gap of INR 20.9 trillion (\$418 billion).<sup>7</sup>

One of the major challenges faced by the MSMEs, particularly during the start-up phase is access to timely and adequate credit. Some of the reasons for lack of adequate credit from formal channels include high customer risk perceived by banks, lack of appropriate credit assessment methods and lower suitability of product features as per varied customer requirements.<sup>8</sup>

MSMEs primarily rely on bank finance for their operations and access to timely and adequate finance is a priority. Commercial banks are reluctant to service MSMEs as they are regarded as high-risk borrowers because of insufficient assets to offer as collateral and low capitalization.<sup>9</sup>

#### Need for the Study

Availability of finance is a key enabler for economic activity and the growth of entrepreneurship. One of the major challenges faced by the MSMEs, particularly during the start-up phase is access to timely and adequate credit. One of the significant reasons for the lack of adequate credit has been the high risk perception of the Banks towards this sector and consequent insistence for collateral security in financing the units in the MSME sector. Realizing the importance as also the lack of adequate flow of credit to the MSME sector, the Government has undertaken a number of schemes/programmes one of which is Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE). The CGTMSE scheme was set up by the

<sup>6</sup> 'MSME Finance and Credit Policies, Input from the Ground', ET India MSME Summit Dossier on The Economic Times India MSME Summit held on 13th February 2009 at New Delhi.

<sup>7</sup> Report on Research study by International Finance Corporation (IFC-World Bank Group) on Micro Small and Medium Enterprises Finance in India (Nov 2012)

<sup>8</sup> Report on Feasibility Study - MSME Credit Card Small Industries Development Bank of India (SIDBI), Policy Paper Series, 2011;

<sup>9</sup> Strengthening SMEs Capabilities for Global Competitiveness - Address by Dr. K. C. Chakrabarty, Deputy Governor, Reserve Bank of India at the interactive session on 8 October 2012 at Mumbai, published in Analytical Journal of The Bombay Chamber of Commerce & Industry, Jul-Sep-12, Vol. VIII No.3

Government of India (GOI), Small Industrial development Bank of India (SIDBI) and Ministry of Micro Small and Medium Enterprises in August, 2000 with the aim to provide collateral free credit to the Micro and Small Enterprises (MSE) sector. The Corpus of the Scheme which was initially Rs 2500 crores and enhanced to Rs 7500 crores in 2016, is contributed by Government of India and SIDBI in the ratio of 4:1. The Scheme presently covers collateral-free and third party guarantee-free loans upto Rs.200 Lakhs to the units in the MSME sector provided by Member lending Institutions (MLIs) comprising of banks and financial institutions. The scheme encourages MLIs to appraise the credit proposals of entrepreneurs in MSME sector focussing on viability of the projects rather than on availability of collateral security with the unit.

#### Objectives

The objective of the research study is to analyse and review the overall performance of the Credit Guarantee (CGTMSE) Scheme for MSE sector.

#### Research Methodology

The study is analytical and descriptive on the basis of secondary data since beginning of the scheme in the year 2000 to March 2017 collected from CGTMSE Annual Reports, MSME Annual Reports, SIDBI Annual Reports, Reports of Reserve Bank of India, relevant sources and websites and aims to demonstrate the overall performance and present status of the CGTMSE Scheme.

#### Analysis of the Study

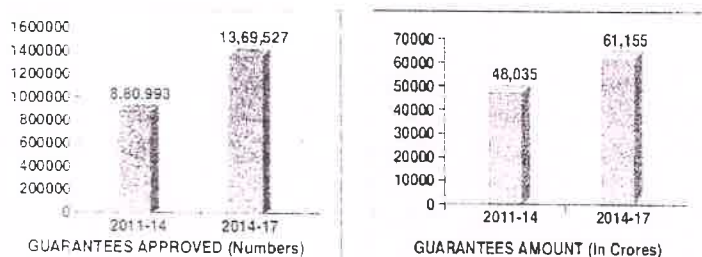
The CGTMSE Trust operates the Credit Guarantee Scheme (CGS) through its Member Lending Institutions (MLIs). All the commercial banks included in the Second Schedule to the RBI Act, 1934 besides other financial institutions notified by Central Government are eligible to be MLIs. As on 31<sup>st</sup> March, 2017, there were total 106 MLIs registered with CGTMSE which comprised of 21 Public Sector Banks, 20 Private Sector Banks, 5 foreign banks, 51 Regional Rural Banks and 6 financial lending institutions. All units in the Micro and Small Enterprises (MSE) sector enjoying credit facilities from the MLIs without offering collateral security or third party guarantee/s, are eligible for being covered under the CGTMSE Scheme.

Table-1: Operational Highlights of Performance of CGTMSE scheme in India

Year	No. of Active MLIs	No. of Credit Facilities Approved	Amount of Guarantees Approved (Rs. Crore)	Cumulative Guarantees Approved (Rs. Crore)
FY 2000-01	9	951	6.06	6.06
FY 2001-02	16	2,296	29.52	35.58
FY 2002-03	22	4,955	58.67	94.25
FY 2003-04	29	6,603	117.60	211.85
FY 2004-05	32	8,451	267.46	538.62
FY 2005-06	36	16,284	461.91	1,000.53
FY 2006-07	40	27,457	704.53	1,705.06
FY 2007-08	47	30,285	1,055.84	2,701.59
FY 2008-09	57	53,708	2,199.40	4,824.34
FY 2009-10	85	1,51,387	6,875.11	11,559.61
FY 2010-11	106	2,54,000	12,589.22	23,846.01
FY 2011-12	109	2,43,981	13,783.98	37,139.31
FY 2012-13	117	2,88,537	16,062.48	52,600.07
FY 2013-14	117	3,48,475	18,188.12	70,026.28
FY 2014-15	119	4,03,422	21,274.82	90,445.90
FY 2015-16	119	5,13,978	19,949.38	1,08,990.85
FY 2016-17	106	4,52,127	19,931.49	1,28,787.24

Source: CGTMSE Annual Report 2016-17

From the above table-i, it is evident that, the number MSME units enjoying credit facilities and covered under the scheme in the initial years were quite low. The accounts/credit proposals covered under the scheme was below 10,000 in the first five years i.e. from 2000-01 to 2004-05. The pace of coverage under the scheme saw a considerable increase in F.Y. 2009-10 and since then there has been a steady growth in the number of credit proposals being covered under the scheme. The charts below demonstrate the growth in number of accounts covered / guarantees issued and the corresponding amounts covered under the scheme during the three year period from F.Y. 2014-2017 as against those during the immediately preceding three year period from F.Y. 2011-14.



Source: Achievements 2014-17 published by the Ministry of MSME, Government of India retrieved from <http://msme.gov.in>

Table-2: State wise performance of the CGTMSE scheme in India

States/UTs	During the year 2016-17		Cumulative from the year 2000-01 to 2016-17	
	Proposals (Nos.)	Approved Amount (Rs. Lakhs)	Proposals (Nos.)	Approved Amount (Rs. Lakhs)
Maharashtra	52,623	2,83,494.90	2,23,486	15,04,427.29
Uttar Pradesh	48,954	1,68,528.05	3,08,884	12,79,152.28
Karnataka	46,229	2,27,845.08	2,47,189	12,31,156.84
Tamil Nadu	49,000	1,85,823.62	2,77,079	10,70,326.12
Gujarat	15,985	1,15,046.56	1,07,699	8,75,598.70
West Bengal	14,802	82,580.72	1,55,246	7,25,579.52
Jharkhand	15,106	92,006.12	1,07,617	6,30,149.82
Kerala	38,194	97,313.01	2,54,679	6,17,547.67

Bihar	16,397	67,168.32	1,35,596	5,71,199.40
Odisha	18,950	79,508.54	1,29,239	5,31,228.53
Madhya Pradesh	20,479	1,03,899.71	1,00,196	5,18,293.37
Rajasthan	13,401	52,984.23	89,492	4,35,999.57
Delhi	8,680	63,963.06	35,421	3,41,040.92
Punjab	11,916	42,757.49	61,864	3,24,267.89
Assam	10,934	42,725.43	92,720	3,14,219.44
Telangana	13,692	63,220.21	57,294	2,99,596.26
Haryana	7,108	44,793.16	37,107	2,65,747.64
Himachal Pradesh	6,684	26,286.55	48,651	2,53,958.93
Andhra Pradesh	13,911	38,550.77	88,945	2,24,062.43
Chhattisgarh	6,716	23,573.37	38,577	1,90,022.28
Uttarakhand	6,000	26,726.48	36,087	1,77,305.78
Jammu and Kashmir	5,557	15,733.11	64,318	1,39,990.68
Goa	2,036	11,603.38	16,838	1,02,129.90
Chandigarh	1,307	6,533.43	6,311	38,321.88
Meghalaya	1,068	4,277.82	7,982	35,452.26
Tripura	866	3,043.61	10,299	35,126.01
Arunachal Pradesh	824	3,653.56	6,761	31,181.62
Nagaland	1,432	4,786.24	6,638	22,368.85
Manipur	878	3,338.81	6,314	20,184.60
Pondicherry	979	2,354.18	4,747	15,660.76
Mizoram	545	2,725.69	3,900	15,234.00
Andaman and Nicobar Islands	393	2,288.63	2,215	11,379.99
Dadra and Nagar Haveli	67	1,414.64	487	11,161.58
Daman and Diu	60	1,025.71	420	9,916.59
Sikkim	292	1,467.19	2,088	8,823.15
Lakshadweep	62	107.52	358	910.95

Source: CGTMSE Annual Report 2016-17

Table 2 above shows the state-wise distribution of the guarantees issued (i.e. credit proposals covered) under the scheme during F.Y. 2016-17 and the cumulative position as on 31<sup>st</sup> March, 2017. It is seen that during the F.Y. 2016-17 Maharashtra was the top most state with 52,623 credit facilities amounting to Rs. 2,83,494.90 Lakhs being covered under the scheme. Considering the performance of the scheme during F.Y. 2016-17 and the cumulative performance since inception it is observed that the banks and financial institutions operating in six states viz., Uttar Pradesh, Maharashtra, Karnataka, Tamilnadu, Gujarat and Kerala have been leading in

obtaining coverage under the scheme. Almost 51% by amount and 55% by numbers of the total guarantees issued under the scheme upto 31<sup>st</sup> March, 2017 belong to these six states. The coverage of scheme in the North eastern states appears to be very low. The North Eastern States accounted for just 1.51% by amount and 1.59% by numbers of the total guarantees issued under the scheme up to 31<sup>st</sup> March, 2017.

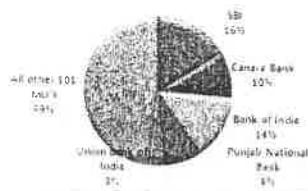
Table-3: Performance of Top five Member Lending Institutions (MLI) of CGTMSE scheme in India

Sr. No.	MLI	During the year 2016-17		Cumulative from the year 2000-01 to 2016-17		% of Approved Amount to Total Guarantee Approved Amount
		Proposals (Nos.)	Approved Amount (Rs. Lakhs)	Proposals (Nos.)	Approved Amount (Rs. Lakhs)	
1	SBI	38,819	227,675.34	408,105	19,99,410.97	16%
2	Bank of India	42,867	269,880.58	311,867	18,34,875.65	14%
3	Canara Bank	79,370	244,604.04	403,918	12,49,741.02	10%
4	PNB	70,276	180,070.99	256,582	996,899.29	8%
5	UBI	42,791	116,589.05	150,828	440,548.28	3%

Source: CGTMSE Annual Report 2016-17

Table 3 above shows that, State Bank of India is leading in implementation of the CGTMSE scheme accounting for around 16% of the total amount guaranteed with about 408,105 credit proposals, up to 31<sup>st</sup> March, 2017, followed by Canara Bank with about 403,918 credit proposals accounting for around 10% of the total amount guaranteed. Bank of India accounted for around 10% of the total amount guaranteed with about 311,867 credit proposals, up to 31<sup>st</sup> March, 2017 followed by Punjab National Bank and Union Bank of India with around 8% and 3% of the total amount guaranteed respectively.

% of Amount Guaranteed under the CGTMSE Scheme



It is observed that the above 5 banks [out of the total 106 Member Lending Institutions (MLIs) of the scheme] accounted for about 51% of the total amount guaranteed under the scheme up to 31<sup>st</sup> March, 2017, which demonstrates that the benefits under the scheme is widely being used by the borrowers of the said Banks vis-a-vis the borrowers of other Member Lending Institutions (MLIs).

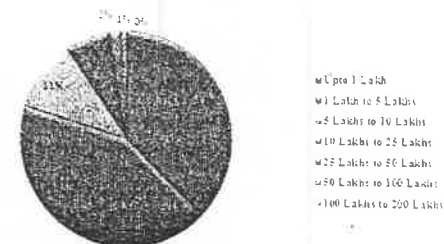
Table-4: Credit Slab-wise performance of the CGTMSE scheme in India

Range of credit (Rs.)	During the year 2016-17		Cumulative from the year 2000-01 to 2016-17		
	No. of Proposals	Approved Amount (Rs. Lakhs)	No. of Proposals	% of Total Proposals	Approved Amount (Rs. Lakhs)
0-100,000	1,75,554	95,259.43	10,31,319	37.19%	5,16,503.17
100,001 to 500,000	1,83,665	4,90,446.74	11,80,587	42.58%	30,21,164.02
500,000 to 10,00,000	58,105	4,52,972.43	2,95,491	10.66%	22,57,525.09
10,00,001 to 25,00,000	23,726	4,14,524.35	1,87,599	6.77%	32,41,063.86
25,00,001 to 50,00,001	8,006	3,03,039.82	54,776	1.98%	20,79,679.68
50,00,001 to 100,00,000	2,990	2,23,802.74	22,871	0.82%	17,46,814.26
100,00,000 to 200,00,000	81	13,103.40	101	0.0036%	15,973.40
<b>Total</b>	<b>4,52,127</b>	<b>19,93,148.91</b>	<b>27,72,744</b>	<b>100.00%</b>	<b>1,28,78,723.48</b>

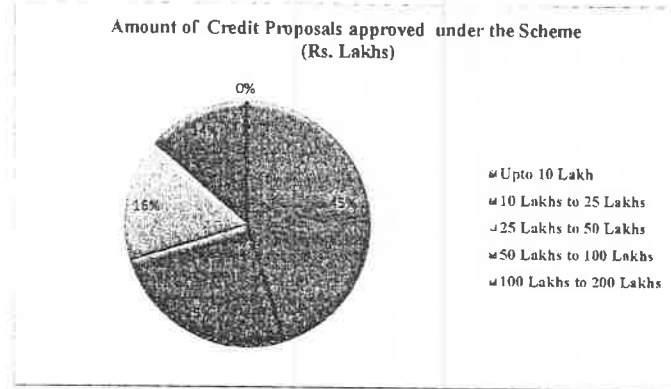
Source: Journal Vishwas, March, 2017 by National Credit Guarantee Trustee Co. Ltd (NCGTC) & CGTMSE Annual Report 2016-17

From the above Table 4, it can be seen that around 37% of the total credit proposals covered under the scheme are below Rs. 1 Lakh and around 42% are between Rs. 1 Lakh to Rs. 5 Lakhs.

No. of Credit Proposals approved under the CGTMSE Scheme



From the above Table 4, it can further be seen that around 45% of the total amount approved under the scheme is in respect of credit proposals up to Rs. 10 Lakhs and further 25% is in respect of credit proposals ranging from Rs.10 to Rs.25 Lakhs. Credit proposals ranging from Rs. 25 Lakhs to Rs. 50 Lakhs account for around 16% of the Total Amount guaranteed and that ranging from Rs. 50 Lakhs to Rs. 100 Lakhs account for around 14% of the Total Amount guaranteed. The proportion of credit proposals ranging between Rs. 100 Lakhs to Rs. 200 Lakhs is meager 0.0036%.



The data demonstrates that credit proposals up to Rs. 25 Lakhs account for around 70% of the total amount guaranteed/approved under the CGTMSE Scheme. As a corollary, considering the criteria for classification of enterprises into micro, small and medium enterprises as per the MSMED Act, 2006, it can be safely inferred that majority of the credit facilities covered under the scheme are of micro enterprises and those of the small and medium enterprises are minimal. There needs to be concentrated efforts for penetration of the scheme in respect of credit proposals from small and medium enterprises.

**Conclusion**

From the research study, a conclusion can be drawn that the CGTMSE scheme for micro and small enterprises is working smoothly and has been instrumental in facilitating the credit flow to the MSME sector, particularly post 2011. However, still there exists much scope for

expanding the coverage of the scheme particularly in the light of announcement by the Central Government to increase the committed contribution to the CGTMSE Trust from earlier Rs. 2500 crores to Rs. 7500 crores and the consequent increase in the eligible coverage credit limit under the scheme from Rs. 100 lakhs to Rs. 200 lakhs per borrower from January, 2017.

Going forward, there needs to be concentrated efforts for penetration and widespread awareness of the scheme in respect of credit proposals from small and medium enterprises. The coverage of the CGTMSE scheme needs to be aligned with definition of small and medium enterprises in the MSMED Act, 2006 so as to facilitate flow of credit to the bigger units among small enterprises and medium enterprises.

As seen hereinabove that the maximum number of guarantees (around 51%) have been issued through only five banks, a need is felt that the other Member Lending Institutions (MLI's) of the Scheme should be actively encouraged to canvass the scheme and extend the benefits of the same to the maximum number of MSME's enjoying credit facilities / having accounts with them.

The data in Table 4, depicts that the around 70% of the total amount guaranteed/approved under the CGTMSE Scheme is in respect of credit proposals up to Rs. 25 Lakhs of which around 45% is in respect of credit facilities up to Rs. 10 Lakhs. The Central Government has April, 2016 launched an another similar scheme MUDRA specifically for MSE enterprises which has features similar to that with the CGTMSE Scheme and which covers credit facilities having limits up to Rs. 10 Lakhs. Considering the fact that credit facilities up to Rs. 10 Lakhs can be covered under MUDRA scheme, the Banks ought to be encouraged to extend cover maximum proposals of limits up to Rs. 10 Lakhs under MUDRA scheme so that the comparatively bigger credit proposals viz., credit facilities exceeding Rs. 10 Lakhs can be covered under the CGTMSE scheme so as to have better synchronisation in the both the said schemes rather than having them overlapping or competing each other. The data available (Table-4) itself suggests that if credit proposals up to Rs. 10 Lakhs are shifted or covered under MUDRA scheme, it can free up guarantee covers aggregating to around Rs. 57,952/- crores for the small and medium enterprises requiring credit facilities in excess of Rs. 10 Lakhs apart from bringing better synchronisation in operation of both the said schemes.

Further, as seen in Table 1 credit proposals aggregating to more than 51% by amount and around 55% by numbers are from the top 6 states thereby evidencing low penetration of the

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INDEX

No.	Title of the Paper	Author's Name	Page No.
1	Interest Coverage Ratio of the Selected Tea Companies in India Dr. Jignesh P. Vaghela & Prin. Dr. K.N.Chavda		05
2	Does Audit Classification Reflects the Efficiency of Societies : A Case Study of Urban Cooperative Credit Societies in Goa Dr. Suraj Popker		13
3	Credit Deployment and Deposit Mobilization of Selected Urban Co-Operative Credit Societies in Goa : A Study Mr. Amrut F. Naik		23
4	Farm Loan Waiver : Problems and Solutions Dr. Gopal Dhavade		29
5	Financial Literacy, Financial Inclusion, Customer Protection Swati Pandey & Prem Shanker Diwedi		31
6	Causes-Effects and Remedial for Non-Performing Assets in Public Sector Undertaking Banks Dr. T. N. Salve		37
7	Digital Marketing Trends in Indian Banking Sector Bipin Sable		45
8	NPAs of Public and Private Sector Banks – Cause and Remedies Dr. N.S. Sabale & Dr. Gorakshnath Sanap		51
9	Flow of Credit to MSME Sector: Impact of Demonetisation & GST Dr. Manohar Sanap & CA. Prashant Munot		57
10	Problems of NPAs in Public Sector Banks Dr. Pramodini Kadam		67
11	Financial Inclusion in India : Need and Measures Dr. G. K. Sanap & Dr. G.R. Jaitmal		69
12	Need of CSR for Indian Public Sector Banks Mr. Shingade B.N.		75
13	Farmers Suicide : Challenge before Indian Financial Sector Dr. Sambhaji Kale & Akshay Kale		80
14	Impact of Demonetization on Indian Banking Prof. R. G. Kolhe		84
15	Analysis of Growth in Deposits and Advances of Selected Banks in India Bahekar Pratibha Ambadas Pratibha Bahekar & Dr. Vijaykumar Wawle		87
16	Challenges and Prospects of Indian Banking Sector Dr. Manohar Kanawade		91
17	Problems of Beneficiaries in Indhira Gandhi Old Age Pension Scheme of Shrirampur Tahasil Dr. Manohar Sanap & Mr. Maruti Kekane		95
18	Comparative Analysis of Financial Statements of Maharashtra Gramin Bank During 2016 and 2017 Dr. Vasant Pawale & Vivekanand Taklikar		100
19	Recent Trend in Banking Sector Dr. M. V. Jagtap		105
20	Impact of Demonetization: A Conceptual Framework Jaywant Bhadane		110
21	Use of Information Technology in Banking System Dr. L.G. Retwade		114
22	Study of Motivational Factors of Women Entrepreneur Prof. Manasi Atitkar		119
23	Indian Banking Sector:- Challenges and Opportunities Pravin Bonke		127
24	Financial Inclusion-Role of Payment Banks in India Prof. Ramdas Gadge		133
25	Recent Advancement In Electronic Banking Service Quality Dr. Kamlakar Kamble		139
26	Analysis of Banking Digitalization Dr. Ramesh Kashide		143
27	India Post Payments Banks – Problems and Challenges Dr. S. D. Khairnar & Prof. S. B. Bharute		145
28	Implementatation of Govt. Schemes by Banks ie. PMJDY, Mudra Yojana, Direct Benefit Transfer etc. Prof. Miss Nilofar Anwar Shaikh		151



## Flow of Credit to MSME Sector : Impact of Demonetisation & GST

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### Abstract:

*Micro, Small and Medium enterprises (MSME's) play a pivotal role in overall growth and development of the nation's economy. India is also not an exception to the global scenario and is a home to a large number of MSMEs and start-up companies. With an impressive growth rate from around 26 million units in the year 2000-01 to over 51 million units in the year 2016-17, the MSME sector constitutes the backbone of Indian Economy. Despite of the glorious contribution of the MSME sector to the Indian economy, by and large access to timely credit has always been a challenge for the MSME sector in India. In this backdrop, the MSME sector in the country witnessed two major shocks, viz., demonetisation in November, 2016 and introduction of Goods and Services Tax (GST) w.e.f 1<sup>st</sup> July, 2017. A considerable portion of the MSME enterprises in India operate in the informal sector and largely comprises of micro enterprises which particularly those located in the smaller districts felt a greater shock during Demonetisation. However, of late the sector is showing signs of improvement in the recent trends. The paper aims to examine the impact of demonetisation and GST on the flow of credit to the MSME sector and attempts to analyse how the credit to the MSME sector have fared in the wake of the recent shocks. While Demonetisation led to a further decline in the already decelerating credit growth of the MSME sector, GST implementation does not seem to have had a significant impact on overall credit to MSMEs. On a positive side, the implementation of GST has led to a large scale formalisation of the MSME enterprises which in turn will lead the enterprises to have increased access to formal credit in the near future and to some extent address the challenges faced by the sector in terms of access to capital.*

**Key words:** MSME, GST, Demonetisation, Credit Flow to MSME

### Introduction:

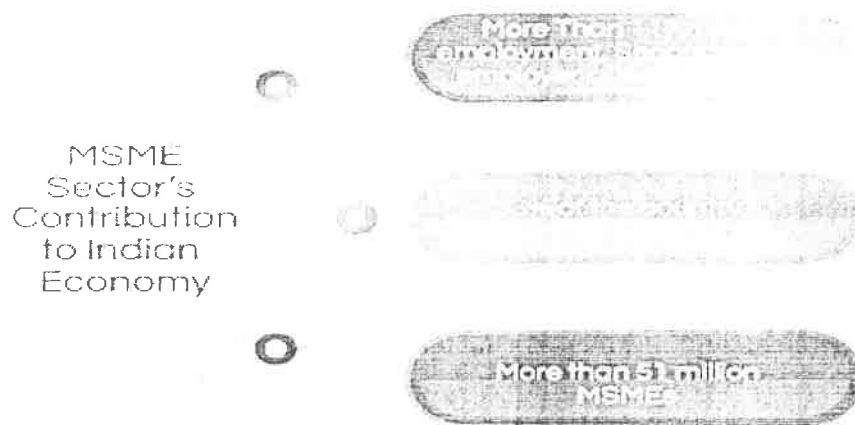
The MSME sector play a pivotal role in overall growth and development of any country's economy to which India is also not an exception. The term 'MSME' is widely used to describe small businesses in the private sector. According to the World Bank data, all round the globe Small and Medium enterprises (SME) sector account for more than 90% of the total formal firms thereby representing the backbone of any economy. As per the Organisation for Economic Co-operation and Development [OECD] Report SME's account for around 90% of the total manufacturing enterprises and even a higher share in the services enterprises in the OECD countries. The contribution of the Micro, Small and Medium Enterprises' (MSME) in the



development of world economy has been significant in terms of employment generation as also in terms of its contribution to the GDP. Many studies have shown that there is a positive correlation between the size of the MSME sector and the economic development of a country. Even in some of the high income economies the contribution of MSME sector has been in excess of 50% of the GDP on an average. MSMEs have been globally considered as an engine of economic growth and as key instruments in promoting balanced development.

India is also not an exception to the global scenario. The MSME sector occupies a position of strategic importance in the Indian economy. India is home to a large number of MSMEs and startup companies. With an estimated around 51 million MSMEs in India, they account for about 31% of our Nation's GDP, provide employment to over 117 million people, also creating close to 1 million new jobs annually, contributing about 33% of the manufacturing output and account for around 45% of exports from our country.<sup>1</sup> The contribution of the MSME sector in the socio-economic development of India has been quite significant. The sector constitutes the backbone of Indian Economy.

#### ***MSME Sector's Contribution to Indian Economy***



***Source: SIDBI Annual Report 2016-17***

The growth rate of the MSME sector during recent past has been very impressive. The number of MSME enterprises has increased from an estimated 26 million units in the year 2000-01 to over 51 million in the year 2016-17.<sup>2</sup>

A large number of MSME enterprises in India solely depend on the owner's capital and revenue from the businesses and to some extent on the Banking sector for their needs in terms of formal credit. Several policies, regulatory & institutional initiatives have been taken to promote availability of finance to MSMEs. These include, among others, credit support mechanisms administered by government institutions including Public sector banks. The Banking system in India consists of about 27 public sector banks (PSBs), 21 private sector banks, 49 foreign banks, 56 Regional Rural Banks (RRBs), about 1562 Urban Co-operative Banks (UCB's) and around 94,384 Rural Cooperative Banks, in addition to several cooperative credit societies set-up and functioning under the various state laws.<sup>3</sup>

<sup>1</sup> MSME Annual Report 2016-17 ; SIDBI Report 2016-17

<sup>2</sup> SIDBI Annual Report 2016-17

<sup>3</sup> ; Data as of June, 2017

### Indian banking sector: Key Factors



• Increase in working population and growing disposable income will raise the demand of banking and related services. Rural banking is also expected to increase in future.



• Mobile Banking, internet Banking and various extension of facilities will improve overall efficiency of the Banking Sector



• Healthy Business Fundamentals can be reflected through high interest margins and stronger Balancesheets



• The Banking Industry has healthy regulatory oversight alongwith credible monetary policy by the Reserve Bank of India (RBI)

Source: Concept from <https://www.ibef.org/industry/banking-presentation>

During the recent years, the Government of India has taken a number of initiatives with the aim of providing impetus to inclusive and sustainable economic growth of the Indian economy, more particularly the MSME sector<sup>4</sup>. However, the MSME sector in India witnessed two major shocks, viz., demonetisation in November, 2016 and introduction of Goods and Services Tax (GST) w.e.f 1<sup>st</sup> July, 2017. Demonetisation led to a further decline in the already decelerating credit growth of the MSME sector, while GST implementation does not seem to have had a significant impact on overall credit to MSMEs.<sup>5</sup>

### Review of Literature:

Despite of having recognised the significance of the MSME sector in the Indian economy, the sector has traditionally been under-served in terms of its financial needs. Several research and studies conducted over the past decade, including those conducted by the Government and Reserve Bank of India have demonstrated the inadequate access of the sector to formal credit and have highlighted the need to address the financial constraints faced by enterprises in the MSME sector.

According to the Report of working group on rehabilitation of sick MSMEs constituted by RBI, about 97% of the enterprises in the MSME sector are partnership firms and proprietorship concerns and around 95% of the enterprises in the sector do not have access to any kind of formal institutional or bank credit. The Report identifies that lack of adequate credit and capital was one of the greatest challenges faced by the enterprises in the MSME which is one of the crucial reason for industrial sickness noticed in the sector apart from being a constraint on the overall growth and development of the sector.<sup>6</sup>

MSEs primarily rely on bank finance for a variety of business purposes. Though, ensuring timely and adequate flow of credit to MSMEs has been an overriding public policy objective there have been widespread complaints from the MSME sector that, entrepreneurs find

<sup>4</sup> Chairmans Working Group Speech in SIDBI Annual Report 2016-17

<sup>5</sup> How have MSME Sector Credit and Exports Fared? - Harendra Behera and Garima Wahi, Assistant Adviser and Research Officer, Monetary Policy Dept, Reserve Bank of India accessed on 01/12/2018  
[www.rbi.org.in/Scripts/MSM\\_Mint](http://www.rbi.org.in/Scripts/MSM_Mint)

<sup>6</sup> Report of on rehabilitation of sick MSMEs, Reserve Bank of India, 2007



themselves handicapped in accessing credit from the banking system primarily for want of secondary collateral and/ or third party guarantee.<sup>7</sup>

The challenges faced by MSMEs in accessing finance are to a large extent attributable to lack of comprehensive formal documentation relating to their businesses as a result of which, loans are provided to the MSMEs mainly through appraisal of the collaterals available rather than assessing their true business potentials<sup>8</sup>. Further, banks do not trust start-ups, view such loans as risky and thus do not prefer extending finance to MSMEs<sup>9</sup>

One of the major challenges faced by the MSMEs, particularly during the start up phase is access to timely and adequate credit. Some of the reasons for lack of adequate credit from formal channels include high customer risk perceived by banks, lack of appropriate credit assessment methods and lower suitability of product features as per varied customer requirements.<sup>10</sup>

The Economic Survey 2017-2018 laid before the Parliament in January 2018 highlights that the micro, small and medium enterprises (MSMEs) continues to face major problems in availing credit and be underserved in terms of formal institutional credit by the traditional financial sector. The sector received only 17.40% of the total credit outstanding.<sup>11</sup>

As per the International Finance Corporation (IFC) estimates, the potential demand for MSME finance in India is about US\$ 370 billion as against the current credit supply of US\$ 139 billion, which results in a finance gap of about US\$ 230 billion (i.e. equivalent to 11 per cent of GDP).<sup>12</sup>

The contribution of the MSME sector to India's GDP is far below than that of other large nations for instance about 10% lower than the contribution of SMEs to the GDP in United States and around 23% lower than the contribution of SMEs to GDP in China. One of the primary reasons attributable for the gap in contribution of the MSME sector in India is the lack access to formal credit, which forces nearly 40% of MSMEs in India to borrow from informal sources and have to pay interest rates on an average 2.5 times higher than the rates charged by the formal banking sector.<sup>13</sup>

MSMEs in India often do not have access to formal lending channels and have to rely on the informal sector with interest rates as high as 30%. The smaller businesses have limited financial history, lack of adequate documentation which is a major hurdle in loan disbursement to this sector.<sup>14</sup>

<sup>7</sup> Report of the Working Group to review Credit Guarantee Scheme of the Credit Guarantee Fund Trust for Micro and Small Enterprises constituted by Reserve Bank of India in 2009-10 under Chairmanship of Mr. V.K. Sharma.

<sup>8</sup> Ayadi, R. and Gadi, S. (2013). "Access by MSMEs to Finance in the Southern and Eastern Mediterranean: What Role for Credit Guarantee Schemes?" MEDPRO Technical Report No. 35/April.

<sup>9</sup> Biswas, A. (2014). "Financing Constraints for MSME Sector", *International Journal of Interdisciplinary and Multidisciplinary Studies*, 1(5), pp. 60-68.

<sup>10</sup> Report on Feasibility Study - MSME Credit Card Small Industries Development Bank of India (SIDBI), Policy Paper Series, 2011.

<sup>11</sup> Financial Express dated 29<sup>th</sup> Jan, 2018 retrieved from <https://www.financialexpress.com/budget/economic-survey-2018-msme-sector-faces-major-problem-in-availing-credit/1034999/>

<sup>12</sup> Report on Research study by International Finance Corporation (IFC-World Bank Group) on MSME Finance Gap - Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets, 2017

<sup>13</sup> Report on Study titled "Credit Disrupted - Digital MSME Lending in India" by Omidyar Network and Boston Consulting Group (BCG) November, 2018

<sup>14</sup> Report by Yes Bank on Comprehensive Analysis of India's Fintech landscape-India Fintech Opportunities Review Report (IFOR), 2017-18



### Need for the Study:

A considerable portion of the MSME enterprises in India operate in the informal sector and largely comprises of micro enterprises. Many of the smaller districts in India, which were then witnessing a **good** and **positive** growth, felt a greater shock during Demonetisation as compared to the **relatively larger** districts.<sup>15</sup> Manufacturing and construction sectors were the most affected sectors firstly by demonetisation and by implementation of GST. However, of late both of these sectors are showing signs of improvement in the recent trends (World Bank, 2018).<sup>16</sup>

The total Bank credit outstanding to MSME sector as of March 2018 stood at only about 17.40% of the total outstanding bank credit. Availability of finance is a key enabler for economic activity and the growth of entrepreneurship. One of the major challenges faced by the MSMEs, particularly during the start-up phase is access to timely and adequate credit. According to a Research Report published by Deloitte in July, 2017, MSME enterprises having annual Revenues (turnover) up to Rs 3 crores had a potential credit requirement of around Rs. 8 lakh crores. The supply of credit by banks to MSME enterprises having annual Revenues (turnover) up to Rs. 5 crores was just around 36% of the their total credit requirements. The Report further states that on an average about 60% of the total credit demand of the MSME units having turnover between Rs. 3 crores to Rs. 18 crores is unmet.<sup>17</sup>

Though, the structural reforms might have disrupted the performance of MSMEs in the short run, on a positive side, the economic change brought about by demonetisation and by introduction of Goods and Services Tax (GST) have definitely led to the digitization of transactions, business processes resulting into creation of digital footprints of the business enterprises. Demonetisation and GST are expected to be positive in the long run with growth in digitisation, enhanced ease of doing business and creation of database of transactions which would facilitate better access to finance and improve the medium- and long-term growth prospects of the sector.<sup>18</sup>

### Objectives:

The present study endeavours to empirically examine the impact of demonetisation and Goods and Services Tax (GST) on the flow of credit to the MSME sector and attempts to analyse how the credit to the MSME sector have fared in the wake of the recent shocks.

### Research Methodology:

The study is analytical and descriptive on the basis of secondary data since 2015 collected from MSME Annual Reports, SIDBI Annual Reports, Reports of Reserve Bank of India, Report on Research Studies conducted by various organisations, relevant sources and websites and aims to demonstrate the flow of credit to the MSME sector in the wake of historical economic reforms of Demonetisation and GST.

### Analysis of Study:

#### A) Overall Credit growth in the MSME segment in the recent quarters:

Table-1: Credit Exposure to MSME Segments

(Rs. in Lakh Crores)

<sup>15</sup> MSME Pulse Report by SIDBI & TransUnion CIBIL, March, 2018

<sup>16</sup> India Development Update: India's Growth Story, World Bank Group, New Delhi, March, 2018

<sup>17</sup> 'FinTech in India - Ready for breakout?' Research Report published by Deloitte Touche Tohmatsu India LLP, July, 2017

<sup>18</sup> 'How have MSME Sector Credit and Exports Fared?' - Harendra Behera and Garima Wahi, Assistant Adviser and Research Officer, Monetary Policy Dept, Reserve Bank of India accessed on 04.12.2018 [www.rbi.org.in/Scripts/MSM\\_Mint](http://www.rbi.org.in/Scripts/MSM_Mint)



Qtr.	Less Than Rs. 10 Lakhs	Rs. 10 to 50 Lakhs	Rs. 50 Lakhs to Rs. 1 Crores	Rs. 1 Crores to Rs. 5 Crores	Rs. 5 Crores to Rs. 10 Crores	Rs. 10 Crores to Rs. 25 Crores	Total Up to Rs. 25 Crores
Mar-16	0.55	1.32	0.87	2.79	1.67	2.49	9.69
Jun-16	0.56	1.39	0.93	2.98	1.76	2.59	10.21
Sep-16	0.58	1.46	0.97	3.06	1.79	2.64	10.50
Dec-16	0.56	1.42	0.95	3.06	1.81	2.67	10.47
Mar-17	0.58	1.49	1.01	3.22	1.87	2.75	10.92
Jun-17	0.64	1.57	1.06	3.36	1.93	2.80	11.36
Sep-17	0.67	1.60	1.07	3.38	1.92	2.80	11.44
Dec-17	0.77	1.75	1.16	3.71	2.07	3.00	12.46
Mar-18	0.79	1.80	1.17	3.76	2.08	3.00	12.60
Y-o-Y Credit growth (Mar'17-Mar'18)	34.9%	21.2%	16.3%	16.9%	11.2%	9.0%	15.4%

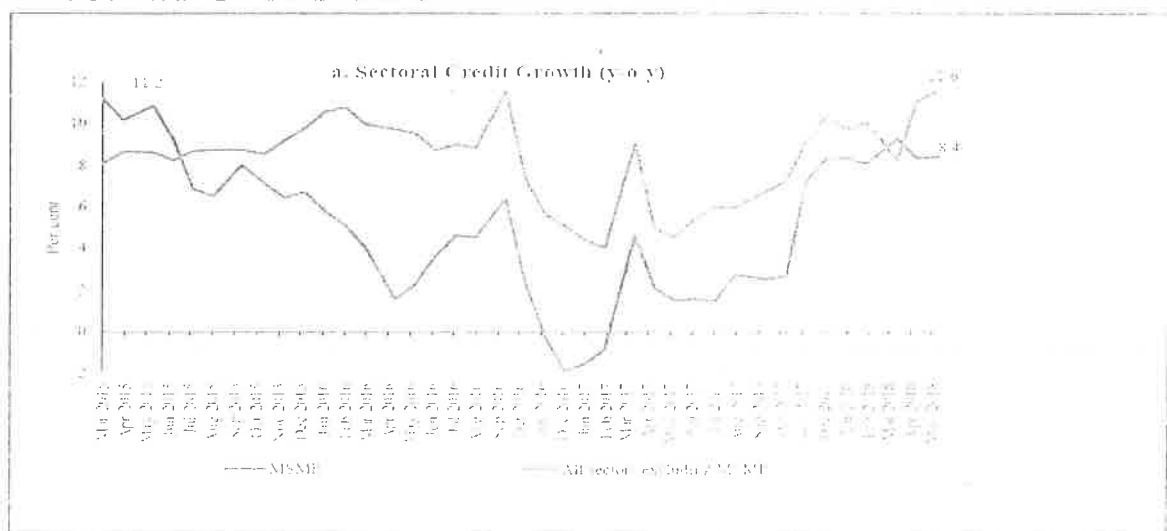
Source: MSME Pulse Quarterly Report, June 2018 by SIDBI & Trans Union CIBIL

The above data reveals that, during the period Mar, 2017 to Mar, 2018 the overall growth in commercial credit exposures up to Rs. 25 Crores has been around 15.40%. The micro segment i.e. sub-Rs.10 Lakhs category has shown an impressive credit growth of around 34.9% followed by the category between Rs. 10 to 50 Lakhs which has shown an average growth rate of around 21.20% and category between Rs. 50 Lakhs to Rs. 1 crores around 16.3%.

The average credit growth rate in the loans to small businesses in the sub-Rs 10 lakhs segment around 34.9% demonstrates that the segment is getting unprecedented credit post demonetisation which pushed the small businesses towards more cashless transactions and post GST which virtually forced the businesses to formally report all the sales.<sup>19</sup>

**Sectoral Credit growth:**

**Chart-1: Sectoral Credit Growth:**



<sup>19</sup> FICCI CMSME Newsletter March, 2018 Issue 33 page 3



Source: [www.rbi.org.in/Scripts/MSM\\_Mint](http://www.rbi.org.in/Scripts/MSM_Mint) retrieved on 04.12.2018

The sectoral credit data published by RBI reveals that the year-on-year growth in the bank credit flowing to the MSME sector showed a gradually declining trend during the year 2015-16 and touching a low of around 1.60% in April, 2016. The data shows some sight of recovery in the growth rate during the period May 2016 to October, 2016. It is pertinent to note that the declining trend in the growth rate during the years 2014 to 2016 was to some extent attributable to the overall slowdown in economy, rising levels of non-performing assets (NPAs) apart from the change in the priority sector guidelines by RBI in April, 2015 reclassifying the food and agro processing units from MSME category to Agricultural sector.

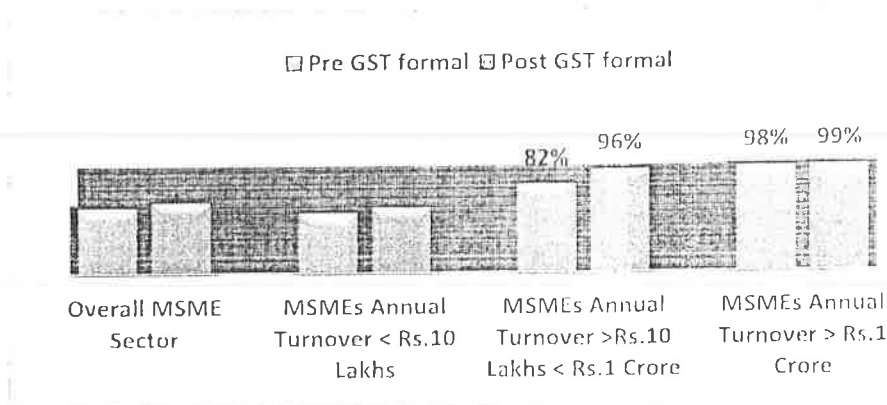
From the data, it can be seen that the credit growth fell down significantly post demonetisation on 8<sup>th</sup> November, 2016. The credit growth in fact turned negative during the period November 2016 to February, 2017. Thus, it can be safely concluded that the falling growth rate in MSME credit was further fuelled by the demonetisation leading to a negative growth for some time thereafter. However, on a positive side the MSME credit growth rate has consistently been showing an increasing trend March, 2017 and has reached an about 8.4% during January to March 2018.

In contrast, the implementation of GST w.e.f. 1<sup>st</sup> July, 2017 is not seen to have had any significant negative impact on the flow of credit. Infact, the credit growth has displayed an increasing trend post GST implementation. The Incremental credit to MSE's up 5 times to Rs 1.23 lakh crore post GST.<sup>20</sup>

**Impact of GST on formalisation of the MSME sector:**

A considerable portion of the MSME enterprises in India have traditionally being operating in the informal sector particularly the micro enterprises. Lack of comprehensive formal documentation relating to businesses has been one of the major reasons for lack of access to adequate and timely credit for the enterprises in the MSME sector.<sup>21</sup> The smaller businesses have limited financial history, lack of adequate documentation which is a major hurdle in loan disbursement to this sector.<sup>22</sup> The implementation of GST has led to a large scale formalisation of the MSME enterprises and has accelerated the mainstream MSME integration in a big way.<sup>23</sup>

**Chart-2: Formal MSMEs [> Rs. 3Lakhs Annual Turnover]**



<sup>20</sup> SBI Ecowrap Report November, 2018 published by SBI Research team retrieved from on 10.12.2018

<sup>21</sup> Ayadi, R. and Gadi, S. (2013) "Access by MSMEs to Finance in the Southern and Eastern Mediterranean: What Role for Credit Guarantee Schemes?" AHEDPRO Technical Report No. 35, April

<sup>22</sup> Report by Yes Bank on Comprehensive Analysis of India's Fintech landscape-India Fintech Opportunities Review Report (IFOR), 2017-18

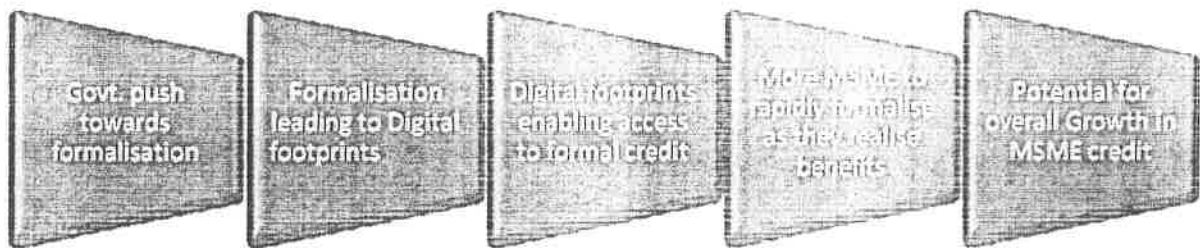
<sup>23</sup> Annual FIBAC Productivity Report, 2017 by FICCI, Indian Banks Association (IBA) and Boston Consulting Group



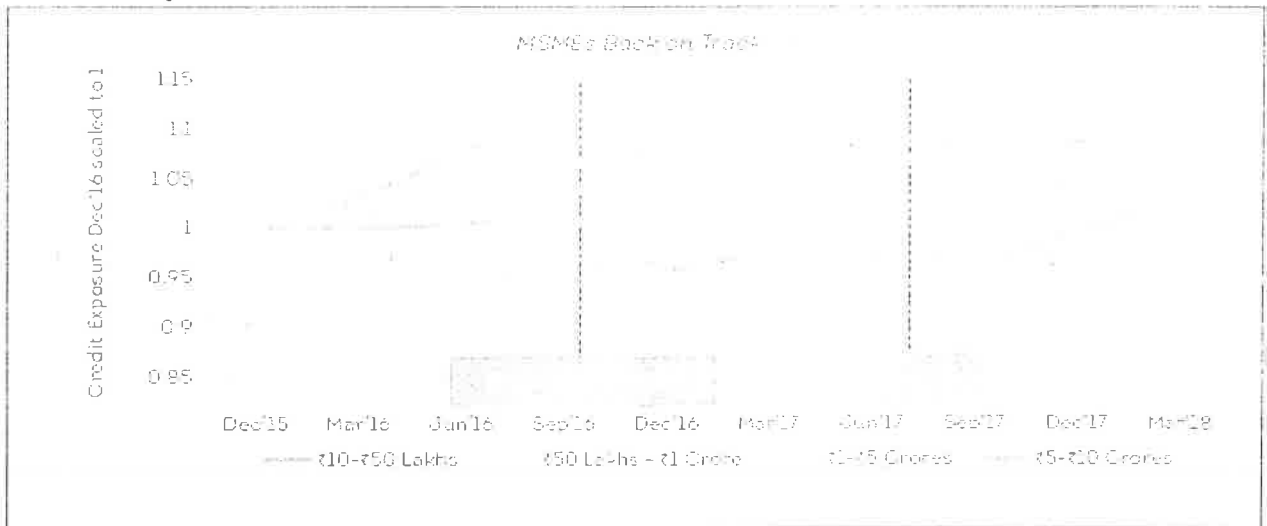
*Notes: Formalisation = Existence of a formal record through registration with any one Government Authority like GST, PF, Factories Act, ESI etc.*

*Source: FIBAC Conference August, 2018 Presentation- 'SME Finance: A Generation Shift' by Boston Consulting Group*

From the graphical analysis above, it is evident that the implementation of GST in the country has led to a growth in the formal registration of the small businesses, which witnessed around 14% growth in the MSMEs having turnover between Rs.10 Lakhs to Rs.1 crore annually and 5% in the segment having annual turnover between Rs.3 Lacs to Rs.10 Lakhs. The growth in formalisation of the sector can definitely lead the enterprises to have increased access to formal credit in the near future. SIDBI expects that formalization will facilitate addition of at least one million New-to-Credit MSME borrowers annually.<sup>24</sup>



**Chart: 3 Impact of Demonetisation and GST on MSMEs**



*Source: MSME Pulse Quarterly Report, June 2018 by SIDBI & Trans Union CIBIL*

The chart above demonstrates the impact that demonetisation and GST had on the credit flow to the MSME sector taking Dec, 2015 as the base. The chart depicts the shocks faced by the sector in terms of credit during demonetisation i.e. in Dec 2016 quarter. The maximum set back was faced in the lower categories i.e. enterprises having credit exposures up to Rs.50 Lakhs. The overall credit exposure was again lowered in the period post GST implementation (Jul to Sep 2017 Qtr.) which is however seen to have steadily recovered by Mar 2018.

**Conclusions:**

The present study endeavoured to briefly assess the recent trends in flow of bank credit to the MSME sector post Demonetisation and GST implementation. The key findings based on the

<sup>24</sup> Press Release dated 20.06.2018 on MSME Pulse Quarterly Report, June 2018 by SIDBI & TransUnion CIBIL



present study can be summarised in nutshell as under (a) Credit growth in the MSME sector though showing a declining trend even before demonetisation turned negative post demonetisation. The small loans category (i.e. the micro segment) was worst hit due to demonetisation, (b) In contrast, the implementation of GST wef July, 2017 does not seem to have had any significant negative impact on the flow of credit, (c) MSME credit on a overall basis particularly in the micro credit segment shows a healthy growth rate in the recent quarters. The growth rate in the bank credit to the overall MSME sector during Jan to Mar 2018 averaged to about 8.4% mirroring the level of growth during Apr to Jun 2015 Qtr, with credit to micro and small enterprises growing at a healthier rate.

Considering the growth rate still being in or around that in the Apr-Jun 2015, there still appears to be large gap in the funding of enterprises in the MSME sector. The plight of the sector can be inferred from this fact itself that, there are about 51million micro, small and medium enterprises in India, of which nearly 40 million units are said to have current accounts. however the number of borrowers in the sector is only about 5 million. The fact highlights the funding gap in the sector. The gap between the number of current accounts and number of borrowers shows the still untapped Banking business potential in the MSME sector.<sup>25</sup>

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INDEX

No.	Title of the Paper	Author's Name	Page No.
1	Challenges and Opportunities in Indian Finance Sector	Dr. Girishkumar Rana	05
2	Co-operatives and Agricultural Credit : Issues and Challenges	Dr. Avinash Raikar	11
3	Demonetization – Impact on Small Traders and Road Side Vendors	K. Naveen Kumar	13
4	Growth of Loans and Advances of Selected Urban Co-operative Credit Societies in Goa : A Study	Mr. Amrut Naik	20
5	Recent Trends in Banking Sector	Dr. Suhas Avhad	25
6	Impact of Merger Activity on Financial Performance: A Case Study of State Bank of India	Manisha Shinde & Dr. Arun Gaikwad	28
7	Challenges and Opportunities of Indian Banking	Dr. Atul Salunke	36
8	A Study of Internet Banking Service of SBI	Mr. Nitin Gaikwad & Dr Vilas Eppar	40
9	New Banking Product	Dr. R.G. Rasal & Dr. Ashok Ghorpade	45
10	Non-Performing Assets Challenges & Future	Dr. G.K. Sanap & Dr. Sandeep Irole	47
11	An Overview of Mutual Fund Houses in India	Dr. Manohar Sanap & Ms. Shephalika Gokhale	49
12	The Truth about Consolidation of National Banks in India	Dr. R.K. Dafir & Dnyanesh Mahatekar	53
13	Eligibility Criteria for Car and two-Wheeler Loan	Dr. Pratap Phalphale	56
14	Indian Banking Sector : Challenges and Prospects	Dr. Parag Kadam	59
15	A Study of CSR of Nationalized Banks with Special Reference to Bank of Maharashtra	Miss. Priyanka Nalkar	64
16	Global Financial Crisis & India : Problems and Recommendations	Sachin Palande	70
17	A Study of Impact of Demonetization on Rural and Urban Area with Special Reference to Pune District	Dr. Kishor Nawale	76
18	Digital Lending : The Future of MSME Credit	Dr. Manohar Sanap & CA. Prashant V. Munot	81
19	The Study of Sanjay Gandhi Niradhar Anudan Yojana: Administrative and Implementation Perspective with Special Reference to Pune District	Dr. Manohar Sanap & Ms. Anuja Gawade	94
20	Indian Banking Sector: Challenges and Prospect	Dr. Pratap Phalphale	103
21	Digital Payment System – A Boon or Bane	Dr. Bhausaheb Pawar	108
22	Digitization of Banking Business : Opportunities and Challenges	Dr. Avinash Chintamani	113
23	Impact of the RBI's Monetary Policy on Indian Economy	Dr. Vishal Pawase	118
24	Demonetization- Impact on Indian Economy	Shrikant Fulsundar	120
25	Corporate Social Responsibility of Banking Institutes	Pof. Pratibha Pagar, Dr. Prakash Yadav	125
26	Indian Banking Sector Challenges and Prospects	Prof. Ramdas Aher	131
27	Issues of India's Public Sector Banks	Dr. Mahesh Deshmukh	135
28	Nationalization of Banks of India	Prof. Ananda Sarange	140
29	Role of Tourism in Rural Development	Mr. Namdev Devkate	142

## An overview of Mutual Fund Houses in India

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### Abstract:

*Mutual funds today form a major part of investment vehicles of majority of investors. They are comparatively a new mode of investments and people are getting slowly acquainted with the structure and framework of mutual funds. This is an attempt to congregating the profile of various mutual fund houses operational in India so that information about the same is easily available and accessible. The brief history and working of the fund houses will help investors choose the best and most suited, from amongst the plethora of fund houses which will help them meet their investment targets and achieve their investment goals.*

**Key Words:** Sponsors, Asset Management Company, Custodian, Trustee, Registrar & Transfer Agents.

### Introduction:

Mutual funds operate in a very systematic structure which is closely monitored by the mutual fund regulator SEBI. When a new investor intends to invest in a mutual fund, it is necessary that he understands the parties involved in a mutual fund transaction, how his money flows, who is the nodal safety agency for complaint redressal, how to track his fund performance etc. An investor should define his purpose of investing the money, holding capacity, reinvestment benefits, market risks etc.

### Objectives:

- To understand the structure of mutual funds in India.
- To study the flow of funds in mutual fund investments.
- To understand the various parties and their role in mutual fund operations.
- To analyse the need, purpose and reason for mutual fund investment by the investors before investing.

### Research Methodology:

The researcher has studied data based his paper on secondary data available on various websites and publications by SEBI, AMFI India etc. Also interviews with direct sale agents and fund managers helped the researcher gather relevant data for the paper. The researcher has also interviewed investors to understand their priorities in investing, the information that they seek to make a good informed investment.



### Profile of mutual funds in India:

#### 1) UTI:

Unit Trust of India is the first and oldest mutual funds in India. It started in 1963 with the initiative of Reserve Bank of India and Government of India. The first scheme launched by UTI was US-64. The aim to start UTI was to attract small investors and introduce them to market investments. Currently UTI has floated 1384 different schemes and has AUM (Assets under management) of Rs. 1,65,946.83 crores.

#### 2) SBI Mutual Fund:

State bank of India mutual fund was established in 1987. It was the first non UTI public sector mutual fund to be set up in the country. The fund has floated over 468 schemes and has AUM of Rs 253878.28 crores.

#### 3) Kothari Pioneer Mutual Fund:

In 1993, when permission was granted to the entry of private sector mutual fund, Kothari Pioneer was the first private sector fund to be set up in the country in 1993. It has now merged into Franklin Templeton Mutual Fund.

#### 4) Aditya Birla Sunlife Mutual Fund:

Launched in 1994, the mutual fund is cosponsored by Aditya Birla Capital Limited and Sunlife AMC. The fund has around 786 various schemes and asset under management of Rs. 2,54,223.32 crores.

#### 5) Reliance Mutual Fund:

Formed in 1995, it was created under the sponsorship of Reliance Capital Ltd. It is one of the biggest mutual funds in the country. With nearly 1022 schemes it has asset under management of Rs. 244843.18 crores.

#### 6) ICICI Prudential Mutual Fund:

ICICI Prudential was founded in 1998. It was sponsored by ICICI Bank and Prudential PLC. Currently it has around 1336 schemes and an AUM of Rs. 310137.8 crores.

#### 7) HDFC Mutual Fund:

HDFC mutual fund was launched in 2000. The sponsors of HDFC Mutual Fund are HDFC Limited and Standard Life Investments Limited. The fund has 786 schemes and asset under management of Rs. 306360.14 crores.

#### 8) DSP Blackrock Mutual Fund:

DSP Adiko holdings Pvt. Limited and DSP HMK holdings Pvt. Limited are joint sponsors for this mutual fund. It was founded by one of the oldest and most respected financial services firm in India. It has 420 schemes with an AUM of Rs. 95434.93 crores.

#### 9) Franklin Templeton Mutual Fund:

It was set up in 1996 in India. With presence in over 25 countries, this is a truly global fund in India. Total 303 schemes with Assets under management of Rs. 110319.95 crores.

#### 10) Axis Mutual Fund:

Founded in 2009, Axis mutual fund is a late entrant in the mutual fund market. With 269 schemes it has assets under management of Rs. 87,630.59 crores.

These are profiles of the top 10 mutual fund houses in India. These jointly hold assets under management of nearly Rs 10 lakhs crores.



While investing in mutual funds, it is very important that the following regulatory changes undertaken by SEBI to attract small investors should be taken into consideration:

- a) SEBI has cut the fees charged by mutual funds to investors to manage **their funds**.
- b) In case of economic offenders, SEBI will not allow consent mechanism settlement if the impact of economic offence is market wide and will affect investor sentiments.
- c) Reducing the time to list the funds in T+3 days as against the previous T+6 days.
- d) Bond market borrowing to meet 1/4<sup>th</sup> of their financial needs by large business houses.

These steps taken by SEBI will help in making investments in mutual funds cheaper and protect the interest of the investors.

**Findings:**

Mutual funds are safe but not a safe way of investing. They come with an underlying declaration that they are subject to market risks. So investors can lose their money by investing in mutual funds. But the risk involved depends upon the type and duration of funds on invests in. There is absolutely no possibility of investors investing in a fund and their money getting disappeared or siphoned off.

This is because of the stringent norms and structure laid down by the regulatory authority SEBI in India. Along with SEBI, mutual funds are regulated by RBI, Companies Act, Stock exchange, Indian Trust Act and Ministry of Finance. RBI acts as a regulator of Sponsors of bank-sponsored mutual funds, especially in case of funds offering guaranteed returns. In order to provide a guaranteed returns scheme, mutual fund needs to take approval from RBI. The Ministry of Finance acts as supervisor of RBI and SEBI and appellate authority under SEBI regulations. Mutual funds can appeal to Ministry of finance on the SEBI rulings.

The image below tells in a very simple manner how mutual funds are managed and operated.

Structure of Mutual Funds in India





At the top of the table is **SEBI**. SEBI (Securities and exchange board of India) is the governing body for securities market in India. It is a regulator of mutual funds as well.

**Sponsors** are the promoters of the mutual funds. They make the application for registration of the mutual fund. They set up a mutual fund trust and create an AMC (Asset Management Company). They bring in minimum 40% of the funds of the AMC.

The **trustees** are appointed by the sponsors after approval from SEBI. The foremost responsibility of the trustees is to safeguard the interests of the unit holders. The trustees appoint a **custodian** to closely monitor the operations of the AMC and compliance of regulatory guidelines. Every fund house should have a minimum four trustees.

**AMC (Asset Management Company)** is a key player in mutual fund operations. The responsibility of investing investor's money lies on the asset management company. They take investment decisions after proper study of the financial markets and companies according to the various mutual fund schemes. Various administrative functions are also undertaken by the AMC. They charge management fee for the same. The AMC floats various mutual fund schemes such as equity funds, debt funds, balanced funds etc.

**RTA is the Registrar and Transfer agent.** They maintain all records and updates of investors. A detailed record of transactions of investors for the convenience of mutual fund houses is also maintained by the RTA. Most banks work as Registrar and transfer agents of mutual funds.

#### **Conclusion:**

The above compilation will help investors in getting an overview about the way mutual funds are managed. The process of flow of funds when invested in a mutual fund will also be understood.

It will also help the investors in getting a fair idea about the top mutual fund houses in India which will help them decide the best investment option for them.

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INDEX

No.	Title of the Paper	Author's Name	Page No.
1	Challenges and Opportunities in Indian Finance Sector	Dr. Girishkumar Rana	05
2	Co-operatives and Agricultural Credit : Issues and Challenges	Dr. Avinash Raikar	11
3	Demonetization – Impact on Small Traders and Road Side Vendors	K. Naveen Kumar	13
4	Growth of Loans and Advances of Selected Urban Co-operative Credit Societies in Goa : A Study	Mr. Amrut Naik	20
5	Recent Trends in Banking Sector	Dr. Subhas Avhad	25
6	Impact of Merger Activity on Financial Performance: A Case Study of State Bank of India	Manisha Shinde & Dr. Arun Gaikwad	28
7	Challenges and Opportunities of Indian Banking	Dr. Atul Salunke	36
8	A Study of Internet Banking Service of SBI	Mr. Nitin Gaikwad & Dr Vilas Eppar	40
9	New Banking Product	Dr. R.G. Rasal & Dr. Ashok Ghorpade	45
10	Non-Performing Assets Challenges & Future	Dr. G.K. Sanap & Dr. Sandeep Irole	47
11	An Overview of Mutual Fund Houses in India	Dr. Manohar Sanap & Ms. Shephalika Gokhale	49
12	The Truth about Consolidation of National Banks in India	Dr. R.K. Datir & Dnyanesh Mahatekar	53
13	Eligibility Criteria for Car and two-Wheeler Loan	Dr. Pratap Phalphale	56
14	Indian Banking Sector : Challenges and Prospects	Dr. Parag Kadam	59
15	A Study of CSR of Nationalized Banks with Special Reference to Bank of Maharashtra	Miss. Priyanka Nalkar	64
16	Global Financial Crisis & India : Problems and Recommendations	Sachin Palande	70
17	A Study of Impact of Demonetization on Rural and Urban Area with Special Reference to Pune District	Dr. Kishor Nawale	76
18	Digital Lending : The Future of MSME Credit	Dr. Manohar Sanap & CA. Prashant V. Munot	81
19	The Study of Sanjay Gandhi Niradhar Anudan Yojana: Administrative and Implementation Perspective with Special Reference to Pune District	Dr. Manohar Sanap & Ms. Anuja Gawade	94
20	Indian Banking Sector: Challenges and Prospect	Dr. Pratap Phalphale	103
21	Digital Payment System – A Boon or Bane	Dr. Bhausaheb Pawar	108
22	Digitization of Banking Business : Opportunities and Challenges	Dr. Avinash Chintamani	113
23	Impact of the RBI's Monetary Policy on Indian Economy	Dr. Vishal Pawase	118
24	Demonetization- Impact on Indian Economy	Shrikant Fulsundar	120
25	Corporate Social Responsibility of Banking Institutes	Prof. Pratibha Pagar, Dr. Prakash Yadav	125
26	Indian Banking Sector Challenges and Prospects	Prof. Ramdas Aher	131
27	Issues of India's Public Sector Banks	Dr. Mahesh Deshmukh	135
28	Nationalization of Banks of India	Prof. Ananda Sarange	140
29	Role of Tourism in Rural Development	Mr. Namdev Devkate	142



## Digital Lending: The Future of MSME Credit

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### Abstract:

*Micro, Small and Medium enterprises (MSME's) play a pivotal role in overall growth and development of the nation's economy. India is also not an exception to the global scenario and is a home to a large number of MSMEs and start-up companies. With an impressive growth rate from around 26 million units in the year 2000-01 to over 51 million units in the year 2016-17, the MSME sector constitutes the backbone of Indian Economy. Despite of the glorious contribution of the MSME sector to the Indian economy, by and large access to timely credit has always been a challenge for the MSME sector in India. With the advent of Digitisation a new class of companies known 'FinTech' companies have come into being which are seen as being instrumental in promoting paperless lending and have given a new path to the banking and financial sector in India after USA and China. Digital lending presents a huge potential opportunity in the Indian context. Digital lending is set to become a \$1 trillion (approx Rs.68 trillion) opportunity in India over the next five years. Given the rapid revolution in the Digital lending segment, it seems to be inevitable for the traditional Indian Banks and financial institutions to further expand their already existing online banking businesses to the lending segment. The Governments initiatives focussed towards cashless and digital economy have already laid a strong foundation for Digital lending in India particularly for the MSME sector. Digital Lending is set for massive growth and to redefine the complete formal MSME lending in India, which in turn will facilitate the overall growth and development of MSMEs in India resulting into their enhanced contribution to the country's GDP in the near future.*

**Key words:** Digital Lending, MSME, e-lending

### Introduction:

The MSME sector play a pivotal role in overall growth and development of any country's economy to which India is also not an exception. The term 'MSME' is widely used to describe small businesses in the private sector. According to the World Bank data, all round the globe Small and Medium enterprises (SME) sector account for more than 90% of the total formal firms thereby representing the backbone of any economy. As per the Organisation for Economic Co-operation and Development [OECD] Report SME's account for around 90% of the total manufacturing enterprises and even a higher share in the services enterprises in the OECD countries. The contribution of the Micro, Small and Medium Enterprises' (MSME) in the development of world economy has been significant in terms of employment generation as also in terms of its contribution to the GDP. Many studies have shown that there is a positive correlation between the size of the MSME sector and the economic development of a country. Even





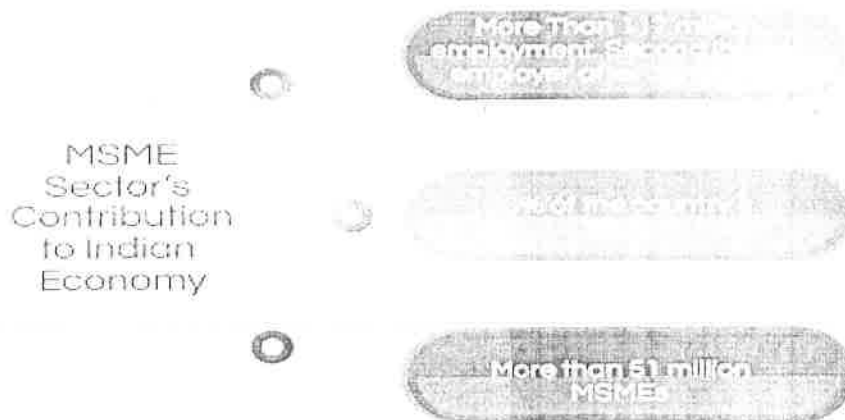
in some of the high income economies the contribution of MSME sector has been in excess of 50% of the GDP on an average. MSMEs have been globally considered as an engine of economic growth and as key instruments in promoting balanced development.

India is also not an exception to the global scenario. The MSME sector occupies a position of strategic importance in the Indian economy. India is home to a large number of MSMEs and start-up companies. With an estimated around 51 million MSMEs in India, they account for about 31% of our Nation's GDP, provide employment to over 117 million people, also creating close to 1 million new jobs annually, contributing about 33% of the manufacturing output and account for around 45% of exports from our country.<sup>1</sup> The contribution of the MSME sector in the socio-economic development of India has been quite significant. The sector constitutes the backbone of Indian Economy.

Recognising the importance and huge potential of the MSME sector the Government of India enacted a separate legislation Micro, Small and Medium Enterprises Development Act, 2006. The MSMED Act, 2006 made a paradigm shift in terms of wide coverage from industry to enterprise and has redefined the manufacturing and service enterprises depending on the investments in plant & machinery and equipments respectively. Earlier this sector was known as small scale industries (SSI).

The growth rate of the MSME sector during recent past has been very impressive. The number of MSME enterprises has increased from an estimated 26 million units in the year 2000-01 to over 51 million in the year 2016-17.<sup>2</sup>

### MSME Sector's Contribution to Indian Economy



Source: SIDBI Annual Report 2016-17

Given the potential of the micro, small and medium enterprises (MSMEs) sector in India (around 51 million units contribute 8 per cent of GDP, 45 per cent of manufacturing output, 40 per cent of exports, and employment for 120 million persons)

Having briefly seen the glorious contribution of the MSME sector to the Indian economy, it is also an established and well accepted fact that by and large the MSME sector in India has had an

1. MSME Annual Report 2016-17 ; SIDBI Report 2016-17

2. SIDBI Annual Report 2016-17

3. RBI Report on Trends and Progress of Banking in India 2016-17



history of inadequate access to capital and access to timely credit has always been a challenge for the MSME sector in India.

It has been a common experience since the very beginning of modern banking in India that the entire process to apply for a loan has been too cumbersome and lengthy involving considerable consumption of time, energy and resources, usually followed up with lots of stress.

With the advent of Digitisation a new class of companies known 'FinTech' companies have come into being which are seen as being instrumental in promoting paperless lending and have given a new path to the banking and financial sector in India after USA and China. Digital lending aims and facilitates de-cluttering of the traditional persisting lending process wherein a lot of time, energy and resources are spent on collecting and piling up the requisite documents. Digital lending presents a huge potential opportunity in the Indian context. Digital lending is set to become a \$1 trillion (approx Rs.70 trillion) opportunity in India over the next five years.<sup>4</sup>

Even globally, the digital lending market is no longer centred on the new age FinTech and e-commerce Companies but has attracted the attention of traditional banks and financial institutions with stronger balance sheets. For instance, globally renowned financial institution Goldman Sachs (United States) has launched 'Marcus' a digital lending platform and experiencing the rapid growth in the digital lending segment is said to be planning its international expansion starting with United Kingdom. Similarly, BNP Paribas has launched its Digital platform 'Hello Bank' in France and Germany. Given the rapid revolution that is taking up in the Digital lending segment, it seems to be inevitable for the traditional Indian Banks and financial institutions to further expand their already existing online banking businesses to the lending segment.

### **Review of Literature:**

Despite of having recognised the significance of the MSME sector in the Indian economy, the sector has traditionally been under-served in terms of its financial needs. Several research and studies conducted over the past decade, including those conducted by the Government and Reserve Bank of India have demonstrated the inadequate access of the sector to formal credit and have highlighted the need to address the financial constraints faced by enterprises in the MSME sector.

According to the Report of working group on rehabilitation of sick MSMEs constituted by RBI, about 97% of the enterprises in the MSME sector are partnership firms and proprietorship concerns and around 95% of the enterprises in the sector do not have access to any kind of formal institutional or bank credit. The Report identifies that lack of adequate credit and capital was one of the greatest challenges faced by the enterprises in the MSME which is one of the crucial reason for industrial sickness noticed in the sector apart from being a constraint on the overall growth and development of the sector.<sup>5</sup>

MSEs primarily rely on bank finance for a variety of business purposes. Though, ensuring timely and adequate flow of credit to MSMEs has been an overriding public policy objective there have been widespread complaints from the MSME sector that, entrepreneurs find

4. Research Report on Digital lending in India by Omidyar Network and Boston Consulting Group (BCG) July, 2018

5. Report of on rehabilitation of sick MSMEs, Reserve Bank of India, 2007



themselves handicapped in accessing credit from the banking system primarily for want of secondary collateral and/ or third party guarantee.<sup>6</sup>

The challenges faced by MSMEs in accessing finance are to a large extent attributable to lack of comprehensive formal documentation relating to their businesses as a result of which, loans are provided to the MSMEs mainly through appraisal of the collaterals available rather than assessing their true business potentials<sup>7</sup>. Further, banks do not trust start-ups, view such loans as risky and thus do not prefer extending finance to MSMEs<sup>8</sup>

One of the major challenges faced by the MSMEs, particularly during the start up phase is access to timely and adequate credit. Some of the reasons for lack of adequate credit from formal channels include high customer risk perceived by banks, lack of appropriate credit assessment methods and lower suitability of product features as per varied customer requirements.<sup>9</sup>

The Economic Survey 2017-2018 laid before the Parliament in January 2018 highlights that the micro, small and medium enterprises (MSMEs) continues to face major problems in availing credit and be underserved in terms of formal institutional credit by the traditional financial sector. The sector received only 17.40% of the total credit outstanding.<sup>10</sup>

As per the International Finance Corporation (IFC) estimates, the potential demand for MSME finance in India is about US\$ 370 billion as against the current credit supply of US\$ 139 billion, which results in a finance gap of about US\$ 230 billion (i.e. equivalent to 11 per cent of GDP).<sup>11</sup>

The contribution of the MSME sector to India's GDP is far below than that of other large nations for instance about 10% lower than the contribution of SMEs to the GDP in United States and around 23% lower than the contribution of SMEs to GDP in China. One of the primary reason attributable for the gap in contribution of the MSME sector in India is the lack access to formal credit, which forces nearly 40% of MSMEs in India to borrow from informal sources and have to pay interest rates on an average 2.5 times higher than the rates charged by the formal banking sector.<sup>12</sup>

6. Report of the Working Group to review Credit Guarantee Scheme of the Credit Guarantee Fund Trust for Micro and Small Enterprises constituted by Reserve Bank of India in 2009-10 under Chairmanship of Mr. V.K. Sharma.

7. Ayadi, R. and Gadi, S. (2013). "Access by MSMEs to Finance in the Southern and Eastern Mediterranean: What Role for Credit Guarantee Schemes?" MEDPRO Technical Report No. 35/April.

8. Biswas, A. (2014). "Financing Constraints for MSME Sector", International Journal of Interdisciplinary and Multidisciplinary Studies, 1(5), pp. 60-68.

9. Report on Feasibility Study - MSME Credit Card Small Industries Development Bank of India (SIDBI), Policy Paper Series, 2011;

10. Financial Express dated 29<sup>th</sup> Jan, 2018 retrieved from <https://www.financialexpress.com/budget/economic-survey-2018-msme-sector-faces-major-problem-in-availing-credit/1034999/>

11. Report on Research study by International Finance Corporation (IFC-World Bank Group) on MSME Finance Gap - Assessment of the Shortfalls and Opportunities in Financing Micro, Small and Medium Enterprises in Emerging Markets, 2017

12. Report on Study titled "Credit Disrupted - Digital MSME Lending in India" by Omidyar Network and Boston Consulting Group (BCG) November, 2018



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12. Report on Study titled "Credit Disrupted : Digital MSME Lending in India" by Omidyar Network and Boston Consulting Group (BCG) November, 2018



MSMEs in India often do not have access to formal lending channels and have to rely on the informal sector with interest rates as high as 30%. The smaller businesses have limited financial history, lack of adequate documentation which is a major hurdle in loan disbursement to this sector. An unmet MSME credit demand of around Rs. 26.5 trillion presents a huge opportunity for FinTech companies in India.<sup>13</sup>

### **Need for the Study:**

The revolution in the digital technology has transformed the businesses all round the globe and across all the sectors, to which the financial and banking sector is also not an exception. The evolution and growth of the Digital Lending market in India has so far been very impressive. Over a couple of last years, the financial technology ecosystem is seen as emerging as one of the hottest and most sought after sectors in Digital India. NASSCOM expects the Indian Digital Lending market in India to grow at about 22% over the next five years. A study conducted by NASSCOM and KPMG India states that the transaction value for the Indian FinTech sector was estimated to be about US\$33 billion (approx. Rs. 2.30 Lakh Crores) in 2016 and is expected to reach around US\$73 billion (approx. Rs. 5.10 Lakh crores) by 2020.<sup>14</sup>

The total Bank credit outstanding to MSME sector as of March 2018 stood at only about 17.40% of the total outstanding bank credit. According to a Research Report published by Deloitte in July, 2017, MSME enterprises having annual Revenues (turnover) up to Rs 3 crores had a potential credit requirement of around Rs. 8 lakh crores. The supply of credit by banks to MSME enterprises having annual Revenues (turnover) up to Rs. 5 crores was just around 36% of the their total credit requirements. The Report further states that on an average about 60% of the total credit demand of the MSME units having turnover between Rs. 3 crores to Rs. 18 crores is unmet.<sup>15</sup>

Availability of finance is a key enabler for economic activity and the growth of entrepreneurship. One of the major challenges faced by the MSMEs, particularly during the start up phase is access to timely and adequate credit. Digital lending has the potential to penetrate deep into MSME sector, beyond the traditional banks and financial institutions<sup>16</sup>. It is felt that FinTech or Digital lending companies could provide an alternative source of finance and fill the large funding gap faced by small businesses in India.<sup>17</sup> Alternative lending is said to be one of the fastest growing segments in India which has seen the considerable foreign investment in recent years.<sup>18</sup> Digital lending to micro, small and medium enterprises (MSME) in India is expected to grow up to Rs. 7 lakh crores by the year 2023, a 15 times increase in annual

13. Report by Yes Bank on Comprehensive Analysis of India's Fintech landscape-India Fintech Opportunities Review Report (IFOR), 2017-18
14. 'Fintech in India – A Global Growth Story' Joint publication by KPMG in India and NASSCOM June, 2016
15. 'FinTech in India - Ready for breakout' Research Report published by Deloitte Touche Tohmatsu India LLP, July, 2017.
16. <https://www.moneycontrol.com/news/business/digital-lending-penetrates-deep-into-sme-sector-where-banks-dare-not-go-2717081.html> retrieved on 03.12.2018
17. A Report by Deloitte "FinTech in India: Ready for Breakout" released in July 2017 estimates the credit gap in India's MSE segment (with annual revenue up to ₹30 million) at ₹8.33 trillion.
18. PricewaterhouseCoopers (PwC) Global Fintech Report, 2017



disbursements.<sup>19</sup> Given the huge potential in the digital lending segment in India, the existing overall gap in the availability of funds to the MSME sector and the government’s recent initiatives focussing on increasing the credit flow to the MSME sector, has put Digital MSME lending in a sweet spot.

**Objectives:**

The objective of this study is to briefly review and highlight on the functional scenario of Digital lending to micro, small and medium enterprises in India, to focus on the huge growth potential and opportunities available for development of banks and financial institutions in this segment which in turn can lead to overall growth and development of the MSME sector in India.

**Research Methodology:**

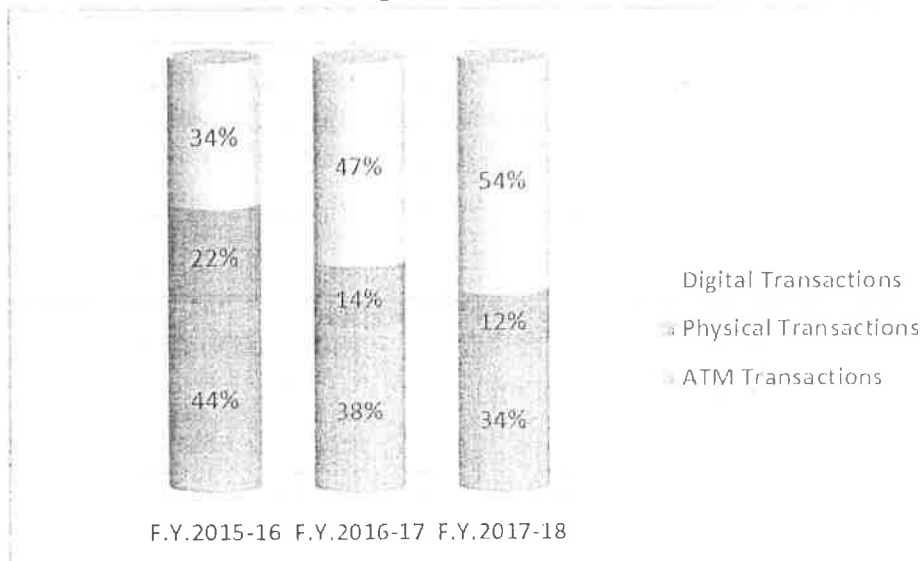
The study is analytical and descriptive on the basis of secondary data since 2015 collected from MSME Annual Reports, SIDBI Annual Reports, Reports of Reserve Bank of India, Report on Research Studies conducted by various organisations, relevant sources and websites and aims to demonstrate the growth potential in the Digital lending space specifically for the MSME sector.

**Analysis of Study:**

**A) Scenario of Overall Digital Banking Transactions in recent years:**

With the technological and digital revolution in all the sectors, the customer preferences and behavioural patterns in the banking sector are also changing rapidly in the recent years. The increasing bank customer preference and comfort towards online or digital banking can be gauged from the increase in the overall online or digital bank transactions over the recent years.

Chart: Growth in Overall Digital Banking Transactions in recent years



**Sources:** FIBAC Productivity Survey, 2018; RBI data; IBA data; Boston Consulting Group Report on Digital Lending, Jul 2018

The chart above reveals the overall growing trend in customer preference for Digital banking as compared to physical banking transactions at bank branches in the recent years. Considering the already active competitive forces in the banking sector further fuelled by

<sup>19</sup>, <https://tech.economictimes.indiatimes.com/amp/news/internet/digital-lending-in-india-set-to-grow-to-100b-by-2023-report/66753853>



3. The Government has launched a 'e-Marketplace (GeM)' a dedicated online portal for procurement of goods and services by all the Public Sector undertakings, Central Government departments and Government Organisations. More than 100,000 vendors and suppliers have already been registered on the portal and facilitate procurement of over 300,000 different products.
4. The Hon'ble Prime Minister as a part of MSME outreach initiative has recently on 25<sup>th</sup> September, launched an online portal [www.psbloansin59minutes.com](http://www.psbloansin59minutes.com) for in-principle sanction of MSME loans in just 59 minutes which is expected to be a game changer in the MSME lending segment. The key features of the said scheme include:
  - Advanced Digital platform for MSME financing with Bank-Branch level integration
  - In principle approval for MSME Loans up to 1 crore within 59 minutes through online portal without submission of any physical documents
  - The platform integrates GST Network, Income tax network and Ministry of Corporate Affairs (MCA) network, CIBIL and fraud check data bases and uses sophisticated algorithms to analyse data points from various financial data sources.
  - Real time analysis and credit assessment based on turnover on the GST portal using Adhar based e-authentication.
  - Platform integrated with Credit Guarantee Trust for Micro & Small Enterprises (CGTMSE) for providing loans collateral free loans up to 2 crores.
  - Loans granted through SIDBI and 5 public sector banks
  - Interest rebate of 2% on loans sanctioned under the scheme.
  - Loan to be disbursed by respective banks within 7-8 days post in-principle sanction.

#### **Other key factors enabling end-to-end Digital MSME Lending:**

The Government's has already initiated an ambitious project 'India Stack' which is an open architecture consent platform enabling online data sharing and authentication. India Stack is a set of Application Program Interfaces (API) which enables instant online communication and data sharing. India Stack being a Government initiative shall be another critical factor in the India's digital evolution and further push towards cashless economy. The APIs infrastructure facilitates collating of data from various sources viz., entity level data (like ministry of corporate affairs, udyog aadhar, Factories Act, shop and establishments Act, ESI, PF data etc), financial and tax data (like income tax, GST, Tax Deducted at source (TDS), Import Export, customs data etc), utility data (like, electricity, water, telephone, internet, vehicle registration, insurance etc), credit bureau data (like CIBIL, credit rating data etc) social and mobile data (like email authentication, mobile, geo-tagging, Google verification, LinkedIn verification, Industry association data etc), promoter specific individual data (like KYC, PAN, Aadhar, Passport, Driving license data etc). In nut shell, India Stack and its additional APIs would serve a rich source of private and public data thereby enabling minute and granular verification and analysis of business of the MSME enterprises, which will in turn be used for their credit assessment and would facilitate end-to-end digital lending to MSMEs across the country.

The technological revolution coupled with the various Government initiatives discussed above will inevitably play a crucial role in enabling an efficient and secure digital lending environment for MSMEs in the country. The already active competitive forces in the banking





sector further fuelled by changing customer preferences are expected to inevitably result in a digital lending boom in the MSME sector in India in the near future.

### Conclusions:

From the study, a conclusion can be drawn that the Digital revolution shall be instrumental in facilitating the increased credit flow of credit to the MSME sector in near future. The Governments initiatives focussed towards cashless and digital economy have certainly helped in laying a strong foundation for Digital lending in India particularly for the MSME sector. Digitisation of various business databases and records and the Government's ambitious project 'India Stack' and APIs infrastructure, will further facilitate multi-fold increase in the availability of relevant credible data thereby facilitating enhanced use of Data analytics in the formal lending chain.

Alternative lending is said to be one of the fastest growing segments in India which has seen considerable foreign investment in recent years. In the days to come, it is certain that the Digital lending shall occupy a prominent place in the financial and banking space in India and the FinTech Companies besides expanding their direct lending portfolios, will explore the avenues for co-lending, partnering with the Traditionally Strong Bankers and Financial Institutions as a way to make a bigger dent in the MSME lending segment.

With presently almost 60% of MSMEs in India borrowing from informal sources, MSME lending is all set for massive growth in formalization and digitization. Easier and cheaper credit facilitated by digital lending platform has the potential to cater the formal credit access to 85% of MSMEs by the year 2023.<sup>22</sup>

Digital Lending is set to redefine the complete formal MSME lending in India with traditional bank and financial institutions scaling up either their technological capabilities or partnering with the new age e-commerce companies, credit bureaus, FinTech Companies and third party processors etc. and even venturing into co-lending (i.e. lender-lender tie-up or collaborations) to expand the scope of credit to the MSME sector which in turn will facilitate the overall growth and development of MSMEs in India resulting into their enhanced contribution to the country's GDP.

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22. As observed by Mr. Saurabh Tripathi, Senior Director & Asia-Pacific leader, Financial Institutions Practice at Boston Consulting Group in Report on Study titled "Credit Disrupted : Digital MSME Lending in India" by Omidyar Network and Boston Consulting Group (BCG), 2018.



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INDEX

No.	Title of the Paper	Author's Name	Page No.
1	भारतीय बँक व्यवसायाची मद्यःस्थिती आणि आव्हाने	डॉ.संगीता साळवे	05
2	सार्वजनिक क्षेत्रातील बँकांचे विवनीकरण धोरण-आव्हाने व फायदे	डॉ.एन.एस.साबळे	12
3	बँक व्यवसायातील आधुनिकीकरण	डॉ.एस.के.ढगे	17
4	राष्ट्रीयकृत बँकांच्या सक्षमीकरणामाठी भांडवल गुंतवणुकीचा नवा प्रवाह	डॉ.एम.यू.मुलाणी	21
5	पोस्टल सेव्हिंग बँक आणि सेव्हिंग बँक	डॉ.के.एच.शिंदे	29
6	आर्थिक(बँकिंग) क्षेत्रातील सुधारणा - योग्य अंमलबजावणीची गरज	प्रा.जी.वी.होले	33
7	भारतातील अग्रक्रम क्षेत्र कर्ज पुरवठ्याचे मूल्यमापन	डॉ.के.डी.जाधव	37
8	१९९९ नंतरच्या बँकिंग क्षेत्रातील आधुनिक सुधारणा	डॉ.अमोल गायकवाड	41
9	भारतातील सार्वजनिक व क्षेत्रातील बँकांचे वाढते अनुत्पादक मत्ताचे प्रमाण एक आव्हान	डॉ.संजय वैद्य	44
10	विमुद्रीकरण व त्यांचे परिणाम	डॉ.सीमा चव्हाण	48
11	बँक व्यवसायातील बदलत्या प्रवृत्ती	डॉ.सत्यम सानप	52
12	मोबाईल बँकिंग- कॅशलेस व्यवहाराचा एक उत्तम पर्याय	डॉ.सुनील उगले	55
13	विमुद्रीकरण आणि डिजिटल इंडिया	प्रा.रूपाली उंडे	59
14	महाराष्ट्रातील अनुसूचित व्यापारी बँका : एक दृष्टिक्षेप	डॉ.सदाशिव मेंगाळ	63
15	नातूर जिल्ह्यातील बँकिंग क्षेत्र आणि कृषी वित्तपुरवठा	प्रा.संतोष मुळे व प्रा. संतोष पाटील	68
16	ग्रामीण बँक व्यवस्थेपुढील आव्हाने आणि उपाययोजना	डॉ.अर्चना हासे	71
17	भारतीय बँकिंगक्षेत्राच्या समस्या आणि उपाययोजना	विश्वनाथ कोतकर	76
18	आर्थिक विकासातील बँकिंग क्षेत्राची बदलती भूमिका	प्रा.संगीता साळवे	82
19	नोटाबंदी व त्याचा सामाजिक, आर्थिक परिणाम	प्रा.विनायक खांडेकर	86
20	भारतीय महिला बँक : महिला विकासाचे एक साधन	डॉ. रमेश देसाई	91
21	नोटाबंदी : काळाची गरज आणि अर्थव्यवस्थेपुढील आव्हाने	प्रा.राहुल स्वानकर	94
22	बँक व्यवसायातील नवे तंत्रज्ञान समस्या आणि भवितव्य	डॉ.एस.के.मंगरे	101
23	रुपयाची घसरण आणि भारतीय अर्थव्यवस्था	डॉ.शोभा रहाणे व डॉ.प्रमोदिनी कदम	107
24	शासनाच्या कृषीविषयक आर्थिक धोरणाचे राजकीय पैलू	प्रा.श्रीनिवास भोग	111
25	भारताच्या वित्तीय क्षेत्रातील समस्या : एक दृष्टिक्षेप	डॉ.अनिलकुमार वावरे व किशोर सुतार	114
26	भारतातील बँक व्यवसायातील आधुनिक तंत्रज्ञानाचा अभ्यास	डॉ.मोहन शिंदे	119
27	भारतीय बँक व्यवस्थेतील अनुत्पादक मत्तांचे (एन.पी.ए)वाढते प्रमाण एक आव्हान	डॉ.विजय मांटे	123
28	भारतीय ग्रामीण अर्थव्यवस्थेवर विमुद्रीकरणाचे परिणाम	प्रा.दीपक काळे	129
29	बँक व्यवसायातील आधुनिक प्रवाह - कॅशलेस व्यवहार	डॉ.गनीषा आहिर	133
30	पेमेंट देय बँक इतिहास : समस्या व उपाय	प्रा. संदीप घेगडमल	137
31	सार्वजनिक क्षेत्रातील बँकांमधील शकित कर्जाच्या समस्या आणि उपाय	डॉ.एम. जी. थोपटे	141
32	बँकिंग क्षेत्रातील माहिती तंत्रज्ञान	श्री.उमेश भोकसे व डॉ.मोहन चौधरी	146
33	निश्चलनीकरण आणि त्याचे प्रभाव (Demonetization and Its Impacts)	डॉ.नाथीराम राठोड	149
34	भारतातील सार्वजनिक क्षेत्रातील बँकांची NPA समस्या	डॉ.शिवाजी पाते	153



35	भारतातील इंटरनेट बँकिंग : एक विश्लेषणात्मक अभ्यास	प्रा.मनीषा सामंत	158
36	संजय गांधी निराधार अनुदान योजना- एक दृष्टीक्षेप	डॉ.मनोहर सानप व सौ.अनुजा गावंडे	161
37	भारतीय पोस्ट वचत व पेमेंट बँक : ममस्या व भवितव्य	प्रा.शिका बांगर	169
38	भारतीय रुपयाची घसरण : परिणाम आणि आव्हाने	प्रा.निलम काळे	172
39	भारतीय बँकिंग क्षेत्रामोरील : आव्हाने आणि उपाययोजना	प्रा.ए.एच.घोंगडे	177
40	महाराष्ट्रातील आर्थिक समावेसाम प्रोत्साहन देण्यासाठी मुद्रा योजनेची भूमिका	कु.तृप्ती गुजर	184
41	निश्चलनीकरण आणि त्याचे परिणाम	डॉ.सुनील मोहटे	186
42	नोटावंदीची फलश्रुती	प्रा.सचिन कसबे	189
43	प्रधानमंत्री मुद्रा बँक योजना	डॉ.डी.एन.कारे	191
44	भारतीय बँकिंग क्षेत्रातील सुधारणा - वॅसल समिती-३	डॉ.गोरखनाथ वाकळे	195
45	सार्वजनिक क्षेत्रातील बँका आणि त्यांचे विलीनीकरण	जालिंदर तुवर	199
46	ग्राहक संरक्षण परिपदा व त्यांच्या कामकाजाचा चिकित्सक अभ्यास	डॉ.मनीषा सोडनवर	202
47	बँकिंग क्षेत्रातील माहिती तंत्रज्ञानाची भूमिका	प्रा.रविंद्र मोरे	205
48	भारतातील बँकांची वुडीत कर्जे : कारणे, परिणाम व उपाययोजना	डॉ.लाजवंती टेंभुर्णे	208
49	विविध कार्यकारी सेवा सहकारी पत संस्थांचे ग्रामीण विकासातील योगदान (विशेष संदर्भ- कर्जत तालुका, सन १९९९-०० ते २००८-०९)	डॉ.सचिन तोरडमल	214
50	भारतातील राष्ट्रीयकृत बँकेच्या मालमत्तेचा चिकित्सक अभ्यास	डॉ.दिनेश पारखे	218
51	भारतीय बँक क्षेत्र : आव्हाने आणि भवितव्य	डॉ.एन.सी.पवार	224
52	भारतीय बँकांची पुनर्रचना	डॉ. प्रताप फलफले	228
53	बँकिंग क्षेत्रातील ममस्या आणि आव्हाने	दत्तात्रय छत्रे व प्रा. एस. एन. साबळे	233
54	सार्वजनिक क्षेत्रातील बँकांचे पुनर्भांडवलीकरण	डॉ. संगीता जांगिड	236

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नेस वाडीया कॉलेज ऑफ

प्रस्तावना :

भारतातील सर्व नागरिकांना सामाजिक आर्थिक व राजकीय व न्याय मिळवून देण्याची हमी भारतीय राज्य घटनेत दिलेली आहे. किंबहुना घटनेतील सर्व तरतुदीमागे सामाजिक व आर्थिक न्यायाचे सुत्र अभिप्रेत आहे. सामाजिक न्यायाबरोबर सर्वांना आर्थिक न्याय मिळावा. याकडेही घटनाकारांनी खास लक्ष दिलेले आहे. त्यामुळे भारताच्या नागरिकांना त्यांच्या जीवनात स्वातंत्र्याचा अनुभव यायला हवा असेल तर त्यांच्या जीवनावश्यक व मुलभूत गरजा भागविणे गरजेचे आहे. परंतु देशातील लोकसंख्या प्रचंड वेगाने वाढत असून त्या प्रमाणात राष्ट्रीय उत्पन्न वाढत नाही, दिवसेंदिवस गरीबी, दारिद्र्य व बेरोजगारी या समस्या वाढत चालल्या आहेत. त्यामुळे वाढत्या लोकसंख्येला त्या प्रमाणात रोजगाराची संधी मिळत नाही व लोकसंख्येच्या बरोबरच निराधारांच्या संख्येत वाढ होत चालली आहे. अशा निराधारांना गरज असते ती आर्थिक व सामाजिक आधाराची. त्यासाठी शासन राष्ट्रीय व राज्य स्तरावर विविध योजनांची आखणी करून अंमलबजावणी करत असते. राज्यातील दुर्बल घटकांची सामाजिक संरक्षण व्हावे, त्यांना जीवन जगण्याचा आधार मिळावा व त्यांना सन्मानाने जगता यावे या हेतूने राज्य सरकारने 'संजय गांधी निराधार योजना' मुरू केली आहे. परंतु त्या योजनांच्या प्रशासकीय सुसूत्रीकरणात व अंमलबजावणीत अनेक दोष अगर उणीवा येत असल्यामुळे यांचे लाभ संबंधितांना मिळत नाही. "संजय गांधी निराधार अनुदान योजना – एक दृष्टिक्षेप" या विषयावर या लेखामध्ये प्रकाश टाकण्यात आला आहे. या योजनेचे अनुदान वेळेवर मिळते का? तसेच वाढती महागाई, प्रचंड स्पर्धा, दारिद्र्य, बेरोजगारी अशा परिस्थितीत ही योजना किती प्रमाणात कार्यक्षमपणे गववली जाते. या योजनेच्या अंमलबजावणीमध्ये कोणत्या अडचणी येतात. या योजनेमुळे लाभार्थी व्यक्तींच्या राहणीमानात, आर्थिक परिस्थितीत बदल होत आहे काय? हे जाणून घेणे गरजेचे आहे. तसेच लोकांना उदरनिर्वाहाचे साधन म्हणून या योजनेचा किती निराधार व्यक्तींना लाभ झाला हे जाणून घेण्यासाठी संजय गांधी निराधार अनुदान योजनेच्या प्रशासकीय व कार्यात्मक बाबींचा अभ्यास करणे गरजेचे आहे. या योजनेच्या प्रगतीचा शासकीय पातळीवर वेळोवेळी सातत्याने आढावा घेण्यात येतो. परंतु त्यामुळे समाजाचे वास्तव चित्र या पध्दतीने प्रतिबिंबित होत नाही. त्याकरीता सुक्ष्मदर्शी पध्दतीने या योजनेचे कार्यात्मक मुल्यमापन होणे गरजेचे व आवश्यक आहे.

योजनेचे स्वरूप:

महाराष्ट्र शासनाच्या 'सामाजिक न्याय व विशेष सहाय्य विभागाच्या विशेष सहाय्य' विभागामार्फत अनेक 'विशेष सहाय्य योजना' गवविल्या जातात, त्यापैकी संजय गांधी निराधार अनुदान योजना एक आहे. महाराष्ट्र शासनाने अपंग, अनाथ, दुर्धर रोगग्रस्त, विश्रवा स्त्रिया, घटस्फोटित महिला –पोटणी न मिळालेल्या, वेश्या व्यवसायातून मुक्त केलेल्या महिला, ३५ वर्षांवरील अविवाहीन महिला इत्यादींना लाभ देण्यासाठी महाराष्ट्र शासनाने संजय गांधी निराधार अनुदान योजना २ऑक्टोबर, १९८०च्या मुरू केली. संजय गांधी निराधार अनुदान योजनेमार्फत निराधारांना दरमहा ६०० रु. अनुदान दिले जाते.





विषयाची व्याप्ती :

अभ्यासाचे भौगोलिक क्षेत्र पुणे जिल्ह्यापुरते मर्यादित आहे. पुणे जिल्ह्यात एकूण १४ तालुके व १३ पंचायत समित्या आहेत. तसेच पुणे जिल्हा शहरी व ग्रामीण भागाचे महागाष्ट गज्यात प्रतिनिधीत्व करतो त्यामुळे पुणे जिल्ह्यात एखादी योजना कशाप्रकारे राबवली जाते याचे पडसाद संपूर्ण महाराष्ट्रात पडत असतात. प्रस्तुत लेखामध्ये संजय गांधी निराधार अनुदान योजना या विषयाचा अभ्यास करताना या योजनेची व्याप्ती, महत्त्व, स्वरूप, लाभार्थ्यांचा प्रवर्ग, प्रशासकीय यंत्रणा, योजनेवर होणारा खर्च, योजनेच्या माध्यमातून ग्रामीण व शहरी भागातील निराधार व्यक्तींचा झालेला विकास इत्यादी चावी विचारात घेतल्या गेल्या आहेत.

अभ्यासाचा कालावधी :

संजय गांधी निराधार अनुदान योजना २ ऑक्टोबर, १९८० पासून पुणे जिल्ह्यात सुरु झाली असून या योजनेला ३५ वर्ष पूर्ण झाली आहेत. म्हणून संशोधकाने प्रस्तुत संशोधनासाठी संजय गांधी योजनेच्या कार्यात्मक मुल्यमापनासाठी वर्ष २००६-२००७ ते २०१५-२०१६ या १० वर्षांचा कालावधी घेतला आहे.

अभ्यासाची उद्दीष्टे :

१. संजय गांधी निराधार अनुदान योजनेच्या लाभार्थी प्रवर्गाचा अभ्यास करणे.
२. संजय गांधी निराधार अनुदान योजनेच्या पार्श्वभूमीचा अभ्यास करणे.
३. संजय गांधी निराधार अनुदान योजनेच्या प्रशासकीय व्यवस्थेचा आढावा घेणे.
४. संजय गांधी निराधार अनुदान योजनेची अंमलबजावणी करताना उद्भवलेल्या समस्या व अडचणींचा अभ्यास करून उपाययोजना सुचविणे.

संशोधन विषयाची गृहीतके :

१. निराधार महिलांना जीवन जगण्यासाठी संजय गांधी निराधार अनुदान योजना आशादायी ठरली आहे.
२. संजय गांधी निराधार अनुदान योजनेची प्रशासकीय व कार्यात्मक अंमलबजावणी परिणामकारक केली जात आहे.

नमुना निवड पध्दती :

प्रस्तुत संशोधनासाठी निवडलेल्या पुणे जिल्ह्यात एकूण १४ तालुके असून १३ पंचायत समित्या आहे. संशोधनात पुणे जिल्ह्यातील तालुक्यांची निवड करताना बहुपदी नमुना निवड पध्दतीचा अवलंब करण्यात आला असून त्यापैकी आंबेगाव तालुका, पुणे शहर, वेल्हे तालुका, पुंभर तालुका व शिरूर तालुका यांची निवड करण्यात आली आहे. प्रत्येक तालुक्यातील लाभार्थी व्यक्तींची निवड सादृच्छीक नमुना निवड पध्दतीने केली आहे. सतर अभ्यासासाठी पुणे जिल्ह्यातील नमुना तालुक्यातून ९४०० लाभार्थ्यांपैकी ५ टक्के (४७०) लाभार्थ्यांची नमुना म्हणून निवड करण्यात आली. कार्यालयीन कर्मचारी वर्गापैकी १०० टक्के (२०) कार्यालयीन कर्मचारी यांची नमुना म्हणून निवड करण्यात आली आहे. संशोधनासाठी उपरोक्त प्रतिमादकांना प्रत्यक्ष भेटून प्रश्नावलीच्या सहाय्याने व मुलाखतीच्या स्वरूपात, निरीक्षणाच्या मदतीने माहितीचे संकलन केलेले आहे. संशोधन अभ्यासाचे संपर्कबिंदू हे योजनेतील लाभार्थी व्यक्ती व प्रशासकीय अधिकारी व कर्मचारी आहेत.

संशोधन पध्दती :

प्रस्तुत संशोधनाकरीता प्राथमिक संशोधन प्रश्नावलीच्या माध्यमातून माहिती व तथ्य जमा केले गेले तसेच माहितीच्या द्वितीय स्त्रोतांचा माहिती अथवा तथ्य संकलनासाठी उपभोग केला गेला आहे.

माहिती संकलनाचे स्रोत :

प्राथमिक स्रोत :

प्रस्तुत संशोधनासाठी आवश्यक असणारी प्राथमिक स्वरूपाची माहिती संजय गांधी निराधार अनुदान विभागाचे अधिकारी, कर्मचारी व लाभार्थी यांच्याकडून प्रश्नावली व मुलाखतीच्या माध्यमातून संशोधनामधील आवश्यक ती माहिती संकलित केली आहे.

द्वितीय स्रोत :

द्वितीय स्रोतामध्ये संशोधनकर्ता प्रस्तुत संशोधनासाठी माहिती संकलित करण्यासाठी शासकीय व अशासकीय संस्था, व्यक्तीद्वारे, प्रकाशित, लिखित प्रलेख विविध लघु निबंध, संशोधन प्रबंध, मामिके व पाक्षिके, वर्तमानपत्रे व इंटरनेट इत्यादींचा उपयोग केलेला आहेत. तसेच दुय्यम स्वरूपाची, माहिती जमा करण्याकरीता जिल्हाधिकारी कार्यालय पुणे, येथील संजय गांधी निराधार अनुदान योजना कार्यालयातील माहितीचा, विविध अहवालांचा, अभिलेखांचा, जमाखर्च तसेच मरकरी आदेशांचा वापर केला आहे. पुणे जिल्ह्याचे सांकेतिक स्थळ यामधूनही माहिती गोळा करण्यात आली.

माहितीचे विश्लेषण :

सदर अभ्यासादरम्यान संकलित केलेल्या माहितीचे विश्लेषण व अर्थनिर्वचन पुढीलप्रमाणे तालुकानिहाय लाभार्थ्यांचे स्त्री व पुरुष असे वर्गीकरण :

या योजनेतील लाभार्थी कोण आहेत याचा आढावा घेण्यासाठी त्यांचे स्त्री व पुरुष असे वर्गीकरण करण्यात आले आहे ते पुढीलप्रमाणे

तक्ता क्र. १ तालुकानिहाय लाभार्थ्यांचे स्त्री व पुरुष असे वर्गीकरण

अ. क्र.	तालुका	लाभार्थी	स्त्री	पुरुष	एकूण
१	आंबेगाव	लाभार्थी	७६	१७	९३
		%	१६.०%	३.६%	१९.६%
२	पुणे शहर	लाभार्थी	१८७	३०	२१७
		%	३९.८%	६.४%	४६.२%
३	पुरंदर	लाभार्थी	७५	६	८१
		%	१६.०%	१.३%	१७.३%
४	शिरूर	लाभार्थी	३४	४	३८
		%	७.२%	१.१%	८.३%
५	बेल्हे	लाभार्थी	३२	१	३३
		%	६.८%	१.९%	८.७%
एकूण		एकूण लाभार्थी	४०४	६६	४७०
		एकूण :	८६.०%	१४.०%	१००.०%

स्रोत : प्राथमिक माहिती

वरील तक्ता क्र. १ मध्ये तालुकानिहाय लाभार्थ्यांचे स्त्री व पुरुष असे वर्गीकरण करण्यात आले आहे. तालुकानिहाय स्त्री व पुरुष संख्या एकूण ४०४ स्त्रिया व ६६ पुरुष आढळले. स्त्री लाभार्थी यांचे प्रमाण ८६ टक्के असून व पुरुष लाभार्थी यांचे प्रमाण १४ टक्के असे आहे. यावरून असे दिसून येते की या योजनेचा सर्वात जास्त लाभ निराधार महिलांना झाल्याचे दिसून येते आहे.



योजनेच्या प्रशासकीय व्यवस्थेची माहिती :

या योजनेची प्रशासकीय व्यवस्था व अंमलवजावणी कशी आहे याचा आढावा प्रतिमादकांकडून घेण्यात आला त्याची माहिती पुढील तक्त्यामध्ये आहे.

तक्ता क्र.२ योजनेची प्रशासकीय व्यवस्थेबाबतचा अभिप्राय

अ. क्र	तालुका	लाभार्थी	उत्कृष्ट	चांगली	बरी	वाईट	तटस्थ	एकूण
१.	आंबेगाव	लाभार्थी	३२	३८	२०	२	१	९३
		%	६.८%	८.१%	४.३%	०.४%	०.२%	१९.८%
२.	पुणे शहर	लाभार्थी	१०६	७८	२३	६	६	२१९
		%	२२.६%	१६.६%	४.९%	०.९%	१.३%	४६.३%
३.	पुरंदर	लाभार्थी	३१	३४	१२	३	१	८१
		%	६.६%	७.२%	२.६%	०.६%	०.२%	१७.२%
४.	शिरूर	लाभार्थी	१०	१६	९	०	१	३६
		%	२.६%	३.८%	१.९%	०.०%	०.२%	८.३%
५.	बेल्हे	लाभार्थी	२१	१७	३	०	०	४१
		%	४.५%	३.६%	०.६%	०.०%	०.०%	८.७%
एकूण		एकूण लाभार्थी	२०२	१८३	६७	९	९	४७०
		एकूण %	४३.०%	३८.९%	१४.३%	१.९%	१.९%	१००.०%

स्रोत : प्राथमिक माहिती

तक्ता क्र.२ मध्ये या योजनेची प्रशासकीय व्यवस्था कशी आहे याचा अभिप्राय दर्शवित आहे. बरील तक्त्यावरून दिसून येते की, ४३ टक्के लाभार्थ्यांचे असे म्हणणे आहे प्रशासकीय व्यवस्था उत्कृष्ट आहे. प्रशासकीय व्यवस्था चांगली आहे असे मत असणाऱ्यांचे प्रमाण ३८.९ टक्के इतके आहे. प्रशासकीय व्यवस्था वाईट व तटस्थ आहे असे मत १.९ टक्के लाभार्थी यांनी व्यक्त केले आहे. बरील विश्लेषणावरून असे दिसून येते की, या योजनेची प्रशासकीय व्यवस्था व कार्यअंमलवजावणी उत्तम आहे.

किमान गरजा भागविण्यासाठी मदत झाली याची माहिती

या योजनेमुळे मिळणाऱ्या अनुदानाचा उपयोग लाभार्थ्यांना होत आहे की नाही तसेच होत असल्यास किती प्रमाणात होत आहे याचा आढावा पुढील तक्त्यावरून निदर्शनास येत आहे.

तक्ता क्र.३ किमान गरजा भागविण्यासाठी मदत झाली याचा अभिप्राय

अ. क्र.	तालुका	लाभार्थी	जास्त प्रमाणात	शोड्या प्रमाणात	आजिवात नाही	तटस्थ	एकूण
१.	आंबेगाव	लाभार्थी	२४	५१	०	१६	९३
		%	५.१%	१०.९%	०.६%	३.६%	१९.८%
२.	पुणे शहर	लाभार्थी	३०	१०९	८	८	२१५
		%	१०.३%	२३.४%	१.३%	१.३%	४६.३%
३.	पुरंदर	लाभार्थी	०१	४८	१	३	८१
		%	४.५%	१०.२%	१.१%	०.६%	१६.२%
४.	शिरूर	लाभार्थी	१६	२२	०	०	३८
		%	३.४%	४.३%	०.०%	०.०%	८.१%
५.	बल्हे	लाभार्थी	००	२१	०	०	४१
		%	४.३%	४.५%	०.०%	०.०%	८.३%
एकूण		एकूण लाभार्थी	१५३	२७१	१९	२७	४७०
		एकूण	३२.६%	५७.७%	४.०%	५.७%	१००.०%

स्रोत : प्राथमिक माहिती

तक्ता क्र. ३ मध्ये असे निदर्शनास येते की, एकूण लाभार्थी प्रतिमादकापैकी ५७.७ टक्के लाभार्थ्यांच्या मते असे या योजनेचा त्यांना किमान गरजा भागविण्यासाठी थोड्या प्रमाणात फायदा झाला तर जास्त प्रमाणात फायदा झाला असे मत व्यक्त करणारे ३२.६ टक्के लाभार्थी आहेत. ४ टक्के लाभार्थीच आजीवात फायदा झाला नाही असे मत असणारे दिसून आले. यावरून असे निर्देशित होते की किमान गरजा भागविण्यासाठी ही योजना लाभदायी ठरत आहे.

निष्कर्ष :

१. मंजय गांधी निराधार अनुदान योजनेचा लाभ घेणाऱ्यांमध्ये स्त्रियांचे प्रमाण जास्त आहे. ८७ टक्के स्त्रिया व १४ टक्के पुरुष आहे म्हणजेच या योजनेचा फायदा महिलांना जास्त प्रमाणात झालेला आहे. त्यामुळे प्रस्तुत संशोधनाचे सर्वेक्षण जवळपास ८५ टक्के महिला वर्गाचे प्रतिनिधित्व करते.
२. या योजनेचा लाभ घेणारे सर्वात जास्त लाभार्थी हे २०ते ४० वयोगटातील आहेत. यामध्ये विधवा व अपंग यांची संख्या जास्त आहे.
३. या योजनेचा लाभ घेणाऱ्या लाभार्थ्यांच्या वैवाहिक स्थितीमध्ये विधवा यांची संख्या ६८.५ टक्के इतकी आहे. तर घटस्फोटीनांचे प्रमाण ६.२ टक्के इतकेच आहे. यामध्ये विधवा प्रवर्ग अधिक आहे असे दिसून आले आहे.
४. निराधार महिला या प्रकारातील ७७.९ टक्के लाभार्थ्यांना फायदा झालेला असून महिला प्रवर्गासाठी ही योजना आशादायी ठरली आहे.
५. या योजनेच्या अंमलबजावणीसाठी ७३.८ टक्के लाभार्थ्यांनी गरजू निराधार लाभार्थ्यांचा शोध घ्यावा अशी सूचना केली आहे.



६. प्रत्येक महिन्याला अनुदान मिळते असे मत ८६.८ टक्के लाभार्थ्यांचे आहे. यावरून योजनेचे प्रशासकीय कार्य योग्य प्रकारे केले जाते हे दर्शविते.
७. शासनाच्या कागदपत्रांच्या अटी व शर्ती ही अडचण ७३.६ टक्के लाभार्थ्यांना जाणवत आहे.
८. अनुदानाची संपूर्ण रक्कम लाभार्थ्यांच्या खात्यामध्ये जमा होते असे ९०.२ टक्के लाभार्थ्यांचे मत आहे. परंतु ९.२ टक्के लाभार्थी याबाबत नाही असे मत नोंदविताने.
९. निरक्षर निराधारांना काही मदत लागल्यास ९५ टक्के कर्मचारी मदत करताना दिसून आले.
१०. योजनेच्या अंमनबजावणीसाठी कर्मचाऱ्यांना प्रशिक्षण देण्यात येते असे ८० टक्के कर्मचाऱ्यांचे मत असून प्रशिक्षण दिले जात नाही असे मत अंमणारे २० टक्के कर्मचारी आहेत.
११. या योजनेची अंमनबजावणी, सुसूत्रीकरण व वाटपाबाबत राजकीय दमनक्षेप नसतो असे मत ९४.७४ टक्के कर्मचारी यांनी व्यक्त केले.

### शिफारशी :

१. या योजनेची माहिती लाभार्थीपर्यंत पोहचण्यासंबंधी प्रभावी उपाययोजना करण्यात यावी. खेड्यातील अत्यंत दुर्बल निराधार व्यक्ती तलाठी अथवा तहसील कार्यालयापर्यंत जावू शकत नाहीत ज्यांच्याकडे फॉर्म व झेरॉक्स साठी पैसे नाहीत अशा व्यक्तींचा शोध घेण्यात यावा.
२. अनुदानाच्या रकमेत सातत्याने वाढ केली जात नाही. त्यामुळे महागाई अथवा चलनवाढीच्या परिस्थितीत लाभार्थ्यांना मिळणाऱ्या अनुदानाची रक्कम अल्पशी ठरते. त्यामुळे अनुदानाच्या रकमेत महागाईच्या प्रमाणात वेळोवेळी वाढ केली पाहिजे.
३. या योजनेची प्रभावी व परिणामकारक अंमनबजावणीसाठी केंद्र सरकार, राज्य सरकार, सामाजिक न्याय व विशेष सहाय्य विभाग, स्थानिक स्वराज्य संस्था तसेच इतर गर्व संबंधित विभाग यांच्यामध्ये समन्वय प्रस्थापित करून त्यामार्फत अंमनबजावणीबाबत वेळोवेळी आढावा घेण्यात यावा.
४. बदलत्या काळानुसार योजनेत बदल करण्याची गरज निर्माण झाली आहे.
५. या योजनेच्या प्रभावी अंमनबजावणीसाठी कौशल्यपूर्ण कर्मचारी वर्गाची भर्ती करण्यात यावी.
६. स्वयंसेवी संघटना गरजू लाभार्थींचा शोध घेण्यासाठी सहभागी वरदान घेण्यात यावे.
७. ग्रामपंचायत मार्फत सदर योजनेचा फॉर्म भरून घेण्यात यावे त्यामुळे गर्व निराधारांचे अर्ज मंजुरीच्या प्रमाणात वाढ हाईल.
८. प्रत्येक गावामध्ये सरपंच, तलाठी, ग्रामसेवक यांनी जाणवत जाणून लाभार्थ्यांना अनुदान मिळवण्यासाठी प्रयत्न करावे.
९. संजय गांधी निराधार अनुदान योजनेचा लाभ घेण्यासाठी उत्पन्नाची अट २१००० वरून ५०००० करण्यात यावी.
१०. या योजनेच्या प्रभावी व परिणामकारक अंमनबजावणीसाठी व पाठपुरावा करण्यासाठी शासकीय संतुलनसोबतच जनतेच्या महंगाची आवश्यकता आहे.
११. समाजातील जो स्वयं अशिक्षित घटक जो शासनापर्यंत पोहोचू शकत नाही. शासनाला त्यांच्या दारी जाणे आवश्यक आहे.
१२. विभवा निराधारांना या योजनेअंतर्गत कायमस्वरूपी अनुदान दिले जात नाही तसेच ज्या विधवेची मुले १८ वर्षे पूर्ण करतात त्यांचे अनुदान बंद केले जाते. त्यांच्यातर्गत दरमितीक मुदतीत, वेळोवेळी काही



काम देवून अनुदान कायमस्वरूपी मिळत राहिल असे योजनेचे ग्वगुप शासनाने कार्यान्वित करावे. विधवा निराधारांना शासनाने अनुदान देण्याऐवजी नोकरी किंवा काम देण्याची व्यवस्था करावी.

समारोप :

संजय गांधी निराधार अनुदान योजना ही निराधारांना आधार देण्यासाठी वरदान ठरली आहे असे दिसून येते. शासन वळोवेळी निराधारांना आधार देण्यासाठी योजना राववित असते परंतु त्या योजनांचे यश अपयश हे प्रशासकिय यंत्रणा व अंमनवजावणी कशा प्रकारे होते यावर अवलंबून असते. त्यामुळे या योजनेच्या अभ्यासाचा फायदा हा शासन, अधिकारी व कर्मचारी, लाभार्थी यांना होऊ शकतो. निराधार व विधवा महिलांसाठी ही योजना आशादायी ठरत आहे. शासन स्तरावर या योजनेच्या अंमनवजावणीत दिवसेंदिवस बदल करून नवीन आधुनिक तंत्रज्ञानाचा वापर केला जात असून लाभार्थींना घरी वसून लाभ मिळण्याची सुविधा उपलब्ध करून दिली जात आहे. त्यामुळे निश्चितच संजय गांधी निराधार योजना निराधारांना आधार देण्यास यशस्वी ठरत आहे. शासनाने वाढत्या महागाईच्या प्रमाणात अनुदानामध्ये वाढ करण्याची गरज आहे. सामाजिक न्याय व विशेष सहाय्य विभागाने समाजातील दुर्बल व निराधार घटकंसाठी ही योजना राववून त्यांना आधार देण्याचा चांगला प्रयत्न केला आहे.

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१५. राजकुमार बडोले (२०१६) 'सामाजिक समरसता' लोकगज्य, लघुलेख, ऑक्टोबर १०१६ पा. क्र. ४६.
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INDEX

No.	Title of the Paper	Author's Name	Page No.
1	Challenges and Opportunities in Indian Finance Sector	Dr. Girishkumar Rana	05
2	Co-operatives and Agricultural Credit : Issues and Challenges	Dr. Avinash Raikar	11
3	Demonetization – Impact on Small Traders and Road Side Vendors	K. Naveen Kumar	13
4	Growth of Loans and Advances of Selected Urban Co-operative Credit Societies in Goa : A Study	Mr. Amrut Naik	20
5	Recent Trends in Banking Sector	Dr. Suhas Avhad	25
6	Impact of Merger Activity on Financial Performance: A Case Study of State Bank of India	Manisha Shinde & Dr. Arun Gaikwad	28
7	Challenges and Opportunities of Indian Banking	Dr. Atul Salunke	36
8	A Study of Internet Banking Service of SBI	Mr. Nitin Gaikwad & Dr. Vilas Eppar	40
9	New Banking Product	Dr. R.G. Rasal & Dr. Ashok Ghorpade	45
10	Non-Performing Assets Challenges & Future	Dr. G.K. Sanap & Dr. Sandeep Irole	47
11	An Overview of Mutual Fund Houses in India	Dr. Manohar Sanap & Ms. Shephalika Gokhale	49
12	The Truth about Consolidation of National Banks in India	Dr. R.K. Dafir & Dnyanesh Mahatekar	53
13	Eligibility Criteria for Car and two-Wheeler Loan	Dr. Pratap Phalphale	56
14	Indian Banking Sector : Challenges and Prospects	Dr. Parag Kadam	59
15	A Study of CSR of Nationalized Banks with Special Reference to Bank of Maharashtra	Miss. Priyanka Nalkar	64
16	Global Financial Crisis & India : Problems and Recommendations	Sachin Palande	70
17	A Study of Impact of Demonetization on Rural and Urban Area with Special Reference to Pune District	Dr. Kishor Nawale	76
18	Digital Lending : The Future of MSME Credit	Dr. Manohar Sanap & CA. Prashant V. Munot	81
19	The Study of Sanjay Gandhi Niradhar Anudan Yojana: Administrative and Implementation Perspective with Special Reference to Pune District	Dr. Manohar Sanap & Ms. Anuja Gawade	94
20	Indian Banking Sector: Challenges and Prospect	Dr. Pratap Phalphale	103
21	Digital Payment System – A Boon or Bane	Dr. Bhausaheb Pawar	108
22	Digitization of Banking Business : Opportunities and Challenges	Dr. Avinash Chintamani	113
23	Impact of the RBI's Monetary Policy on Indian Economy	Dr. Vishal Pawase	118
24	Demonetization- Impact on Indian Economy	Shrikant Fulsundar	120
25	Corporate Social Responsibility of Banking Institutes	Prof. Pratibha Pagar, Dr. Prakash Yadav	125
26	Indian Banking Sector Challenges and Prospects	Prof. Ramdas Aher	131
27	Issues of India's Public Sector Banks	Dr. Mahesh Deshmukh	135
28	Nationalization of Banks of India	Prof. Ananda Sarange	140
29	Role of Tourism in Rural Development	Mr. Namdey Devkate	142



## The Study of Sanjay Gandhi Niradhar Anudan Yojana: Administrative and Implementation Perspective with Special Reference to Pune District

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### Introduction:

In next some years from now India will be the most populated country in the world. Growing population of India has already created many social and environmental problems including unemployment. There are million people unemployed in India which has increased in the destitute and helpless people. A Government of Maharashtra, Department of Social Justice and Special Assistant runs many special assistance schemes for the betterment of people. Sanjay Gandhi Niradhar Yojana is one and important of them.

This scheme was implemented on 2<sup>nd</sup> October 1980 in all over Maharashtra. This scheme is applicable to destitute persons of age below 65 years, orphan children, all types of handicapped, person suffering from critical illness like T. B. cancer, AIDS and leprosy, destitute widows including those of farmers who committed suicide, destitute divorced women and women in process of divorce, women freed from prostitution and outraged women.

On 2<sup>nd</sup> October 2015, Sanjay Gandhi Niradhar Yojana has successfully completed its 35 years. In long journey of 35 years this scheme has faced many difficulties in its implementation. In the meantime government has arranged and provided sufficient fund for the proper implementation of Sanjay Gandhi Niradhar Yojana. Scholar has studied this scheme from the administrative context and its implementation.

It's essential to understand and evaluate the impact of this scheme on the people residing in rural and urban areas. Including this it's necessary to look at the administrative structure implementation of this scheme. Is it implemented properly? Is the question. And that's why the detail study from the administrative context is required for this Sanjay Gandhi Niradhar Anudan Yojana. The entire scheme run by central government funds are transfer to districts through corresponding states. Most of the times the funds are crunched at administrative level resulting beneficiaries not getting benefits. Even in schemes in which funds are directly transferred to district administration from center gets delayed and scheme lost its significance and developmental work get halted or delayed, the best example of this the MNREGA.

Success of any of the scheme depends on the financial provisions made for the particular scheme because very scheme has its own effect. Apart from this implementation of the scheme is goes from different echelons, i.e. from central Government to the state government and further to district administration to the Grampanchayat. It's also necessary to understand how at different administrative levels the funds for the scheme are invested and in what way productive financial preparation are done. Scholar believes that all this needs to be studied and validated. apart from this the scheme has political, administrative and economic importance and hence the hence scholar has chosen the topic.



Scholar believes that illations under this study will help to provide solutions to the short comings and demerits of the scheme. Recommendations made my scholar regarding the effective implementations of the scheme will benefit Administrative persons, center and State governments. most importantly the beneficiaries for whom the scheme is for. With this present study will assist scholars, politicians nonprofit organizations, and social workers how are working in this scheme. Effective provisions have to be made to solve the problems of the poor class, which will show them the hope to survive. Sanjay Gandhi Niradhar Yojana is one of the hopes for the needy people. Sanjay Gandhi Niradhar Yojana was started in the year 1980 on October 2<sup>nd</sup>. It's well known that it's the Birth Anniversary of the father of the Nation Mahatma Gandhi. His vision was to go back to the villages and make development. For the study Geographical boundaries were fixed and Pune district was chosen for the study. Pune district has 14 tehsils and 13 Panchayat Samaitis. Present study will investigate nature, scope, administrative set up, expenditure and benefits to the people like disables, widows, divorced women, blind etc living in rural and urban regions.

#### **Objective of the Study:**

1. To study administrative structure and the implementation of the Sanjay Gandhi Niradhar Anudan Yojana.
2. To study the difficulties while implementing the Sanjay Gandhi Niradhar Anudan Yojana.
3. To suggest the recommendations for the effective implementations of the Sanjay Gandhi Niradhar Anudan Yojana.

#### **Statement of Hypothesis:**

1. Sanjay Ghandi Niradhar Yojana scheme is governed and implemented very effectively government and administration.
2. Proper basic essential needs are made available due to this scheme.

#### **Limitations of the Study:**

##### **Present study would face the following limitations:**

1. For the present study only Pune district was taken in to consideration.
2. No study is been done before and so no major finding are available on this study. Investigations are done on the basis of information is collected from Government servants and beneficiaries.
3. Present study is done on the last decade i.e. 2006- 2007 to 2016-2017.

#### **Period of the Study:**

The scheme has started from 2<sup>nd</sup> October, 1980 and has successfully completed 35 years. That's why the researcher has taken the study of the scheme from the perspective of administration and implementation. The researcher has selected the period from 2006 to 2016 for her research study.

#### **Classes of respondents:**

1. All beneficiaries under this scheme.
2. Government servants and administrators.

#### **Universe and Samples:**

Present study is based on primary data. Pune district has 14 tehsils including 13 Panchyat Samities. For the preset study 5 Thesils were 5 chosen from Pune District. Namely i) Pune City, ii) Velha , iii) Purandar, iv) Ambegaon, v) Shirur. Selection of Tehsils was done by using

random cluster sampling. Beneficiaries are selected by using stratified random sampling method from each Tehsil. Total 470 beneficiaries were selected by the above sampling technique.

**Table No .1 Total no respondents from respective tehsils.**

Sr. No.	Taluka	Total Beneficiary	Total Respondents	Percentage
1	Ambegaon	1866	93	19.8 %
2	Pune City	4358	217	46.2 %
3	Purandar	1614	81	17.2 %
4	Shirur	753	38	8.1 %
5	Velhe	811	41	8.7 %
Total		9402	470	100 %

The above table shows no of beneficiaries under Sanjay Gandhi Niradhar Yojana in

**Methodology:**

For the present study data is collected through questioners, personal interviews, and observations of respondent's .With these secondary sources were also used for data collection. The collected data was analysis by using classification, tabulation, percentage are used.

**Sources of Data Collection:**

**Primary Source:** For the present study the researcher will collect data by filling up the standard questioner prepared by scholar and personal interviews of respondent's. The same information will be utilized and analyzed for the research.

**Secondary Source:** As far the secondary source is concerned the information would be collected from different Government and Semi Government records, different journals, Reference books, research articles, news -papers and Internet.

**Techniques of data collection:** For the analysis of the primary data differs techniques were used. Techniques like table, percentage, overall percentage, mean mode and median are used for the analysis.

**Use of Statistical Tools:** Anova test was used for the statistical analysis. Including Bar graph, linear graph and pie diagrams are prepared for the presentations of results.

**Aim of Sanjay Gandhi Niradhar Yojana:**

To provide financial assistance to destitute persons, blind, disabled, orphan children, persons suffering from major illnesses, divorced women, abandoned women, women freed from prostitution, outraged women, transgender, etc.

**Categories of Beneficiaries:**

1. The following types of persons who are inhabitants of State of Maharashtra since 15 years.
2. Who are not resident of any Govt., Financial Institute or Authority Aided Institute or home are eligible for benefits of the Scheme.
3. It is beneficiaries to people who are helpless, mentally retarded Blind, physically Handicapped, Patient suffering from T.B. / Paralysis/ Brain Hemorrhage/ Cancer/Aids persons (men & women) below the age of 65 years who are not able to earn livelihood themselves
4. Economically destitute widows.



5. Orphan child unable to earn.

**Financial Assistance:**

1. Each Beneficiary will get Rs.600/- per month and family with more than one beneficiary will get Rs.900/- per month
2. Benefit will be given to beneficiary till his/her children become 25 years old or he /she gets employed, whichever occurs first. If beneficiary has only daughters, the benefit will be continued even they become 25 years old or married.

**Administration of Sanjay Gandhi Yojana:**

These Schemes are sponsored by Government of India as well as Government of Maharashtra. Out of these schemes some schemes have implemented by State Government and some by Central Government. Some schemes have implemented by both state and central Government combined. This Branch is responsible for successful implementation of Welfare Schemes.

**Implementing Programme:**

At district level collector is a controlling officer of the scheme and at Taluka level scheme is implemented by Tahsildars. A committee of 7 members for each selected thesil is formed. Main executive officer/officers of Mahanagarpalikas / palikas or concerned Block Development Officers, one lady members of this committee. Tahasildar / Nayab Tahsildar work as secretaries. This committee also had 5 non official members. Meetings of these committees were arranged after every three month.

**Analysis and interpretation:**

Analysis and interpretation of the collected data has been done under the following heading.

**Table No 2.** Table showing the regularity of Grant to beneficiaries

Sr. No.	Tehsil	Beneficiary	Yes	No	Total
1	Ambegaon	Beneficiary	84	9	93
		total %	17.9%	1.9%	19.8%
2	Pune City	Beneficiary	186	31	217
		total %	39.6%	6.6%	46.2%
3	Purandhar	Beneficiary	69	12	81
		total %	14.7%	2.6%	17.2%
4	Shirur	Beneficiary	35	3	38
		total %	7.4%	.6%	8.1%
5	Velha	Beneficiary	34	7	41
		total %	7.2%	1.5%	8.7%
Total		Beneficiary	408	62	470
		Total %	86.8%	13.2%	100.0%

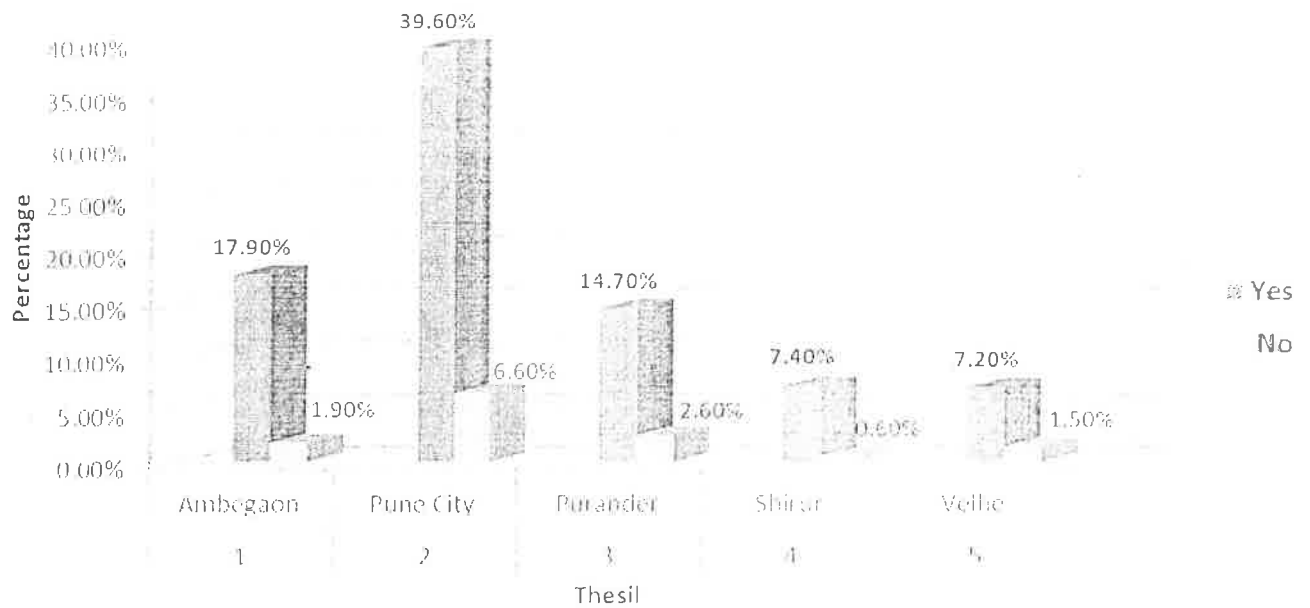


Figure 1 regularity of Grant to beneficiaries

Table and figure 2 reveals about regularity of devolvement of funds to the beneficiaries. 80.6 % of beneficiaries are satisfied with the transfer and regularity of grants. 13.2 % beneficiaries are not satisfied with the regularity of funds. Beneficiaries from Pune city have high satisfaction about the transfer of grant followed by Ambegaon and Purandhar, were 7.2 and 7.4 % beneficiaries from Velhe and Shirur respectively are satisfied by the transfer of grants.

Table No. 3: Administrative Implementation satisfaction of Sanjay Gandhi Niradhar Yojana

Sr. No.	Tehsil	Beneficiary	Excellent	Good	Better	Poor	Neutral	Total
1	Ambegaon	Beneficiary	32	38	20	2	1	93
		total %	6.8%	8.1%	4.3%	.4%	.2%	19.8%
2.	Pune City	Beneficiary	106	78	23	4	6	217
		total %	22.6%	16.6%	4.9%	.9%	1.3%	46.2%
3.	Purandhar	Beneficiary	31	34	12	3	1	81
		total %	6.6%	7.2%	2.6%	.6%	.2%	17.2%
4.	Shirur	Beneficiary	12	16	9	0	1	38
		total %	2.6%	3.4%	1.9%	0.0%	.2%	8.1%
5.	Velha	Beneficiary	21	17	3	0	0	41
		total %	4.5%	3.6%	.6%	0.0%	0.0%	8.7%
Total		Beneficiary	202	183	67	9	9	470
		Total %	43.0%	38.9%	14.3%	1.9%	1.9%	100.0%



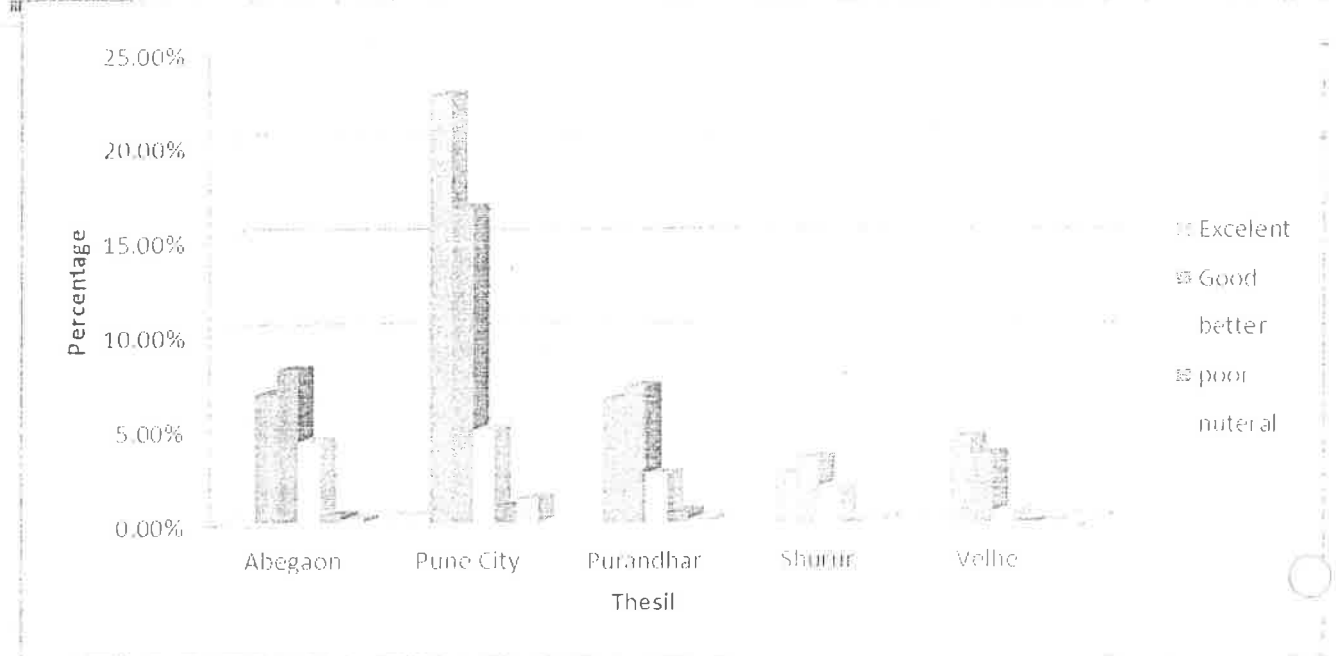


Figure 2 Administrative Implementation satisfaction of Sanjay Gandhi Niradhar Yojana

Table No. 3 shows in details about the administrative implementation satisfaction of this scheme. around 43 % of beneficiaries says that the they are very much satisfied with the administrative implementation of Sanjay Gandhi Niradhar Yojana. People giving poor rating to administrative implementation of this scheme are only 1.9 % rest all have excellent, good and better opinion.

Table No. 4: Regularity of Grant Received

Sr. No.	Tehsil	Beneficiary	Yes Always	Yes, Some Times	Yes, not every time	Not At all	Total
1.	Ambegaon	Beneficiary	33	37	23	0	93
		total %	7.0%	7.9%	4.9%	0.0%	19.8%
2.	Pune City	Beneficiary	140	55	20	2	217
		total %	29.8%	11.7%	4.3%	4%	46.2%
3.	Purandar	Beneficiary	48	29	2	2	81
		total %	10.2%	6.2%	4%	4%	17.2%
4.	Shirur	Beneficiary	24	7	7	0	38
		total %	5.1%	1.5%	1.5%	0.0%	8.1%
5.	Velha	Beneficiary	30	6	3	2	41
		total %	6.4%	1.3%	6%	4%	8.7%
<b>Total</b>		Beneficiary	275	134	55	6	470
		total	58.5%	28.5%	11.7%	1.3%	100.0%

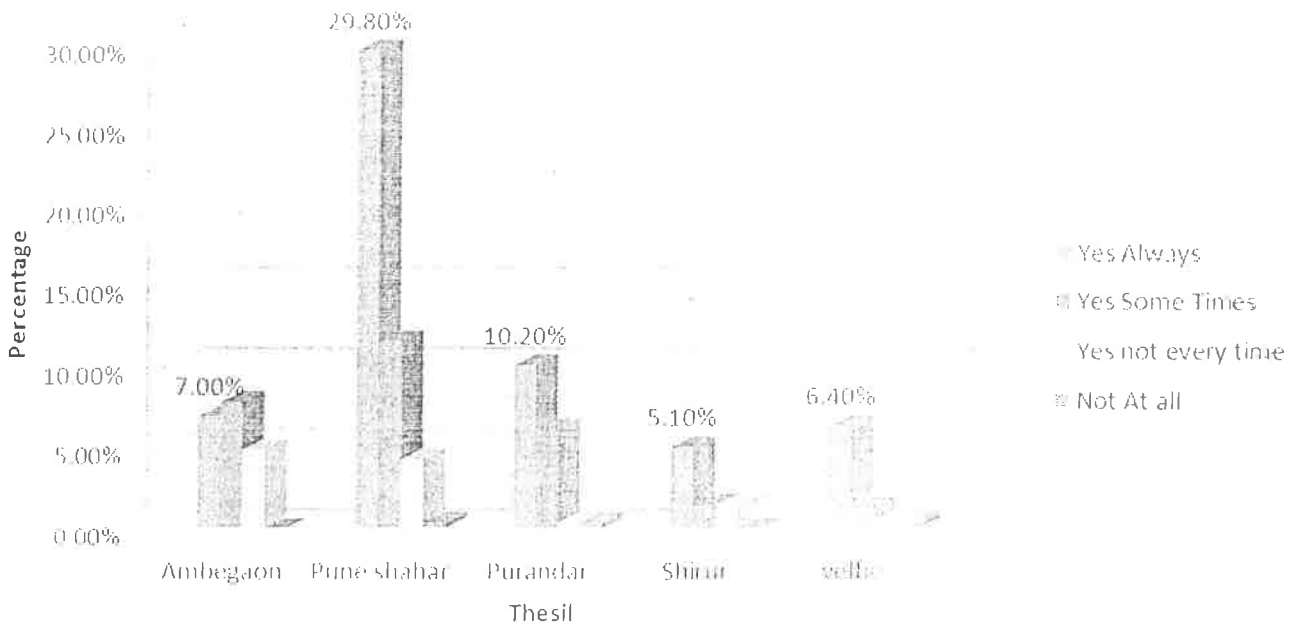
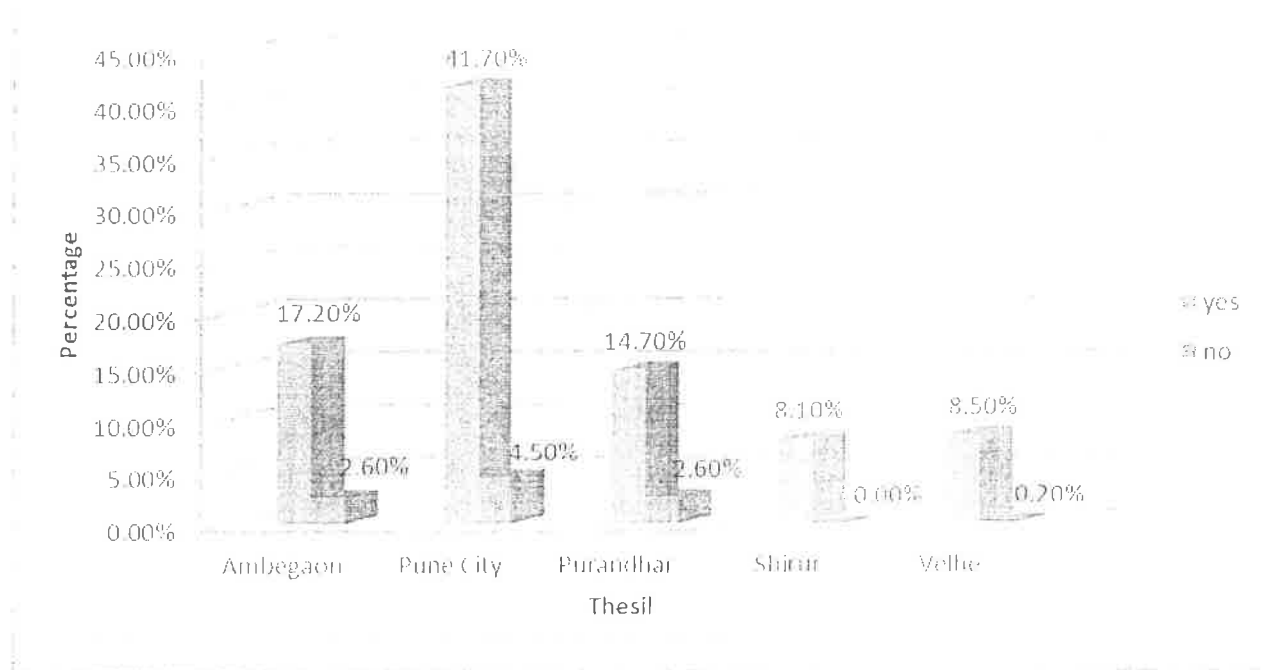


Figure 3

Table No. 4 reveals about the regularity of funds to the beneficiaries. Looking at the table it can be said that, administration is very specific and regular about the fund transfer. Beneficiaries are satisfied the way administration work for this scheme.

Table No. 5: Does the full grant amount is deposited in your bank Account.

Sr. No.	Tahashil	Beneficiaries	Yes	No	Total
1	Ambegaon	Beneficiaries	81	12	93
		%	17.2%	2.6%	19.8%
2	Pune City	Beneficiaries	196	21	217
		%	41.7%	4.5%	46.2%
3	Purandhar	Beneficiaries	69	12	81
		%	14.7%	2.6%	17.2%
4	Shirur	Beneficiaries	38	0	38
		%	8.1%	0.0%	8.1%
5	Velhe	Beneficiaries	40	1	41
		%	8.5%	2%	8.7%
Total		Beneficiaries	424	16	470
		Total Percentage	90.2%	9.8%	100.0%



**Figure 3 Does the full grant amount is deposited in your bank Account**

**Table No. 5** reveals that the full amount sanctioned under this scheme to the beneficiaries are credited to their bank account on regularly. Around 90.2 % respondents say that the full amount is credited in their respective bank account.

#### Findings:

1. As far as the research study is concerned 77.9% helpless women were benefited.so this scheme is helpful and hopeful for women.
2. For the better implementation of the scheme 77.9% administrative officers and beneficiaries suggested that government should find the helpless and needy people to take the more and more advantage of the scheme.
3. According to 73.6% respondent suggested that the terms and conditions regarding the documents should be flexible.
4. 95% employee of the government department always help fulfillment of the proposal.
5. 80% employee said that government has given implementation of the scheme.
6. Administrative process of the scheme is good, 86.8% beneficiaries opined that they receive the grant of the scheme regularly.
7. 57.7% beneficiaries said that the scheme is particularly useful for the fulfillment of the minimum basic needs.32.6% opined that the scheme is more useful. Only 4% beneficiaries said that the scheme is not very useful. From this, it shows that the scheme is useful to fulfill the basic needs of the needy people.
8. 90.2% beneficiaries said that total monthly grant credited to regularly in their accounts.
9. 94.74% employee opined that no interfere of political leaders.

#### Recommendation:

1. For the better implementation of the scheme, government should search really helpless and needy people.
2. Grant should be increased according to inflation.
3. For the better implementation coordination should be among the central government, state government, and local bodies. Feedback should be taken time to time.
4. Scheme should be updated time to time.



5. NGO should be involved for the implementation.
6. Income limit should be changed from 21000 to 50000.

#### Shortcomings of Sanjay Gandhi Niradhar Yojana:

- A. The amount under this scheme is very less and needs to be Increase.
- B. More Helpless individuals should be find and bring under this scheme
- C. Thalaties and Gramsevaks should change their approach and should help the illiterate persons.
- D. Insufficient staff is another problem while implementing this scheme. Most of the posts of government servants are vacant, and the recruitments are still pending.
- E. Tribal are very much away from the benefits of the scheme.

#### Benefits of Sanjay Gandhi Niradhar Yojana:

1. Widow women and their children have got much benefit from this scheme.
2. This Scheme has covered most of the disables and had helped them in their day to day living. Yojana has helped the people to fulfill their basic need.

#### Conclusion:

Sanjay Gandhi Niradhar Yojana is one of the most important scheme for those who are destitute persons of age below 65 years, orphan children, all types of handicapped, person suffering from critical illness like T. B. cancer, AIDS and leprosy, destitute windows including those of farmers who committed suicide, destitute divorced women and women in process of divorce, women freed from prostitution and outraged women. Administrative implementation of this scheme is very good but should work on various parameters of development .Like the increase of funds, number of beneficiaries should be increase.

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A-7 (8) 51

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INDEX

No.	Title of the Paper	Author's Name	Page No.
1	Interest Coverage Ratio of the Selected Tea Companies in India Dr. Jignesh P. Vaghela & Prin. Dr. K.N.Chavda		05
2	Does Audit Classification Reflects the Efficiency of Societies : A Case Study of Urban Cooperative Credit Societies in Goa Dr. Suraj Popker		13
3	Credit Deployment and Deposit Mobilization of Selected Urban Co-Operative Credit Societies in Goa : A Study Mr. Amrut F. Naik		23
4	Farm Loan Waiver : Problems and Solutions Dr. Gopal Dhavade		29
5	Financial Literacy, Financial Inclusion, Customer Protection Swati Pandey & Prem Shanker Diwedi		31
6	Causes-Effects and Remedial for Non-Performing Assets in Public Sector Undertaking Banks Dr. T. N. Salve		37
7	Digital Marketing Trends in Indian Banking Sector Ripin Sable		45
8	NPAS of Public and Private Sector Banks – Cause and Remedies Dr. N.S. Sabale & Dr. Gorakshnath Sanap		51
9	Flow of Credit to MSME Sector: Impact of Demonetisation & GST Dr. Manohar Sanap & CA. Prashant Munot		57
10	Problems of NPAs in Public Sector Banks Dr. Pramodini Kadam		67
11	Financial Inclusion in India : Need and Measures Dr. G. K. Sanap & Dr. G.R. Jaitmal		69
12	Need of CSR for Indian Public Sector Banks Mr. Shingade B.N.		75
13	Farmers Suicide : Challenge before Indian Financial Sector Dr. Sambhaji Kale & Akshay Kale		80
14	Impact of Demonetization on Indian Banking Prof. R. G. Kolhe		84
15	Analysis of Growth in Deposits and Advances of Selected Banks in India Bahekar Pratibha Ambadas Pratibha Bahekar & Dr. Vijaykumar Wawle		87
16	Challenges and Prospects of Indian Banking Sector Dr. Manohar Kanawade		91
17	Problems of Beneficiaries in Indhira Gandhi Old Age Pension Scheme of Shrirampur Tahasil Dr. Manohar Sanap & Mr. Maruti Kekane		95
18	Comparative Analysis of Financial Statements of Maharashtra Gramin Bank During 2016 and 2017 Dr. Vasant Pawale & Vivekanand Taklikar		100
19	Recent Trend in Banking Sector Dr. M. V. Jagtap		105
20	Impact of Demonetization: A Conceptual Framework Jaywant Bhadane		110
21	Use of Information Technology in Banking System Dr. L.G. Retwade		114
22	Study of Motivational Factors of Women Entrepreneur Prof. Manasi Atitkar		119
23	Indian Banking Sector:- Challenges and Opportunities Pravin Bonke		127
24	Financial Inclusion-Role of Payment Banks in India Prof. Ramdas Gadge		133
25	Recent Advancement In Electronic Banking Service Quality Dr. Kamalakar Kamble		139
26	Analysis of Banking Digitalization Dr. Ramesh Kashide		143
27	India Post Payments Banks – Problems and Challenges Dr. S. D. Khairnar & Prof. S. B. Bharute		145
28	Implementatation of Govt. Schemes by Banks ie. PMJDY, Mudra Yojana, Direct Benefit Transfer etc. Prof. Miss Nilofar Anwar Shaikh		151





## Problems of Beneficiaries in Indira Gandhi Old Age Pension Scheme of Shrirampur Tahasil

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### Abstract:

*The present article aims at assessing the Problems of Beneficiaries of the Indira Gandhi Old Age Pension Scheme (IGOAPS) in Shrirampur Tahasil with samples of 50 old age beneficiaries. The results showed that marital status, age, education, gender, religion etc. Multi-stage sampling method was used to select a sample of 50 old age pensioners from 05 villages chosen randomly from Shrirampur Tahasil of the Ahmednagar district. Beneficiary's various health problems are likely to increase with age, it has been taken as stratification variable. The elderly of both the sexes have been covered in the study.*

**Key Words:** Old Age Pension Scheme, Problems, benefits.

### Introduction:

Old age is the last stage of human life span, accompanied with decreasing energy and body resources. Socially, these stages were considered as the sum total of one's lived experiences. Old age provided a 'golden age' concept to this stage, old age. But the present society's people do not perceive old age with such golden age conception. There is much measure that determines the social conceptions of old age. The change in conception of old age is the theme of the present study. It is in this context that a study was planned to assess the problems and counseling needs of the elderly

The National Social Assistance Programme (NSAP) then comprised of Indira Gandhi Old Age Pension Scheme (NOAPS), National Family Benefit Scheme (NFBS) and National Maternity Benefit Scheme (NMBS). The National Social Assistance Programme (NSAP) introduced by the Government of India on 15 August 1995 with a view to support minimum needs of the poor destitute having little or no regular income from their own source or through financial support from their family members. One of the components is National Old Age Pension scheme. The scheme provided pensions only to destitute belonging to Below Poverty Line (BPL) households, earning less than Rs.21,000 per annum. Indira Gandhi National Old Age Pension Scheme is implemented in the state by Revenue Department with the support of Social and Justice Department. In the state there is 400 share from the state in addition to the center share. So the beneficiaries got Rs.200/- as old age pension in every month.

### Concept of Aging:

A person is elderly if he/she is 60 years of age or older. Becoming elderly is a process of change which starts to occur after physical maturity has been reached in one's life. This process is called Senescence. It means to say that an elderly one is a person who completed physical maturity and started the process of degeneration



**Objective of the Study:**

1. The study to understand concept of Aging.
2. The study the Problems of Beneficiaries.

**Scope of the Study:**

1. The research are taken only Shrirampur Tahasil
2. The researcher taken sample only Beneficiaries of Shrirampur Tahasil
3. Sample size is Limited.

**Research Methodology:-**

**Sample Method:**

The researcher used convenient Sampling (Non Probability Sampling Technique) method. The respondents which are easily available have been selected for the study.

**Sample Size:**

A total 50 questionnaires were distributed to the respondents living in Shrirampur Tahasil in the Month of December 2018. The Sample sizes of the study are 50 respondents. The following Table shows the total Sample of the respondents.

**Table No.1: Sample Size**

Sr. No.	Village	Tahsil	Sample Size
1	Belapur Bk	Shrirampur	10
2	Belapur Bk	Shrirampur	10
3	Shirasgaon	Shrirampur	10
4	Ukkalgaon	Shrirampur	10
5	Takalibhan	Shrirampur	10
<b>Total</b>			<b>50</b>

**Data collection:**

Primary Data to collect the information on socio-economic as well as problems such as gender, marital Status, category, problems of the aged. Secondary data was collected from journal, articles etc. Primary data collected through Beneficiary for data analysis.

**Data Analysis, Presentation and Discussion:**

**1. Demographic Characteristics of Beneficiaries:**

The information Collected from the present study is through questionnaire. This information is collected from the respondents about Gender, Age, and Marital Status and Caste is given in the following table.

**Table No. 2: Demographic Characteristics of Beneficiaries**

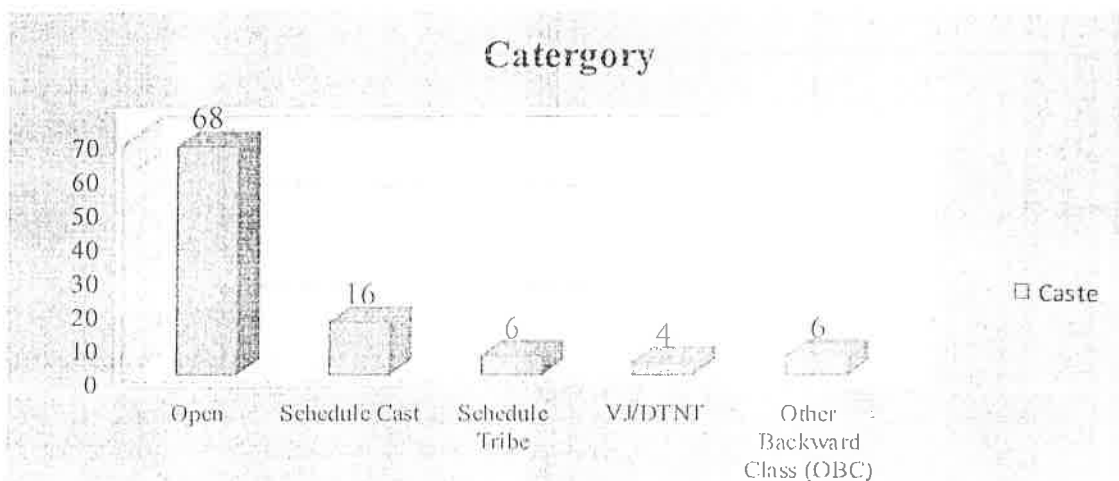
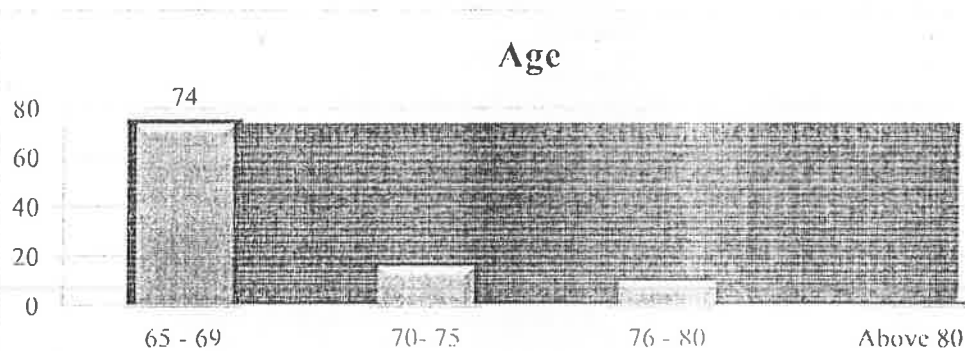
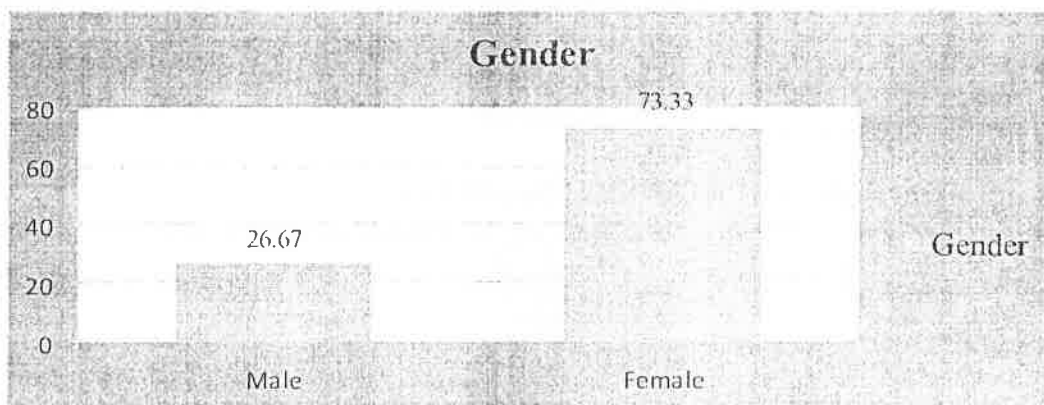
Sr. No.	Type	Total	Percentage
<b>Gender (N=50)</b>			
1.	Male	12	24
2.	Female	38	76
<b>Total</b>		<b>50</b>	<b>100</b>
<b>Age (N=50)</b>			
1.	65 -- 69	37	74
2.	70 -- 75	8	16
3.	76 -- 80	5	10
4.	Above 80	0	0

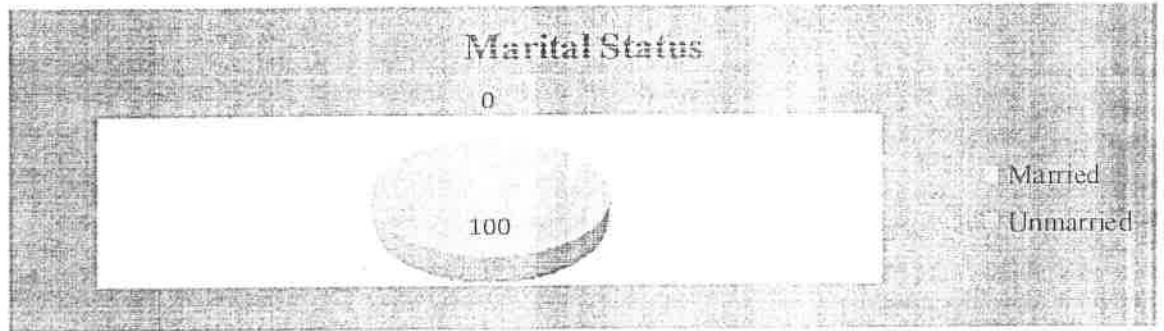


		<b>Total</b>	<b>50</b>	<b>100</b>
<b>Category (N=30)</b>				
1.	Open		34	68
2.	Schedule Cast		8	16
3.	Schedule Tribe		3	6
4.	VJ/DTNT		2	4
5.	Other Backward Class (OBC)		3	6
		<b>Total</b>	<b>50</b>	<b>100</b>
<b>Marital Status (N=30)</b>				
1.	Married		50	100
2.	Unmarried		0	0
		<b>Total</b>	<b>50</b>	<b>100</b>

(Source: Primary Data)

**Graph No.1: Demographic Characteristics of Beneficiaries**





The Demographic characteristics of the beneficiaries are given in above table. Table No. 2. Show that 76 % of them were Females, while 24 % were males. 74 % beneficiaries were between 65-69 years of age, 16 % beneficiaries were between 70-75 years of age, 10% beneficiaries were between 76 -80 years of age, and no any beneficiaries were above 80 years.

The majority of the respondents were Open Category 68 %, followed by Schedule Caste 16%, Schedule Tribe 6%, VJ/DTNT 4% and Other Backward Caste 4%. Majority of the respondents were married 100%. The females who married were comparatively more as compared to males.

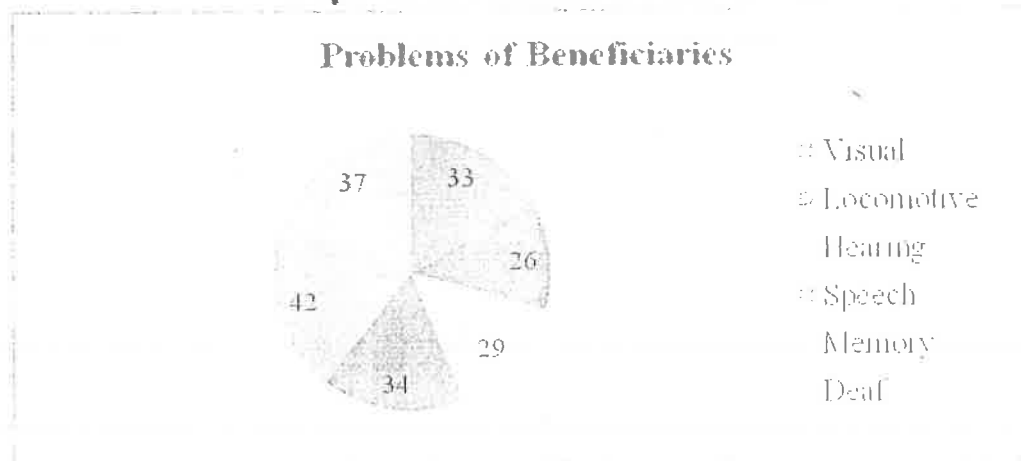
**2. Data Analysis of Problems of Beneficiaries.**

**Table No. 3: Problems of Beneficiaries.**

Sr. No.	Problems	Frequency	Preference
1.	Visual	33	4
2.	Locomotive	26	6
3.	Hearing	29	5
4.	Speech	34	3
5.	Memory	42	1
6.	Deaf	37	2

(Source: Field Survey)

**Graph No. 2: Problems of Beneficiaries.**



Out of the 50 surveyed beneficiaries 42 are reported to have Memory Problem of First Preference, 37 are reported that they have Deaf Problem of Second Preference, 34 have Speech Problem Third Preference, 33 has Visual Problem of Fourth Preference, and 29 beneficiaries



have Hearing Problem of Fifth Preference and Beneficiaries given Fifth Preference for Locomotive 6.

### Conclusion:

The more beneficiaries feel that physical and psychological problems of the old age people. There is an immediate need for social work intervention to help the aged to overcome general problems. The aged are respectfully called senior citizens. Only by calling them as senior citizens the honors does not come, it should come actually by providing a proper treatment to the old. Hence, the potential and the experience of old men should be used for the development of the society.

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**'MOTHER ENGLISH': A TOOL OF SOCIAL AND ECONOMIC  
DEVELOPMENT FOR BHARAT**

**Dr. Ravindra Mhasade**

**Head & Associate Professor of English, Ness Wadia College of Commerce, Pune.**

**ABSTRACT :**

Recently, many conferences and seminars are being organized on the theme 'Empowering Students of Bharat with English for Career Development'. The term 'Bharat' has different connotations for different people in our country, whereas concept notes of the conferences and seminars restrict the meaning of the term to rural areas. In fact, even in India, i.e. urban areas, we can see many Bharats. There is a fuzzy boundary between 'India' and 'Bharat'. In our pluralistic society, social and economic disparities prevail to such an extent that in the same city, in the same locality, in the same school or college, we may find India and Bharat residing together. Therefore, for the sake of convenience, instead of saying English for Bharat, it would be better to say English for socially and economically disadvantaged sections of the society. The present paper focuses on aspects like cultural hegemony, language and the current scenario of English learning in modern India. It also accentuates English as a tool of social and economic development with reference to a great social reformer and educationist Savitribai Phule's two poems, namely 'Mother English' and 'Learn English' Moreover, the paper also suggests certain ways of teaching the English language to Bharat i.e. socially and economically disadvantaged sections. The suggestions are based on a case study which has been carried out for the last 17 years.



**KEYWORDS :** Bharat, cultural hegemony, disadvantaged sections, Savitribai Phule.

**INTRODUCTION:**

Indian society is a multicultural society. It is full of social and economic disparities. In order to maintain cultural hegemony, an elite group in any society uses different tools to control and manipulate the masses. One of the powerful tools of showing supremacy is a language. For instance, in ancient India, Sanskrit was the language of knowledge and its learning was restricted to a handful people. The Shudras were not allowed to take education, and consequently, they lost their social and economic status in the society. Mahatma Jotirao Phule aptly describes the root cause of the plight of the Shudras in his book titled *Shetkaryacha Asud (The Farmer's Whipcord)*. He says 'Without education, wisdom was lost; without wisdom, morals were lost; without morals, development was lost; without development, wealth was lost; without wealth, the Shudras were ruined; so much has happened through lack of education'. (Phule: 1883)

**English Learning in Modern India**

After independence, the Indian Constitution assures equal rights to education to all the citizens. However, the issue of quality education has been at the forefront. The situation of government schools is disheartening. The students of these schools fail to acquire even the basic English language skills. They mainly belong to socially and economically disadvantaged sections of the society. They cannot afford to pay huge donations and fees for private English medium schools. In this context, Sabur Ali says 'A majority of the Dalit's economic status is very low, and they mostly reside in the villages and slums. For them, private institutions are a distant dream.' (Uma, et al. 2017:12) As a result, a linguistic divide has been created in the society. In the today's world, English is considered as the language of knowledge and a gateway to the world

of opportunities. It has become the medium of instruction in almost all institutes of higher education. In India, like *Sanskrit*, its learning has been restricted to an elite group in the society and a large population of the nation has been deprived of its social and economic development. The neo-hierarchy has emerged from both the medium of language (English) and the access to quality education. In the movie 'Hindi Medium', the film star Saba Qamar says 'In India, English is not merely a language, but a class.' With a noble intention, the Government of India has introduced the Right to Education Act, 2009. As per the Act, 25% seats are reserved in private schools for children belonging to socially and economically disadvantaged groups. However, the available statistical data shows that the 25% seats are not filled completely by the English medium schools. On one pretext or another, the schools deny admissions to the weaker section students. In short, English has not reached everyone. It has remained a privileged language of the elite. It has not reached the socially and economically disadvantaged sections residing in slums and villages, and has not become an instrument for their development.

### English as a Tool of Social and Economic Development

In the 21<sup>st</sup> century, English is the lingua franca of the global world. If we are dreaming of becoming a global power, then we cannot afford to keep a large section of the society away from learning the English language. For the socially marginalized groups, it is a tool of social and economic upward mobility. It is said that 'English is the milk of a tigress and whoever drinks it, will certainly roar.' Savitribai Phule, the legendary 19<sup>th</sup> century educationist and social reformer, recognized English as an instrument of social emancipation. In a poem titled 'Learn English', Savitribai says:

Make self-reliance your occupation,  
Exert yourself to gather the wealth of knowledge,  
Without knowledge animals remained dumb,  
Don't rest! Strive to educate yourself.  
The opportunity is here,  
For the Shudras and AtiShudras,  
To learn English  
To dispel all woes.  
Throw away the authority  
Of the Brahmin and his teachings,  
Break the shackles of caste,  
By learning English. (Translation by S. Sardar & V. Paul)

In this poem, Savitribai Phule urges the *Shudras* and *Ati-Shudras* to learn English. She wants them to be self-reliant and independent. For their emancipation, she advises them to strive hard to gather the wealth of knowledge which is available in English. Further, she says education will make the downtrodden people aware of their existence and basic human rights like liberty, equality and social dignity. Without knowledge animals remained dumb, therefore, the poetess earnestly tells the subjugated sections of the society to struggle hard to educate themselves. As per the *Manusmriti*, the *Shudras* were not allowed to take education, but during the British Raj, there was the opportunity to learn the English language. Therefore, she appeals these people to learn English as it would equip them to dispel all their woes. It would empower them so that they can throw away the authority of the Brahminical tenets and the social and economic restrictions imposed by the *Manusmirti*. It would lead them towards breaking the shackles of the caste system by learning English.

In her another poem related to the same theme titled 'Mother English', Savitribai Phule shows her reverence for the language by calling it Mother English:

Mother English, a powerful English voice,  
Emancipates the Shudras earnestly.  
Mother English is not the kakistocracy of *Mughals* or *Peshwas*,  
Mother English provides enlightenment and life for the *Shudras* kindly,  
Mother English feeds milk to the *Shudras* and nurtures them,  
Mother English breaks beastly life and provides human life for the *Shudras*. (My translation)

According to Savitribai Phule, the English language plays the role of mother for the *Shudras*. As mother works hard in many ways to make a child independent, English also performs the same role for the

*Shudras*. It provides them a powerful voice to raise their issues. It helps them to emancipate themselves from the clutches of social and economic shackles imposed by the *Chaturvarna* system. Indirectly, the language provides life for the *Shudras* benevolently. As a mother feeds milk to a child to make it stronger, in the same way, Mother English empowers and nurtures the downtrodden people socially and economically. Alison Barret says, 'English is a way of accessing socio-economic advancement. English, in this country, means a language of power, and if you don't give them English, they cannot access power structures and effect changes in socio-economic policies.' (Powell & Gunashekar 2013:7)

Therefore, for the socially and economically disadvantaged sections of the society, it is not only a powerful tool of economic empowerment but also a tool of social emancipation.

### **Ways to teach the English language to *Bharat*, viz socially and economically disadvantaged sections**

While teaching English to *Bharat*, undoubtedly, an eclectic approach needs to be followed. The modern technology must be integrated with the language teaching. In short, all the modern approaches and methods need to be incorporated in the language teaching. However, prior to that certain basic things to be kept in mind and followed, otherwise, even effective teaching tools would fail while teaching English to students from *Bharat*.

#### **The significant points can be summarized as follows:**

1. A teacher needs to understand the socio-economic background of the students coming from *Bharat*.
2. The learners need a motherly treatment from a teacher. Like mother, the teacher needs to accept them as they are. When they take admissions in colleges, due to poor school education, they lack basic language proficiency. Therefore, the teacher may feel frustrated while teaching the English language skills. At this point, the teacher needs a lot of patience and must teach at the learner's pace.
3. The language deficiency takes away the learners' confidence in the learning process.
4. The language phobia creates a mental block that the learners are not going to learn the language, however hard they may try.
5. The learners should be encouraged to use the language at ease and should not be penalized or insulted if they make errors.
6. They need constant support, love and encouragement from a teacher. Initially, they need the language for their language learning survival. They should be taught minimal responses to indicate understanding, agreement and doubts etc. (e.g. Yes/ That's true. /Absolutely/ Exactly/ Really? /Sorry/ Pardon me./ I didn't get your question./ Please simplify your question. etc.)
7. Usually, in the language classroom, there is a stressful environment, therefore, to lessen the stress, the teacher needs to have a sense of humour. He needs a lot of creativity to make the teaching and learning process a fun.
8. These learners need to know when they are doing a good job. Therefore, a teacher needs to know how to reinforce their responses.
9. In such classes, creating interest and sustaining the learners' interest in the learning process is a big challenge.
10. Teaching English to *Bharat* needs an open-mind, a lot of commitment and flexibility.

#### **A Case Study: Development of the CEFL**

The present case study is based on the long term English language teaching project carried out in the Ness Wadia College of Commerce, Pune. The project has been carried out for the last 17 years. In 2000, the project was initiated with a view of improving conversational skills of the SC/ST students. The College had received a grant of Rs. 20,000/- from the UGC to conduct a Remedial Course in English for the SC/ST students. In the very first batch of the course around 30 students registered for the course. The course mainly focused on the basic applied grammar and conversational skills. The use of a motherly treatment in teaching provided good results. The course enhanced the confidence level of students and the students who could not utter a single word started delivering speeches in English confidently at the end of the course. The same course was run for the next 10 years successfully. In 2010, a full-fledged language centre named Centre for English and Foreign Languages (CEFL) was set up with a digital language lab of 25 computers. For the basic infrastructure of the lab, the UGC had provided funds under the 11<sup>th</sup> year plan for the socially and economically disadvantaged students.



Since 2010, a Certificate Course in Spoken English has been provided at 4 levels, i.e. Basic, Pre-intermediate, Intermediate and Advanced. The duration of each level is 3 months and the course components are revised from time to time. The digital language lab helps to teach the language with the help of multimedia, improving students' listening skills, conversational skills and pronunciation skills etc.

Along with the Certificate Course in Spoken English, other courses such as Certificate Course in Business English and Foreign Languages are offered at the CEFL. The CEFL is a recognized training centre for the Cambridge Business English Certificate exams. The students of English medium take admission to the Business English courses. Now, all the courses are self-financed and the college management has taken a policy decision to give 50% discount in fees to the socially and economically disadvantaged students. Around 400 students avail the benefits of the different courses offered at the CEFL. As all the courses are open to even outsiders, the College gets substantial revenue every year. Indirectly, the Centre helps both *Bharat* and India to grow together.

### CONCLUSION

In short, in the present scenario characterized by globalization and privatization, the socially and economically disadvantaged sections of the society crave for English in order to mingle with the mainstream society, for their economic empowerment and social emancipation. They strongly wish for a change in the present unfair education system and flawed educational policies. Now, the question is not which medium of instruction, but how to teach English effectively to them. Indirectly, a huge responsibility lies on the shoulders of English language trainers and teachers. They will need to devise pedagogical tools and methods which would be compatible with the language needs of *Bharat*. It would be interesting and befitting to conclude this research paper with Sharmila Rege's views on the Phule-Ambedkarite Feminist Pedagogical practice:

The challenge is to develop a method of reflexive analysis, employing self questioning as an analytical and political process-to see how experiences are socially constructed. To review how a 'normal/good' teacher, student and classroom are socially and politically constructed and thereby interrogate our different and contradictory locations within the social relations of teaching and learning. Thus, understanding and transforming the social relations of learning is a struggle that is both personal and political. What we do not have as a resource for such an exercise and need to put together is a sustained project to collect, document and analyse the diverse life stories and everyday experiences of teachers in different contexts. This will allow 'biographising' of the social structures and processes of education and 'structuralising' of biographies of those engaged in teaching (2009:25).

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Dr. Pradnya Vhankhate 58

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10

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9. Pune Metro : A Sustainable Public Transport Option for Pune City  
Dr. Pradnya Vhankate ..... 42 ✓

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Dr. Sunil Zagade, Dr. Alekha Panda.....

**Sub-theme VI : Green Logistics**.....

1. A Study of Logistics Integration in Sustainable Food Supply: A Case of 'Samvad Social Technologies'  
Sushmita Nande, Sandeep Rathod ..... 46

**Sub-theme VII : Human Resource Management for Sustainability** ..... 47

1. Sustainable HR Practices in Small Manufacturing Companies  
Mridul Kanti Nath..... 48

2. The Challenge of Women Employment and Sustainable Development Goals (SDG) 8  
Dr. Marcelle Samuel ..... 48

3. Human Resource Management for Sustainability  
Amit Deokule..... 49

4. Role of Human Resource Management Function in Driving Sustainability  
Dr. Girish Bakshi ..... 49

5. Human Resource Management for Sustainability  
Shruti Mangalpalli..... 50

6. Sustainable Development, Gender Equality and Women Empowerment: A Challenge Ahead  
Dr. Deepa Paturkar ..... 50

7. Work Life Integration and Career Pathing of Mid-Career Women and its Relevance to Sustainable HRM in India  
Nirupama Patwardhan ..... 51

8. New Challenges in Retail Human Resource Management  
Dr. Ashok Giri, Kajal Chheda..... 51

9. Role of HRM in Sustainable Development  
Dr. Sunil Zagade ..... 52

10. HRM for Sustainability - Need of the Hour  
Manisha Britto ..... 52

11. To Study and Identify the Need of a Sustainable Multisensory Model to Fulfill the Learning Needs of Hard of Hearing Students  
Swati Sadakale..... 53

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①

## Study of Entrepreneurial Characteristics of women entrepreneurs in and around Pune city

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### Abstract:

Entrepreneurship plays an imperative role in the growth of any society. The success of any business depends upon a variety of complex and dynamic factors within or outside the business environment such as mission, goals, labour, and entrepreneurs' ability so on and so forth. Raising these resources and managing them efficiently is the major task that has to be performed by an entrepreneur. Women entrepreneurship is the process where women organize all the factors of production, undertake risks and provide employment to others. Entrepreneurial characteristics can be looked at to determine a set of skills useful for an entrepreneur to possess such as creativity and opportunity evaluation, teamwork, comfort with changes and chaos, so on and so forth.

The contribution of women entrepreneurs is quite significant in developed countries. India's GDP currently is 18% and India's woman labour force is 25%. If the women entrepreneurs contribution increase there would be substantial growth in the GDP.

This paper is mainly going deal with challenges faced by women entrepreneurs and personality traits of women entrepreneurs in and around Pune city in particular.

**Keywords:** women entrepreneur, GDP, characteristics, innovation, motivation, leadership.

**Introduction:** Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of money and personal of monetary and personal satisfaction and independence.

There is variety of factors contributing to entrepreneurial growth such as Industry Structure, New technologies, deregulation and privatization formation of new business communities, increasing demand for variety service sector, government incentives and subsidies, increasing flow of information, easier access to resources, entrepreneurial education, return on innovation, entrepreneur as a hero, high regards for self-employment, rising dissatisfaction at job so on and so forth,

The findings of a nationwide survey indicate the characteristics of women entrepreneurs, their degree of management and other business skills, and the problems they encounter in starting and operating a business. Prescriptions for success set forth include establishing a track record, continuing education, previous experience, ability to set priorities in personal responsibilities, development of a support system, and determination.<sup>1</sup>

Starting a business is rarely a dignified affair. The article discusses what really makes an entrepreneur; what characteristics set successful entrepreneurs apart, enabling them to start ventures against all odds and keep them alive even in the worst times; and finally, whether, if you don't have those characteristics, they can be developed.<sup>2</sup>



This study analyzes the relationship between individual factors and business performance of 220 Israeli women entrepreneurs, The applicability of five theoretical perspectives –motivation and goals, social learning, network affiliation, human capital, and environmental factors is examined in terms of business performance .Findings indicate that network affiliation, human capital and motivation theories have greater explanatory power than social learning or environmental perspective.<sup>3</sup>

This article explores several factors that may have an effect on business start- ups, focusing on possible gender differences .It conceptualizes social capital as inherent in people’s relations with others and examines the association between men’s and women’s social capital and their likelihood of starting abusiness.<sup>4</sup>

Some of the entrepreneurial characteristics and skills can be enumerated such as

commitment and determination, leadership, opportunity obsession, tolerance of risk, ambiguity and uncertainty, self-reliance and ability to adapt, motivation to excel, creativity and opportunity evaluation, real-time strategy and decision making, comfort with change and chaos, teamwork, selling, negotiation and motivation through influence and persuasion, oral and written communication, basics of start-up finance, accounting, and law.

**Objectives:-**

1. To study concept and characteristics of women entrepreneurs.
2. To study the problems or challenges faced by an entrepreneurs in and around Pune city.
3. To take input from women entrepreneurs and commenting on the same after analysis.

**Literature review:**

1.**Sunil Gupta(2005)** Throughout the evolution of entrepreneurship theory, different scholars have pointed different characteristics that they believe are common among most entrepreneurs.

2.**Venkateshwara Rao and Prayag Mehta (2009)** have identified 49 personality characteristics of entrepreneurs. Such as creative, dynamic, risk taking, opportunity seeker, positive attitude and so on.

3. **Dr. Robert D Hisrich, Michael P Peters, Dean A Shepherd (2007)** 1.Although no conclusive causal relationships have been dctermined, risk taking is indeed one aspect of being an entrepreneur.2.In one study five consensus characteristics found across consumers and leadership groups include superior product quality, quality service to customers; flexibility, or the ability to adapt to changes in the market place; high-caliber management; and honesty and ethics in the business practices.

4.**Rajeev Roy(2008)** These so-called entrepreneurial characteristics can be looked at to determine a set of skills useful for an entrepreneur to possess such as creativity and opportunity evaluation, teamwork, comfort with changes and chaos, etc.

5. **Kalpna R. Ambepitiya(2016)** Significance of an a success entrepreneurs ought to be technically sound, ingenious, initiative, top judgment, intelligence, leadership traits, self-worth, electricity, right attitude, creativeness, fairness, honesty, tactfulness and emotional stability, cooperative, high tolerant and risk bearing ability.

6.**The Irish economist Richard Cantillion (1680-1734)** defines as Entrepreneur as ‘someone who takes risk of running an enterprise by paying a certain price for securing and using resources to make a product and reselling the product for an uncertain price.’ Perhaps one of the most important definition of an entrepreneur was given by the Austrian economist



**7. Joseph Schumpeter (1883-1950)** in his work *The Theory of Economic Development*.

The Schumpeterian view of an entrepreneur is that of 'an innovator playing role of a dynamic businessman adding material growth to economic development.'

**Research Methodology:-**

**Primary data** for the current research study data collected through structured questionnaire from 100 women entrepreneurs selected in and around Pune city carrying out different businesses..

**Secondary data** in order to create theoretical background different reference books were reviewed. Research articles and related literature was referred to identify research gaps and for relevance of the study. Along with this, data published on different websites were referred for the research article purpose..

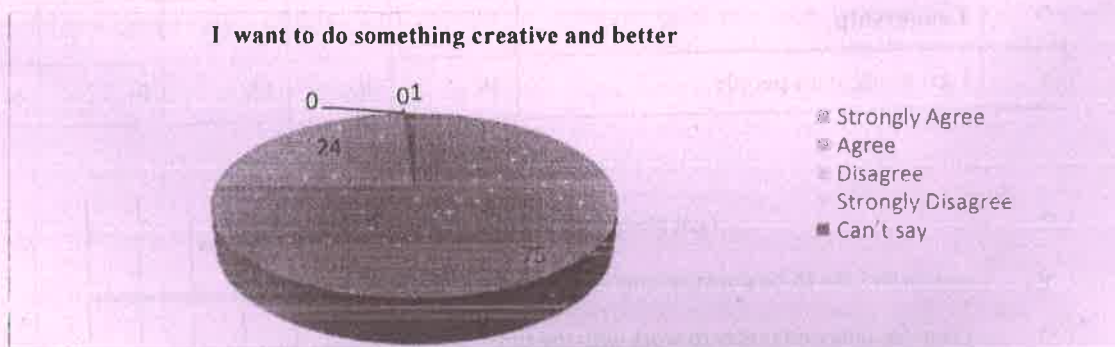
**Analysis and Interpretation of the Data collected:**

**Entrepreneurial Traits:**

The woman entrepreneur in and around Pune city shows following personality traits which help her combating the challenges / Problems faced in the conduct of business.

1.

Sr. No.	Creative / Innovation	Strongly Agree	Agree	Disagree	Strongly Disagree	Can't say
1	I want to do something creative and better	75	24	0	0	1



Around 75% women entrepreneurs responded strongly agree and 24% agree that they want to do something creative and better whereas only 1% women entrepreneurs responded can't say.

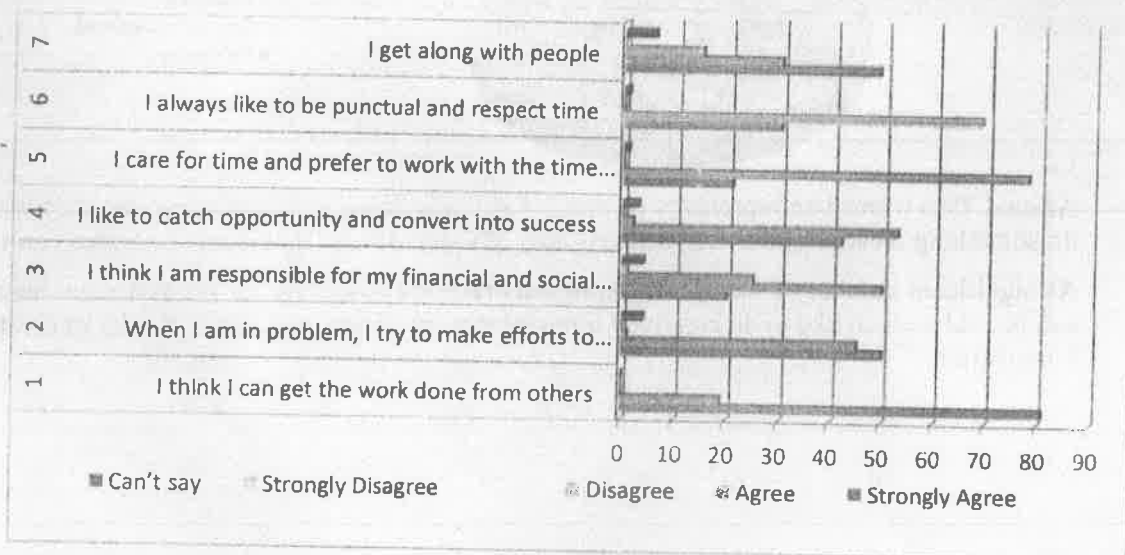
As significant number of women entrepreneurs respond positively for the statement hence, it can be said women like to do creative / innovative work. They possess the quality of creativity / innovation.





2.

Sr. No.	Management Skills	Strongly Agree	Agree	Disagree	Strongly Disagree	Can't say
1	I think I can get the work done from others	81	19	0	0	0
2	When I am in problem, I try to make efforts to come out of it	50	45	1	0	4
3	<b>Motivation , Self Belief</b>					
a	I think I am responsible for my financial and social status	20	50	25	1	4
4	<b>Optimistic / Positive</b>					
a	I like to catch opportunity and convert into success	42	53	2	0	3
5	<b>Time Management</b>					
a	I care for time and prefer to work with the time limits	21	78	0	0	1
6	<b>Punctual</b>					
a	I always like to be punctual and respect time	30	69	0	0	1
7	<b>Leadership</b>					
a	I get along with people	49	30	15	0	6



### Management skills

2.1- 81% and 50% women entrepreneurs have responded respectively that they can get the work done from others and make efforts to overcome problems, if any.

2.2- 19% and 45% women entrepreneurs responded that they agree only 1% women entrepreneurs disagree and 4% can't say.

#### 2.3-Motivation and self belief:-

20% women entrepreneurs strongly agree and agree that they are responsible for their financial and social statuses. 25% women entrepreneurs disagreed and 1% strongly disagreed with their relation with financial and social status whereas 4% responded can't say.

#### 2.4- Optimistic/ Positive:-

42% and 53% women entrepreneurs respectively strongly agree and agree that they catch the opportunities and convert into success. whereas 2% disagreed and 3% responded can't say. The significant number of women entrepreneurs show the positivity to convert opportunity into success.

#### 2.5- Time Management:-

21% women entrepreneurs strongly agree and 78% responded agree on the question time management as they care for time and prefer to work with in time limits. Only 1% responded can't say.

#### 2.6- Punctual:-

30% and 69% women entrepreneurs responded agree and strongly agree respectively on the question Punctuality only 1% responded can't say.

#### 2.7- Leadership:-

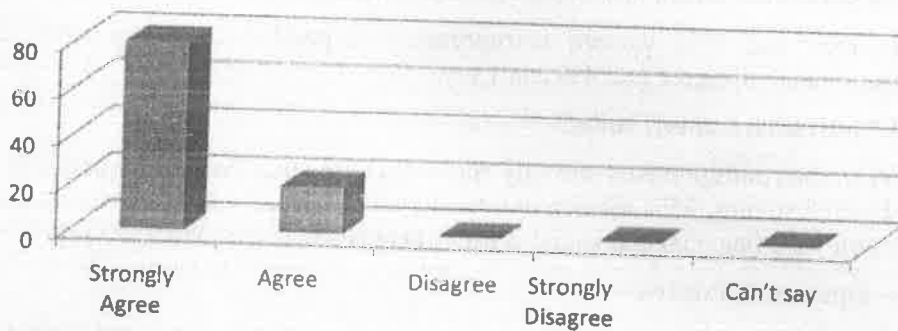
Significant number of women entrepreneurs have responded that is 49% strongly agree and 30% agree that they have leadership qualities 15% responded disagree and 6% responded can't say.

As majority women entrepreneurs responded in favour of the question hence it can be inferred that women entrepreneurs are good managers. As they possess eclectic qualities like getting work done from others, motivation, self belief, positivity, time management, punctuality, leadership.

### 3.

Sr. No.	Recognition/Status	Strongly Agree	Agree	Disagree	Strongly Disagree	Can't say
1	I am financially independent which gives me better recognition in my family and society	80	20	0	0	0

**1 I am financially independent which gives me better recognition in my family and society**



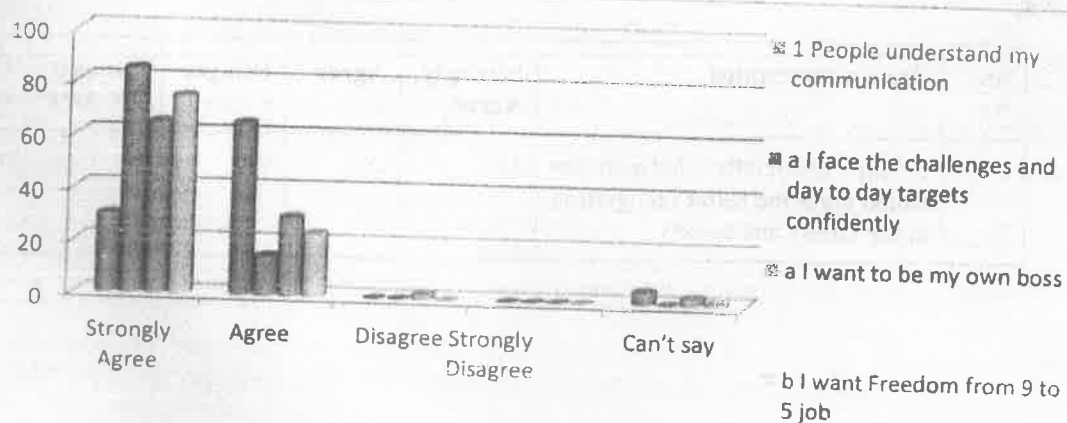
**3.1 Recognition / Status:-**

Significant number of women entrepreneurs state their responses as 80% and 20% strongly agree and agree respectively. They feel financial independence gives them better family and social recognition.

As majority women respond in favour of the statement .Hence they feel motivated due to family and social recognition.

4.

Sr. No.	Communication	Strongly Agree	Agree	Disagree	Strongly Disagree	Can't say
1	People understand my communication	30	65	0	0	5
2	<b>Confidence</b>					
a	I face the challenges and day to day targets confidently	85	15	0	0	0
3	<b>Freedom + Own Boss</b>					
a	I want to be my own boss	65	30	2	0	3
b	I want Freedom from 9 to 5 job	75	24	0	0	1



**Communication :-**

30% and 65 and women entrepreneurs strongly agree and agree respectively. They feel that they carry good communication skill 5% responded can't say.

**4.1 Confidence :-**

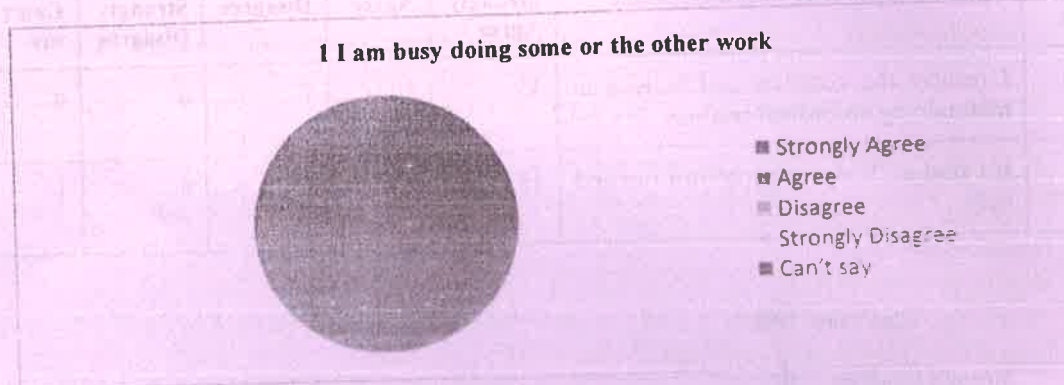
85% and 15% women entrepreneurs respond strongly agree and agree on the question of confidence. Significant number women entrepreneurs feels that they face the challenges and achieve targets confidently.

**4.2 Freedom:-**

Majority women entrepreneurs took entrepreneurship because they want to be their own boss further they want freedom from traditional 1 to 5 job. 65% and 75% responded strongly agree 30% and 24% agree only 2% responded disagree 3% and 1% can't say.

As significant number of women entrepreneurs are in favour of the question it can be said that women entrepreneurs carry good communication qualities and skills.

Sr. No.	Busy/ Active	Strongly Agree	Agree	Disagree	Strongly Disagree	Can't say
1	I am busy doing some or the other work	80	20	0	0	0

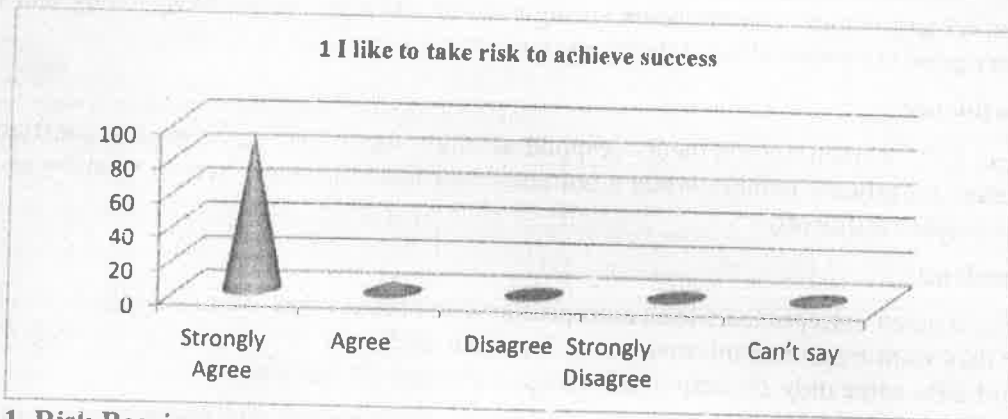


**5.1 Busy / Active:**

80% and 20% women entrepreneurs responded strongly agree and 20% agree respectively that they want to remain busy in some or the other activity.

As majority of women entrepreneurs positively responded to the statement it is clearly understood that they possess the quality of remaining busy / active.

Sr. No.	Risk Bearing	Strongly Agree	Agree	Disagree	Strongly Disagree	Can't say
1	I like to take risk to achieve success	92	6	0	0	2



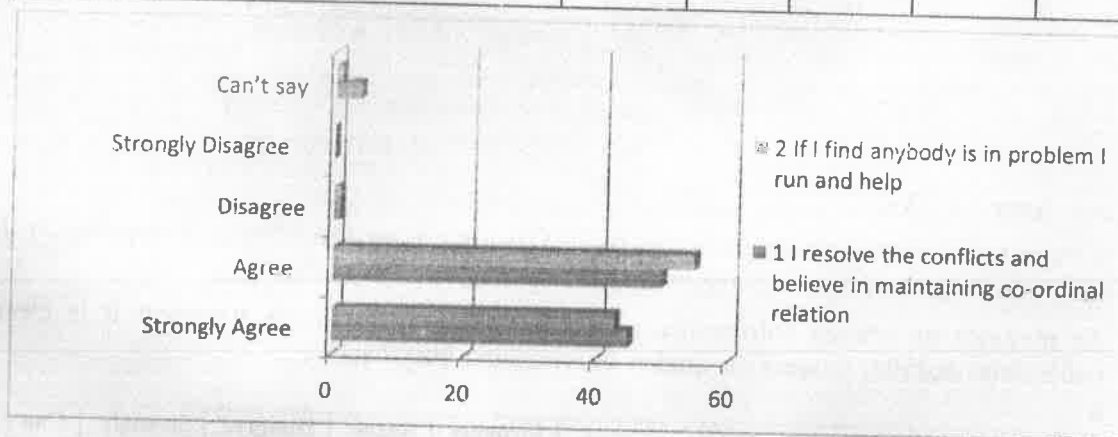
**6.1 Risk Bearing:**

92% respondents strongly agree that they carry risk bearing quality to achieve success in their business 6% responded agree and 2% can't say.

A significant respondents are in favour of this statement. It can be inferred that women entrepreneurs possess risk bearing quality.

7

Sr. No.	Sense of Social Responsibility, Social	Strongly Agree	Agree	Disagree	Strongly Disagree	Can't say
1	I resolve the conflicts and believe in maintaining co-ordinal relation	45	50	1	0	4
2	If I find anybody in problem I run and help	43	55	1	0	1



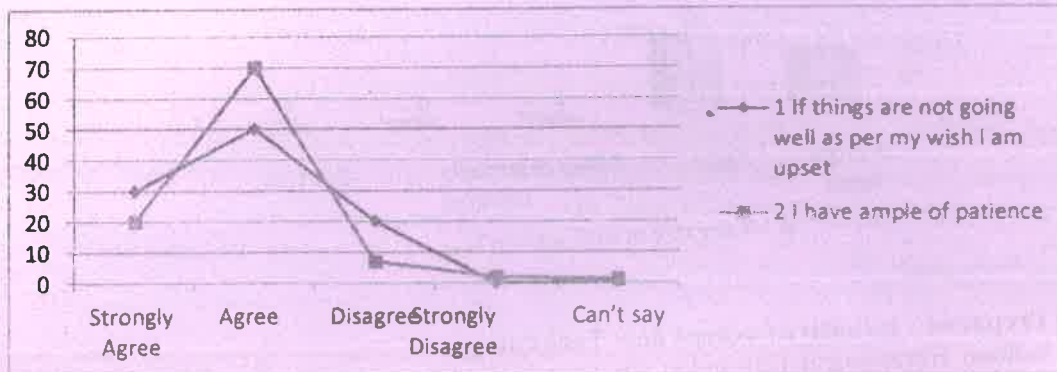
**7.1 Social Responsibility:**

45% respondents strongly agree and 50% responded agree that they live in this society so they have to fulfill their responsibility towards society like offering employment to other woman, serve members of society with reasonable prices of products and services. Solving each other's problem may be financial or family. Only 1% respondents disagree and 4% responded as can't say.

As majority women responded in favour of the statement. It can be said that women entrepreneurs carry good sense of social responsibility may be in resolving conflicts and helping others.

**8**

Sr. No.	Patience and Perseverance	Strongly Agree	Agree	Disagree	Strongly Disagree	Can't say
1	If things are not going well as per my wish I am upset	30	50	20	0	0
2	I have ample of patience	20	70	7	2	1



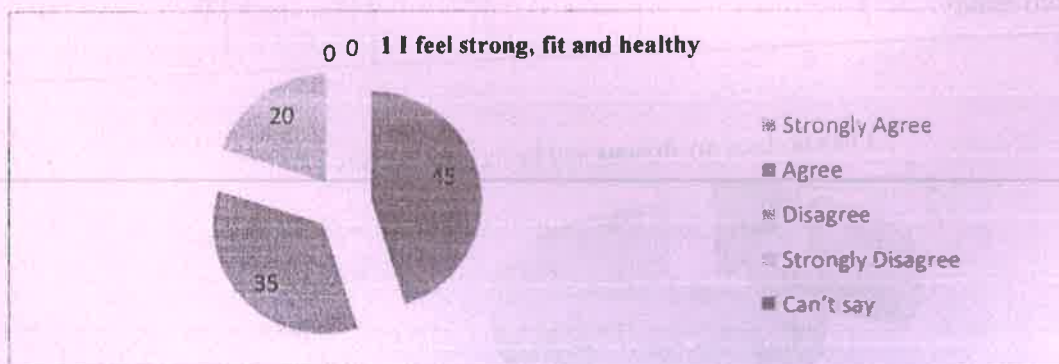
**8.1 Patience and perseverance:**

20% and 70% respondents respectively strongly agree and agree that they have ample of patience and this quality is very important, whereas 7% disagree 2% strongly disagree and 1% can't say.

A significant number of women entrepreneurs are in favour of the statement. Hence it can be said that women carry ample of patience and preservance.

**9.**

Sr. No.	Healthy	Strongly Agree	Agree	Disagree	Strongly Disagree	Can't say
1	I feel strong, fit and healthy	45	35	20	0	0

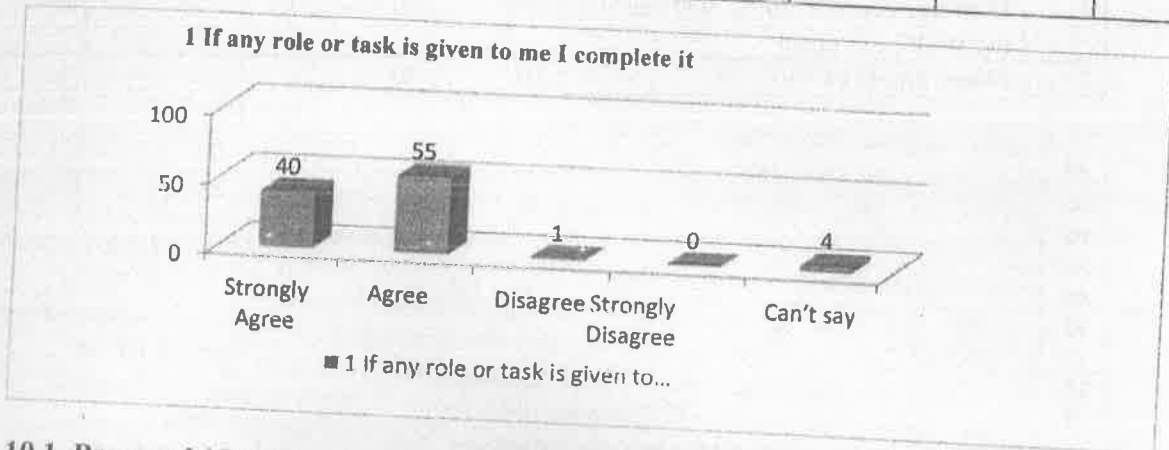


**9.1 Healthy:**

45% and 35% women entrepreneurs strongly agree and agree respectively in favour of strong and fit health. Whereas 20% disagree as they feel that the targets completion and other challenges affect their health adversely.

10.

Sr. No.	Ready / Prepared initiative	Strongly Agree	Agree	Disagree	Strongly Disagree	Can't say
1	If any role or task is given to me I complete it	40	55	1	0	4



**10.1 Prepared / Initiative / accept new Technology.**

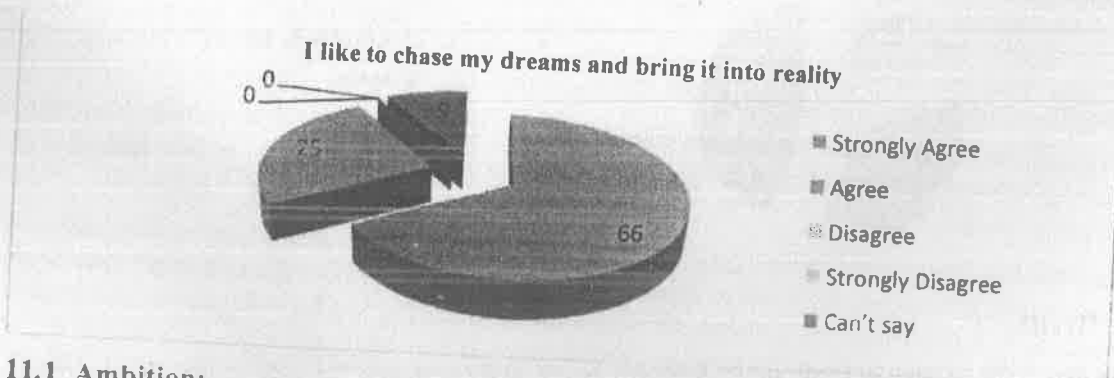
40% woman entrepreneur responded strongly agree 55% woman agree that they understand the business environment factors and take an attempt to legality and different measures to improve products and services & adopt to new advancements and technology. Around 1% and 4% woman entrepreneurs responded disagree and can't say respectively.

40% and 50% women entrepreneurs respectively strongly agree and agree, 1% disagree and 4% responded can't say.

From the majority responses it can be said that women entrepreneurs are quite prepared for the task. They are ready to complete the job or role.

11.

Sr. No.	Ambition	Strongly Agree	Agree	Disagree	Strongly Disagree	Can't say
1	I like to chase my dreams and bring it into reality	66	25	0	0	9



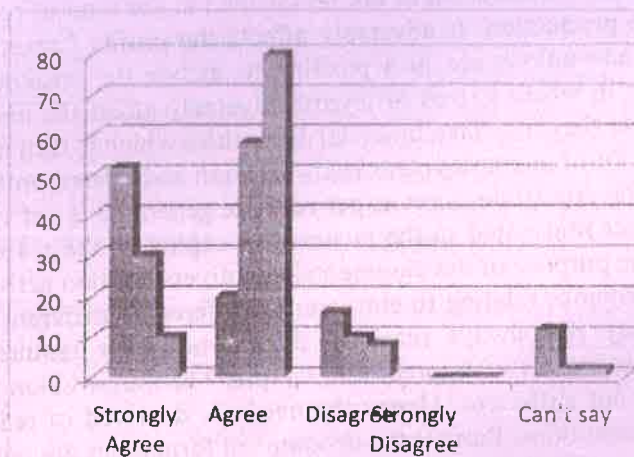
**11.1 Ambition:**

A significant number of women entrepreneurs that is 66% and 25% strong by agree and disagree respectively that they would like to their dreams and bring it into reality.

Thus a significant number of women entrepreneurs positively respond to the statement. Hence it can be said that they like to chase their dreams and bring it into reality.

## 12.

Sr. No.	Ready to accept new Technology / Be dynamic	Strongly Agree	Agree	Disagree	Strongly Disagree	Can't say
1	I understand the Business Environment factors and try myself or my business adapt to it	52	20	16	0	12
2	I take information about the legal and changing taste the preferences into consideration for improvement and betterment in my product and services	30	58	10	0	2
3	I collect knowledge of recent advancement	10	80	8	0	2



1 I understand the Business Environment factors and try myself or my business adapt to it

2 I take information about the legal and changing taste the preferences into consideration for improvement and betterness of my product and services

### Readiness to accept new technology / dynamic –

12.1. 52% and 20% respondent strongly agree and agree that they try to make an effort to understand business environment and adapt to it. 16% disagree as they think they can take expert advice 12% responded can't say.

12.2. 30% and 58% respondent strongly agree and agree respectively on obtaining technical information and product improvement. Whereas 10% disagree and 2% can't say.

Training facilities awareness of new technology, easy availability of funds, technical assistance smooth, simple and fast system for getting approvals may help woman entrepreneur grow and develop business faster.

Family and peer support can give them more encouragement. Social status and unbiased attitude from members of society help them flourish better. After all their development and success will contribute not only to the economic wealth creation but also a better prosperous society.



From the positive responses given by majority of women entrepreneurs it can be inferred that women make attempt to understand business environmental factors. They also are willing to adapt to the changes as per preferences of customers in the product and services.

### **Problems / Challenges faced by Women Entrepreneur**

In general entrepreneurs face different problems such as production, marketing, finance competition, adapting to innovation and new technology, Workforce requirement, competitive edge, skills, knowledge gap of theory and practical, balancing the economic and social objectives so on and so forth. Some of the problems faced by the women entrepreneur in and around Pune are as follows.

1. **Labour:** Though Indian labour is cheap due to the low wage structure but the production of the labour is not satisfactory. Therefore the labour require continuous supervision. The severe growth puts tremendous pressure of skilled and semi skilled labourers'. Further there is large gap between academic and job market / industry. The training facilities and institutions are not enough for training purpose. The manufacturing sector is facing dearth of fitters, welders, draftsman and machine operators. The availability of exact skilled workers might not be fulfilled at the time of requirement which may lead to delay in production. It adversely affects the profits / revenue of the entrepreneur. Further the trade unions are in a position to dictate the weakness to put pressure on the management in return strikes or layoffs adversely affect the moral of the workforce and labours. Further they may face financial difficulties which in turn may create unrest in the society. Finally lot of unemployment leads to youth and related problems.
2. **Raising capital:** It is one of the crucial decision as per revenue generated is not very huge. This limited revenue is further reinvested in the business as capital so the entrepreneurs have very little income for the purpose of developmental and diversification activities
3. **Government schemes:** The schemes relating to entrepreneur offered by different banks or government. Machineries may not always reach to those who really require it. The awareness about such schemes are not widespread and simple. The transmission media or usage of correct channels is not sufficient. Hence the needy is deprived of really good schemes offered by several institutions. Further the economical formalities are not simple.
4. **Transport issue:** A lot of congestion due to narrow roads and large volume of vehicles on roads of the Pune city. This is causing delays for delivery of goods from one place to another, even though the distance is not very far off. Increasing fuel prices causing increase in the total cost of products.
5. **Social Capital:** People like to do business with people they know. This becomes advantages but then for new entrepreneur it requires some time to build relations and establish their business. But during this struggle period competitors can overtake their business.
6. **Lack of sufficient Infrastructural facilities:** Even though Pune receives the most livable city status. There is dearth of basic amenities like cheap housing facilities, electricity, clean air, water, transport facilities. That makes the city entrepreneur's struggle more difficult and the goods and services costly. The increasing population puts a lot of pressure on the infrastructural facilities.
7. **Production issues:** Due to IT companies and Industrial belts like MIDC's. There is a tremendous scope for business in and around Pune city. The demand is ever increasing as people coming from diverse backgrounds creating more market/ demands for variety of goods and services. Though there is increasing demand but good quality raw materials are not easily available or costly. Therefore the production cost increases. The new sophisticated technology is not only costly but also not easily available. Further research

and development activities require huge amount of fixed expenditure. Women entrepreneurs operating on small scale can't afford costly machinery or equipments.

8. **Marketing and Advertising:** Marketing and advertising challenge is also critical for them .As most of them operate on limited market basis the social capital is used for business purpose. The expenditure on marketing and advertising expenditure increase their financial burden.
9. **Balancing economic and social objectives:** It is another challenge faced by women entrepreneurs. Every business is primarily carried out for the purpose of achieving economic goals. But these days social responsibilities have become an integral part of business. Women entrepreneurs are also not an exceptions to fulfillment of social responsibilities. They are also social change element in the society. But most of them feel that balancing economic and social objectives is difficult.
10. **Miscellaneous factors:** There are some factors such as changing tastes and preferences of customers at international markets influence the local markets. This requires Women entrepreneurs to keep themselves updated and adaptable with the changes taking place in the pattern of choices and preference of consumers..

### **Conclusion:**

Entrepreneurs come from variety of educational backgrounds, family situations and work experiences. They face variety of problems prevailing in the so-called business environment. It can be an influence of men dominant society, social structures, gender bias, economic pressures ,cultural issues, demographic patterns so on and so forth.

Several research studies carried out at different times have shown that the personality traits determine the potential to be an entrepreneur such as risk taking, leadership, motivation, creativity and so on. Hence the current research study undertaken to find the relationship between the personality factors and combating the challenges. According to majority positive responses it can be clearly identified that women carry these personality traits to become an entrepreneur. These factors not only help them to deal with the challenges they face during conduct of business but also in achieving success. It is not necessary that all the traits are present in the personality of an entrepreneur. Sometimes knowing ones personality and enhancing those traits can be useful to create new and better entrepreneurs.

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# **JMRA**

**Journal of Management  
Research and Analysis**

# A STUDY ON AGREEMENTS ON AGRICULTURE UNDER WTO

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## Abstract:

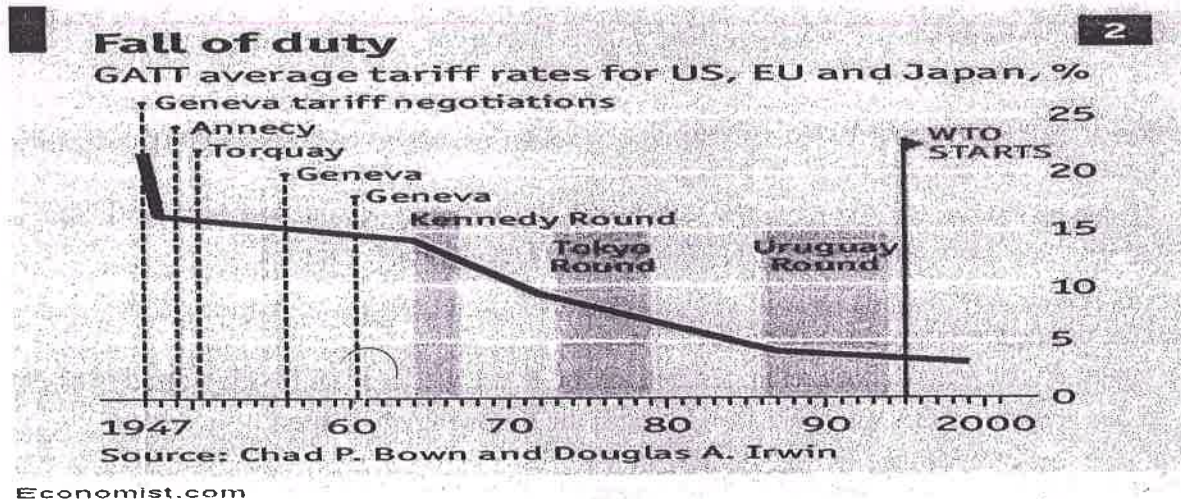
Agriculture was included in the GATT multilateral trade agreement for the first time in the Uruguay Round and now has become an integral part of the WTO. The AOA is one of the successes of the Uruguay round. It is administered by the WTO and thus brings Trade in agriculture completely under GATT. The paper gives an overview of the AOA and critically evaluates its efficacy in reducing trade distortions cause by export subsidies, domestic support and market Access. The paper also briefly discusses the recent changes in agriculture negotiations at the WTO. The paper concludes that though AOA was a well-intentioned step towards promoting free trade in agricultural sector but, it has leaned more towards developed countries to the detriment of developing and third world countries.

## Keywords:

GATT, WTO, Uruguay Round, AOA, Export Subsidies, Domestic Support, Market Access

## Introduction:

The General Agreement on Trade and Tariffs (GATT) signed in October 1947 by 23 trading nations and effective from January 1948 was a legal trade agreement between the signatory nations and its main purpose was to reduce trade barriers like tariffs and quotas. The GATT 1948 was born as a temporary solution for the failed International Trade Organization (ITO) which was to be initiated along with the International Monetary Fund (IMF) and International Bank for Reconstruction and Development (IBRD) now known as the World Bank. The GATT oversaw eight round of trade negotiations (Geneva Round 1947 to Uruguay Round 1986) culminating in the Uruguay Round (1986-1993) that created the WTO. The WTO as an organisation came into existence on 1<sup>st</sup> January 1995 with the signing of the Marrakesh Agreement by 124 countries and currently has 164-member countries. The main purpose of GATT and its various rounds was reduction in tariffs, in which it was fairly successful. In 1947 the average tariff rates were around 23% which came down to around 5% by 1999. The table below shows the reduction in tariffs amongst the three major trading partners US, EU and Japan.



Source: <https://www.economist.com/briefing/2018/07/19/the-world-trading-system-is-under-attack>

# ANALYTICAL AND COMPARATIVE STUDY OF SAVINGS BANK ACCOUNT AND LIQUID MUTUAL FUNDS FROM THE PERSPECTIVE OF INCOME TAX TREATMENT AND RATE OF RETURN

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## Abstract:

*Saving bank account is a one of way to keep your saving aside and earn some amount of interest on the money deposited. Debit card, credit card, Paytm, internet banking such kind of services are availed by account holder through his saving account. Liquid funds mutual funds are the mutual funds which invest their money in debt instrument and money market securities. Both the options offer liquidity in short term with a no lock-in-period as a common feature. The Income Tax treatment is different for the gains from both the investment options available in short term and long term. This research paper is to compare and analyse saving bank accounts and liquid mutual fund from the perspective of income tax treatment and rate of return.*

## Keywords:

*Liquid mutual fund, savings bank account, lock in period, short-term, debt securities, redemption, withdrawal.*

## Introduction:

Saving bank account is one of type of accounts offered by all the banks. The other types of bank accounts are Fixed Deposit Account, Recurring Deposit Accounts, Current Accounts etc. Each type of bank account has its own unique features and advantages so that various classes of people can be attracted. Bank gives interest to saving account holder on the balance they have in their saving account. <sup>i</sup>On the other hand, liquid mutual fund is a category of mutual fund which invest primarily in money market instruments like certificate of deposits, treasury bills, commercial papers and term deposits.

The liquid mutual funds are basically debt fund investing fund money in debt instruments.<sup>ii</sup> These mutual funds have no lock-in-period. Any amount invested by an investor in fund gets units of mutual fund to his credit at current unit price. The price of units keeps on increasing as the fund investment is in a short-term debt securities which earns fix amount of interest besides assure safety of principal amount. Whenever investor wants his money back, he gives request for the redemption and his units gets converted to money back at current unit price which is obviously more than the price at which he entered in the fund and credited to his bank account. This increased price of unit is gain for investor. Hence both saving account as well as liquid fund are the options to invest in short term.

## Research Methodology:

This research paper is particularly based on secondary data source. The data is obtained from the articles available in relevant journals, research papers, internet websites etc.

1. Savings account can be started with a very little amount. The minimum balance requirement to continue the account is also very low. So, it's easy to open and operate at very low balance.
2. Saving account can be opened jointly by adding joint account holder name.

3. Withdrawal of money can be done from any branches of bank or ATM of any bank.
4. The services like cheque book, debit card, credit card, internet banking are offered by banks to customer.
5. Operating cost of saving accounts is low as service charge per year and per transaction is very less.
6. Banks gives interest on balance of saving accounts generally bank directly credit the interest amount to respective accounts on quarterly basis.
7. The objective of saving bank accounts is to encourage saving habits among people and to facilitate accountholder to withdraw as per their needs and emergencies.
8. <sup>iii</sup>Routine payments can be done automatically by giving standing instructions to bank.
9. <sup>iv</sup>The facilities like nomination and power of attorney is available on savings bank.

**Features of Liquid Mutual Funds:**

1. Liquid Mutual Funds have no lock in period. The fund holder can redeem units purchased of liquid fund at any time.
2. The withdrawals are processed within 24 hours of working days. The cut of time on withdrawal is generally 2p.m. on working days. That means if you place a redemption request by 2p.m. on a working day, then the fund will be credited to your bank account on the next working day.
3. Liquid Mutual funds have the lowest interest rate risk among debt funds as they primarily invest in fixed income securities with short term maturity like certificate of deposits, treasury bills, commercial papers and term deposits.
4. Liquid Mutual Funds have no entry charge or exit loads. That means entry and exit in liquid mutual fund is free.
5. <sup>v</sup>The objective of Liquid Mutual Fund is to preserve capital and provide income through creating liquidity for the money invested by investors.

**Literature Review:**

1. <sup>vi</sup>In the research paper “A Study of Performances of Selected Liquid Mutual Funds”, by Dr.V. Ratnamani, he has studied annual returns of selected liquid mutual funds. The objectives for his study are to study performance of selected liquid funds, to convince investor for attractive option of liquid mutual in short term which could give them better returns compared to other short-term options available in the market. And to study the risk involved from investment point of view.
2. In the article named “Special Report” in “Dalal Street: Investment Journal”, the author has explained all the features in detail about savings bank account and liquid fund. The author compared both the option from the point of view of tax treatment and rate of return.
3. <sup>vii</sup>In the Economic Times “Wealth Mutual Funds “, “Analysis: Use liquid funds to earn more than savings account “, dated on 2 August 2018 written by Prashant Mahesh he explained about the concept liquid mutual fund and the securities in which these funds invest. Then he advised the readers in criteria in which can suit to investment in these funds. Further he has written about the time taken for redemption request. He has also thrown light on the risks involved in the liquid funds.

**Objectives of the study:**

1. The main objective of study is to compare the saving bank account and liquid mutual fund on the aspect of income tax treatment and analyse rate of return on both the options.
2. Study is to help investor in searching best suitable option amongst saving bank account and liquid mutual fund for the investment in short term according to their need and priorities.
3. This study shows various other aspects like liquidity, withdrawal procedure, facilities offered of both the savings bank account as well as liquid mutual fund.

**Scope of study:**

This study takes into consideration the two short term investment options viz Liquid mutual fund and saving bank account. For comparison researcher has taken into account Income Tax treatment and Annual Rate of Return as parameters.

**Statement of the Study:**

RBI deregulated interest rates on saving bank accounts from last two years. Most of the banks are offering saving account interest slightly more or less around 4%. Some banks do offer more interest rate up to 6% but they ask for minimum balance to keep and restrict on number of withdrawals from account. During the last ten years liquid mutual fund has given more returns compared to not only savings bank account but with fixed deposit also.

**Comparison on basis Income Tax treatment:**

- Both are taxed in similar manner as far as Short-Term Capital Gain tax consider the interest received from the saving bank account and gain from liquid mutual fund are added to your income and taxed as per individual income tax slabs.
- Interest on Saving Bank Account is eligible for deduction allowed under section 80TTA of Income Tax Act up to 10,000₹. No such exemption is available for gains from Liquid Mutual Fund.
- For the Long-Term Capital Gain Tax gains from Liquid Mutual Fund enjoy the indexation benefit. That means if investment in liquid mutual fund is held for more than three years the gains from it will enjoy the indexation benefit. This particular benefit cannot be availed by Saving Bank Accounts because the interest received on these accounts automatically credited by banks on respective accounts each year.

**Comparison on basis Rate of Return:**

<sup>viii</sup>Now a days banks are offering interest rate as low as 4% per annum on account balance maintained up to 1 lakh throughout the year. And those who maintain balance above 1 lakh are offered differential interest rate which is more than 4%. But for small investor it is difficult to avail such opportunity. where as for Liquid Mutual Funds for any small amount invested one can get similar returns compare those who invest a large amount. Following chart is to explain the rate of return of the Liquid Mutual Funds on yearly basis.

Year	average rate of return
2008	8
2009	4.8
2010	5
2011	8.5
2012	9
2013	8.8
2014	8.6
2015	7.9
2016	6.9
2017	6.5

Source: "Dalal Street investment journal" ISSN 0971-7579, Special report, "Can Liquid funds replace your SB Account". vol.34 No, 01

By observing above chart, we can easily find that almost each year liquid mutual fund has given more than or equal to 5% annual return except in the year 2009. For four years returns are more than or equal to 8%. The average rate of return for ten years is 7.4%.



<sup>ix</sup>Since October 2011 most of the banks in India offering interest rate of 4% on savings account. However, on 31<sup>st</sup> July 2017 State Bank of India reduced interest rate on saving bank account by 50 basis point and make it 3.50%. Subsequently, eleven more banks have reduced their interest rate on saving bank account.

**Discussion and Findings:**

1. Saving account offers safety and liquidity of the money deposited as bank allow the account holder to withdraw the money at any time through ATM. whereas there is safety of capital in liquid mutual funds but withdrawal request takes 24 hours. In emergency saving account proves more convenient than liquid fund.
2. Saving account now a days are offering various services like debit card, credit card, internet banking, mobile banking etc. In addition to this accountholder can transfer funds from bank account or can avail services like Electronics clearance, can issue cheques or deposit the cheques. These advantages are not available with the liquid mutual fund.
3. For the tax calculation both the options are having certain common treatment like gain from both are added in the income of the year in which earned and taxed according to tax slabs. But indexation benefit is available with the liquid fund in the long-term capital gain. As the gain can be in cashed only when investor redeem the units of fund. So, if units are redeemed after three years investor can avail indexation benefit. Whereas interest earned on saving account in each year is eligible for deduction up to the maximum limit of 10,000₹ under section 80TTA of Income Tax Act.
4. The rate of return on liquid funds is more as compared to savings account. Liquid fund is an investment option which offers investor liquidity, capital safety and good returns. It is a good option as compared to saving account as one can keep his extra earnings in terms of bonus or increment which he does not require immediately in near future and earn the return on these savings.

**Limitation of study:**

This study does not take into consider the long-term investment options available in the market for example bank fixed deposit, equity mutual fund, shares, debentures etc. The other parameters like popularity amongst public, reliability of investment are not considered in the research paper for comparison.

**Conclusion:**

By comparing and analysing the features and benefits of both the options we find that both the saving bank account and liquid mutual fund are having with them their own set of advantages and disadvantages. The main purpose of saving account is to safeguard the money saved whereas of liquid fund it is to park the excess money for short term. Both are the different products available in the market to meet different requirement of investors. Both cannot replace each other.

<sup>i</sup> <https://www.ndtv.com/business/why-liquid-funds-are-attractive-alternative-to-savings-deposits-385512>

<sup>ii</sup> <https://www.ndtv.com/business/why-liquid-funds-are-attractive-alternative-to-savings-deposits-385512>

<sup>iii</sup> [https://www.tmb.in/savings\\_basic/find\\_the\\_features\\_of\\_our\\_operative\\_savings\\_account.html](https://www.tmb.in/savings_basic/find_the_features_of_our_operative_savings_account.html)

<sup>iv</sup> [https://www.tmb.in/savings\\_basic/find\\_the\\_features\\_of\\_our\\_operative\\_savings\\_account.html](https://www.tmb.in/savings_basic/find_the_features_of_our_operative_savings_account.html)

<sup>v</sup> <https://cleartax.in/s/liquid-funds-vs-savings-account>

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# E-COMMERCE – CONTRIBUTION OF DIGITALIZATION TOWARDS THE GROWTH

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## **Abstract:**

*This paper intends to focus on the growth of e-commerce due to digitalization, as global economy has grown drastically over the years. Economy is shifting from brick and mortar system to e-commerce, where a network connection smoothen the business transactions. The digital wave led the E-commerce industries to grab the opportunities lying in the business in economy. This paper is based on the information collected from various articles, literatures available in various journals, books, manuscripts and websites. It also concentrates on the opportunities and challenges ahead of e-commerce in the competitive economy. E-commerce enables the economy to interconnect with digital payment system which will result in the economy of transaction than the traditional store system. E-commerce provides a platform which offers a multitude of products under one roof. Success of the e-commerce depends on the capacity of the business to compete and survive in the economy where innovations and technology is upgrading on a daily basis.*

## **Key words:**

*E-commerce., Digitalization, digital wave, brick and mortar system, Global Economy, Innovations and technology*

## **1. Introduction:**

Globalization provides exposure to the world economy. The fast growing economy has opened new avenues for the businessmen to grow their business. Due to the increased penetration of less expensive mobile devices, the number of people with access to internet has increased tremendously. The trend of online shopping has also gone up in the last few years. As the standard of living is increasing with the development of the economy in the urban and rural areas, most of the community groups now have the easy access to the internet facilities. People have all kinds of shopping and banking apps at their fingertips now. Whether it is booking a cab or a flight, the use of net-banking or debit/credit cards payment options is increasing each day. E-commerce businesses have gained popularity over the years despite of having stiff competitions amongst the businesses. They are coming up with new strategies. Startups getting the market shares help them to compete with the global giants of e-commerce businesses.

## **2. Objectives:**

- i. To understand the concept of e-commerce.
- ii. To understand the growth of e-commerce due to digitalization.
- iii. To understand the different means of digital payment system and how it contributes towards the growth of e-commerce
- iv. To shed light on the opportunities and challenges ahead of e-commerce

## **3. Hypothesis:**

Digitalization has contributed towards the growth of e-commerce sector in India

#### 4. Literature Review:

- i. Mobile devices are those devices that are not stationary or confined to a place. Current wireless devices include wireless phones: wireless-enabled handheld computers - pocket, palmtop and tablet; laptop computers; vehicle-mounted technologies [Tarasewich, Peter; Nickerson, Robert C.; and Warkentin, Merrill (2002)]
- ii. India is the home for 1.3 billion people. Many leading retailers across the world are serving in India, smart phone adaptation, increasing usage of 3G/4G services, are key triggers for booming e-commerce industry [Patidar & Roy (2017)]
- iii. The E-Commerce is growing fast to meet the demands of different sectors of economy [Deepak Hajoary(2015)]

#### 5. Research Methodology:

This paper is based on the previous available literature in various journals, research papers, manuscripts, books, online content, etc. The secondary data and reports are used from different sources mentioned in the references later.

#### 6. Conceptual Overview:

##### 6.1 E – commerce:

E-commerce is the process of buying and selling of various types of products by electronic means such as by mobile applications and the Internet. It has gained enormous popularity in the last decade, and in ways, it is replacing traditional stores. Firms engage in electronic money transactions to reach more number of customers. Better management of commercial transactions and transaction generated information increases the business efficiency. The use of technology provides an interface between the customers and a wide range of products.

##### Classification:

##### 1. Merchant based distinction :

##### a. Physical stores selling goods:

There are many businesses which are focused on selling the consumer products e.g. Pepperfry, Reliance Digital, Bata, Flipkart, Amazon, Big Basket, etc.

##### b. Service based e-retailers like Urban Clap, Swiggy, Zomato, Uber, etc

##### c. Digital products like McAfee Antivirus, Netflix, Amazon Prime, Udemy, Cousera, Swayam, etc

##### 2. Distinction based on the basis of parties involved :

##### a. Business to Business (B2B): This model involves selling and buying products or services from one business to another. e.g. Microsoft, KPMG, etc

##### b. Business to Consumer (B2C): This is a retail model where a business sells to the individual online. e.g. Amazon, Biba, Ajo, FirstCry, etc.

##### c. Consumer to Consumer (C2C): When the online transactions, buying and selling, are made between two people, then it is called consumer to consumer model. e.g. OLX, Quikr, eBay, etc

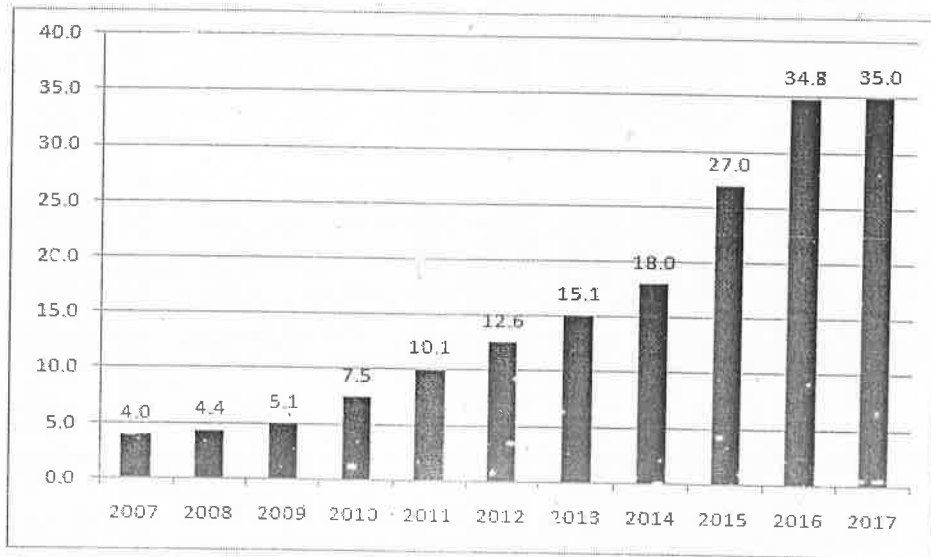
##### d. Consumer to Business (C2B): This is an e-commerce model where the consumers offer products or services to the companies in return of payment. e.g. paid spaces for advertisement on a webpage and social networking websites, etc.

##### e. Government to Consumer (G2C): This model comes in play when there are transaction between government and consumers, where government provides services to the consumers. e.g. payment of taxes online, PAN card registration, VISA services, etc.

### 6.2 Digitalization:

Digitalization is the process of converting written logs or information into digital form. Utilization of the innovation improves operational efficiency. As technology is updating on a daily basis it's a critical task for the businesses to keep up with it. Digitalization also helps in maintaining the sustainability of business.

The following graph shows the increase of internet penetration in India from 2007 to 2017 [16]

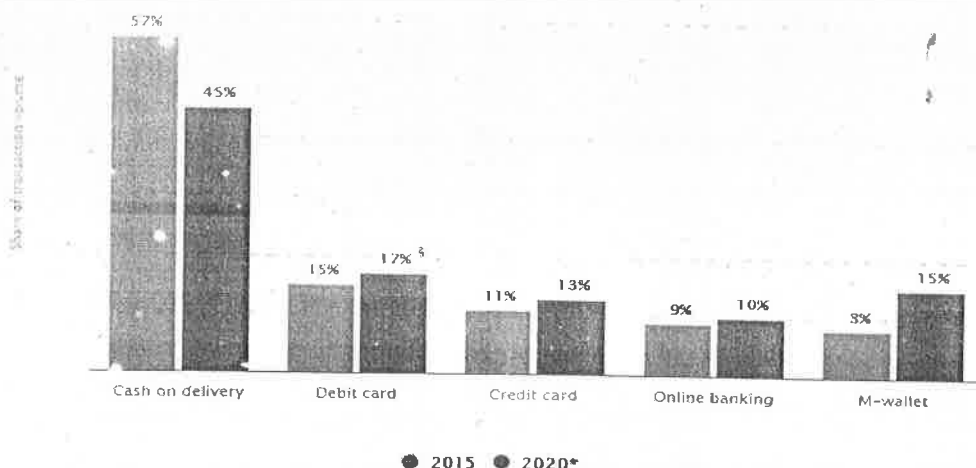


### 6.3 Electronic Payment System in e-commerce:

E-commerce has risen to a greater height by the inclusion of digital forms of payments. Due to the increased use of mobile devices like smart phones, tablets, palmtops, etc, the people (target population) can access and make purchases online – product or services, from wherever they are.

There are different popular payment systems, viz., credit card, debit cards, mobile wallets like Amazon pay, PAYTM, Mobikwik, PayPal; UPI, BHIM, ATM, Online Banking etc.

As per a report by www.statista.com, the following graph shows the percentage wise distribution for the preferred payment methods in 2015 and the expected changes by 2020. [11]



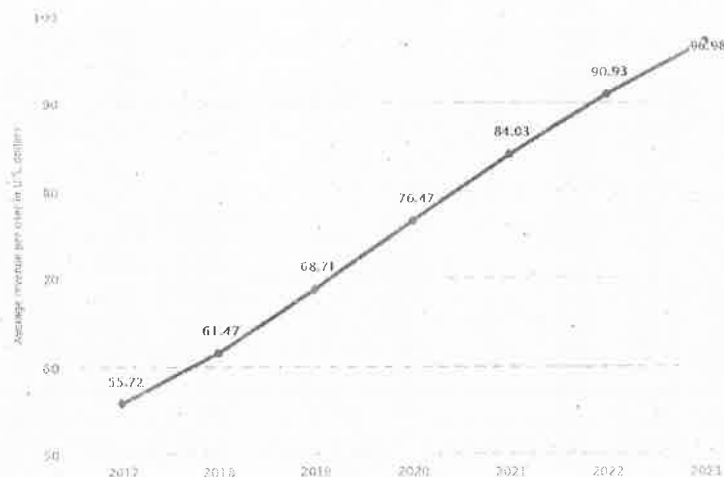
## 7. Growth on e-commerce due to digitalization:

According to a report by India Brand Equity organization, e-commerce has brought a major transformation in the Indian ways of business. In addition to this, Indian e-commerce market was worth USD 38.5 billion and it is increasing everyday with the increased use of internet and smart phones. It may touch the figure of USD 200 billion in 2026. The ongoing digital transformation in the country is expected to increase India's total internet user base to 829 million by 2021 from 560.01 million as of September 2018. India's internet economy is expected to grow up to USD 250 billion by 2020. India has the highest annual growth rate in the world for the e-commerce revenue, viz., 51%.

The report further points out that the e-commerce sector will bring more employment opportunities, more tax collection and revenues from export will increase, which in turn will provide better services to the customers. Digital payments are the major reason behind this. The government projects like Digital India, Make in India, Start-up India, Skill India and Innovation Fund have also contributed a lot towards building a stronger e-commerce market. Propelled by rising smart phone penetration, the launch of 4G networks and increasing consumer wealth, the online retail sales in India are expected to grow even further.

Since 2016 till 2018, electronics had been the biggest contributor to online retail sales in India; followed by apparel, home furnishings etc.

The following statistic shows the average retail e-commerce revenue per user in India from 2017 to 2023. [22]



## 8. Opportunities for e-commerce business:

- i. **Home grown digital payment network:** The home grown card network RuPay which is owned by 10 local and foreign banks should be included as a payment option for all online transactions to make Indian e-commerce market stronger. This will enable RuPay to compete with global payment firms like Visa and MasterCard.
- ii. **FDI investment authority:** No FDI is allowed in the inventory based model, however, 100% is allowed in e-commerce marketplaces via automatic route.
- iii. **Improved Standard of living:** Growth of e-commerce is driven by aggressive discount-driven online marketplaces, better delivery infrastructure and majorly by the increased use of smart phones. We can get a plethora of products, such as, food, health, apparel, electronics, sports, education, at various e-commerce marketplaces.

- iv. **Internet penetration and increased number of smart phone usage:** As per a report by Internet and Mobile Association of India, the internet penetration has increased from 60.60 in 2016 to 64.84 in 2017 in the urban areas. By another report, there are 530 million smart phone users in India, which shows the potential for business to grow as a part of e-commerce, as the reach of the business will be expanded.
- v. **E-commerce Start-ups:** Many opportunities are coming up nowadays for young entrepreneurs due to various government initiatives such as Make in India, Skill India, Startup India, etc. This has led to the rise of retail eco-systems in the country. Few renowned startups are Flipkart, Ola, Make My Trip India Private Ltd, Yatra.com, and Acres.com etc.
- vi. **Merger and Acquisition:** To enhance the business and grab the market share, the companies in the same line of business moves towards mergers or acquisitions. For example, Flipkart is acquired by Walmart for USD16 billion. Now Flipkart is expected to launch more offline retail stores in India to promote private labels in fashion and electronics. Flipkart had acquired Myntra and Jabong. This made Flipkart-Myntra-Jabong India's largest online fashion retailers with a market share of 70%

## 9. Challenges ahead of E-Commerce:

- i. **FDI :** In order to increase the participation of foreign players in the e-commerce field, the Indian Government hiked the limit of foreign direct investment (FDI) in the E-commerce marketplace model for up to 100 per cent (in B2B models). An entity having equity participation by e-commerce marketplace entity or its group companies, or having control on its inventory by e-commerce marketplace entity or its group companies, will not be permitted to sell its products on the platform run by such marketplace entity. The aim behind this is to curb the unethical practices by the Online Businesses.
- ii. **India's retail market:** The heavy discounts offered by the E-commerce businesses create an unfair marketplace that allows them to sell some products at very low prices. It can become a threat to Indian retail market and domestic Industries.
- iii. **Trust of the customers:** It is very difficult to gain trust of the consumers. Only good services and quality product can do that.
- iv. **Awareness:** People in rural areas are not much aware about the technology and hence the online shopping. A big part of population which could contribute towards the growth of e-commerce is lost.
- v. **Network access:** Well advanced internet network is the baseline of the e-commerce model. The smart phones will not contribute towards its growth until they are equipped with fast internet networks. Network with good bandwidths must be installed and running to achieve the goal.
- vi. **Stiff competition:** The phrase 'survival of the fittest' is apt for the e-commerce industries. Many start-ups come up with good business ideas, but not all survive the prevailing competition. As per Porter's Five Forces Analysis, a business faces five types of competitions – Industry rivalry, Bargaining powers of suppliers, Bargaining powers of buyers, New entrants, Availability of substitutes.
- vii. **Well advanced infrastructure:** This is a prime necessity of digitalization. To facilitate the development of every sector it is important to have a strong infrastructure, which is lacking in India.

If the e-commerce companies try to overcome the above challenges, then they may sustain and contribute towards the growth of the country's economy.

## 10. Findings:

- i. Cash on delivery was the most popular digital payment method in India in 2015, which accounted for 57% of the total online payment methods. with debit card 15%, credit card 11%, internet banking 9% and mobile wallets 8% of the total online transactions.
- ii. The trend may reverse by 2020, making cash on delivery the least popular method of digital payments.
- iii. The use of internet has increased from 4% to 35% over the period of 10 years from 2007 to 2017.
- iv. Average revenue per user is likely to increase from USD 55.72 in 2017 to USD 96.98 in 2023 (projected).
- v. Annual e-commerce revenue growth rate of India is 51%, highest in the world.

## 11. Conclusion:

The growth of e-commerce is led by the adoption of technology, viz. use of mobile devices such as smart phones, tablets along with cheap internet through 3G, 4G, etc. It has increased the consumer base. Specialization and customization is the main feature of e-commerce industries. Almost everything can be bought using different applications on the smart phones, making it easier for consumers to buy the desired products or services. The mergers of startups also bring market share to various businesses.

However, it is easier said than done. In reality, there are a lot of barriers to the desired growth. Due to lack of infrastructure and limited reach of internet facilities to the rural areas, there is a loss of potential online buyers. It will be helpful to back the process by Secured Payment Gateway, good infrastructure etc to reach vast number of consumers across the country.

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15 Vijayalaxmi - (2018-19) two papers



## Corporate Social Responsibility as an Initiative to Green Development With reference to Adar Poonawalla's City Clean Drive

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### Abstract

*This paper is attempted to make a study on the clean initiative drive of 'ADARPOONAWALLA's city clean' at Pune. It also focuses on the plans and prospects of ADAR POONAWALLA as City places are faces heavy problems of Garbage's and wastages. The clean city initiative addresses the issue by deploying state of the art machines as it is done in Western countries, which have over the years evolved to a very sophisticated system of waste management. The initiative has gained success with the cooperation of citizens, resident welfare associations, NGOs, civic officials. The research for this paper is carried out by study info various articles, literature available in various journals, books, manuscripts and websites. This study also creates awareness on the city clean Activities carried out by ADAR POONAWALLA's corporation. This study also brings into light the diversifications or organizational goal into a society-oriented goal as a boost to Swatch Bharath of Government of India. This paper provides a clear understanding of how Corporate Social Responsibility of ADAR POONAWALLA's City Clean drive as a self-initiative changed the beauty of Pune despite heavy problems of Garbages and wastages.*

**Keywords:** Clean City drive, Waste Management, diversification, sophisticated system, Garbages and wastages.

### 1.0 Introduction:

In the Economy, Business Goal has been changed to Society orientated goal where corporate are even concerning the position of sustainability despite its wealth. Sustainability without the intervention of corporate is impossible to achieve. Today it's widely regarded as everyone's responsibility to protect the environment and give back socially. Corporate Social Responsibility is a practice started by companies and directed by Companies Act- 2013 to protect the environment by undertaking activities which are favourable towards a healthy environment. Green management is an area where companies can practice under CSR Strategies.

### 1.1 Objectives:

1. To bring into the light the CSR activities of ADAR POONAWALLA's; under city clean drive.
2. To know the mission of ADAR POONAWALLA's; to make Pune a clean city.
3. To know its initiative towards a green development by taking up city clean activities.

### 1.2 Hypothesis:

The CSR initiative of Adar Poonawalla's Clean City initiative Contributed towards clean of environment led to Green Development.

### 1.3 Research Methodology:

This paper is based on Qualitative data. The qualitative data is taken from various articles, literature available in various journals, books, manuscripts. Data is also collected from various websites like [adharcleancity.com](http://adharcleancity.com), [moneycontrol.com](http://moneycontrol.com), and [csr.com](http://csr.com).

### 1.4 Corporate Social Responsibility:

According to Lord Holmes and Richard Watts "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" in the World Business Council for Sustainable Development in its Publication Making Business Sense. The Companies act 2013 mandates Publicly traded companies with Rs. 100 crores in annual turnover to set aside 2% of their Profits or Rs.500 crore annual profits for social action. Social Responsibility becomes an integral part of the wealth creation Process if it is managed properly will enhance the competitiveness of business. Corporate Social Responsibility is about the integration of social, environmental considerations into decision making structures and process of business.

### 1.5 Green Development:

A green development approach that integrates environmental responsiveness, benefits the surrounding environment, provides resource efficiency in the construction, development and operations of buildings and/or communities in ways that are not wasteful, and sensitivity to the existing culture of the community. Green Development is a rapidly growing field that combines ecological principles with advanced technology, often including social and economic benefits as well.

### 1.6. Sustainable Development:

The implementation of a sustainable business model is a precondition for promoting sustainable development via CSR. Industries should realize the concrete value in implementing a sustainable business model that helps to adjust to the complex and increasingly changing business environment. A corporate sustainability report, are now speaking of water at two levels – as part of CSR initiatives for communities and as part of company operations. Sustainable development was the first reaction too, and fights against, the enormous crisis in the natural environment in the second half of the twentieth century; a global consensus quickly formed around the rallying cry of sustainable development. Sustainable development represents a passive, unconscious modification of unfettered development. It also makes it clear that since the industrial revolution, modern development, with consumerism as a driving force, has been characterized by excessive resource and energy consumption, pollution emissions, and ecological damage; after the crisis has occurred, sustainable development tries to fix it.

### 1.7 A Case study on Adar Poonawalla's City clean drive:

Adar Poonawalla's clean city drive is the best example of Corporate Social responsibility. It was in 2014, when Adar Poona Walla, CEO of Serum Institute of India saw trash being discarded across the city and piling up. He understood that if India's image had to be enhanced a drastic modification would be required with good management, local government



provision and substantial funding. He has pledged to fund in his capacity Rs. 100 Crore for this initiative. Thus, began Adar Poonawalla Clean City Initiative (APCCI), an environmentally sustainable initiative, undertaken by Serum Institute of India and Mr. Adar Poonawalla as a contribution to social responsibility. It has launched in January 2016, with an initial investment of ₹ 100 crore, the Adar Poonawalla Clean City Initiative is a first of its kind public-private partnership towards efficient and scientific waste management. The Poonawalla group has launched a noble initiative to keep the city spic-and-span and make it one of the best in the country to live in.

Adar Poonawalla founded the clean city initiative with the sole purpose of improving the environment and waste management in the city of Pune his home base. Adar Poonawalla's clean City initiative wants to make cities sustainable. There is a need for cleanliness and good sanitation. The decentralized system will bring down the costs of garbage management and increase efficiency. Organic food waste when disposed of unscientifically creates social, environmental and health hazards

- When wet food waste is segregated at source, inorganic waste like plastic, metal, paper and rags can be scientifically processed and effectively recycled
- This will ensure the minimization of the landfill and free up urban land for productive purposes

### 1.8 Role of APCCI

The APCCI will focus on supporting the Pune Municipal Corporation with

- group of street waste. Initiatives undertaken in this direction will include:
- Fixing of litter bins at strategic/high traffic locations across the city
- Support vehicles and manpower for clearance of litter from litter bins
- Litter picking from footpaths.
- Clearing of chronic waste dumping spots across the city.
- Information and programs to educate citizens regarding the importance of separation of waste and disposal using waste/litter bins
- Initiation programs in association with PMC at school, mohalla committee, housing societies, market places amongst others.
- Providing infrastructure and related support to PMC for better and scientific management of waste
- Waste/litter bins every 100-200m on both sides covering commercial and busy roads in Pune
- 30km roads covered in phase I; 300km roads over 24 months
- Support infrastructure for clearance of bins when full. Garbage clearance vehicles will clear bins and deposit garbage at transfer stations located inwards
- Onsite food waste processing vehicles that will support clearance from commercial streets and establishments by processing waste closest to the site of generation
- Zero cost (no capital cost or operational cost) to PMC, zero land requirements and zero power requirements

APCCI has come together with PRBM to highlight the need for the community to come together and work towards building fitter and healthier cities. They intend to amplify this message through the Poonawalla clean city marathon and encourage more people to opt for an active

lives yle. With APCCI's relentless and consistent efforts, Pune today stands as one of the cleanest cities in the country;\ and this is just the beginning.

### 1.9 Deployment of vehicles:

The clean city initiative addresses this issue by positioning state of the art machinery as it is done in Western countries, which have over the years evolved to a very sophisticated system of waste management. Equipment deployed includes Glutton Vacuum Litter Picker, Trilo Vacuum Truck, and Truck Mounted Road Sweepers, which uses the best technology to pick up and clear the waste from the streets. Vehicle mounted pothole filling machine to fill potholes in the shortest possible time. These types of equipments are used for the first time in India. This project began with the deployment of 12 state-of-the-art Glutton Litter Picking machines, three Trilo Suction machines and five auto tippers in the heart of the city. Today, this initiative has spread to the entire city with the strength of more than 100 Glutton, 33 Trilo, 28 tippers and two truck-mounted road sweepers, cleaning over 800 km of roads every day, including more than 450 chronic garbage dumps across the city. This is done with a team of 300 personnel and NGOs working diligently on this project.

The initiative has gained success with the cooperation of citizens, resident welfare associations, NGOs, civic officials. To further succeed we are carrying out awareness programs in schools, colleges and the general public on the importance of separation of waste. this initiative in the city of Pune will inspire others to implement such activities in other cities across the country. With the timely help and permission of the Pune Municipal corporation is gaining success over its endeavours. This environmentally sustainable initiative, undertaken by the Serum Institute of India is aimed at making Pune more liveable.

### 1.10 Myappcc app:

According to the project managers, this initiative is mapped with the help of an app (myopic) specifically designed for the purpose of reporting garbage and resolving it. The app is available on Google Play Store and Apple Play Store for citizens to download and participate in this initiative. With the active involvement of PMC and citizens, the project has shown positive results in approximately 40 per cent of Pune, helping the city achieve a ranking within the top 15 in the Swachh Bharat Sarvekshan. The initiative is focusing on creating awareness amongst the student community of both, schools and colleges across Pune.

The importance of segregation is stressed to ensure Pune city is more liveable.

- a) First-of-its-kind mobile food waste processing vehicle
- b) Large capacity food waste separation-cum-crushing facility in Baner to process # over 300 tones per day food waste delivered by PMC into a slurry and transport it using drip-free, odour free tankers to the processing plant in Talegaon
- c) In phase II, similar segregation-cum-crushing facility to be set up at PMC transfer stations so that food waste doesn't travel long distances in open trucks or vehicles. Dramatically reduce transportation and handling costs for PMC.

### 1.11 Waste Management Plan:

Adar Poonawalla's Waste Management plan has been set out, which are follows:

- a) Providing infrastructure and related support to PMC for better and scientific management of waste
- b) Waste/litter bins every 100-200m on both sides covering commercial and busy roads in Pune.
- c) 30km roads covered in phase I; 300km roads over 24 months.
- d) Provision of infrastructure for clearance of bins when full. Garbage clearance vehicles will clear bins and deposit garbage at transfer stations located inwards.
- e) SmartApp called APCCI App for citizens to report overflowing bins, clearance in stipulated time.
- f) Onsite food waste processing vehicles that will support clearance from commercial streets and establishments by processing waste closest to the site of generation
- g) Zero cost (no capital cost or operational cost) to PMC, zero land requirements and zero power requirements.
- h) Activation and communication programmes targeted to generate citizen awareness, participation and attitude change for responsible behaviour towards waste management.

#### 1.12 Analysis:

The APCCI is focussing on supporting the Pune Municipal Corporation with a collection of road waste. Initiatives started are gaining great success. Because of Installation of litter bins at high traffic locations crossways the city made City garbage free. Institutions are interested in is adopted services of APCCI. Advanced Support vehicles and manpower for clearance of litter from litter bins helpful in proper release and reprocessing Litter picking from footpaths also made the roads cleaner. Clearing of chronic waste dumping spots across the city and making to reach Information and outreach programs to educate citizens regarding the importance of segregation of waste and disposal using waste/litter bins. Activation programs in association with PMC at school, Mohall committee, residential societies, and market places amongst others.

#### 1.13 Findings and Suggestions:

- a) Adar Poonawalla's well-advanced mechanism of Garbage Disposal made segregation of wastes easier. Still, Company needs to increase the reach of individual participation in segregating dry and wet waste. Making them become a volunteer by applying through our volunteer page on the company website.
- b) Pune is the first city in India to adopt this movement and they are looking to other urban cities is a very acceptable thing then trying to reach even to semi-rural, rural areas along with the South, West, Northern cities which are facing problems of waste, Heavy Garbages.
- c) Use of mobile app made people aware about the need for cleanliness. It is a basic problem which hinders the growth of society. Creating awareness among the users to users to use in Myapcc app approach gets its working.
- d) The initiative has spread to the entire city with a strength of more than 100 Glutton, 33 Trilo, 28 tippers and two truck-mounted road sweepers, cleaning over 800 km of roads every day, including more than 450 chronic garbage dumps across the city. The company has taken self initiative to clean urban areas in Pune City. The company should also take the initiative to clean Rural areas.

e) Cross country partnership in APPCI so that other corporates takes the self-initiative in making cities clean.

#### 1.14 Conclusion:

As the Adar Poonawalla's clean city initiative gaining success over the years. A self initiative program made the society to learn from it. Even Pune Municipal Corporation's helping hand made to look for new opportunities for Waste management. Tech-savvy machines made the environment cleaner with the help of Personnel. Totally APPCI showing how cities can be kept clean along with the provision of employment to people. With a fleet of the specially designed walk along litter picking machines, mini truck mounted garbage tipper, truck mounted litter picking machine, truck mounted vacuum assisted mechanical road sweeper and litter bins placed at important locations for collection and disposal of garbage showed how machinery can be used to clean the cities. So as an initiative to CSR it has contributing huge benefit, cleaner, greener environment.

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# Recent Trend in IPO Book Building Issue - ASBA Process

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## Abstract:

Capital market is the source of raising capital for all existing and newly started companies. Companies raise capital through Initial Public offering by issuing securities in the capital market.

Company needs to collect money from shareholders in installments i.e. application, allotment, first call and final call. Earlier it was very complicated procedure of collecting money from the shareholders and refunding them if shares are not allotted. Recently ASBA process has been introduced in 2008 while issuing shares to the public. There are two methods of issuing shares to the public i.e. fixed price issue and Book Building Issue. ASBA process is made mandatory in both the types of issue from January 2016 onwards by Securities and Exchange Board of India, the SEBI.

This research paper attempts to explain Role of ASBA process in the Book Building issue with detail analysis of ASBA

Keywords: ASBA Process, IPO, Book Building Issue, Capital Market, SCSB's.

## 1.0 Rational and Significance of study:

ASBA stands for "Application Supported by Blocked Amount." This process was introduced in July 2008 as an alternative payment method (optional) for IPO application process. The main purpose was to reduce the time for IPO and refund process. Refund process is totally eliminated in ASBA process. Earlier companies were unable to list their shares unless they refund money to the investors.

Now it is compulsory to apply for an IPO through this method by Securities and Exchange Board of India, the SEBI from January 2016. Sub Section - V of SEBI Regulation explains the basic perceptions related to Applications Supported by Blocked Amount (ASBA) Facility. This research paper attempts to study how ASBA process is important in Book Building Issue.

## 1.1 Objectives

1. To understand the concepts of ASBA Process
2. To compare old methods of Payment and ASBA process.
3. To study the role of ASBA in Book Building Process.
4. To study the requirements for using ASBA process.

## 1.2 Hypothesis

1. ASBA process plays an important role in Book Building Issue.

## 1.3 Research Methodology

Data is collected from various websites like National Stock Exchange, Bombay Stock Exchange, Security and Exchange Board of India, chittorgarh.com, rmoneyindia.com, some blogs and research Articles etc.

## 1.4 Review of old procedure of IPO

Before 1990s the entire IPO process was very complicated. Only one method i.e. fixed price issue was available for investors in IPO. Investors were required to wait nearly 3 months to get intimation of allotment of shares by post. Application money for that period was remaining locked without any interest. So overall IPO process was very long. After 2002 Book Building process was introduced by SEBI as a price discovery method. Then SEBI has to tighten IPO norms of completing allotment process in a week's time. But after the SEBI introduced Book Building process which involves bidding process. SEBI introduced big positive shift i.e. ASBA-The Application Supported by Blocked Amounts which was earlier mandatory only for Book Built issue. Now it is mandatory in all public issues.

## 1.5 Literature Review :

1. Mittal, Sanjiv and Gupta, Naresh and Sharma, Sudesh Kumar, ASBA – The Rebirth of Stock Invest (December 15, 2011). This research paper attempts to analyze the reasons for lackluster performance of these two schemes i.e. Stock Invest Scheme and the ASBA.
2. Naresh Kumar Sharma, head of Research at Raghunandan Money - ASBA – Key points to remember before applying for an IPO, April 17, 2018, This Research paper informs all details of ASBA procedure.

## 1.6 What is ASBA

ASBA is a method of applying for shares IPO of any company. This application permits investors bank to freeze the payment amount on your account until the allotments of shares or refunds. SCSB's blocks the payment amount from investors account at the time of application. These funds get blocked for any other transaction. An investor who uses ASBA procedure in IPO is called as '*ASBA investors*'. Earlier ASBA process was only applicable to Book Building issues which offer price range and uniform price to retail individual investors. Then on the experimental basis SEBI had permitted ASBA process in few selected issues. But from 1<sup>st</sup> January 2016 SEBI made it mandatory in all issues.

## 1.7 Definition

As per definition in clause (d) of sub-Regulation (1) of Regulation 2 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, ASBA is –

“An application containing an authorization to block the application money in the Bank account for subscribing to an IPO/FPO or Rights Issue.”<sup>1</sup>

## 1.8 Main Features of ASBA process

- 1. Alternative Mode of Payment in Issues:** Under ASBA process the application money blocked in the investor's account till completion of allotment process in the issue.
- 2. Bidding with multiple options:** ASBA process enables investors, to apply through Self Certified Syndicate Banks (SCSBs), Investors should have account in SCSB. It gives multiple options for bidding. Under ASBA, investors are allowed to place only 3 bids. Investors Income Tax PAN is used for matching the bid. If investor places additional than 3 bids then all offers will be rejected. Investors can make Multiple bids multiple applications are not permitted. Multiple applications will be prohibited under ASBA.
- 3. SEBI circular:** As per circular no. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015, Application Supported by Blocked Amount (ASBA) facility is obligatory for all issues which are opening from 01 January, 2016 onwards.
- 4. Registration procedure of Self Certified Syndicate Bank (SCSB):** SCSB needs to submit a one-time undertaking as per the recommended format for registration. The signatories should sign on all the pages. Signature is also required alongside any hand-written entries or corrections are made.
- 5. Undertaking:** The undertaking should be executed as an Undertaking cum Indemnity on a non-judicial stamp paper of Rs.220/- or the value prevailing in the State. The Undertaking should be executed before a Notary Public.
- 6. SCSBs:** As per list given by SEBI currently 52 banks and their branches are working as SCSBs for ASBA.<sup>2</sup>

## 1.9 Eligibility Criteria for ASBA Process:

Only Retail individual investors are eligible for this process. Following are the requirements:

1. Investor should be resident retail individual investor.
2. Investor needs to open the Demat account with any Depository participants for e.g. CDSL or NSDL. A valid permanent account number (PAN) is necessary for Demat account.
3. Investor must have the adequately clear credit balance in his/her savings or current account.
4. He should offer at cut-off, with the single choice as to the number of shares bid for.

<sup>1</sup> ASBA-Key points to remember before applying for an IPO-RMoney (Apr. 17-2018)

<sup>2</sup> [https://www.bseindia.com/downloads/ipo/List%20of%20SCSBs\\_MGL\\_170620161034.pdf](https://www.bseindia.com/downloads/ipo/List%20of%20SCSBs_MGL_170620161034.pdf)

5. Investor should apply through freezing funds in a Demat Account.
6. Investor requires agreeing that he will not change his bid.
7. He must not bid under any of the reserved groups.

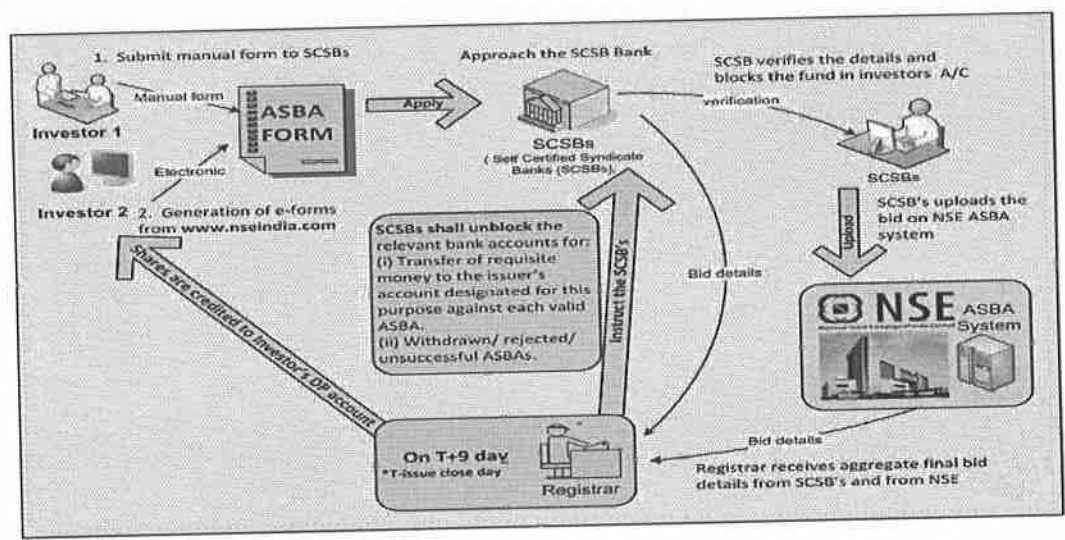
**1.10 ASBA PROCESS**

Retail investor can apply to IPO through ASBA by following two ways.

1. Online through net banking facility and
2. Physical application method.

Online Method is easy and simple process of applying through ASBA.

**Figure 1.1 ASBA PROCESS**



Source: National Stock Exchange.

**1.11 The application process of ASBA method if applying online through net-banking**

1. Investor needs to log in to the net-banking gateway of bank.
2. Investor should select the "IPO Application" option from the menu.
3. IPO Online System will be generated.
4. Investor must fill in the mandatory information.
5. ASBA IPO application is for individuals. The Corporate, HUF, Trust, etc. cannot apply through ASBA process as it is only for individuals.
6. Names of the investors must be as per the order of names on his/her depository account.
7. The net-banking user will be the 1st applicant.
8. A hold is marked on the total amount at the uppermost price offer
9. Subscription money will remain blocked till the finalization of allotment process.
10. Application money will be deducted only after the allocation of shares. In case of non-Allotment, the blocked amount is released after informing to the registrar.

### 1.12 Rejection of ASBA IPO application

The ASBA application is rejected in following stated conditions-

1. The inadequate amount in the bank account
2. Any difference in the application form
3. Wrong Information given by Applicant.
4. Change in name on the PAN card and in Demat holder's account.
5. Same Investor makes multiple applications through ASBA or no-ASBA method.

### 1.13 Importance of ASBA for the retail investor?

Maximum retail investors were applying through physical application forms before the introduction of ASBA process i.e. before January 2016. It was obligatory to submit cheques or draft along with application form. Funds were blocked for many days till the allocation of shares. It was difficult to maintain all Checks draft. Investors were supposed to wait for refund. Finally it was resulting in high opportunity cost. However, ASBA completely eliminates this complicated process as everything is done through online process only.

### 1.14 Advantages of ASBA Process

The following are the main advantages of ASBA Process-

1. There is no any payment of IPO Application as just amount gets blocked in bank account for the IPO application.
2. The account carries on earning interest on the funds blocked. The blocked fund is deducted after the allotment and then the interest stops on the deducted part.
3. There is no any refund process as only blocked amount have to be released.
4. Application through net banking is very simple procedure. There is no any need physical documents.
5. There are no charges for applying through ASBA process.

### 1.15 Restrictions of ASBA Process:

There are three restrictions of ASBA

1. Investor has to apply for IPO only through assigned banks which restrict the choice of investor.
2. ASBA process can be delayed if investor doesn't have a three-in-one trading account.

The three-in-one trading account assists linking of investor's bank, broking and demat accounts.

3. Investor can make only five applications through ASBA process.

### 1.16 Role of ASBA in Book Building Process:

Book Building issue is a method of Public issue which offers price range to the investors. Investors are required to bid within that price range. Offer remains open for some stipulated days and then after closing issue Final Cut off price will be determined by the company and lead managers on the basis of bids by investors. Allotment of shares will be done on the basis of Cut off price.

In this whole process final price is determined after the closing issue. If old is followed it gets complicated to refund of money. In ASBA process as amount is blocked in account only till the allotment of shares. If shares are allotted then money will be debited from investors account otherwise blocked amount will be released by SCSB's.

As compared with the old method ASBA process is more easy and fast. So ASBA process plays very important role in Book Building Issue. Earlier ASBA facility was available only for Retail Individual investors. Presently as per SEBI guidelines, from 2016 onwards it is mandatory to all three categories of investors, i.e., Retail Investors, Qualified Institutional Buyers, and Non-Institutional Investors, to make an application through ASBA process. Now it is obligatory to all Book Built issues to offer ASBA facility.

### 1.17 Findings:

**On the basis of above analysis of procedure following are the findings:**

1. ASBA process is very easy and fast as compared to old method of payment.
2. ASBA process plays very important role in Book Building issue as it becomes very complicated when old method of payment is used. Because refund of money on rejection of application was very tedious and time consuming process.
3. ASBA process made book building procedure more effective as it processes all applications by using online mode.
4. As compared to old IPO process in Book Building, IPO process by using ASBA is easier.

### 1.18 Conclusion:

As per the above analysis with the help of comparison with old process, entire ASBA process favors Book Building Issue. Hypothesis of this research paper is proved that ASBA process is very effective in Book Building issue. ASBA ensures applicants' money remains in their bank account till the allotment of shares. It helps to boost IPO process as investors feel secured about their investment. So they invest more in IPO process as they assure their money will be debited only after the bidding process.

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## Corporate Sustainability Policies and Stock Market Performance

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### Abstract:

*Adequate financial resources are required for starting new entrepreneurial activity. All entrepreneurial ventures must have resources such as capital, talent, accounting and finance, operations, management, equipment and facilities. Funding can come from a variety of sources including personal savings, credit lines of entrepreneurs, family members, friends, and other sources and capital subscription from the public by issuing shares. Capital subscription is most important as it is directly related to stock market performance during lifetime of the company. After settlement of business company needs to pursue sustainability programmes.*

*Academic researchers have conducted several meta-analyses to know the correlation between corporate Sustainability Policies and Stock Market Performance. They found that corporate sustainability helps to lower a business's cost of capital and boosts a company's operating performance. In addition, 80% of studies showed a "positive correlation" between sustainability and stock market performance. Environmental, social and governance (ESG) policies have more impact on Stock price.*

*This research paper explains how sustainability policies help to boost share prices by finding correlation between Corporate Sustainability Policies and Stock Market Performance. ESG policy analysis will show the how sustainability improves share value.*

**Keywords:** Sustainability, Sock Market Performance, ESG, Sustainability policies, Stock price

### 1.0 Introduction:

In recent years the term "Corporate Sustainability" is getting very popular. This term is often used as a synonym for, other terms such as "sustainable development" and "corporate social responsibility." The phrase is derived from the concept of "sustainable development" and the "triple bottom line." The Brundtland Commission's Report, Our Common Future, described sustainable development as, "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

Corporate sustainability is an approach aiming to create long-term stakeholder value through the implementation of a business strategy that focuses on the ethical, social, environmental, cultural, and economic dimensions of doing business. The strategies created are intended to foster longevity, transparency, and proper employee development within business organizations.

Elkington (1997) developed the concept of the Triple Bottom Line According to him it means that business goals were inseparable from the societies and environments within which they operate. Corporate sustainability is an alternative to the traditional growth and profit-maximization model.

### 1.1 Objectives



2. To know the relation between corporate sustainability and stock market performance.
3. To conduct case study of Tata Chemicals Ltd. which is the top most of sustainable companies to find the relation of corporate sustainability and stock market performance?

### 1.2 Hypothesis

1. There is a positive relationship between Corporate Sustainability and Stock market performance.

### 1.3 Research Methodology

Data is collected from various websites like Tata Chemicals moneycontrol.com, NDTV Profit, CSR box and some other reports of Tata Chemicals Ltd. to know financial performance and Stock market performance of Tata Chemicals Ltd.

### 1.4 Concepts of Corporate Sustainability:

There are four established concepts which contribute to Corporate sustainability. They are discussed as follows:

#### 1. Sustainable Development:

As per the book published by the World Commission for Environment and Development (WCED). Sustainable development means "a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations." Sustainable development combines economics, social justice, environmental science and management, business management, politics and law.

#### 2) Corporate social responsibility:

Corporate social Responsibility is also called corporate conscience, corporate citizenship, social performance, or sustainable business. It is the integration of socially beneficial programs and practices into a corporation's business model and culture. CSR aims to increase long-term profits for online and offline businesses by enabling them to become more efficient and attract positive attention for their efforts.

#### 3) Stakeholder theory

Stakeholder theory was first popularized by R. Edward Freeman in his 1984 book *Strategic Management: A Stakeholder Approach* (Pitman Books, Boston, Mass, 1984). Freeman defined a stakeholder as "any group or individual who can affect or is affected by the achievement of the organization's objectives." The basic premise of stakeholder theory is that the stronger your relationships are with other external parties, the easier it will be to meet your corporate business objectives; the worse your relationships, the harder it will be. Strong relationships with stakeholders are those based on trust, respect, and cooperation.

#### 4) Corporate Accountability

The fourth and final concept underlying corporate sustainability is corporate accountability. Accountability is the legal or ethical responsibility to provide an account or reckoning of the actions for which one is held responsible.



**Corporate Sustainability and Stock market Performance**

India's Top most company Tata Chemicals is selected for sustainability on the basis of Responsible business ranking 2018 done by Indian Institute of Management (IIMU) for studying relationship between Corporate Sustainability and Stock market performance. Following are the top 10 companies for sustainability.

Sr. No.	Name of the Company	Sr.No.	Name of the Company
1.	Tata Chemicals	6.	Tata Power Company Ltd.
2.	Ambuja Cement	7.	Bharat Petroleum Corporation
3.	Infosys Ltd.	8.	ITC Ltd.
4.	Mahindra and Mahindra Ltd.	9.	Hindustan Zinc Ltd.
5.	Tata Motors Ltd.	10.	Indian Oil Corporation

**1.6 Summary of sustainability practices of Tata Chemicals**

<b>Case Study – Tata Chemicals</b>	
<b>Details of the Company</b>	<p>Tata Chemicals started their business in Mithapur, Gujarat, in western India in 1939 with a small plant that would raise a wealth of marine chemicals from the ocean. A part of the over \$100 billion Tata Group, Tata Chemicals Limited is a global company with interests in businesses that focus on essentials for LIFE: Living, Industry and Farm Essentials.</p> <p>Tata Chemicals operates in the sectors of consumer products, industry chemicals, agrosolutions and nutraceuticals</p> <p>The company's Basic Chemistry product range provides key ingredients to some of the world's largest manufacturers of glass, detergents and other industrial products.</p> <p>Tata Chemicals currently is the world's third largest producer of soda ash with manufacturing facilities in Asia, Europe, Africa and North America. The company through its subsidiary Rallis has a strong position in the crop protection business. The Tata Chemicals Innovation Centre is home to world class R&amp;D capabilities in the emerging areas of food sciences, nanotechnology and biotechnology.</p>
<b>Certifications</b>	ISO 9001: 2015, KOSHER CERTIFICATION, IFANCA HALAL PRODUCT CERTIFICATE, NSF CERTIFICATE
<b>Commitment to sustainable practices</b>	<p><b>1. Saving Energy</b>                      Tata Chemicals has implemented several schemes to save energy across its plants, including the commissioning of a solar photo-voltaic plant</p> <p><b>2. Save the Shark Project</b>                      TCL teamed up with the Wildlife Trust of India and the Gujarat State Forest Department to launch the 'Save the Whale Shark Campaign' which has resulted in the rescue and release of 585 whale sharks</p> <p><b>3. Aspire</b>                      With a view to take its commitment towards social responsibility a notch higher, TCL reaches out to the needy through its plethora of CSR initiatives, offering them opportunities for learning and education</p>

**Case Study – Tata Chemicals**

<b>Impact business</b>	to	TCL's Corporate Social Responsibility team won the Best Practice Award on Sustainable Development Goals of UN Global Compact Network India in 2017-18 For the company's business, build your image around sustainability has great potential to add value to their products reduce risk of corporate image in case of accidents with impacts on the environment and society.
<b>Stock Market Performance</b>		<ul style="list-style-type: none"> <li>• Consolidated Net Profit from continuing operations stood at Rs. 409 Cr, up 17 percent</li> <li>• Standalone Profit from continuing operations stood at Rs.295 Cr, up 109 percent</li> <li>• PE Ratios : 10.22</li> <li>• EPS (Rs.)- :69.34</li> <li>• Sales (Rs. Cr)- :1,013.61</li> <li>• Face Value (Rs.) :10</li> <li>• Net ProfitMargin (%) :50.97</li> <li>• Last Dividend(%) :110</li> <li>• Return on Average Equity :15.</li> </ul>

**1.7 Analytical study of Tata Chemical's 5 Years Financial Summary and stock Market Performance:** (Source:NDTV Profit)

Parameters	MAR'18 (₹ Cr.)	MAR'17 (₹ Cr.)	MAR'16 (₹ Cr.)	MAR'15 (₹ Cr.)	MAR'14 (₹ Cr.)
<b>PAT</b>	<b>1,766.96</b>	<b>692.71</b>	<b>666.20</b>	<b>637.97</b>	<b>436.07</b>
<b>Earnings Per Share (in ₹)</b>	69.36	27.19	26.15	25.04	17.12
<b>Book Value (in ₹)</b>	444.50	347.60	317.40	236.78	223.15

**Interpretation:**

Above table shows the financial performance of Tata Chemicals ltd. For five years from 2013-14 to 2017-18 profit after tax, Earnings per share and Book value per share is increasing from last five years. It shows overall growth in stock market performance.

**1.8 Analytical Study of Tata Chemical's 5 Years Financial Ratio( Source : NDTV Profit)**

Parameters	MAR'18 (₹ Cr.)	MAR'17 (₹ Cr.)	MAR'16 (₹ Cr.)	MAR'15 (₹ Cr.)	MAR'14 (₹ Cr.)
ROA(%)	13.10	5.35	5.13	5.31	3.92
ROE(%)	17.51	8.18	9.44	10.89	7.94
ROCE(%)	23.20	10.39	10.76	11.92	8.50
Operating Profit Growth	21.70	3.49	4.92	9.09	-19.91
Net Profit Growth	155.08	3.98	4.42	46.30	-32.22
EPS Growth(%)	155.08	3.98	4.42	46.30	-32.22

**1.9 Details of Share Price at BSE as on 31<sup>st</sup> Dec. every year ( Source : NDTV Profit)**

Year	Share Price
2013	274.90
2014	434.30
2015	408.80
2016	501.60
2017	726.05
2018	760.00

**Interpretation**

Above table shows share price details from 2013 to 2018. It shows rise in Share price . It is an Indicator of good share market performance.

**1.10 Sustainability Practices and CSR Financial Details (CSR BOX CSR in India)**

Year	2016-2017	2015-2016	2014-2015
Actual CSR	15.00 Cr	13.97 Cr	10.20 Cr
Prescribed CSR	13.92 Cr	12.34 Cr	11.66 Cr

**Interpretation of CSR Details:**

Above table shows CSR expenditure details of Tata chemicals ltd. For last 3 years. It shows every year company has contributed more towards sustainability programme.

**1.11 Implementing Partners of Sustainability Practices**

- Tata Chemicals Society for Rural Development
- Tata Chemicals Golden Jubilee Trust
- OKHAI
- Uday Foundation

**Thematic Areas**

- Eradication Hunger, Poverty, Malnutrition
- Preventive Healthcare, Water and Sanitation
- Education, Employability and Livelihoods Enhancement
- Environmental Sustainability
- Rural Development
- Contribution to Central Government Fund

**1.12 Highlights of IIMU Report- Responsible business Ranking 2018**

- Tata group companies occupy the prime position. Of the top five companies, three are from the Tata stable (as compared to four in the previous year).
- Ambuja Cement has moved up to the second position. Infosys, Bharat Petroleum Corporation Ltd, Hindustan Zinc and Indian Oil Corporation Ltd joined the top ten list.
- Two public sector companies have entered the top 10 list – Bharat Petroleum Corporation Ltd and Indian Oil Corporation Ltd.
- Like the previous years, this year too there is no foreign company in the top ten list.

**1.13 Conclusion**

A part of the over \$100 billion Tata Group, Tata Chemicals Limited is a global company with interests in businesses that focus on essentials for LIFE: Living, Industry and Farm Essentials.

# AGRIPRENEURSHIP DEVELOPMENT THROUGH SOCIAL OUTREACH MODEL

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## **Abstract:**

*The Indian economy is basically an agrarian economy. A large proportion of Indians are dependent on the agricultural sector. Presently the Indian agriculture focuses on mere farming, where improvement of production and productivity are given priority. Therefore, there should be more stress on rural development programs. Present research project tries to frame the agro processing model. It also focuses on to check the feasibility of the model with certain parameters. The main intention of the project is to develop social outreach model so as to promote agriprenurship in rural area. Secondary data is collected from various sources to understand existing model.*

*The outcomes of the project are expected to develop a competent agro processing model and social outreach model. This will help in developing entrepreneurial spirit among the farmers, generating employment in rural area, reducing poverty, discouraging migration, and in turn reducing suicides of farmers. This is with the motive to implement the model in cost effective manner.*

## **Key Words:**

Agriprenurship Development, Social Outreach, Employment Generation, Rural Transformation.

## **Introduction:**

Presently the Indian agriculture focuses on mere farming, where improvement of production and productivity are given priority. Farmpreneurship is the part of Agriprenurship, and both these are essential pillars of rural entrepreneurship. It also has potential to generate growth and entrepreneurial opportunities in rural areas. Rural agriprenurs are a key figure in economic progress of a developing country like India. Rural entrepreneurship is often considered decisive to transform a developing country into a developed one. Therefore, there should be more stress on agricultural development programs. This will help in developing entrepreneurial spirit among the farmers, generating employment in rural area, reducing poverty, discouraging migration, and in turn reducing suicides of farmers.

Agriculture based industries have historically been given high priority in Indian Policy of development programmes. The FAIDA report of the confederation of Indian Industry (CII) and Mackinsey & company (1997) both show that there is great potential for development of food processing and other agro-industries in India. Data from annual survey of industries show that 46 percent of factories in India are agro-industrial, and they contribute 22 percent of the manufacturing value added and nearly 43 percent of manufacturing industry employment. Agriculture is the single most important sector in many low-income countries, where a large number of people depending directly or indirectly on it for their livelihoods. India being a large country, characterized by spatially uneven economic and social development. Poverty is still a major problem, especially in rural areas. More than 44 percent of the population has to live with less than a dollar a day, 2/3 of who are situated in rural areas.

According to a recent article about NITI Aayog strategy for new India at 75 in 2022, Rajiv Kumar, the Vice Chairman of NITI Aayog said "Farm loan waiver is not a solution to farm sector distress. It is not a solution but a palliative." We support the statement and hence have made an attempt to formulate a curative model towards the inculcation of various agripreneural practices thereby generating employment, reducing the dependencies, promoting agriculture and its potential to contribute to Gross Domestic Product.

### **Formulation of Research Problem:**

Since the dependency on agriculture sector is high and productivity low in India as compared to other sectors, there is pressing need to understand the challenges, opportunities and avenues available to boost Agripreneurship. Till recently, agriculture is treated just as an activity of land tilling and crop harvesting but growing waste land, depleting natural resources, growing migration by rural youth to urban areas, negative perception of the children of farmers towards farming, and emerging technologies in agriculture have demanded redesigning of agriculture and allied activities. The Government has taken initiatives for agricultural development and it becomes imperative to check its effective utilization by agripreneurs. These issues have not been clarified.

Therefore it is imperative to address the above issues by developing a support system or a model which will help farmer to understand overall opportunities and avenues available to boost Agripreneurship.

### **Objectives of the research:**

- To develop procurement model
- To develop social outreach model

### **Research design:**

Research is exploratory and analytical in nature. Agro processing industries are taken into consideration for the research.

### **Data Collection:**

Primary data are collected with the help of interview and secondary data from Government websites, Chamber of commerce, Journals, Magazines, books and other electronic resources.

### **Sample Size:**

Agro-processing unit owners across the state were interviewed through telephone on random basis for the study. 10 respondents were interviewed to collect the data.

### **Data Analysis:**

Having predetermined framework for the research, researchers have used deductive research analysis method, where interviews are conducted to collect data.

### **Data Interpretation:**

Researchers have analyzed and interpreted data on the basis of interviews conducted as per deductive research analysis method. As per the collected primary data it is been observed by the researcher that there are various schemes and policies made available by Government which are beneficial for farmers, Government also provides trainings which can help farmers to cope up with the changing technology and trends in agriculture. But the major drawback comes in execution at field.

**Constraints faced by farmers:**

1. As small industries are capital intensive, supply of finance is a considerable problem.
2. The government policies are well made but are not practical oriented hence making it difficult for farmers to implement them.
3. Absence of information about quality and quantity of market.
4. Absence of proper integration among the various agencies of development in the district.
5. Various marketing issues such as targeting market, demand pattern, pricing, transportation, branding and merchandising.

**Findings:**

1. Government schemes are good but not properly implemented and executed at ground level.
2. Various marketing issues are involved after production.
3. Farmers are reluctant to go for class room trainings leaving their farms.
4. Various loans schemes are available but since farmers already have unpaid dues they cannot use these available schemes.
5. There exist a gap between Government, Farmers and Technology.

**Conclusion:**

As per the data analysis and findings drawn, it can be concluded that there are various good schemes of the government for the agripreneurs. These schemes are not properly implemented and executed at ground level. The potential of agriculture sector is much higher than what it seems to be, for the reason being lack of training and improper dissemination of information.

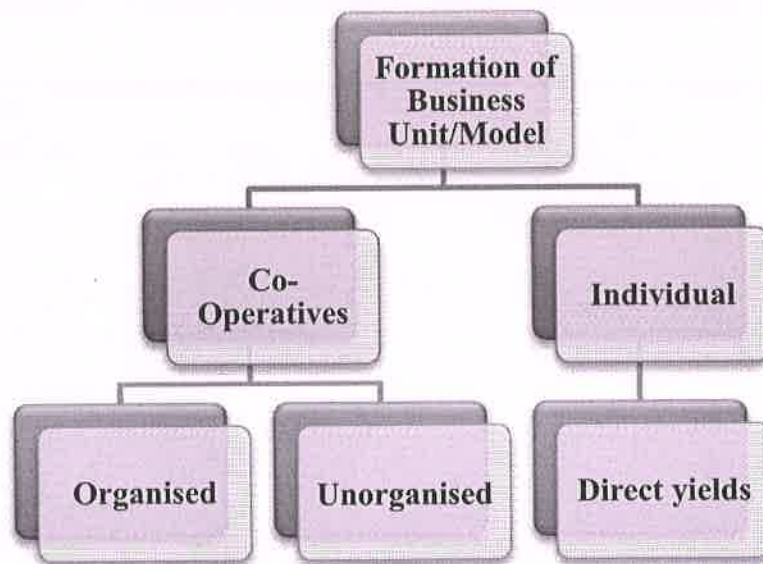
**Suggestions:**

After coming to the conclusion, researcher would like to suggest some feasible solution to the existing problems in the form of following model

**Model No-01: Procurement Model- Formation of Business Unit:**

The farmers can decide upon what by-products do they want from their yields. Depending on the requirements and financial loan bearing capability the farmers can either take individual loans or form co-operatives. The individual farmers can directly purchase the machinery and start taking out extracts from their yields. Whereas, the co-operatives can be formed in two ways, i.e. organized and un-organized methods. The organized co-operatives can be formed by segmentation of the farmers with respect to their geographical location, efficiency ratio (output / land used), and economic conditions. In organized co-operatives the farmers need to have keen interest towards setting up the agro-processing unit. Whereas, in un-organized co-operatives, farmers located in any feasible vicinity who wish to come together for adoption of the agro processing model where they find convenience and availability of basic resources.

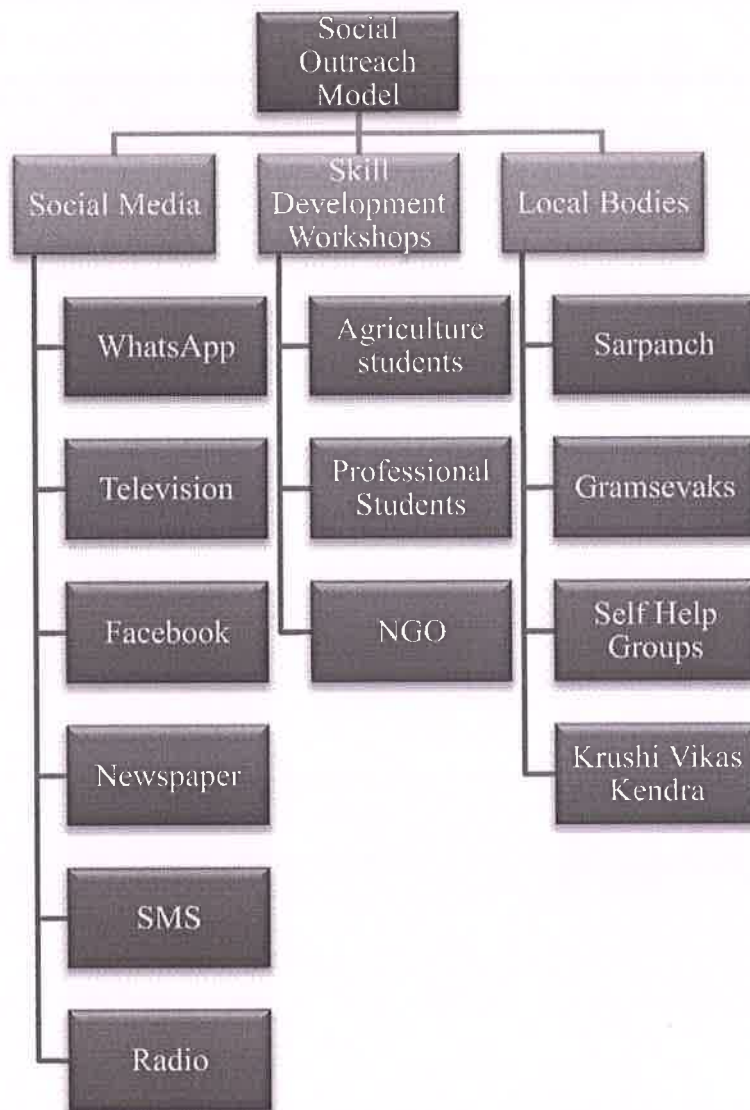




### Model No-02: Social Outreach Model:

The social outreach model has been designed as a palliative for the growing discrepancies between the farmers, the Government and the available technology.

- 1) **Social Media:** Social modes of communication shall act as the connectivity bridge in order to deliver the correct information and the right time and to the right person. As a result of growing phase in the technological sector, almost most geographical locations have been brought into the networking projects. This has relatively extended the usage of mobile phones, television, and computers. Also, the traditional methods such as newspapers and radio have adequate potential to serve the purpose.
- 2) **Skill Development Workshops:** The initiative is a major factor to enhance the farmer's yields. The skill development workshops can be given as assignments, practical learning for the students pursuing formal education in agriculture branch students can work on target oriented routine. The students from non-agriculture branch can be a part of it through various government affiliated institutions, for example, National Service Scheme (NSS), National Cadet Corps (NCC), State and central universities or any other non-government organisations. The impact of involving youth towards creating a zeal to get associated with agricultural sector or to use talent for all round development and initiatives to establish think tanks. The involvement of youth directs the agricultural sector towards better economic conditions.
- 3) **Local Bodies:** The government's social administration setup can be actively involved as Points of contact for providing concise information and help them tailor their agro processing models. At times, it is difficult for farmers to approach the government offices, hence the village level authorities have also been considered as they share a relation with the fellow villagers.



### Outcomes/Benefits of the Models:

- 1) **Bridging the gap:** The agro processing and social outreach model can be used to bring the farmers, Government and Technology together. This shall interlink the agriculture to the industry. Since India is a developing country it should have an integrated and coordinated plan to achieve balanced economic growth with proper emphasize on both agriculture and industry. Thus agriculture and industrial sectors are interlinked and interdependent and in the process of economic development they exert profound influence on each other.
- 2) **Impact on rural industry:** Agro based industries are comparatively easy to setup and generate income in rural areas with comparatively less investment, thus they are suitable for rural industrialization and they make use of local resources and skill. Agro based industries disseminate the fruits of industrial progress to rural areas by enlarging the flow of goods and services both ways.
- 3) **Growth of employment:** Agro-based industries promote local entrepreneurship, generate employment and create job opportunities to lessen the burden of unemployment in rural areas. The progress in agriculture sector not only provides food grains to the people but also brings about progress in field of industry.

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28	Immigrant Feminine Experience in Indian English Fiction Ms. Deepanjali Borse	128
29	Meeting an Uncertain Fate: Negotiations Between Tradition and Modernity Prof. Hemant Gaikwad & Dr. Kamalakar Bhat	131
30	The Namesake As Diasporic Novel Shivaji Sontakke	134
31	Reflection of Communal Riots in Translated Post- Colonial Hindi Novels Prof. Balasaheb Rohokale	138
32	Communal Violence in Post- Colonial Indian English Novels Prof. Sunil Deokar	141
33	Visual Representation of Communal Riots in Chaman Nahal's Azadi Dr. Varpe Sandip	145
34	Identity Crisis in Kiran Nagarkar's Selected Fiction Pravinkumar Nagawade & Vaishali Ransing	151
35	Chetan Bhagat : As A Postcolonial Writer in Indian English Literature Prof. Mahesh Kumbhar	154
36	Politics At A University Department: A Study of Post-Colonial Perspective on John Maxwell Coetzee's Disgrace Dr. Rameshwaar Rathod	156
37	Impact of Globalisation on The Underclass Characters in Aravind Adiga's Last Man In Tower Ashok More & Vijay Adsure	158
38	Quest For Identity in Jhumpa Lahiri's the Namesake Anil Chindhe & Sandip Sathe	161
39	The Lotus Leaves: Emotional Infidelity Dr. Archana Rohokale	163
40	Multiculturalism in Indian English Literature. Dr. Ansarullah Khan	166
41	Representation of Caste and Gender Politics in Kishor Kale's Against All Odds Jaysing Babar	168
42	Feminism From Post-Colonial Perspective in Shashi Deshpande's Novels Sangharsh Gaikwad	170
43	Torturous Estrangement of Valmiki In Kamala Markandaya's Possession Sanjay Diwekar	173
44	Multiculturalism in Indian English Literature Prof. Sunil Mhankale	178
45	Diasporic Sensibility in Indian English Writing Rohinton Mistry – A Fine Balance Prof. Sandhya Sonawane	182
46	Issues of An Identity Crisis in Joseph Conrad's The Secret Agent. Prof. Rajendra Gaikwad	185
47	Indian Perspective of Post-Colonialism: A Review. Prof. Narendra Gawali	188
48	Feministic Issues In Anita Desai's Novels Mr. Nana Wagaskar	192
49	Diasporic Sensibility in The Poetry of Meena Alexander Mr. Anna Muley	194
50	Post Colonial Indian English Literature : A Brief Survey Sharad Awari	202
51	English in Post-Colonial India Ms. Manisha Kale & Dr Dipak Wayal	205
52	Multiculturalism in Indian English Literature Farjana Tamboli	209
53	Relevance of Gandhian Principles in the Present Time Dr Prashant Lohar	212
54	Anita Nair: A Glance of Cultural Diversity In Indian Subcontinent Dr. Yuvaraj Kathale	215
55	Postcolonial Feminist Reading to Toni Morrison's 'The Bluest Eye.' Prof. Rajendra Ambavane	217
56	Joseph Conrad's 'Heart of Darkness': A Postcolonial Study. Mr. Sachin Bhosale	220



## English in Post-Colonial India

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### Abstract:

*English has replaced Hindi as the 'lingua franca' of India. It is the language of government, higher education and commerce. It is quite interesting to note that India, a multilingual nation, is the third largest English-speaking country after the US and UK. In India, it is increasingly being perceived as a 'must-know' language. The present article aims to highlight how the colonial language becomes a ladder for upward social mobility and 'a window to the world'. It also discusses the status of English in Colonial and post-colonial India.*

**Keywords:** Language, Culture, Transfer, Interference, Lingua-franca.

India is a country with great language diversity. A distinct influence of Sanskrit and Hindi is evident in these languages. Most of the Indian languages have their own script and rich literature. These language groups are regional with cultural ties to neighboring countries. India has been the place where various ethnic groups came along with their languages and cultures and settled down permanently imbibing the spirit of this land. These invasions and immigrations contributed towards the linguistic as well as cultural richness of this country. And it is the peoples who came in contact and not the languages. Hebrew, Sanskrit, Pali, Greek, Arabic, Persian, Turkish, Portuguese and English have all been used as link languages during different periods of Indian history.

Kachru quotes Firth, "English as a tool of international communication, representing in each country a particular 'way of life' international in the sense that English serves the American way of life and might be called American, it serves the Indian way of life and becomes Indian, and has recently been declared as an Indian language within the framework of the federal constitution" (Kachru B. B., 1983, p. 6).

Due to the British invasion, English language was widely exposed to our country. It is strongly believed that it made its entry when the British first came to India after the incorporation of the East India Company in 1600, and gained roots because of the educational policies of Lord Macaulay. Timothy J. Scrase explains the growth of English in India in the following words: "Since the days of the British Raj, English remained the language of domination, status and privilege in India. The hegemonic colonial project in India was to create and maintain a class of administrative officers, clerks and compliant civil servants to carry out the task of ruling the vast and expansive subcontinent". The view expressed above makes it clear that English was the language of the rulers in India, and as a colonial subject we had no other choice but to learn English. In this way the language started gaining roots in India.



Britishers did not want the spread of European type of Education in India. They felt, as has been mentioned in the parliamentary papers (1852-53), that western education would enable Indians to challenge the alien rule as was the case with America. And when they turned to promote the education of Indians, it was a political necessity that made them do so.

After that the minutes of Macaulay is the significant move regarding status of English in India. Macaulay's motives in spreading English in India were just to create a group of Indians who would be the interpreters between their rulers and the ruled. According to Bailey, "in Macaulay's thinking Indian languages would be enriched by English, so that they could become vehicles for European scientific, historical and literary expression. The purpose of Macaulay is to create "a class of persons, Indians in blood and color, but English in taste, in opinion, in morals and in intellect" (Bailey, 1991, p. 138). According to Kachru, 'the far-reaching Minute was highly controversial because of disagreement about whether it was correct to impose an alien language on Indians. The Orientalists expressed their disagreement in a note dated 15 February 1835, but they could not stop it from passing and had to give way" (Kachru B. B., 1983, pp. 68-69).

The report submitted by Hunter Commission in 1884 recommended grants for missionary schools and periodic increase in educational budget. The Hunter commission could not resolve the English – vernacular conflict. In 1902, the universities commission was formed and in 1904, the Indian Universities Act was promulgated to improve the standard of the university system. The Government Education policy which was based on vernacular education was passed in 1904, which introduced English in education after the age of 13. Gradually, English spread and by 1928 was the language of administration and the pan-Indian press. English then became the language of the elite. 'Although official British rule ended in India in 1947, the English language has remained deeply ingrained in the elite class' (Kachru B. B., 1983, p. 94).

English then gradually spread wider in India and gained roots in the educational system. In 1857 three universities at the then Bombay, Calcutta and Madras were established. The foundation of these universities marked a new epoch in the history of Indian education. This resulted into the spread of schools and colleges, which ultimately resulted in the increase of more number of Indians who achieved mastery in this language.

The Wood Abbot Report (1936-37) recommended an alternative in simplified English in order to keep the flow of education through the medium of English. But the estrangement with English was growing deeper and wider as the struggle for freedom gained more and more momentum. The Government of India Act-1935 was considered to be a prelude to a proposed Dominion status for India. On assuming office in 1937, the ministers busied themselves at once with educational schemes. In these schemes, vernaculars were the natural media of instruction. But at the secondary and university stages, English continued to dominate in the pre-autonomy days. All ventures of life, all avenues of success could be opened only with the keys of English.

Since independence, English language continued to be taught in Indian schools, though in limited schools and colleges initially. With passage of time the use of English increased resulting in a shift of its status. Increased English language proficiency was considered instrumental in fetching well paid job opportunities. The language, thus, got recognized as an important link language for national and international purposes. Despite the hard and sincere efforts of the central and the state governments, Hindi could not yet become the link language in India. In view of the strong opposition to Hindi in the southern states, Hindi in 'Deonagari' script was declared



as the official language of the Union and English also was given the status of the 'subsidiary' official language of India in the Official Language Act 1965. English, the only language used for official purposes in the British Raj, thus, became the subsidiary official language by 1965. It was also decided that either Hindi or English could be used for proceedings of the parliament.

The All India Council for Education recommended the adoption of the Three Language Formula (TLF) in September 1956. The endorsement for this formula came from various directions. It was adopted by the Chief Ministers' conference. The National Policy on Education 1968 recommended the inclusion of the TLF which includes the study of a modern Indian language, preferably one of the Southern languages, apart from Hindi and English in the Hindi speaking states, and of Hindi along with the regional language and English in the non-Hindi speaking states at the Secondary stage. The Three-Language Formula was worked out as a way of accommodating the interests of each linguistic group.

The University Education Commission headed by S. Radhakrishnan in 1950-51 reported: "...the English language has been one of the potent factors in the development of unity in the country. In fact, the concept of nationality and the sentiment of nationalism are largely the gift of English language and literature to India". The commission further observed: "...English has become so much a part of our national habit that a plunge into an altogether different system seems attended with unusual risks. It appears to us, however, that the plunge is inevitable. English cannot continue to occupy the place of state language as in the past". It further recommended that: "English is studied in high schools and in the universities in order that we may keep in touch with the living-stream of ever-growing knowledge" (Kachru, 1983, P.19-23).

Many other commissions and agencies including the Kunzru commission, Mudiliyar, Kothari, V.K. Gokak, G.K. Chandramani, the Central Advisory Board of Education, Inter University Board, and Official Language Commission etc., also have reviewed the place of English in Indian Education from time to time. All the reports reflect the strong hold of English on Indian minds and acknowledge its important role in India.

There are many acronyms in use amongst English teaching professionals and the list seems to be growing daily. 'ESL' is usually taught to immigrants to the country of the target language or to natives of a country such as India where English is an officially recognized second language. Prof. V.V. Yardi gives clear distinction between a 'foreign' and a 'second' language status as: "English as a foreign language refers to a situation where it is taught for certain specific purposes viz... reading scientific works, translation, communication at certain levels and for certain purpose only. English as a 'second' language refers to a situation where English is used widely for purposes of administration, education and as a common link-language". (Yardi, 1977, P.18,19). From the view expressed above it seems evident that initially English in India might have been used by a limited group and that too for very specific purposes. Its use gradually increased with the establishment of universities, schools and colleges and because of the government policies after independence indicating a shift in its status. Prof. Yardi further asserts: "in India until recently, English was a 'second' language. It is now in the process of acquiring the status of a compulsory 'third' language". (Yardi, 1977, P.19).

Thus, this brief historical scan of the evolution of the language policy in India tells us how the apprehension about the dominance of English (as a colonial language which signifies the master's language) has been naturally alleviated by the role which the language has attained. The English language is a tie that helps bind the many segments of our society together. It is realistic





to assume that the syntactical variations of Indian English may be caused by a combination of first language transfer and over-generalization of grammar. The various Englishes along the Indian English spectrum could be considered various inter-languages. English came to be the language of the legal system, higher education, pan-regional administrative network, science and technology, trade and commerce - either because the indigenous languages were not equipped for these roles and English provided for a convenient vocabulary, or because the use of English was considered prestigious and powerful. Kachru lists also some other reasons for the dominance of English around the world: its propensity for acquiring new identities, its power of assimilation, its adaptability to 'decolonization' as a language and its provision of a flexible medium for literary and other types of creativity across languages and cultures". Indians who know English often mingle it with Indian languages in their conversations. It is also usual among Indians to abruptly move to speak fluent English in the middle of their conversations. English also serves as the communicator among Indians who speak different languages (Kachru, 1987, p. 222). Throughout India there is a belief in the informative power of English among almost all castes and classes. English is seen not just as a useful skill, but as a symbol of a better life. It acts as a change agent.

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Self Employment : A Tool of Economic Development

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## Self-Employment opportunities and Economic Growth in India

### A Descriptive Scrutiny

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Since the time of independence has lived with the tag of a developing economy with wide spread poverty and inequality. Even after making leaping progress in various fields in the last few decades, the tag remains. One reason for this can be the large levels of unemployment and underemployment. This paper explores the idea of how through self-employment opportunities India can make faster growth and development possible for its

**Keywords:** Self-Employment, Developing Economy, Economic Growth, Entrepreneurship.

India is a developing economy. The nature of employment and unemployment therefore is different from those of the developed, advanced economies. The unemployment in India is of chronic disguised or under employment. The key to rapid economic development is the creation of sustainable and large number of jobs at a very fast pace. In near future India will be the largest individual contributor to the global demographic transition. A 2011 International Monetary Fund Working Paper found that substantial percentage of the growth achieved by India since the 1980s is due to the country's age structure and changing demographics. The U.S. Census Bureau predicts that India will outdo China as the world's most populous country by 2025, with a large proportion of those in the working age category. Over the next few decades the continuing demographic dividend in India could add about two percentage points to India's per capita GDP growth. Extreme actions are needed to take care of the minimum living standards including food, water and energy. This will be possible only through rapid generation of employment.

#### Research Methodology:

This paper is based on secondary data from various resources. Descriptive research is used in writing of this paper. Descriptive research is used to describe characteristics of a person or phenomenon being studied. the research in question is intended to describe the characteristics of the phenomenon studied.

#### Employment Scenario in India:

A report published by the World Bank, as part of its South Asia Economic Focus series for 2015, India's employment rate was around 50% and this rate has increased with economic growth, dismissing the view of jobless growth. Specifically, the World Bank calculates that the increase in growth in India resulted in 540,000 more jobs on average. The World Bank has conducted more than 60 surveys and censuses since 2001 to document job creation in India. The job creation rate is still inadequate both in terms of quality and quantity. Quality wise the dominance of agricultural labour and the extremely modest growth in regular wage jobs, which is considered a better, steadier form of employment and quantity wise

# A Study of Challenges and Prospects before Agripreneurship for Sustainable Rural Development

18-19

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## **Abstract:**

*In the ever changing environment a shift from agriculture to Agripreneurship is an essential pathway to revitalize Indian agriculture and to make it more attractive and profitable venture. Agripreneurship has the potential to contribute to the economic and social development such as employment generation, income generation, poverty reduction and improvements in nutrition, health and overall food security in the national economy. It also has potential to generate growth and entrepreneurial opportunities in rural areas. With this backdrop, rural entrepreneurship is seen as a crucial measure to address rural poverty in India. The research examines the potential of agropreneurship development in Maharashtra with the backdrop of issues and challenges faced by existing agripreneurs.*

*The research proposes to understand issues and challenges faced by agripreneurs. Through this research it is found that there are various government scheme to support the agripreneurs, but they face problems while availing the schemes. Agripreneurs face problem such as marketing, supply chain, and availing government schemes.*

## **Key Words:**

*Agripreneurship Development, Poverty Reduction, Social Outreach*

## **Introduction:**

The term 'agro food processing industries' covers extensive range of activities utilizing animal, farm and forestry based products as raw materials. There is a limited extent of processing of agro-wastes and by-products of main agro based industries. Due this wide range of activities, there is a lot of diversity in the nature of problems and issues relating to different agro food processing industries. It is difficult to envisage an overall technology policy framework covering the various agro food processing industries. Any technology policy relating to agro food processing activities apply differently in the case of different activities depending upon the purpose of processing. Such processing is already being in the country, introduction of modern technology in this sector is considered to be beneficial in two ways. It would improve the efficiency of processing in terms of higher recovery of desired products. Secondly, it would create a number of potentially useful by-products, some of which are not being fully utilized at present or not utilized in optimum way for producing higher value added products. Although most of the technology is readily available in the country, it is not being extensively adopted because economic incentives are often mission, or institutional arrangements for collection, processing and marketing of the by-products may be lacking.

### **Origin of research problem:**

India is second largest producer of fruits and vegetables in the world, and the second highest producers of milk with a cold storage capacity of 70,000 tonne and sixth largest producer of fish with harvesting volumes of 5.2 million tonnes. India is fifth largest producer of eggs in the world. Investments in cold chain required storing 20% of surplus of meat and poultry products during 10th plan required Rs 500 Crores. (Sah, Sujan, & Kashyap, 2009). Presently the Indian agriculture focuses on mere farming, where improvement of production and productivity are given priority. However, considering India's potential for horticulture and animal husbandry, if farmers, besides farming, lay emphasis on such allied activities and transform from farmers to agripreneurs, the road to rural development can be made more efficient and sustainable.

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

Sustainable rural development is a complex phenomenon. A thorough knowledge of rural development demands understanding of the political economy, sociology, economics, management, commerce and law. Within this context, agropreneurship deals with the areas of Agricultural Business Management, Marketing Management, Rural Development and Social Development. Agropreneurship therefore has interdisciplinary relevance and scope as it addresses the financial, social, educational and political lives of farmers and their families in a dynamic social and political set up.

### **Major existing research works reviewed:**

Agripreneurs have benefits for the society in terms of employment generation, creation of new business ventures, new jobs, innovative products and services, development of rural areas and increased wealth. Sah et al. believe that developing entrepreneurs in agriculture will solve problems like (a) Reduction in the burden of agriculture (b) Generation of employment opportunities for rural youth (c) Controlling migration from rural to urban areas (d) Increase in national income (e) Support to industrial development in rural areas (f) Reduction in the pressure on urban cities. (Sah, Sujan, & Kashyap, 2009).

Shoji Lal Bairwa et al. state that the agriculture sector has a large potential to contribute to the national income while at the same time providing direct employment and income to the numerically larger and vulnerable section of the society. Agripreneurs are not only an opportunity but also a necessity for improving the production and profitability in agriculture and allied sector. (Shoji, Kerobim, Kushwaha, Meena, & Kumar, 2014). They also have mentioned Agropreneurs are the need of hours to make agriculture a more attractive and profitable venture. The agriculture sector has a large potential to contribute to the national income while at the same time providing direct employment and income to the numerically larger and vulnerable section of the society. Agropreneurs are not only an opportunity but also a necessity for improving the production and profitability in agriculture and allied sector.

Malaysian Government is also supporting Agropreneurs for employment generation, rural development and poverty reduction. Mohamad Kamal states that "The government is positive in increasing the percentage of young people to be participating in the industry. The ministry will continue various approaches to lure the young to join the industry. In 10 years' time, Malaysia will have more successful young agricultural entrepreneurs in the country". (Kamal, Development of Young Agripreneur in Malaysia).

Pankaj Vyavhare and Shilpa Bendal states that "Sustainable agriculture is an important issue in India. A balance between People, Planet and Profit is necessary to create sustainable agriculture. Entrepreneurial qualities are important for farmers to maintain this balance in particular situation. (Pankaj & Shilpa, 2012). This study focuses on promotion of agro business through entrepreneurship development, NABARD assistance & SHG which helps to understand the issues & opportunities".

Malyadri explained that “The economic prosperity of India mainly depends upon the success of industrial as well as agricultural sectors. Owing to the limitations of the agricultural sector in contributing adequately to the economy, the industrial sector, which is affluent with resources, has assumed greater importance in this regard in our country. Realizing the importance of industrial sector to economic development, our planners have aimed at accelerating industrial development through rapid industrialization by exploitation and effective utilization of the rich, natural and physical resources our country is endowed with.” (Malyadri, 2014) Moreover, the planners have also realized that the roles of the people and their abilities have to play in these stupendous endeavours are supremely important and that any negligence of the human factor would only enfeeble the economic prosperity of the country.

### **Objectives of the research:**

To understand Challenges faced by the Agripreneurs.

### **Research design:**

Research is exploratory and analytical in nature. Agro processing industries are taken into consideration for the research.

### **Data Collection:**

Primary data are collected with the help of interview and secondary data from Government websites, Chamber of commerce, Journals, Magazines, books and other electronic resources.

### **Sample Size and Method:**

Agro-processing unit owners across the state were interviewed through telephone on random basis for the study. Ten respondents were interviewed to collect the data. Random Sampling Method is used for then research.

### **Data Analysis:**

Having predetermined framework for the research, researcher has used deductive research analysis method, where interviews are conducted to collect data.

### **Data Interpretation:**

Researcher has analysed and interpreted data on the basis of interviews conducted as per deductive research analysis method. The interpretation is as follows:

### **Overall Scenario of Agripreneurship:**

Agribusiness denotes the co-operative business activities that are performed from farm to fork. This covers the supply of agricultural inputs, the production and transformation of agricultural products and their distribution to final consumers. Agribusiness is considered by the raw materials that are mostly perishable, variable in quality and not regularly available. Establishment of agro-based industries is dependent on the availability of raw material. The most convenient method to uplift the rural economy is the introduction of Agro-produce processing units. Through which the raw material is merely processed so that it can be preserved and transported at a cheaper cost. The outcomes of this process can be well regarded as newly extracted products and not newly manufactured products. Since this process involves extraction of various bi-products there is a minimal possibility of adulteration or modification in the basic nature of the crops, thereby being able to upkeep the nutritional components.

### **The constraints before agro processing units:**

1. Appropriate guidance is not available to agripreneurs.
2. Adequate training for modern and sophisticated agro-industries are not available.
3. As small industries are capital intensive, supply of finance is a considerable problem.
4. The government policies are well made but are not practical oriented hence making it difficult for farmers to implement them.
5. Absence of information about quality and quantity of market.
6. Improper decision making for choosing the appropriate channel to deliver information to the entrepreneurs.
7. Absence of proper integration among the various agencies of development in the district.
8. Various marketing issues such as targeting market, demand pattern, pricing, transportation, branding and merchandising.

### **Findings:**

1. Government schemes are good but not properly implemented and executed at ground level.
2. Various marketing issues are involved after production.
3. Farmers are reluctant to go for entrepreneurship.
4. Supply chain management is inadequate.
5. Promotional activities such as conducting intensive campaigns, identifying candidate industries and explaining to entrepreneurs about prospects are inadequate.
6. Loans and subsidies of farming in India are NABARD, Micro Small and Medium Enterprises (MSMEs), and tiers of Mudra Yojana viz. SHISHU, KISHOR and TARUN.
7. Ministry of Agriculture and Farmers Welfare, Government of India has started Rural Entrepreneurship Awareness Development Yojana (READY) for rural entrepreneurship awareness and practical experience in real-life situation.
8. Agripreneurs are not aware about the pre and post production possessions.

### **Conclusion:**

As per the data analysis and findings drawn, it can be concluded that there are various schemes of the government for the agripreneurs. These schemes are not properly implemented and executed at ground level. The potential of agriculture sector is much higher than what it seems to be, for the reason being lack of training and improper dissemination of information. Agripreneurs face problems while running the business.

### **Suggestions:**

After coming to the conclusion, researcher would like to suggest some feasible solution to the existing problems. These suggestion are as follows:

1. Farmers should opt for contract farming and should go for Private Label Brands.
2. Government should have proper mechanism so as to make farmer aware about the entire process of production.
3. Government should have proper mechanism to create awareness about Agripreneurship and its related training and development activities.

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# TOWARDS SUSTAINABLE BRANDING: CASE STUDY OF ARAATRIKA- A PUNE BASED STATIONARY PRODUCTS MANUFACTURING FIRM

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## **Abstract:**

*In this Article we present the sustainable Branding approach of a start up in Pune, Araatrika, who are engaged in the exploration of Eco-friendly alternatives for our everyday products. With the vision of Reuse, Refuse, Recycle and Reduce, Araatrika has introduced Eco-stationery with their signature Products -Happy Pencils, Happy seed Pencils or Recycled Newspaper Plantable Pencils and Happy Pens or Recycled Paper Pens. The latter part of the article talks about the cost, benefit (Environmental and Social) analysis of the Eco-Stationery with the classical versions of pencils and Pens, produced and circulated by potential competitors and existing players in the stationery Products Market. With the growth of output and export potential of Araatrika for Eco-Stationery since its inception, this article backs the argument that Sustainable Branding is the New Normal for 21<sup>st</sup> century.*

## **Keywords:**

*Sustainable Development, Sustainable Branding, Ecological footprint, choice Architecture, Framing Effect, Eco-Stationery, Close Substitutes, Occupational Hazards, Corporate Social Responsibility.*

## **Introduction:**

The United Nations Development Programme (UNDP), in its Sustainable Development Goals (SDG) otherwise known as Global Goals, called for a universal action plan to protect the planet and ensure that all people enjoy peace and prosperity<sup>(1)</sup>. The 17 goals includes areas like climate change, innovation, sustainable consumption etcetera. These Goals are interconnected and the key to success on one will involve tackling issues more commonly associated with the other.

In our analysis of Araatrika the 12<sup>th</sup> SDG, is relevant which spells – Responsible Consumption and Production, meaning thereby it urgently requires us to reduce our ecological footprint by changing the way we produce and consume goods and resources.

In Araatrika, the production of Happy Pencils involves the use of Recycled Newspaper thereby explicitly eliminating the use of wood, secondly the Happy seed Pencils or the Recycled Newspaper Plantable Pencils has seeds encapsulated at the end, when the pencil is too short to use, assorted vegetables can be grown, similarly the Happy Pens or Recycled Paper Pens uses 70 percent less plastic as compared to the traditional Pens, making it the most eco-friendly Pen available in the market.

The Eco-Stationery is explicitly contributing towards achieving the goal of responsible consumption and production as envisaged by UNDP in its 12<sup>th</sup> SDG.

So as to survive in any market your products and services should have some added value to it. The following segment throws light on Sustainability Branding used by Araatrika in the production and distribution of its Eco-Stationery and how Sustainable Branding will be the New Normal for 21<sup>st</sup> century.

### Objectives:

The paper aims to analyse the following objectives:

1. Cost and Social benefit associated with stationary products.
2. Cost and Environmental benefit associated with stationary products.
3. Sustainable branding approach of Araatrika in production and consumption of its Eco-stationary products.

### Hypothesis:

The sustainable branding approach incorporating cost involved and benefit associated with the products being sold will be the new normal for 21<sup>st</sup> century.

### Araatrika and Sustainable Branding:

Economic Development can't be separated from Social and Environmental aspects. While society considers sustainable development as a necessity, industry considers it as a compromise. Following increasing pressure and a sense of responsibility towards Environment and Society at large, industries have started moving towards adapting a sustainable development approach in general and sustainable branding approach in particular.

Sustainability Branding is the process of creating and maintaining an identity of a specific product, service, or business that reflects special added value in terms of Environmental and Social benefits<sup>(2)</sup>.

Corporate Social Responsibility or "CSR" is more than just a way for brands to stand out, but added values associated with its products in terms of Environmental and Social benefits will be the driving force for branding in the 21<sup>st</sup> Century. A Brand is only perceived as being Sustainable if it can credibly convey sustainability benefits which are noticeable by and relevant to the consumer<sup>(3)</sup>.

Brands also have the capability to tap into the Emotions of a target audience, drive actions and cultivate change. As we are aware of the damage our lifestyles are causing to the world we're beginning to search for effective ways to protect our environment. It is time for the firms to move from profit maximization, and use their influence to make an impact on the issues that really matter, like climate change, global warming and peace and prosperity at large.

Araatrika with its Eco-Stationery is providing that alternative way to protect our environment with the help of Responsible Production and Consumption and products which are environmentally sensible and socially responsible.

#### 4.1. Contribution of Araatrika to Stationery Products Market:

Since its inception, Araatrika strengthens its position in the stationery products market as evidenced by the remarkable performances recorded in recent years with an Eco-stationery production of 2,25,000 units of Happy Pencils, 1,50,000 units of Happy seed Pencils or Recycled Newspaper Plantable Pencils and 50,000 units of Happy Pens or Recycled Paper Pens.

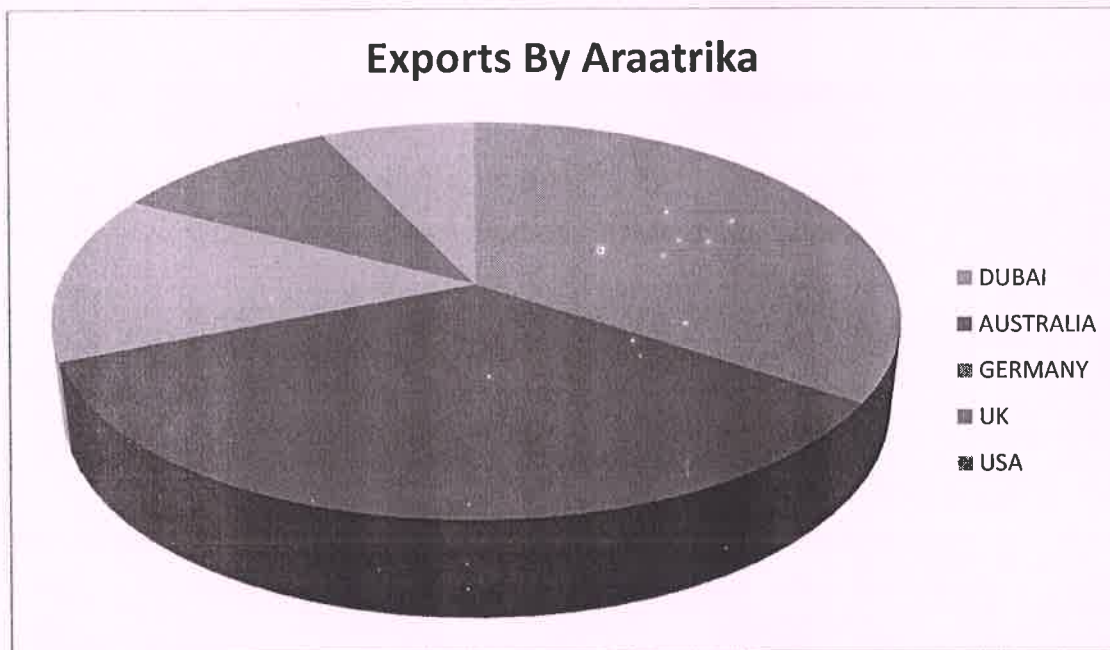
Further if we look at the export side of the products manufactured by Araatrika, it shows remarkable performance since it started exporting to various countries. The major importer of Happy Pencils, Happy seed Pencils or Recycled Newspaper Plantable Pencils and Happy Pens or Recycled Paper Pens, is Dubai

and Australia. The other countries importing the Eco-Stationery excluding pens are UK, Ireland (Dublin), Germany and the USA.

If we look at the employment side, the number of employees over the years has been limited to 8 members, with zero occupational hazards as a result of sustainable and responsible production process. The following graphical analysis throws light on the contribution of Araatrika to the international market. Out of the total-2,25,000 units of Happy Pencils, 1,50,000 units of Happy seed Pencils or Recycled Newspaper Plantable Pencils nearly 14.5 percentage of the total output has been exported to various countries. The following schedule shows the country and its share.

**Table No.1: Importing Country and percentage of output exported.**

S.No.	Importing Countries	PERCENTAGE
1	Dubai	5%
2	Australia	5%
3	Germany	2%
4	UK	1.5%
5	USA	1%



#### **5. Negative Externalities of Stationery Industries:**

The stationery products industry activities have negative external effects due to emission of various types of waste which can pollute air, soil, water, flora and fauna in general and henceforth the Environment in particular.

From social perspective the industrial activities involve reallocation of population (forced displacement of population due to deforestation especially in tribal belts) furthermore community structures are weakened and cultural identity is at risk.

## **Theoretical Framework:**

### **Sustainable Development: Foundation and Confrontation:**

Sustainable development has long been considered as a comprehensive and complex concept. The most suitable and comprehensive definition was documented in the Brundtland report "our common future" of the World Commission on Environment and Development published in 1987 by the United Nations, which pronounces - sustainable development is a development mode which meets the present needs, while preserving the needs of future generation<sup>(4)</sup>.

So as to meet their sustainable development targets firms undertake CSR activities. Now CSR notion is materialized through triple bottom line concept: economic prosperity, environmental friendliness, respect and enhancement of social cohesion.<sup>(5)</sup> This notion of CSR, takes into account three major dimensions of sustainable development and proves to be comprehensive. Start-ups like Araatrika instead of engaging in CSR are involved into responsible production and consumption which is an easy and effective way of Sustainable Development in general and Sustainable Branding in particular.

### **Sustainable Development in Stationery Industry:**

It is usually believed that sustainable development approach requires huge investment in technology, experienced and skilled manpower and requires a lot of time to reap its benefits.

For the stationery products industry, sustainability relates to qualitative supply of products which are environmentally sound, socially responsible and economically viable and which can be translated into responsible future and healthier environment.

### **Explanatory Approach: Case of Araatrika:**

In order to understand sustainable development in general and sustainable branding in particular for stationery products, we have chosen to explore the case of Araatrika.

Sustainable branding in stationery products involves various challenges specific to its industry. This study involves exploration of present state, identification of sustainable development practices, sustainability approach (benefit – environmental & social) adopted by Araatrika.

### **Methodological Framework:**

In this research, we chose to study the case of Pune based start-up, Araatrika who is pioneering in Eco-stationery with its signature products- Happy Pencils, Happy seed Pencils or Recycled Newspaper Plantable Pencils and Happy Pens or Recycled Paper Pens. Further we will also provide a schedule which compares the cost and benefits of Eco-stationery with its close substitutes. We relied, to realise our study on data collected during a telephonic interview with the concerned person dealing in sales.

The interview was aimed at precisely understanding: the Sustainable Development approach in general and Sustainable Branding in particular with the help of data pertaining to output, export potential, number of employees, environmental and social Benefits of their products etcetera . We also enriched our article with additional data obtained from various other studies on the phenomenon in question (Sustainable Branding).

### **Case Study:**

#### **Presentation of Araatrika Case:**

Araatrika is engaged in the production of Eco-stationery with its signature products- Happy Pencils, Happy seed Pencils or Recycled Newspaper Plantable Pencils and Happy Pens or Recycled Paper Pens. The firm responds to local and international demand for its Eco-Stationery products.

With its inception, Araatrika was a turning point for the Stationery products industry. Since actively starting the production, Araatrika has manufactured over 2,25,000 units of Happy Pencils, 1,50,000 units of Happy seed Pencils or Recycled Newspaper Plantable Pencils and 50,000 units of Happy Pens or Recycled Paper Pens. They have provided consumers with sustainable products as a choice or substitute for the traditional ones using the concept of Choice Architecture <sup>(6)</sup>. Choice Architecture refers to the practice of influencing choice by changing the manner in which options are presented to people. For example, “framing”, Framing Effect pronounces that Choices can be presented in a way that highlights the positive or negative aspects of the same decision, leading to changes in their relative attractiveness <sup>(7)</sup>. Araatrika uses the same concept to promote its output by using and mentioning the environmental and social benefits of its products as compared to that of its close substitutes.

**Sustainability Branding:**

The following schedule compares the cost and benefit (Social, Environmental and in kind) of Eco-Stationery with the close substitutes available in the market. The purpose of this schedule is to reflect special added value of the products in terms of Environmental and Social benefits and credibly convey sustainability benefits which are noticeable by and relevant to the consumer.

**TABLE No. 1: Cost and Benefits (Social and Environmental)-Close Substitutes for Pencils.**

S.No.	Product (Pencil)	Price		Benefits		
		Per piece	Per box	Social	Environmental	Kind
1.	Apsara	Rs. 7	Rs. 70	-----	-----	***
2.	Faber Castle	Rs. 5	Rs. 50	-----	-----	***
3.	Camlin	Rs. 5	Rs. 50	-----	-----	***
4.	Happy Pencils	Rs. 9	Rs.55	@	>>	***
5.	Happy Seed Pencils	Rs.10.50	Rs. 105	@	>>	***

----- Denotes- null

\*\*\* Denotes- Eraser and or Pencil Sharpner.

@ Denotes- Responsible Consumption through the use of recycled paper Products.

>> Denotes- seeds for growing assorted vegetables or elimination of wood.

**Table No. 2: Cost and Benefits (Social and Environmental) -Close Substitutes for Pens.**

S.No.	Product (Pen Ballpoint)	Price		Benefits		
		Per piece	Per box	Social	Environmental	Kind
1.	Reynolds	Rs.10	Rs. 100	-----	-----	----
2.	Flair	Rs. 10	Rs. 100	-----	-----	----
3.	Cello	Rs. 10	Rs.100	-----	-----	----
4.	Rotito	Rs. 10	Rs.100	----	----	----
5.	Happy Pen	Rs.10	Rs.100	@	>>	----

----- Denotes- null

@ Denotes- Responsible Consumption through the use of recycled paper Products.

>> Denotes-elimination of Plastic upto 70% as compared to the regular Pens and the use of recycled paper.

### Conclusion:

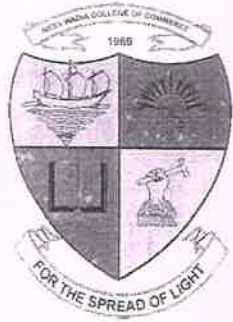
The future of Branding is Emotional, Responsible and Driven by the quest for a healthier Globe. In this work we have presented and explained the sustainable Branding approach used by Araatrika and the choice architecture used by them to push their output in the market efficiently and effectively.

With its Eco-stationery; though a little expensive as compared to its close substitutes, Araatrika is pioneering in the social and Environmental Benefits arising out of responsible production and consumption of its products in comparison to what is provided by any of its competitors. With its growing user base and multi-directional reach in the domestic and overseas market, we can support our argument that Sustainable Branding can be the New Normal for 21<sup>st</sup> century.

Brands with socially sound and environmentally responsible features will drive the markets of 21<sup>st</sup> century. One such step in the stationery products market is taken by Araatrika with its signature Eco-stationery. The performance of Araatrika by integrating interactions between society and environment is commendable. Finally so as to fulfil all the goals mentioned in the SDG of United Nations Development Programme, all the actors especially Public Sector (National & State) and population (locals & Employees) must fully assume their responsibilities. In other words we promote the argument that self-conscious efforts, by institutions in the private and also the government sector, to steer people's choices in the directions that will improve their lives. Thus Araatika is self-consciously attempting to move people in directions that will make their lives better

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# AN ANALYTICAL STUDY OF USE OF INFORMATION TECHNOLOGY BY TAX ADMINISTRATOR IN INDIA

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## **Abstract:**

*Indian Income Tax Act 1961 is a backbone for the Government of India to collect the Taxes. The Income Tax plays an important role in the collection of taxes by the Government. The Income Tax Department over the period has changed its modus operandi from manual filing to electronic filing.*

*The use of Information Technology by the Income Tax Department helps it to find out the loopholes in the system as well as to ease the filling and collection of data. Due to information technology Department( here department means Income Tax Department) is able to share the data from other exchequers also resulted into more stringent processing of data and analytical study of the taxing pattern, filing of returns, non-conventional sources of tax collection and to bridge the gap between possible sources of tax evasion and avoidance.*

## **Key Words:**

*Income Tax, E-filing, Information and Technology, Taxes*

## **Introduction:**

Before use of Information Technology by the Department, it used to collect the data through manual filing which took lot of time to process and delayed the collection of taxes which were short paid or not paid. On the other hand there was no system to cross verify the claims made by the assessee in respect of taxes paid. All these resulted into heavy losses of revenue.

To overcome the shortfalls in the present system and to make our taxation system at par with the international taxation system Government has started use of information technology devices to deploy in the tax system. For this purpose the Income Tax Department has taken various steps.

## **Research Objectives:**

1. To Know the use of information technology by tax administrators
2. To know the impact of use of information technology by tax administrators.
3. To know the impact of information technology on tax payers.
4. To know the contribution of information technology in tax collection.
5. To know the implications of information technology on assessment proceedings.

## **Research Methodology:**

1. **Primary Data:** Considering the time and money constraints the researcher decided to complete the study on secondary data only.
2. **Secondary Data:** The researcher has mainly collected the secondary data from the books, research articles and web sites of the Income Tax Department. The researcher has used simple statistical analysis tool to analyses the data.



## Hypothesis:

1. The use of information technology by income tax department has increased the revenue collection.
2. The use of information technology by income tax department resulted into increase in number of tax payers.

The following are the various processes in detail and their relevance

### 1. PAN Verification and Linking with Aadhaar:

Initially there was no system to check duplicate and doubly issued PAN cards but with the development of the system the Department has come up with registration of PAN card on the Income Tax Website as a first step and then linking of PAN cards with the Aadhaar Card ensures that the duplicate and wrong PAN cards get revealed or thrown out of the system. This has resulted into cancellation of Duplicate PAN cards in lakhs and savings in the proposed transactions that may took place by using this PAN cards and corresponding savings in tax evasion or avoidance.

**Table 1: Comparative PAN Allotment Status@**

Type of Taxpayer	31.12.2017	% to Total Applicants	31.03.2018	% to Total Applicants
Association of Persons	9,39,255	0.26	9,95,107	0.26
Body of Individuals	56,513	0.02	60,184	0.02
Company	15,80,760	0.44	16,12,427	0.43
Firm	40,22,239	1.12	41,09,252	1.08
Government	16,762	0.00	19,596	0.01
Hindu Undivided Family	19,22,200	0.53	19,51,204	0.51
Artificial Judicial Persons	34,885	0.01	35,420	0.01
Local Authority	56,019	0.02	59,941	0.02
Individual	35,00,85,561	97.39	36,94,73,536	97.46
Trust	7,45,054	0.21	7,67,389	0.20
<b>Total</b>	<b>35,94,59,248</b>	<b>100.00</b>	<b>37,90,84,056</b>	<b>100.00</b>

#### @Income Tax Department PAN allotment statistics

The above table indicates that there is considerable rise in the application and allotment of PAN in a quarter.

### 2. E-TDS Returns and Form No.26as:

TDS has become a major and important source of tax collection for the department. At present all payments are covered by TDS provisions except few e.g. Salary, Rent, Professional Fees, Sale of Property. The statistical data of the department indicates that approx...40% of the total tax collection is through the TDS only. One of the important aspects of TDS is that there is collection of Tax in advance. It ruled out deferment of taxes and Government is able to collect the taxes on time.

From Assessment Year 2005-2006 Department has made in compulsory for all the assesses covered by the provisions of TDS to file their TDS returns electronically. This has resulted into fast assessment of TDS returns and ease in cross verification of TDS claim. The idea is to control the fake or wrong TDS certificates and their claim. The fake certificates resulted into huge revenue loss as there was no time consuming process to verify the claim.

Initially the data generated was used to analyze to check whether compliance of TDS provisions was adhered or no. It further extended to cross verification with income and TDS credit. The E-filing mechanism also ensures the timely payment of taxes, proper credit, timely compliance and collection of revenue in the form of penalty and fine for non-compliance on time.

Presently Form 26 AS has become an important tool for the tax authorities to estimate and assess the correct income of the person and correct claim of the refund. One has to cross verify the income with the income reported in Form 26 AS before filing of the return otherwise assessment of the return will result into issuance of notice.

**Table 2: Number of Income Tax Returns filed during last five years@**

Category	2013-14	2014-15	2015-16	2016-2017	2017-2018
Association of Persons	1,01,290	1,06,848	1,47,693	1,62,455	2,07,218
Body of Individuals	4,283	4,178	5,556	5,546	6,963
Company	7,15,013	7,53,514	7,80,470	8,03,962	9,42,821
Firm	9,60,678	9,92,192	11,10,823	11,81,296	13,93,762
Government	10	35	75	108	238
Hindu Undivided Family	9,55,504	9,66,554	10,42,561	11,60,871	12,86,075
Artificial Judicial Persons	8,654	8,786	10,384	10,889	11,440
Local authority	2,818	2,631	3,396	3,480	3,957
Individual	3,50,44,548	3,74,10,677	4,29,27,250	5,21,16,096	6,43,88,028
Trust	1,83,756	1,88,199	2,75,837	2,64,383	2,92,008
<b>Total</b>	<b>3,79,76,554</b>	<b>4,04,33,614</b>	<b>4,63,04,045</b>	<b>5,57,09,086</b>	<b>6,85,32,510</b>

@Time Series Data published by the Income Tax Department for the financial year 2000-01 to 2017-18

### 3. Annual Information Return:

The department is collecting information from various sources to track the financial and non-financial transactions which resulted into tax obligations. Keeping into view the possible areas of such sources Department has made it compulsory to Banks, Financial Institutions, Non Banking Financial Companies, and Registrars of Land Records. In Annual Information Return these authorities are supposed to furnish the data about the financial and non-financial transactions involving the amount specified in the law. For example: Banks are required to report the transactions made in a single day on any account involving amount of Rs.200000/- or more, Registrar has to report the transactions of Sale and Purchase of properties alongwith PAN Numbers, Credit Card payments worth Rs.200000/- or more etc.

Through Annual Information Returns Department is collecting the data of Transactions and cross verifying with the returns filed by the assessee. The cross verification leads to increase in the number of assessee and the tax collection. Therefore the person who enters into the above mentioned transactions has to ensure that he has reported the said transactions in his income tax return otherwise return will be resulted into defective one. This has resulted into disclosure of all the transactions and reporting of them in the income tax returns and payment of accurate and proper taxes by the persons.

### 4. E-Verification Of Returns:

At the initial stage of e-filing process, assesses are supposed to send ITR-V acknowledgement through speed post or ordinary post to Centralized Processing Cell, Bengaluru. This resulted into half digitization and Department has observed that Persons are failed to comply with this part most of the time. With the introduction of Digital Signature and Aadhaar Linking department has come up with e-verification of filed return through Digital Signature or Aadhaar One Time Password or through Net Banking Facility.

The Assessers are finding it user friendly and are opting for this option very regularly. On the other hand department also find it very useful as it result into fast processing of filed returns.

##### 5. E-assessment and E-Compliance:

This is the new feature introduced by the department with a view to reduce human interactions in the income tax proceedings. The purpose is to provide a facility to the assesses to comply with the law without visiting the Income Tax Office. This has resulted into savings in time and cost of compliance of the law with speed and accuracy.

With the collection of mail ids and contact numbers Department find it easy to communicate the assesses in short span of time resulting in non-repudiation, fast delivery, authentic and valid delivery of notices and intimations. This initiative records fast and speedy hassle free assessment of income tax returns and grant of refund or collection of taxes. Paperless assessment has made it easy for persons to comply with the law and get rid of from future consequences.

**Table 3: Cost of Collection (Rs.in Crores) @**

Financial Year	Total Collections	Total Expenditure	Cost of Collection
2000-01	68305	929	1.36%
2001-02	69198	933	1.35%
2002-03	83088	984	1.18%
2003-04	105088	1050	1.00%
2004-05	132771	1138	0.86%
2005-06	165216	1194	0.72%
2006-07	230181	1349	0.59%
2007-08	314330	1687	0.54%
2008-09	333818	2248	0.67%
2009-10	378063	2726	0.72%
2010-11	445995	2698	0.60%
2011-12	493987	2976	0.60%
2012-13	558989	3283	0.59%
2013-14	638596	3641	0.57%
2014-15	695792	4101	0.59%
2015-16	741945	4593	0.61%
2016-17	849713	5578	0.66%
2017-18*	1002741	6087	0.61%

@ Time Series Data published by the Income Tax Department for the financial year 2000-01 to 2017-18. \* The figures of 2017-18 are provisional.

##### Conclusion:

The information technology has brought tremendous changes in the tax collection, data collection and assessment process at departmental level which can be witnessed from the above discussion and statistical data.

With the use of information technology tools Department has brought so many new assesses in the tax bracket result into hefty rise in direct tax collection.

On the other hand tax collection cost has been cut down by more than 50% in last 18 years on account of use of information and technology. This also indicates that there is less recruitment of the staff in Income Tax Department; one cannot overlook this aspect also.

The change which was brought by the Information and Technology in the Tax Administration has really gained a momentum and ease in compliance of the law. The day will not be too far that every financial transaction will be automatically reported to the income tax department without knowledge of the person entering into transaction.

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# SEMIOTICS IN DESTINATION BRANDING BY SELECTED INDIAN STATES: AN OVERVIEW

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## **Abstract:**

*This paper presents an overview of semiotics in destination branding of selected Indian states. Semiotics corresponds to visible signs which, in this context may be used to attract the attention of tourists and influence their destination choices. Logos and slogans are an integral part of branding, re-branding and marketing of products and services. Following the launch of the Incredible India campaign, many Indian states were encouraged to individually develop their own regional images and logos that could merge with yet stand out within the mother brand - Incredible India. This paper specifically focuses on the use of logos, slogans, colours and imagery in the destination branding efforts of selected Indian states.*

## **Keywords:**

*Semiotics, Logos, Slogans, Destination Branding, Incredible India, Symbolism, Representation*

## **Introduction:**

The Incredible India campaign launched in 2002 helped to position India as a preferred destination for discerning travelers. The logo with an exclamation mark for “I” became instrumental in and central to various campaigns launched to promote tourism in India ever since. We experienced a 16% increase in tourist traffic in the first year of the campaign. Following the launch of the Incredible India campaign, many Indian states were encouraged to individually develop their own regional images and logos that could merge with yet stand out within the mother brand-Incredible India.

This paper presents an overview of the use of logos, slogans, colours and imagery by selected Indian states in their efforts to build and consolidate their respective brands. It specifically focuses on and analyses these aspects of semiotics in the destination branding efforts of selected Indian states.

## **Concepts/Terminology:**

### **Semiotics**

Semiotics corresponds to visible signs and as such includes all signs, symbols, imagery, pictures and colours used for communication. The use of visible signs for communication has been in existence since the beginning of time and has been evolving with mankind and technological advancements. Logos and slogans are an integral part of branding, re-branding and marketing of various products and services. Their use in destination branding and tourism marketing is widespread. While branding a place is different from branding a product or a service, the core principle remains the same-establishing a distinct identity and influencing consumer decisions.

Semiotics, also called semiology, is the study and the science of signs (Berger 2014; Tresidder and Hirst 2012; Chandler 2007; Oswald 2012). Various definitions of the term exist. An alternative definition, “semiotics is concerned with everything that can be taken as a sign” (Eco 1976, p7 in Chandler no date). Mick’s definition emphasizes the need for context; signs are understood and simply represented by “anything that stands for something (its object), to somebody (interpreter), in some respect (its context)” (Mick 1986, p198). Semiotics can also be defined as “the study of signs and systems of representation” (Tresidder and Hirst 2012, p153). Some authors like Chandler and Echtner have taken semiotics beyond signs and symbols. Therefore, everything represented by words, language, images, actions or objects are considered as signs (Chandler 2007, Echtner 1999).

While it is said that semiotics is about signs and what they represent and stand for some authors very rightly have gone on to say that signs are meaningless unless we give them meaning. Nevertheless, these have no intrinsic meaning (Chandler 2007) unless we endow them with one; once this occurs, they become signs. In addition, their interpretation is also contingent on the perceptions of the observer: this may differ from one person to another, depending on a broad range of factors including culture, market segmentation or lifestyle (Tresidder and Hirst 2012).

### **Destination Branding**

Blain, Levy and Ritchie define destination branding as the “marketing activities that (1) support the creation of a name, symbol, logo, word mark or other graphic that readily identifies and differentiates a destination; that (2) consistently convey the expectation of a memorable travel experience that is uniquely associated with the destination; that (3) serve to consolidate and reinforce the emotional connection between the visitor and the destination; and that (4) reduce consumer search costs and perceived risk. Collectively, these activities serve to create a destination image that positively influences consumer destination choice” (Blain, Levy and Ritchie 2005, p337).

In case of destination branding, the concept of the visitor experience (identified as a critical tourism concept by Ryan [2002]) requires incorporation into the process of branding (L. Berry 2000; Pine and Gilmore 1999). Research has demonstrated that although visitors purchase individual tourism services, the entire visitor experience is what is effectively being bought (Otto and Ritchie 1996).

To create a memorable brand, one needs to deliver quality and satisfaction; branding is much more than developing logos. Further, branding a destination is different from branding products and services. Destination branding differs from branding a product or service because a destination is the sum total of components (landscape, flora, fauna, architecture/buildings/landmarks, people attributes, festivals, spirituality, etc) and experiences. A destination is felt and experienced in ways that differ from the consumption of products and services.

### **Objectives:**

This paper has been written with the following objectives in mind:

1. To present an overview of the use of semiotics in the branding of selected Indian states as tourist destinations through logos and symbolism.
2. To collect information about the use of Logos, Slogans, Colours and Imagery in the destination branding efforts of selected Indian states.
3. To explore where and how these are linked with the mother brand-Incredible India.
4. To draw conclusions in this regard.

### **Methodology:**

This paper is based on secondary data collected from sources like books, journals, reports, publications and the internet.

### **Data Collection and Selected Sample:**

Preliminary research on logos, slogans, websites and posters of various state tourism development corporations in India was carried out. Thereafter, 10 states were selected so as to give adequate representation North, South, East and Western parts of India. Parameters considered for selection of states include visual appeal of logos and symbols, recall value, visibility in print, outdoor, television and online media and cohesion with the theme of the Incredible India campaign. Logos, poster and print advertising of selected state tourism campaigns and website content were reviewed. Due to high volume of data the research focused on only the most recent information, more specifically since 2016 till date.

### Observations and Analysis:

**Logos:** The logo is the most recognizable part of a brand. Findings of empirical studies suggest that a destination logo is an important element of the destination identity and should match the destinations they represent.

State	Logo	Type of Logo	Symbolism/Representation
West Bengal	Bengal	Word Mark	Range of colorful travel experiences
Gujarat	Profile of Lion and traditional textile block printing style design	Pictorial	Asiatic lions of Gir and rich textile tradition
Karnataka	Karnataka	Word Mark	Mountainous terrain
Kerala	Kerala	Word Mark	Typography and illustration. Landscape elements and name.
Madhya Pradesh	Tiger	Emblem	Represents the Tiger. State is known as the Land of the Tiger with 5 tiger reserves <i>Kanha, Pench, Bandhavgarh, Panna</i> and <i>Satpura</i>
Maharashtra	<i>Devnagari</i> script "M"	Letter Mark	Celebrates the soul of the state and signifies a range of travel experiences
Odisha	Sun, sand, waves and a patch of green	Pictorial	Sun, coastline and wildlife
Punjab	Colourful turban	Pictorial	Traditional head gear worn in the state and a colorful/vibrant travel experience
Rajasthan	Two birds and two camels (Face of a man)	Pictorial	Essence of the desert. Two birds in flight represent eyebrows and two camels facing in opposite directions stand for the trademark bushy moustaches sported by men from the desert state.
Uttarakhand	Stylized "U"	Letter mark	Free rising forms represent the Himalayan peaks that dot the state

**Table 1.1:** Logos, Types of Logos and Symbolism

Source: Sampled data

**Observations:** 4 states have pictorial logos, 3 have word marks, 2 have letter marks and only 1 has an emblem logo. Each state tourism logo indicates unique characteristics of the destination it represent.

**Conclusions:** One can conclude that logos are an important part of state tourism advertising campaigns. They serve to reinforce and remind target audiences while highlighting the uniqueness of each destination. Each state has its own vision as to how it wants to be perceived due to which each has opted for a different type of logo. Though majority states have pictorial logos, it cannot be said that any one type of logo is more popular or effective than the other as each has been crafted with a particular end in mind.

**Colors in Logos:** Colors help to build brand identity, add visual appeal, convey meaning and establish deeper psychological connections with target audiences.

State	Colors	Symbolism
West Bengal	Multicolored	Range of colorful travel experiences
Gujarat	Saffron Yellow and Brown	Colors of the Asiatic Lion and traditional block prints
Karnataka	Red	Excitement
Kerala	A Fresh/Vibrant Green interspersed with blue, red and orange	Greenery, beaches, houseboats and backwaters
Madhya Pradesh	Reddish brown	Tiger and architecture
Maharashtra	Orange	Warmth and Enthusiasm
Odisha	Yellow and Blue with a touch of Green	Yellow represents the Sun, Blue- coastline, Green-wildlife
Punjab	Multicolored	Colorful experiences
Rajasthan	Black and White	Stark like the desert
Uttarakhand	Blue, Green and Saffron	Blue stands for water and snow clad mountains, Green for wildlife and Saffron for the religious importance of the state

**Table 1.2:** Colors in Logos and Symbolism

Source: Sampled data

**Observations:** It is observed that colors lend personality to the logo. The logos come across as stark, sleek, playful, youthful or relaxed, depending on the colors used. Colors help to communicate the essence of the travel experience or the unique features of the destination. The type of logo dictates color choices. For example, the crystalline, mathematical and colorful look of the logo of West Bengal communicates the idea of a rainbow of travel experiences. The simple black and white of the Rajasthan tourism logo is minimalistic and it has charm and impact due to that. It is the only logo that has used negative space to its advantage. Maharashtra, Karnataka and Madhya Pradesh have used one colour in their logos.

**Conclusion:** The presence as well as the absence of colour can make a big difference to the impact of a logo.

**Slogans:** Slogans are catchy lines, words or groups of words and phrases which when associated with a brand or product convey a message. They can also indicate core brand values.

State	Slogan	Association/Message
West Bengal	Experience Bengal The Sweetest Part of India	Delicious sweetmeats of the state
Gujarat	<i>Khushboo Gujarat Ki</i>	Distinct, Aromatic, Earthy travel experience
Karnataka	One State. Many Worlds.	Promise of many worlds within the state
Kerala	God's Own Country	Divine beauty of the state
Madhya Pradesh	The Heart of Incredible India	Highlights the location of the state
Maharashtra	Maharashtra Unlimited	Unlimited travel experiences
Odisha	Scenic. Serene. Sublime.	Spiritual importance of Odisha, home to the Konark Sun Temple, a UNESCO World Heritage Site



	The Soul of Incredible India	
Punjab	India Begins Here	Geographical location as a North Indian state and ideal destination to begin a journey into India
Rajasthan	<i>Jaane Kya Dikh Jaye</i>	Promise to surprise travelers
Uttarakhand	Uttarakhand Simply Heaven	Serenity and sanctity of the state known for its scenic beauty and religious importance

**Table 1.3:** Slogans of State Tourism Campaigns and Symbolism

Source: Sampled data

**Observations:** All 10 states have unique and impactful slogans to support their branding efforts. They are used repetitively across print and poster advertisements as well as respective state tourism websites. Only 2 states have slogans in *Hindi* while the rest have slogans in English.

**Conclusions:** One can conclude that each of the slogans being used by these 10 states reflects the message of the type of experience or unique feature/s of the state. The slogans complement the state tourism logos. West Bengal, Madhya Pradesh, Odisha and Punjab have managed to tie their slogan to the Incredible India campaigns in a clever and creative manner. A slogan in English helps to reach international travelers. With an increasing number of tourists carrying out online research, the website is a good platform to showcase travel experiences on offer. The use of logos, together with slogans (not independent of each other) is a good strategy that can enhance impact, recognition and recall by travelers.

#### Imagery in Poster and Print Advertising Campaigns:

**Observation:** It is observed that print and poster advertisements are a significant part of destination branding by the states surveyed. States like Karnataka and Rajasthan tourism have done an exceptionally good job with themes for their print and poster advertisements. For example the *Jaane Kya Dikh Jaaye* print and poster advertisements show off beat locations and capture the beauty of the landscape while highlighting the personalized and surprising travel experiences in the form of people attributes as characters in the narrative/story. In 2017, Karnataka celebrated the “Year of the Wild”. The recurrent theme along its print and poster advertisements highlighted the fauna of the state and its myriad travel experiences for all sorts of adventures. Such a move helps in focusing on certain aspects of the travel experiences which the state has to offer. It also helps to achieve certain distinct objectives like the Kerala tourism advertisements “*Yalla Kerala*” which aimed at reviving the state’s tourism post the 2018 floods and the poster advertisement for the third edition of the Kochi Muzeris Biennale which is the biggest contemporary art show in South Asia. Both advertisements won 2 prestigious gold awards of the Pacific Asia Travel Association (PATA).

**Conclusion:** One can conclude that all the state tourism campaigns surveyed have used impactful imagery in print and poster advertisements. They have presented Nature, landscapes, wildlife, buildings/landmarks/architecture, festivals and people in vivid and colorful images. The repetitive use of logos and slogans in the imagery has served to remind audiences, facilitate recall, reinforce message and consolidate destination branding efforts by the states.

#### Website Imagery:

**Observation:** It is observed that all the states selected have dedicated websites to promote tourism. Further, the images used on the websites have a good mix of nature, landscapes, architecture/buildings, spirituality, culture and tradition. More than half the imagery on the websites surveyed comprised recurrent themes of Nature/landscape, architecture//buildings, landmarks, flora and fauna. People attributes were seen only in case of Rajasthan, Punjab, Uttarakhand and Kerala. Rajasthan and Karnataka also showcased luxury train travel options which are uniquely applicable to them.

## Conclusion:

One can conclude that today, people increasingly go online to seek information before they travel. A website is necessary to establish online visibility and provide information. The use of people attributes in imagery has not been adequately explored by the state tourism websites. Establishing a “connect” with travelers is an objective that can be better achieved by incorporating people attributes on the website. For example a picture of people enjoying a festival or praying at a temple is much more effective than a picture of festive decorations or image of a standalone temple or deity. Audiences will find an image of people enjoying river rafting more interesting than that of gushing waters of a river without any people in the frame. While Rajasthan and Kerala have successfully employed people attributes in website imagery, Punjab and Uttarakhand have pictures of ministers on their website, something which is neither informative nor necessary from a traveler’s perspective and will not serve to influence destination choices.

Finally, one can conclude that the Incredible India campaign has encouraged many Indian states to produce some stellar destination brands. Marketing the country as a preferred tourist destination is not something that can be achieved in isolation. Well planned and executed campaigns by Indian states are necessary to highlight the unique experiences they offer. The development of logos, associated slogans/taglines, use of colour and websites, though significant, are only a part of the comprehensive process of destination branding. The correct use of semiotics such as these helps to adequately describe destinations and the experiences they offer, thereby augmenting destination branding efforts.

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26 Mr Phalle 19-2020-9 2018-19

138



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# Review of Corporate Social Responsibility in Indian Public Sector Banks and Private Sector Banks



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*“A good Bank is not only the financial heart of the community, but also has an obligation of helping in every manner to improve the economic conditions of the common people”.*

*-Late Sri Ammembal Subba Rao Pai  
(Founder, Canara Bank)*

## ABSTRACT

Corporate Social Responsibility (CSR) is an umbrella term embracing theories and practices relating to how business manages its relationship with society. The concept of CSR is not simple to define; various concepts and themes overlap this term. The concepts of corporate citizenship, sustainable business, environmental responsibility, social and environmental accountability, business ethics and corporate accountability are all very much linked with CSR. The term CSR itself came into common use in the early 1970s. The last decade

of the twentieth century witnessed a shift in focus from charity and traditional philanthropy towards a more direct engagement of business in mainstream development, and concern for disadvantaged groups in society. In India, there is a growing realization that business cannot succeed in isolation and social progress is necessary for sustainable growth. An ideal CSR practice has both ethical and philosophical dimensions, particularly in India where there is a wide gap between sections of people in terms of income and standards as well as socio-economic status. India has the world's richest tradition of corporate social responsibility. Though the term CSR is comparatively new, the concept itself dates back to over a hundred years. CSR in India has evolved through different phases, like community engagement, socially responsible production and socially responsible employee relations.

In practice, the banking sector is also not out of the area of business world because it has direct or indirect relationship with the government, non-government, business sectors and the society. In recent years an attempt has been initiated to ensure socially responsible behavior of banking sector in a more organized manner. The CSR in Indian Banking Sector is aimed towards addressing the financial inclusion, providing financial services to the unbanked or untapped areas of the country, the socio-economic development of the country by focusing on the activities like, poverty eradication, health and medical care, rural area development, self employment training and financial literacy trainings, infrastructure development, education, and environmental Protection etc. RBI also insisted upon taking measures for sustainable development of economy through realizing the dire necessity of CSR. The major thrust areas for CSR practice in Indian banks are common in public sector and private sector banks. These areas include children welfare, community welfare, education, environment, healthcare, poverty eradication, rural development, vocational training, women's empowerment, protection to girl child and employment.

In this article, researcher had taken the review of CSR activities undertaken by public sector banks and private sector banks in India and concluding remarks on it.

**Keywords:** - Corporate Social Responsibility, CSR, Public sector banks, Private sector banks.

## INTRODUCTION

**Corporate Social Responsibility (CSR)** is called corporate conscience, corporate citizenship or sustainable responsible business. Responsible Business is a form of corporate self-regulation integrated into a business model. CSR policy functions as a self-regulatory mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and international norms. With some models, a firm's implementation of CSR goes beyond compliance and engages in "actions that appear to further some

social good, beyond the interests of the firm and that which is required by law." CSR aims to embrace responsibility for corporate actions and to encourage a positive impact on the environment and stakeholders including consumers, employees, investors, communities, and others. Corporate social responsibility may also be referred to as corporate citizenship and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change.

The concept of corporate social responsibility is not new in the banking sector, but nowadays, it becomes highly topical since the crisis has significantly highlighted the need for integration of moral principles in the banking business. Knowledge of business practice indicates the fact that the acceptance of moral principles in business is not integrated into management decisions of companies. It also cannot be accepted that self-regulatory instruments of companies such as CSR will be effective. The existing experience with the implementation of CSR and ethical principles in the banking sector leads to the opinion that the social responsibility of banks and ethics in banking sector are perceived as an appropriate marketing tool for public communication and are not integrated into policies of individual commercial banks. Experience with the crisis demonstrated that there is a lack of moral principles of managers' decisions.

## OBJECTIVES

- To understand the meaning of Corporate Social Responsibility (CSR).
- To review the major areas where CSR activities are undertaken by public sector banks and private commercial banks in India.

## DEFINITIONS

"**Corporate Social Responsibility** is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large."

"**Corporate social responsibility**, also called **corporate conscience**, **corporate citizenship** or **responsible business** is a form of corporate self-regulation integrated into a business model. CSR policy functions as a self-regulatory mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and national or international norms."

## DISCUSSION

### ❖ PUBLIC SECTOR BANKS:-

- **STATE BANK OF INDIA (SBI):-** SBI Foundation has been incorporated to bring all the CSR activities of State Bank Group under one umbrella and contributing in the efforts made by the State Bank Group in supporting and uplifting the underprivileged sections of society. The focus areas of SBI Foundation are Education, Healthcare and Sanitation, Rural development, Women Empowerment and Care for Elderly Citizens and Environment and Sustainability. SBIF works in collaboration with reputed NGO partners to provide equitable development opportunities to people living in the poorest areas of the country. The SBIF implementing partners work in some of the most difficult and economically backward areas. Till now, SBIF has impacted the lives of more than 4 lakhs beneficiaries through all its programs and aims to continue improving the socio-economic well-being of the society, particularly of the less fortunate and under-privileged members and enable them to live up to the potential that they all possess.

SBI Foundation developed robust operating systems and processes, governance practices, project selection and management processes and strategizing the way forward to effectively undertake high-impact making CSR projects across rural and urban India to improve the socio-economic well-being of the underprivileged.

SBI Foundation undertook key steps to establish a strong foundation for the organization.

- **BANK OF BARODA (BOB):-** Bank has a long legacy and tradition of contributing actively to the social and economic development of the communities in which it operates through various development activities in the realm of education, health, human welfare and other social activities. Bank of Baroda always transcends from business interest and reaches out to weaker section of society, with a view to make a meaningful difference to them.

In order to promote self employment on sustained scale to the unemployed rural youth by providing them training and hand holding support, bank has set up 49 Baroda Swarojgar Vikash Sansthan (Baroda-R-SETI) in seven states. Up to 30.09.2016 Baroda RSETIs have trained 283171 youth out of which 44999 are SC, 70808 ST, 30519 minorities and 75855 are other backward communities.

Bank has also established 51 Financial Literacy and Credit Counseling Centers (FLCC) in the name of 'SAARTHI' in nine states to provide the financial counseling services, financial literacy and



awareness of banking services in rural and urban areas. Since inception 660353 persons have been benefited from the services of FLCCs.

- **INDUSTRIAL DEVELOPMENT BANK OF INDIA (IDBI):-** IDBI has come forward to join hands with Smile Foundation in social development initiatives. The bank has contributed 14 Personal computers to Smile Foundation which have been utilized in four different Projects being implemented through as many partners in Delhi and NCR.
- IDBI Ladakh Project:- ‘Adoption of Taru village in Ladakh’ is a recently completed project (April 2011 – March 2016) that involved collaborative intervention by IDBI Bank with Tata Institute of Social Sciences (TISS) and Ladakh Autonomous Hill Development Council (LAHDC), to rebuild the lives and livelihood of a tiny hamlet named Taru in Leh, Ladakh, which was ravaged by a flash-flood in 2010, and its transformation into a “Model Village”, based on a unique community participation and ownership model, through a set of pre-determined program activities, involving strengthening of community mechanisms and capacity building, among other initiatives. Recognizing the need of sustainable livelihood options against a backdrop of poverty, the project includes strengthening of income sources through value addition, marketing support, insurance, etc., counseling to farmers on cash crops and capacity building of local populace and panchayat leaders. The project as envisaged encouraged direct participation from the affected community and instills in them a sense of responsibility and ownership of the assets (soft/ hard) created during the entire tenure of the project such as footbridges, water reservoirs, irrigation canals, etc. The village is expected to serve as a model for emulation in similar geographical terrains.
  - IDBI-NEDFi Project: - North Eastern Development Finance Corporation (NEDFi) was promoted by erstwhile IDBI and has been engaged in various developmental and promotional activities in the north east region since its inception. IDBI collaborated with NEDFi to build a Common Facility Centre for Bagurumba Weaving Development Trust (a socially backward tribal group of women) to facilitate production of handloom products and a few other activities in Chatra village, Nalbari district, Assam. The project has empowered the women by providing them a sustainable livelihood and rural entrepreneurship skills. In addition, the project has helped in social integration of the women and their families.

❖ PRIVATE SECTOR BANKS:-

➤ INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA (ICICI):- Bank has started various Skill Development Programs such as:

Empowering Underprivileged Indians by imparting Vocational Skills:- ICICI believes that skill training can contribute significantly towards the growth of our nation. Driven by this belief, the ICICI Foundation runs various skill development initiatives exclusively for the underprivileged people across the country. These programmes provide trainees with relevant vocational skills to enable them earn sustainable livelihoods.

- ICICI Academy for Skills (IAS):- The Academy offers industry-relevant and job-oriented vocational training to youth from Underprivileged sections of the society. The Academy has trained over 1.05,000 candidates through its 24 centers free-of-cost and empowered them to build a better future for the nation and themselves.
- Rural Self Employment Training Institute (RSETIs):- As part of a national programme initiated by the Ministry of Rural Development (MoRD), ICICI has set up RSETIs in Udaipur and Jodhpur. This programme focuses on providing free vocational training in locally-relevant skills that empower villagers to be self-reliant. The initiative also promotes entrepreneurship and development of micro-enterprises by providing loans.

➤ AXIS BANK:- Axis Bank Foundation (ABF) is the CSR arm of Axis Bank. It was formed in 2006 with the aim of giving focus and structure to Bank's corporate social responsibility and corporate citizenship agenda. Axis Bank Foundation (ABF) aspires to contribute in the areas of education and healthcare. It has set up various programmes which provide educational support, in order to meet these goals. Balwadis- the Foundation has identified the need to focus on early childhood programs for 2 - 6 year olds. As part of our initiatives to support education, we help develop learning places for young children living in large urban slum clusters so that it creates a strong Foundation and inculcates social and cultural awareness in them.

The Foundation's mandate is to enhance economic inclusion for those living on the fringes of poverty. These include communities heavily dependent on natural resources and hand skills for their livelihoods and youth who are unable to find employment, especially the disabled. Foundation works in partnership with NGOs to design and deliver its programs. The programs are based on a framework that comprises of;

- 1) Needs of the communities,
- 2) Build and strengthen the capacity of the communities to work towards their development goals.

- 3) Leverage Government programs,
- 4) Linkages with Financial Institutions and markets. The programs outcomes are also aligned to achieve some of the Sustainable Development Goals (SDGs) set by United Nations in 2015 – Goal 1 - No Poverty, Goal 2 - Zero Hunger, Goal – 4 Quality Education, Goal 5 -Gender Equality, Goal 10 -Reduced Inequalities and Goal 13 - Climate Action.

The Foundation is a strong advocate of people’s institution as a means for long term sustainability and supported programs are strategically and financially designed accordance.

➤ **HOUSING DEVELOPMENT FINANCE CORPORATION (HDFC):-** has been working with NGOs for providing non formal vocational and technical education programs as well as skill up gradation courses to enable sustainable employment and Income generation for economically weaker sections.

- Zero Investment Innovation for Education Initiative (ZIEI):- It is an action-oriented initiative that aims to improve the education system at zero or minimal cost. With HDFC Bank Parivartan as its principal sponsor, ZIEI is the world’s largest people-driven grassroots innovation movement. Rupantar, a multi-dimensional programme under the initiative provides a platform for the government, corporate, NGOs and teachers to come together for the sole purpose of improving the quality of education in government schools. Uttar Pradesh is the first state to implement this program. The program has successfully improved the quality of education in government schools across 75 districts of the state and is currently being implemented in 11 other states and 1 union territory in the country. ZIEI aspires to continue to transform the education system in India for generations to come.
- Promotion of Education: - HDFC Bank Parivartan's education programmes focus on teacher training, scholarships, career guidance and infrastructure support. Through this programme, bank aims to enhance the quality of learning across the nation.
- Healthcare and Hygiene: - Scarcity of potable water in many parts of India has lead to spread of water borne diseases as well as fatal cases. Through this initiative bank provides safe drinking water and hygienic sanitation facilities. Bank’s focus is on both schools as well as the community. Community led sanitation campaigns, promoting hygienic conditions through appropriate wastewater disposals and providing safe drinking water are at the heart of this programme. Bank realized that ‘Clean Water’ is an effective instrument to reduce poverty.

- Skills Development & Enhancement: - For millions of Indians, making a living may be a distant dream. To ensure that their dreams of a better life materialize, bank focuses on equipping people with skills that can help them generate a steady income and contribute to a thriving economy.
- Financial Literacy and Inclusion: - Bank believes that financial awareness is the first step towards financial inclusion. Through their educational camps, HDFC aim to impart essential knowledge about savings, investments, and access to organized sources of finance. Bank's efforts to bring about this economic upliftment have benefited millions across the nation.

## CONCLUSION

Most of the banks use CSR practices as a marketing tool and many have taken efforts towards CSR in a tangential way such as donations to charitable trusts, NGOs, sponsorship of events, etc. Very few banks have a clearly defined CSR philosophy. Mostly banks implement CSR in an ad-hoc manner, unconnected with their business process and do not state how much they spend on CSR activities. Further voluntary actions are required to be taken by the financial bodies to ensure the socio-environmental feasibility of projects to be financed. Financial Institutions can do a lot to assist efforts for social responsibility and achieve sustainability. Banks must also provide appropriate training to its employees on environmental and social risks in lending to ensure that climate change is taken into account in corporate banking decisions.

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## MARATHI CONTENTS



अ.क्र.	लेख आणि लेखकाचे नाव	पृष्ठ क्र.
१३	राजर्षी शाहू महाराजांचे अस्पृश्योद्धार चळवळीतील योगदान प्रा. डॉ. किशोर एस. ठाकरे	५५-५८
१४	राजर्षी शाहू महाराजांचे स्त्रीविषयक कार्य व योगदान प्रा. सिद्धार्थ कुंडलिक इंगोले	५९-६२
१५	राजर्षी शाहू महाराज व जातीप्रथा निर्मुलन प्रा. डॉ. प्रशांत प्रल्हादराव कोठे	६३-६७
१६	राजर्षी शाहू महाराज व त्यांचे कार्य डॉ. रेखा नारायण वाघ	६८-७१
१७	राजर्षी शाहू महाराजांचे शेती व उद्योगाबाबतचे विचार श्री. परशुराम पाटील	७२-७४
१८	शाहू महाराज व डॉ. बाबासाहेब आंबेडकरांच्या संबंधाचे अध्ययन प्रा. डॉ. वासुदेव भगत	७५-७७
१९	राजर्षी शाहू महाराज आणि शिक्षण प्रा. डॉ. गौतम ए. शंभरकर	७८-८२
२०	सामाजिक व आर्थिक क्षेत्रातील राजर्षी शाहू महाराजांचे शेतीविषयक धोरण प्रा. लक्ष्मण बैसाने डॉ. अरविंद शेलार	८३-८६
२१	शाहू महाराज व वंचित वर्ग प्रा. मृदुला निळकंठ रायपुरे	८७-९२
२२	बहुआयामी व्यक्तिमत्व: राजर्षी शाहू प्रा. डॉ. यु. आर. पाटील	९३-९७
२३	राजर्षी शाहू महाराजांचे शैक्षणिक कार्य डॉ. योगिता देवगिरीकर (कथले)	९८-१०१
२४	लोककल्याणकारी राजा: राजर्षी छत्रपती शाहू महाराज वर्षा कडूबा खिल्लारे	१०२-१०३

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## २०. सामाजिक व आर्थिक क्षेत्रातील राजर्षी शाहू महाराजांचे शेतीविषयक धोरण

प्रा.लक्ष्मण बैसाने

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अर्थशास्त्र विभाग, सिद्धीविनायक महिला महाविद्यालय.

### प्रस्तावना

भारत हा कृषीप्रधान देश आहे. म्हणून प्रामुख्याने खेडयातील व भारतातील शेतीहा लोकांचा मुख्य व्यवसाय आहे. शेतीही प्रामुख्याने निसर्गावर अवलंबून आहे. निसर्गाच्या व पावसाच्या लहरीप्रमाणे शेतकऱ्याचे, मजूरदाराचे जीवन बदलत जाते. त्यातूनच दुष्काळाचा उगम होतो व शेतकरी कर्जबाजारी होतो आणि सावकाराच्या कर्जाच्या खाईत पूर्णपणे बुडून जातो. दारिद्र्य व अज्ञानीपणामुळे बळीराजा आत्महत्या करतो.

वरील नैसर्गिक कोप, दारिद्र्य आणि अज्ञानी यमातून शेतकरी वाचला पाहिजे म्हणून भारतातील व महाराष्ट्रातील शेतकरी शिकला पाहिजे. त्यांचे दारिद्र्यसंपले पाहिजे आणि तो कर्जातून मुक्त झाला पाहिजे. त्याचे उत्पन्न वाढले पाहिजे म्हणून छत्रपती शाहू महाराजांनी शेतीसाठी व शेतकऱ्यासाठी अनेक उपाययोजना करून आर्थिक क्षेत्रात त्यांनी महान कार्य केले आहे.

### आर्थिक क्षेत्रातील कार्य

शेतकऱ्याचे जीवनमान उंचावण्यासाठी व शेती विकासासाठी शाहू महाराजांनी व शेती विकासासाठी महाराजांनी व्यापार, उद्योगधंदे, शेतीसाठी सिंचन व्यवस्था करून शेतीचा विकास करण्याचे महान विधायक कार्यहाती घेऊन ते पूर्ण केले आहे.

### शेती विकासास प्रोत्साहन (Encouragement of Agriculture)

शेतकऱ्याच्या जीवनात क्रांती करण्यासाठी त्यांच्या जीवनाचा स्तर उंचावण्यासाठी व शेती शेतकरी व कामगार यांच्या विकासासाठी शाहू महाराजांनी भोगावती नदीवर राधानगरी नावाचे धरण बांधले. तसेच त्यांनी शेतीवर नवीन नवीन प्रयोग करून नवीन कृषी तंत्रज्ञान शेतकऱ्यात निर्माण केले आणि १९३२ मध्ये 'किंग एडवर्ड कृषी संस्थान' स्थापन करून सामान्य शेतकऱ्यामध्ये जागृती निर्माण करून शेतीविषयी आवड निर्माण करून शेतीचा विकास केला.

### शेतीचा विकास (Agriculture of Development)

शेतीच्या विकासासाठी व पाणी पुरवठ्यासाठी शाहू महाराजांनी प्रथम कोल्हापूरच्या पश्चिमेस असलेल्या ५५ कि.मी. अंतरावर दाजीपूरजवळ 'भोगावती' नदीवर बंधारा बांधून जमिनीला पाणी पुरवठा करण्याची योजना इ.स. १९०७ मध्ये

राधानगरी धरण

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**SWATIDHAN PUBLICATIONS**

## अनुक्रमणिका

अ.क्र.	शीर्षक	लेखकाचे नाव	पृ.क्र.
1	वाङ्मयीन, धार्मिक, शैक्षणिक, राजकीय, सामाजिक क्रांतीच्या चळवळीत दीक्षाभूमीचे योगदान	प्रा. राजेश गेडाम	05
2	दीक्षाभूमी : शिक्षणविषयक चळवळ	डॉ. रामधन हिरे	08
3	धम्मचक्र परिवर्तन आणि शैक्षणिक क्रांती	डॉ. अंबादास बर्वे	10
4	धम्मचक्र प्रवर्तन दिन व भारतीय संविधान	डॉ. माधव सोनेकर	14
5	डॉ. बाबासाहेब आंबेडकर आणि बुद्ध धम्माची चळवळ	डॉ. दिनेश धाकडे	18
6	दीक्षाभूमी : शैक्षणिक क्रांतीची चळवळ	प्रा. एम. एच ढाले	21
7	दीक्षाभूमी : विचार परिवर्तनाची प्रेरणाभूमी	प्रा. महानंद बिडगर	23
8	परिवर्तनवादी विचार व्यवस्थेचे व मूल्यव्यवस्थेचे उर्जा केंद्र : दीक्षाभूमी	डॉ. मनीषा नागपुरे	27
9	दीक्षाभूमी व बौद्ध धर्मातील अष्टांग मार्ग आणि बौद्ध धर्मातील तीन अंग	प्रा. लक्ष्मण बैसाने	31
10	दीक्षाभूमी: बौद्धधम्म प्रचार-प्रसार केंद्र	डॉ. कमलकिशोर बा. इंगोले.	36
11	बुद्ध धम्म आणि वैज्ञानिक दृष्टीकोन	डॉ. तातेराव केंद्रे	38
12	बुद्ध आणि त्याचा धम्म	प्रा. सुयोग गजभिये	42
13	धम्म चक्र प्रवर्तन दिन व डॉ. बाबासाहेब आंबेडकर	डॉ. साईनाथ शेटोड	45
14	सामाजिक क्रांतीचे प्रेरणास्थान दीक्षा भूमी	प्रा. रुपाली कणसे	48
15	दीक्षाभूमी आणि बौद्ध धर्माचा भारतीय समाजावरील प्रभाव	प्रा. सिद्धार्थ इंगोले	52
16	धम्म चक्र परिवर्तन दिन आणि समाजाची आजची स्थिती	डॉ. सुरेश सोमकुंवर	57
17	डॉ. बाबासाहेब आंबेडकर व धम्मक्रांती	डॉ. प्रफुल्ल बनसोड	61
18	धम्म चक्र प्रवर्तन दिन व डॉ. बाबासाहेब आंबेडकर	प्रा. प्रदीप अंबोरे	65
19	आजची धर्मातरित बौद्ध महिला व बावीस प्रतिज्ञा	पाचांगे रागिनी लक्ष्मण	68
20	धम्म चक्र प्रवर्तन व बौद्ध धम्म	डॉ. पौर्णिमा रहांगडाले	74
21	डॉ. बाबासाहेब आंबेडकरांची धम्मदीक्षा आणि बौद्ध समाज वाधवांची सद्यस्थिती	प्रा. ए. जी. अंबोरे	79
22	बोधीसत्व आंबेडकरांच्या धम्मदीक्षेचे यश	प्रा. प्रभाकर घोडेस्वार	83
23	धम्म चक्र परिवर्तन आणि आजची स्थिती	डॉ. विलास चव्हाण	86
24	डॉ. बाबासाहेब आंबेडकरांचे धर्मांतर : एक राजकीय विश्लेषण	प्रा. डी. एस. पाटील	90
25	दीक्षा भूमीवरील धम्म क्रांतीचा पश्चिम विदर्भावरील प्रभाव	पुरुषोत्तम बांडे	92
26	दीक्षाभूमी आणि वैचारिक प्रेरणा	प्रा. श्याम देवकर	97
27	बौद्ध धम्म आणि जागतिक शांतता	डॉ. विजयसिंग पवार	100
28	डॉ. बाबासाहेब आंबेडकरांची धम्मक्रांती व धम्मक्रांतीनंतर स्त्रियांची स्थिती	डॉ. पद्मानंद तायडे	102
29	डॉ. बाबासाहेब आंबेडकर व धम्मचक्र प्रवर्तन	डॉ. एल.बी. डोंगरे	107
30	नागपूरच्या दीक्षाभूमीवरील लोककल्याणकारी बाजारपेठ : एक अध्ययन	प्रा. हरेश गजभिये	110
31	दीक्षाभूमी आणि धर्मांतरानंतरचा आंबेडकरी समाज	प्रा. जयवंत जुकरे	114
32	दीक्षाभूमी : निर्मिती आणि प्रेरणा	डॉ. प्रदीप औजेकर	119
33	दीक्षाभूमी और बाईस प्रतिज्ञाएँ	डॉ. शंकर पजई	122
34	धम्मचक्र परिवर्तन और वर्तमान स्थिती	डॉ. जितेंद्र शेळके	124

या अंकाचे सर्व अधिकार प्रकाशकांनी स्वतःकडे राखून ठेवलेले आहेत. लेखांचे प्रकाशन वा पुनर्प्रकाशनाचे अधिकार प्रकाशक आणि संबंधित लेखाकाधीन समान असून शोध निबंधातील मते ही संबंधित लेखाच्या लेखकांची वैयक्तिक मते आहेत त्या मताशी संपादक व प्रकाशक सहमत असतीलच असे नाही.



## दीक्षाभूमी व बौद्ध धर्मातील अष्टांग मार्ग आणि बौद्ध धर्मातील तीन अंगे

प्रा. लक्ष्मण शामराव बैसाने

अर्थशास्त्र विभाग,

नेस वाडिया कॉलेज ऑफ कॉमर्स, पुणे

### प्रस्तावना :

माणसाला माणुसपण बहाल करण्यासाठी डॉ.बाबासाहेब आंबेडकरांनी नागपुर येथे १४ ऑक्टोबर १९५६ ला दिक्षा घेऊन भगवान बुद्धाचा विचार तेवत ठेवलाकारण की मुळातच 'माणसाने माणसाशी माणसासारखे वागावे' हा भवगान बुद्धाच्या धम्माचा केंद्रबिंदू आहे. म्हणून म्हणतात ना, माणुसकीचे दुसरे नाव प्रेम आहे. प्राणिमात्रावर हृदयपूर्वक प्रेम करणे हीच खरी मानवता आहे. असा जगाला शांतीचा व प्रेमाचा संदेश देणाऱ्या महामानव तथागत गौतम बुद्धाचा जन्म ख्रिस्तपूर्व ५६३ मध्ये वैशाखी पौर्णिमेला कपिलवस्तु नामक या प्राचीन नगरीमध्ये झाला. त्यांच्या पित्याचे नाव शुद्धोधन व आईचे नाव मायादेवी असे होते. गौतम बुद्धाचे वडील म्हणजे 'शुद्धोधन' हे त्या काळाच्या शाक्य नामक क्षत्रिय वंशाचे प्रमुख असून कपिलवस्तु हे त्यांच्या राजधानीचे नाव होते. या पवित्र वंशावळीत बुद्धाचा जन्म झाला. त्याच तथागत बुद्धाचे शिष्यत्व पत्कारून डॉ.बाबासाहेब आंबेडकरांनी बौद्धांना दिक्षा देवून पुनर धम्माच्या तत्त्वज्ञानाचा जगभर प्रसार व प्रचार केला.

माणूस हा नियतीच्या आणि लादलेल्या नैतिकतेच्या आणि कोणत्या परमात्म्याच्या हातातील कळसुत्री बाहुले बनून जीवन जगता कामा नये. म्हणून तथागत बुद्धांनी मानवाला व बौद्ध अनुयायांना सम्यक सम्बुद्ध असा बौद्ध धम्माचा वैचारीक व चारित्र्यशील खजिना असलेला बौद्ध धर्म आचरणासाठी दिला. मानवाला जीवनात सुखी व समाधानी जीवन जगण्यासाठी, भयमुक्त करण्यासाठी हा महान धम्म दिला आहे. बुद्धांनी आचार - विचार, शील, प्रज्ञा व करुणा व अष्टांग मार्गाचा क्रांतीकारी मार्ग जगाला सांगितला आहे. पंचशील, अष्टांग मार्गाचा जीवनात स्विकार केला तर मानवी जीवनाचे कल्याण होते.

### उद्देश :-

उपरोक्त संशोधनाचे ध्येय व उद्दिष्ट पुढीलप्रमाणे विशद करता येतात.

१. दिक्षा भूमी व बौद्ध धर्मातील अष्टांग मार्गाचा परस्पर संबंध विशद करणे.
२. बौद्ध धर्मातील महत्वाच्या तीन अंगांचा (प्रज्ञा, शील, करुणा) स्विकार करणे.
३. मानवी जीवनात सम्यक दृष्टी - वाचा, व्यायाम यांचा जीवनात आचरणयुक्त वापर करणे.
४. दिक्षा भूमीतून दिक्षा घेतलेल्या बौद्ध अनुयायांच्या अचरणातून चारित्र्यशील समाज निर्माण करणे.
५. प्रज्ञा, शील, करुणा या तत्वांचा आचार - विचारात कृतीयुक्त अवलंब करून जीवन सम्यक व सम्बुद्ध करणे.
६. दिक्षा भूमीवर स्वीकारलेल्या बौद्ध धम्माच्या - तत्वाची चर्चा करून त्याचा अन्वयार्थ साधने.

### अष्टांग मार्ग व बौद्ध धर्मातील तीन अंगे : एक विवेचन

दिक्षा भूमीत १४ ऑक्टोबर १९५६ रोजी डॉ.बाबासाहेब आंबेडकरांनी बौद्ध धम्माची दिक्षा घेवून बौद्ध धम्माचे रोपटे लावले. त्या रोपट्याचा महा वटवृक्ष होण्यासाठी तमाम बौद्ध व बहुजन बांधवांना अष्टांग मार्ग व पंचशीलेचा आणि २२ प्रतिज्ञेचा वैचारीक वारसा देऊन दिक्षा दिली. त्यातून असे तत्व दिले की, सगळ्या दुःखाचे मुळ इच्छा आहे. माणूस आशेवर जीवन जगतो. माणसाला जीवनात विकार व दुःख नष्ट करायचे असेल तर द्वेषमुक्त व भयमुक्त जीवन व्यथित करायचे असेल तर, अष्टांग मार्गाचा आणि बौद्ध धर्मातील तीन अंगांचा (प्रज्ञा, शील, करुणा) या तत्वांचा आपण स्विकार केला पाहिजे. त्याशिवाय आपणाला सम्यक दृष्टी व सम्यक बुद्धी प्राप्त होत नाही.

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23	A Study of Division wise Literacy Structure and Educational Facilities in Nasik City Sunil L. Shinde & Dr. T. M. Varat	106
24	An Examination of Child Malnutrition and Mortality in Tribal Area: A Case Study of Tribal Tehsils of Nashik District, M.S. Nivrutti Rathod & Dr.V.R.Rathod	115
25	A Study on Relation between User and System Dr. Bhasker Koshidgewar	124
26	Theme of Marriage, love and Sex in Girish Karnad's 'Naga-Mandala' Dr. Chandrakant Mandlik	129
27	Barriers to Communication Barriers on the Part of the Sender and How to Overcome Them Dr. Radha Madhab Jha	133
28	Development Programs of Third World Countries Prof. Laxman Baisane	141
29	Silence in Amitav Ghosh's Novel 'The Calcutta Chromosome' Prof. Arvindkumar Kamble	147
30	Subversion of Grand-Narratives in Postcolonial Theory and Literature Dr. Panchappa Waghmare	150

**मराठी विभाग**

31	उदारीकरण, खाजगीकरण आणि जागतिकीकरणचा भाषा आणि संस्कृतीवरील प्रभाव डॉ. आनंदा सोनवणे	155
32	वाङ्मयीन मतमतांतरे- आंबेडकरवाद मार्क्सवाद डॉ. प्रकाश जाधव	160
33	ग्रंथालयीन व्यवस्थापन शोध आणि बोध प्रा.तुळजाराम खैरे	166
34	महाराष्ट्रातील जातपंचायतीची वास्तविकता एक समाजशास्त्रीय मीमांसा प्रा.शरद गायकवाड	172
35	रविंद्र शोभणे यांच्या 'कोंडी'तील सामाजिक व राजकीय संघर्ष प्रा.संजय गोहणे	175
36	संत तुकारामांच्या 'तुका झालासे कळस' या युक्तीचे मर्म डॉ.विनोद भालेराव	183
37	सत्यशोधक चळवळ व मराठी साहित्य प्रा. सौ.छाया खर्चे	187
38	पैठण व खुल्ताबाद तालुक्यातील ग्रामीण वस्त्यांच्या गावांचे भौगोलिक विश्लेषण डॉ.अर्जुन कटके	193
39	ग. दि. माडगूळकरांचे लावणी लेखन डॉ.सौ.उज्वला देवरे	202
40	जातीतील क्षेत्रीय विविधता व बदल डॉ. जी.ए.बिजवे	206
41	बंजारा समाजातील दिवाळीचे स्वरूप- विशेष डॉ.गजानन जाधव	212
42	नव्वदोत्तर मराठी ग्रामीण कादंबरी:स्वरूप आणि आशय दिनानाथ पाठक	216
43	स्वातंत्रोत्तर मराठी साहित्यावरील लोकसाहित्याचा प्रभाव डॉ. काशिनाथ ब-हाटे	222
44	एकविसाव्या शतकातील स्त्री आत्मचरित्रातील आत्मविश्वास मनीषा हाडपे	230
45	शाहिरी वाङ्मय डॉ. राकेश कभे	237
46	बी.एड. प्रशिक्षणांथ्यासाठी अध्ययन व अध्यापन अद्ययावत करण्याचा प्रभावी उपाय : इंटरनेट डॉ. दादासाहेब पवार	241
47	१९९० नंतरची गोमंतकीय श्रेष्ठ कलाकृती 'हावठण' - महाबळेश्वर सैल प्रा. प्राची जोशी	244



## Title- Development Programs of Third World Countries

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### Abstract

This paper mainly deals with the role of international Institutions and Developed Countries in the development of Third World Countries. The study examines whether these Institutions and Countries have really changed the Socio-Economic status of the Third world Countries through the Millennium Development Goals. The present study is based on secondary data. Despite that developing countries are poor in standard of living, high poverty level, serious dependence on industrialized nations, high birth rate, low rate of employment, poor of accessing clean water, food, health, education and even though Third World Countries are marginalized in power sharing, decision making, designing policies and projects in these institutions (particularly World Bank and International Monetary Fund), these are tools used by developed countries to exploit resources of the Third World Countries to protect interest of the West (mainly European Countries). There is no one developed countries in the world, which are helping the Third World Countries without any hidden agenda. So study argues that it is time for Developing countries to come together and have their own development agenda and institutions to develop their own countries.

### Keywords:

Developed Countries, Third World Countries, Socio-Economic, Developing countries, World Bank and International Monetary Fund, European Countries

### Introduction

The economics of development refers to the problems of the economic development of underdeveloped countries. After the Second World War that economists started devoting their attention towards analyzing the problems of underdeveloped countries and formulating theories and models of development and growth (M. L. Jhingan, 2016). the desire on the part of new leader in these countries to promote rapid economic development coupled with the realization on the part of the developed nations that 'Poverty anywhere is a threat to prosperity everywhere' has aroused further interest but the interest of the developed nations in removing widespread poverty of the developing countries has not been aroused by any humanitarian motive. The universality of scarcity is what makes economic analysis relevant to all nations, regardless of their level of material well-being or ruling political ideology (Karl E. Case, Ray C. Fair, 2012). The World Bank, IMF and UNs MDGs always claimed they were assisting the developing countries in terms of development, surviving in economic and financial crisis and in various other ways, their presence was often questioned. They were criticized by practicing bad governance, marginalizing the developing world, biased policies, providing hurting and painful technical and financial assistance and protesting interest of the west (Griffith-Jones 2002, Stiglitz 2006). The present paper is classified into 8 sections which include Abstract, Introduction, Objectives, Method, Third World Countries, World Bank, IMF, UNMDGs and Conclusion.

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74	कृषी पर्यटन उद्योग : एक संधी	डॉ. लीलाधर खरपुरीये	381
75	बाबुराव बागुल यांच्या कथेचे स्वरूप व वैशिष्ट्ये	डॉ. सिद्धार्थ इंगोले	385
76	जागतिकीकरण : एक जागतिक अर्थव्यवस्था व प्रक्रिया	प्रा. लक्ष्मण बैसाणे	389
77	महाराष्ट्रातील काही आदिवासी जमातींवर एक दृष्टीक्षेप	प्रा.स्मिता माळवे	393
78	फेसाटी कादंबरीचा आकृतीबंध	प्रा. राहुल चव्हाण	398
79	यशवंतराव चव्हाण यांच्या प्रशासकीय कार्याचा विश्लेषणात्मक अभ्यास	प्रा. चंद्रकांत मोरे	403
80	संत जनाबाईची ईश्वर भक्ती	प्रा. हिरा वाघ	408
81	व्यावसायिक शिक्षण व प्रशिक्षणात कौशल्य विकास व गुणवत्ता	डॉ. नासीर गिरासे	410
82	कार्य विश्लेषण	डॉ. चंद्रमणी गजभिये	413
83	सामाजिक व व्यावसायिक विकासात गृह अशास्त्राची भूमिका	डॉ. माधुरी देशमुख	416
84	बदलती ग्राम संस्कृती आणि आजची ग्रामीण कथा	प्रा. नंदकुमार माने	421
85	भारतातील मानवी हक्क चळवळ : एक समाजशास्त्रीय अभ्यास	डॉ. सतीश देसाई	426
86	ग्रामीण विकासात महिलांचा सहभाग	प्रा. आशिष गुजराथी	432
87	यादवकालीन सिन्नरचा राजकीय इतिहास	डॉ. संतोष बोडके	436
88	आशा बगे यांच्या कादंबऱ्यांमधून आलेली आत्मभावनात्मक प्रवृत्ती	डॉ. ज्ञानेश्वर सोनवणे	442
89	ग्रामीण तरुणांच्या जीवनाची कहाणी 'झाकोळलेल्या वाटा'	डॉ. भाऊसाहेब गमे	448

### हिंदी विभाग

90	ममता कालिया कृत उपन्यास "दौड़" में लुप्त होती मानवीय संवेदना	अनिता देवी	452
91	डॉ. जयप्रकाश कर्दम कि नया भारत बनाएँ कविता में अभिव्यक्त वर्तमान भारत की विसंगतियाँ	डॉ. सुचिता गायकवाड	455
92	समकालीन उपन्यासों में ग्रामीण जीवन की राजनीति	प्रा. एच.टी.पोटकुले	460
93	समकालीन महिला लेखिका मन्नू भंडारी के उपन्यासों में स्त्री विमर्श	डॉ. भिनल बर्वे	464
94	भारतीय नारी विमर्श की प्रातिनिधिक रचना 'ऐ लाडकी'	प्रा. राजेश भामरे	469
95	'नेपथ्य राग' की दीपशिखा : 'खना'	डॉ.विजयप्रसाद अवस्थी और संगिता देशमुख	472
96	अमानवियता का दर्द 'सद्गती'	प्रा. दिलीप पाटील	476
97	आदिवासी क्रांतीकारी और उनका कार्य	डॉ. मालती शिंदे	479
98	इक्कीसवी सदी की आदिम अभिव्यक्ती 'जंगल पहाड के पाठ'	डॉ. शशिकांत सोनवणे 'सावन'	487
99	'शोषितनामा' : हिंदी का प्रथम दलित महाकाव्य	डॉ. मनोहर पाटील	497
100	निर्मल वर्मा की कहानियों में भाषा तथा जीवन के बदलते संदर्भ के रूप	डॉ. प्रमोद पाटील	500



## जागतिकीकरण : एक जागतिक अर्थव्यवस्था व प्रक्रिया

प्रा. लक्ष्मण शामराव बैसाने

अर्थशास्त्र विभाग

नेस वाडीया कॉलेज ऑफ कॉमर्स पुणे - नं.१

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### प्रस्तावना :

जागतिकीकरण ही देशाची अर्थव्यवस्था जगाच्या अर्थव्यवस्थेशी एकात्म करण्याची म्हणजेच जोडण्याची प्रक्रिया आहे. जागतिकीकरणामध्ये प्रामुख्याने अर्थव्यवस्था ही अधिक मुक्त होईल अशा बाजारपेठेस अनुकूल व समृद्ध असणारा दृष्टीकोन आहे. जागतिकीकरण ही व्यापक आर्थिक प्रक्रिया असल्यामुळे त्या अंतर्गत सर्व देशांदरम्यान वस्तू, सेवा, भांडवली गुंतवणूक, तंत्रज्ञान आणि श्रम, विचारधारा इत्यादींचा देशाच्या सीमेबाहेर मुक्तपणे संचार होणे अंतर्भूत आहे. म्हणून जागतिकीकरण अंतिमतः जागतिक अर्थव्यवस्था निर्माण करणारी प्रक्रिया आहे. त्यामुळे जागतिकीकरण ही एक व्यापक आर्थिक प्रक्रिया आहे.

जागतिकीकरणाच्या प्रक्रियेमुळे संपूर्ण विश्व एक "वैश्विक ग्राम" (Global Village) बनेल जी ही व्यापक प्रक्रिया भारताच्या 'वसुंधैव कुटुंबकम्' या विचारसरणीशी सुसंगत आहे. कारण ह्यात राजकिय, सामाजिक, शैक्षणिक, सांस्कृतिक, पर्यावरणात्मक यासारखे इतरही काही पैलू जागतिकीकरणाच्या कक्षेत येतात. ह्याचे विश्वव्यापिकरण करणे हे त्याचे लक्ष व उद्दिष्ट आहे. जागतिकीकरण म्हणजे जागतिक अर्थव्यवस्था निर्माण करण्याची प्रक्रिया आहे. या प्रक्रियेसाठी जागतिक व्यापारावरील निर्बंध दूर करून देशाची अर्थव्यवस्था ही जागतिक अर्थव्यवस्थेशी एकात्म करणे आवश्यक आहे. म्हणून त्यातील वस्तू, भांडवल, सेवा, श्रम यांचा प्रवाह सुलभ करण्यासाठी राष्ट्राच्या सीमामधील अडथळे दूर करणे ह्या प्रक्रियेत अभिप्रेत असते. ही प्रक्रिया गुंतागुंतीची असल्यामुळे त्यांचे उद्देश व्यापक स्वरुपाचे आहेत ते पुढीलप्रमाणे सांगता येतात.

### उद्देश :-

उपरोक्त संशोधनातून पुढीलप्रमाणे उद्देश विशद करता येतात.

१. जागतिकीकरण ह्या संकल्पनेची सर्व घटकात जाणिव व जागृती निर्माण करणे.
२. जागतिक अर्थव्यवस्था अस्तित्वात आणण्यासाठी सर्व राष्ट्रांची एकच बाजारपेठ निर्माण करणे.
३. जागतिकीकरणाच्या माध्यमातून वस्तू, सेवा, श्रम आणि आंतरराष्ट्रीय भांडवल प्रवाह याविषयीच्या तंत्रज्ञानाचा वाढता प्रवाह निर्माण करणे.
४. वित्तीय तुट व जगातील चलन पुरवठ्याचा दर कमी करून आर्थिक स्थैर्य निर्माण करणे.

### जागतिकीकरणाचा अर्थ व व्याख्या :-

#### जागतिकीकरणाचा अर्थ

जागतिकीकरण ही देशाची अर्थव्यवस्था जगाच्या अर्थव्यवस्थेशी एकात्म करण्याची म्हणजेच एकसंध जोडण्याची प्रक्रिया आहे. अर्थव्यवस्था ही अधिक अधिक मुक्त होईल हा जागतिकीकरणाचा दृष्टीकोन असतो. खर तर जागतिकीकरण ही एक व्यापक आर्थिक प्रक्रिया आहे. ज्या अंतर्गत देशातील वस्तू, सेवा, श्रम आणि भांडवल गुंतवणूक तसेच तंत्रज्ञान विचारधारा इ. प्रवाह कोणत्याही सरकारी प्रतिबंधाविना होऊ शकतो. म्हणजेच याचा अर्थ असा की, कोणत्याही उत्पादकाला जगात कुठेही कमीत कमी उत्पादन खर्चात वस्तू - सेवांचे उत्पादन करता येणे, कच्चा माल

# A STUDY OF THE PROGRESS OF THE FINANCIAL INCLUSION PLANS (FIPS)

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## **Abstract:**

Financial inclusion is a step taken to include and bring the under privileged, unreached and weaker sections of the society, which are currently outside the sphere of the formal financial system, into the system. It also means to provide the financial services and products to all the sections of the society in general and the vulnerable sections, in particular, at an affordable cost and on a timely basis. Globally various steps have been taken to strengthen and further the process of financial inclusion. According to the IMF, India being a priority country having 20.6% of the world's financially excluded population, the need for financial inclusion becomes a primary concern. RBI has been taking various initiatives in this front and one such initiative is the Financial Inclusion Plan (FIP) of banks. In 2010, the R.B.I advised all public and private sector banks to submit a Board approved 3 year Financial Inclusion Plan (FIP) starting in April 2010. Banks were advised to formulate FIPs compatible with their business strategy and comparative advantage and to make FIPs a vital part of their corporate plans. This paper focuses on the progress of the FIPs of banks (public and private sector) from 2010 to 2018. It also highlights the extent of financial exclusion and thus the need for financial inclusion in India.

## **Key Words:**

Financial inclusion, exclusion, Financial Inclusion Plan (FIP).

## **Introduction:**

Financial inclusion means connecting people to the banking system and making them the recipients of the benefits delivered by it. Financial Inclusion is defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups, such as weaker sections at an affordable cost from Mainstream Financial Institution. The focus is only on the mainstream financial institutions because it is only these institutions which have the capacity to provide full services and meet the requirements of Savings, Credit, Remittance, Insurance, Pension and Payments transactions.

## **Review of Literature:**

The researcher has come across a few books, speeches and newspaper articles that have focused on the similar area of interest under study. Some of them include S.S.Mudra's lecture on 'Financial Inclusion: Basics and beyond' published in RBI Bulletin July 2015 wherein he indicated the relation between financial inclusion, financial literacy and consumer protection. Deepali Pant Joshi in her speech titled 'Financial Inclusion' published in RBI Bulletin November 2013 spoke about the various initiatives taken by banks for financial inclusion including bank nationalisation and branch expansion and she also gave a snapshot of the Financial Inclusion Plan of the banks from 2010-2013.

## Objectives:

1. To study the extent of financial exclusion and thus the need for financial inclusion in India.
2. To study the progress of the Financial Inclusion Plan of all banks including Regional Rural Banks from 2010-2018 with the help of 6 selected determinants.

## Research Methodology:

This study is based on secondary data. The data has been accumulated from the Reserve Bank of India website, RBI bulletin, Reference books and newspapers. For simplification of the topic concerned, various tables and graphs have been utilised. Quantitative and qualitative data has been drawn from authentic and relevant sources. The researcher has used quantitative and qualitative data to evaluate the experiment of financial inclusion. The progress of the FIPs of the banks during the period 2010-2018 has been analysed through quantitative data with the help of 6 selected determinants. i.e Banking outlets in villages- branches, Basic Savings Bank Deposit A/c (BSBDAs) through Branches, BSBDAs through BCs, Kisan Credit Cards {KCCs} (Nos.), General Credit Cards {GCCs}{Nos.) and ICT A/cs-BC transactions (Nos.).

## Scope:

1. The study is purely based on secondary data.
2. Many institutions in India are working towards furthering financial inclusion in the country but this research paper is related to study, only the work and the progress made by the banks ( public and private sector banks) in financial inclusion.

## Analysis of the study:

### A. Extent of Financial Exclusion:

#### 1. IMF Financial Access Survey:

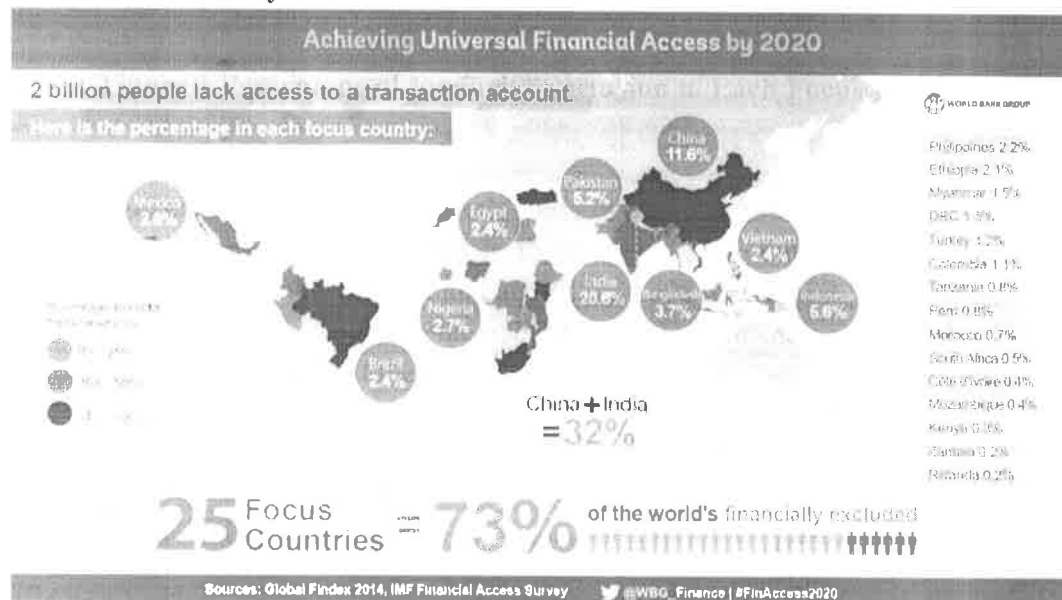
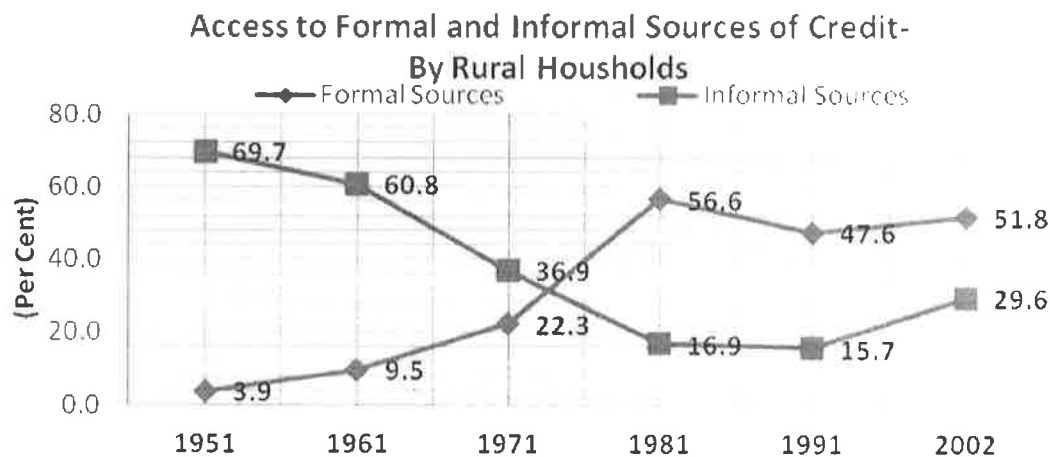


Figure 1 Percentage of Financial Exclusion in Each Focus Country

### Explanation of the figure:

The Universal Financial Access 2020 initiative is focusing on 25 countries which constitute 73% of the financially excluded population in the world. India and China have the highest proportion of unbanked people residing in the respective countries. Together they account for 32% of them. Out of the 73% of the world's financially excluded population, 20.6% of them are found in India.

## 2. National Sample Survey Organisation 59th Round Survey Results:



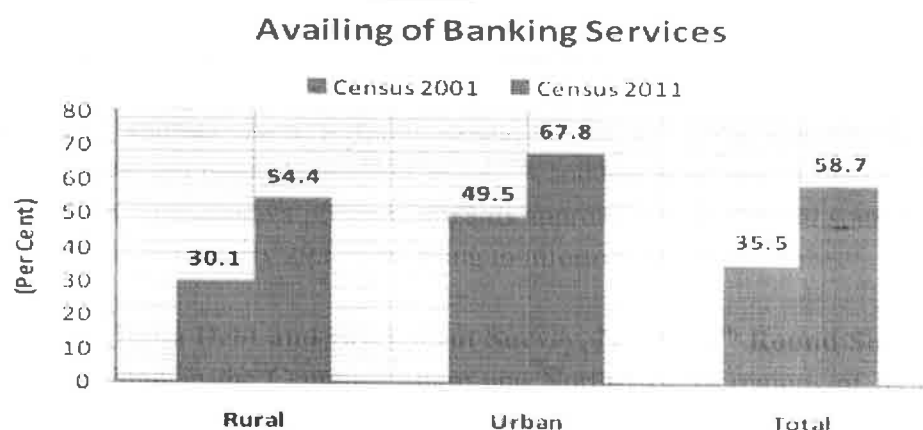
**Figure 2. Access to Formal and Informal Sources of Credit**  
Source: RBI Website

### Explanation of the figure:

- I. Formal sources of credit include credit from Scheduled Commercial Banks (including Regional Rural Banks) and credit from Co-operative Society and banks. Informal sources of credit include credit from agricultural and professional money lenders or saukars.
- II. From the above graph we understand that during 1951-1961 rural households relied heavily on informal sources of credit and a very few took the benefit of formal sources. In 1971 we can see a drastic change, wherein the number of rural households using informal sources dropped to 36.9% from 60.8% in 1961, which is a substantially large fall. A positive change was seen in the pattern of households using formal sources, as these increased from 9.5% in 1961 to 22.3% in 1971.
- III. The period up to 1981 saw a rise up to 56.6% in terms of households using formal sources and a decline to almost 16.9% in 1981 in the informal sources usage.
- IV. Thereafter the formal sources usage hovered around 47.6% to 51.8% from the period 1991-2002. The informal sources in 1991 fell to its all-time low of 15.7% and thereafter again rose to 29.6% in the year 2002.
- V. In 2002 the rural households made a progress towards approaching the formal sources of credit, in terms of 51.8% resorting to them and nearly 29.6% resorting to informal sources.

3. The results of the **All India Debt and Investment Survey, NSSO 59<sup>th</sup> Round Survey** reveal that there is **acute financial exclusion** in the Central, Eastern and North-Eastern regions of India where 64% farmer households are financially excluded.

## 4. Government of India Population Census, 2011



**Figure 3 Availing of Banking Services**  
Source: Department of Financial Services, GOI

**Explanation of the figure:**

- I. In 2001 30.1% of the rural households availed banking services while in 2011 this figure rose to 54.4%. Thus, we can see a rise of almost 80.73 %.
- II. In 2001, 49.5% of the urban households approached the banks while in 2011 this figure reached to 67.8%. Thus; we can see a rise of almost 36.96%.
- III. When we see the combined figure of rural as well as urban households availing banking services in 2001 and 2011, we find that the number has increased from 35.5% to 58.7%, i.e. a rise of almost 65.35%.

Thus from 2001 to 2011, the rise in the percentage of population availing banking services has been greater in terms of the rural population as compared to urban counterparts.

**B. Financial Inclusion Plan (FIP)**

Financial Inclusion Plan-Progress of all banks including RRBs:

Parameters	Year Ended March 2010	Year Ended March 2011	Year Ended March 2012	Year Ended March 2013	Year ended March 2014	Year Ended March 2015	Year ended March 2016	Year ended March 2017	Year ended March 2018**
Banking outlets in villages-branches	33,378	34,811	37,471	40,837	46,126	49,571	51,830	50,860	50,805
Basic Savings Bank Deposit A/cs through branches.(No. in millions)	60.19	73.13	81.2	100.8	126	210.3	238	254	247
Basic Savings Bank Deposit A/cs through BCs.(No. in millions)	13.27	31.63	57.2	81.27	116.9	187.8	231	280	289
Kisan Credit Cards (No.in millions)	24.31	27.11	30.24	33.79	39.9	42.5	47	46	46
General Credit Cards(No. in millions)	1.39	1.7	2.11	3.63	7.4	9.2	11	13	12
ICT A/cs -BC transactions(No. in millions)	26.52	84.16	155.87	250.46	328	477	827	1,159	1,489

**Figure 4: FIP-Progress**

(\*\*Provisional)

Source: Data gathered from the RBI website

**Explanation:**

1. The banking outlets in the villages show a gradual increase from nearly 33,378 in 2010 to 49,000+ in the year 2015. This is a positive note to be made. It further increased to 50,860 in the year 2017; however there was a reduction in 55 such outlets in the year 2018.
2. BSBDA's opened through branches were around 60 million in the year 2010 and this figure rose to 247 million in the year 2018, showing a rise by almost 310%.
3. The number of BSBDA's was 13.27 million in the year 2010 and 289 million in 2018. This shows an increase by 2077%. There was a major increase in the number of A/Cs from 2014 to 2015 by nearly 50%.
4. The number of KCCs issued in 2010 was 24.31 million and in 2018 was 46 million. We find there has been an 89.22% increase from 2010 to 2018. There was a constant increase by 3 million in KCCs from 2010 to 2016 and it decreased by 1 million and thereafter remained constant during 2017 and 2018.
5. The numbers of GCCs issued in 2010 were 1.39 million and 12 million in 2018. Thus there has been an increase by 763.31%.
6. There has been a phenomenal increase in the number of ICT A/Cs BC transactions over this span of 9 years. We find that there has been a 5614.63 % increase from 2010 to 2018 in this parameter and that there was a very high jump in the number of transactions from 2015 to 2016 by nearly 73.5%.

### **Evaluation of the Select 6 Parameters of the Financial Inclusion Plan of the Banks from 2010 to 2018 at A Glance:**

The information in figure 4 depicts that there has been an increasing trend in the various products and services offered by the banks under the Financial Inclusion Plan over the period 2010 to 2018. The banking outlets in the villages have performed reasonably well. BSBDA's have increased significantly through the medium of the branches as well as the BCs. The performance of the BCs in helping open the savings bank accounts has been phenomenal over the 9 year span. KCCs have performed better as compared to the GCCs in terms of issuance. Lastly, the ICT A/cs based transactions carried out through the BCs have shown a remarkable and noteworthy increase.

### **Suggestions and Recommendations:**

1. The extent of financial exclusion in India as compared to the rest of the countries is extremely high. Therefore, **the RBI, Banks and the Government must constantly focus on increasing the level of financial inclusion in the country through awareness programmes.**
2. Rural counter parts should be encouraged to use the formal sources of credit which fall under the purview of the RBI and the Government of India. The Informal sources of finance should be discouraged or they should be **brought under the Banking Law to safeguard the rural persons** from being cheated and exploited. The RBI should **impart basic knowledge** to the countrymen about the basics of banking and explain the basic difference between the bankers and the money lenders.
3. BSBDA's through the branches and BCs have increased. However, transactions should take place within these accounts by **encouraging and educating the rural counterparts about the importance of keeping the money with the banks rather than at home, which is idle cash.** Banks are advised on offering an in built overdraft facility in the BSBDA's in event of emergencies. If the banks are of the opinion to grant the overdraft facility in case of urgencies, then the banks must have an **emergency inspection squad** that will do a quick enquiry and find out whether the emergency is a genuine one.
4. **GCCs should be encouraged by the banks as** these cards are issued for **entrepreneurial endeavours.** Today India is moving towards Skill Development & job creation programmes. The issuance of these cards will encourage the entrepreneurs to undertake their ventures. Successful endeavours would have positive impact on the economy in terms of employment, income and standard of living.

### **Conclusion:**

Inclusive growth can take place, when the reach of banking is broad and deep. One such way is through the Financial Inclusion Plans of the banks which aim to reach out to the most excluded sections of the society with financial services and products. The FIPs of the banks have shown a notable progress from 2010 to 2018. However, we need to strive hard until complete inclusivity becomes a reality.

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# AN ANALYTICAL STUDY OF THE EXPORT OF COFFEE FROM INDIA

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## Abstract:

India has been known for its coffee all across the globe. The popularity in terms of demand for India's coffee is quite seen in more than 45 nations. The cultivation of Arabica and Robusta varieties of coffee is found in India. These account for a major share in the exports from India. The major exporters of coffee from India include CCL Products India Ltd, Emil Traders Pvt Ltd., Tata Coffee Ltd, Allansons Private Limited, Coffee Day Global Limited, Mudremane Coffee Curers etc. In this paper we have highlighted the overview of export of coffee from India since 2009 and have analyzed the exporter wise export of coffee for the period January 01, 2019 to January 31, 2019.

## Keywords:

Coffee, exporter, Arabica, Robusta, India

## Introduction:

The production and export of coffee has an impact on the economic front of the exporter country as it opens new gates for inflow of funds from the different countries importing the same. India is definitely a beneficiary in this respect as it is the third-largest producer and exporter of coffee from Asia; it is also the 6<sup>th</sup> largest producer of coffee in the world and is furthermore the 5<sup>th</sup> largest exporter of coffee all across the globe. This justifies the significance and standing of Coffee in our country and in the international market. In this paper we have discussed the overview of exports of coffee from India by countries in Metric tonnes since 2009 and have also analyzed the exporter wise export of coffee from India during FY 2016 to FY 2018 and during January 2019.

## Objectives:

1. To study the overview of the export of coffee from India since 2009
2. To analyze the exporter wise export of coffee from India during 2016-2018
3. To analyze the exporter wise export of coffee from India during January 2019.

## Research Methodology:

Secondary data has been utilized for the purpose of this study. The data has been acquired from the website of the Coffee Board, Government of India, Ministry of Commerce & Industry and India Brand Equity Foundation. The researcher has made use of detailed tables to present the data which has later been analyzed. Qualitative data has been mainly used to study the overview of export of the types of coffee from India by countries and Quantitative data has been used for comparative study and the progress of exports during January 2019. This has been done with the help of different parameters namely the quantity in tonnes of the different types of coffee beans exported and exporter wise export of coffee from India.

## Scope:

1. Secondary data is the main source of this study.
2. India exports various products however this study is limited only to the export of Coffee.

## Analysis of the Study:

### 1. Types of Coffee in India:

Arabica and Robusta are the two important varieties of coffee which are most commonly consumed all over the world.

Arabica coffee has a mild flavor and well-adjusted aroma. It is also sharp and sweet in taste. As compared to Robusta it has half the amount of caffeine. Its period of harvest is between November to January. It is grown in regions ranging from 600 to 2000 meters. It requires a pleasant, moisture rich and subtropical weather condition for its growth. The soil has to be nutrient rich in order to be in line with the international standards.

Robusta coffee has double level of caffeine as compared to Arabica coffee. It has a strong taste. It is possible to grow the same on lower altitudes as well. It is harvested during December to February.

### 2. Overview Of Exports Of Coffee From India By Countries In Metric Tonnes

India has a rich history of coffee and its exports. Currently India exports to more than 45 countries all across the globe. Italy and Germany are the major importers of coffee from India. Approximately 30% of the coffee exported from India reaches to these two countries. During 2009-2010 India exported 196002 MT of coffee to more than 45 countries. The export of Coffee from India in the subsequent years is as follows:

#### Exports of Coffee from India by Countries in Metric Tonnes

Year	Export In Metric Tonnes	Yearly Increase / Decrease
2009-2010	196002	-
2010-2011	299778	103776.00
2011-2012	333222	33444.00
2012-2013	299288	-33934.00
2013-2014	299879	591.00
2014-2015	274991	-24888.00
2015-2016	310015	35024.00
2016-2017	343933	33918.00
2017-2018	395014	51081.00

**Figure No 1: Exports of Coffee from India by Countries in MT tonnes**

**Source: Data gathered from the Coffee Board of India**

#### Explanation of figure no 1:

1. When we observe the data of 2009-2010 and of 2010-2011 we find that there has been an increase of 103776 Metric tonnes of export of coffee from India.
2. In 2011-2012 we find that the increase in the export of coffee has been of 33444 Metric tones. We find the yearly increase in 2010-2011 was more favourable as compared to the yearly increase of 2011-2012.
3. In 2012-2013 we observe that the export of coffee showed a decline from 333222 Metric tonnes (2011-2012) to 299288 Metric tonnes in 2012-2013.
4. Thereafter in 2013-2014 the exports of coffee rose by 591 Metric tones.
5. In the year 2014-2015 the export of coffee fell by 24888 Metric tones.
6. From 2015 to 2018 we observe that the export of coffee from India in Metric tones has show a positive sign where the exports have risen by 35024 MT in 2015-2016, thereafter by 33918 Metric tones in 2016-2017 and by 51081 Metric tones in 2017-2018.

**Observations:**

- During the time frame 2009-2018, we find that export of coffee from India has shown an increase in the years 2010-2011, 2011-2012, 2013-2014, 2015-2016, 2016-2017 and 2017-2018.
- On the other hand the years 2012-2013 and 2014-2015 experienced a decline in the number of exports of coffee. Out of these two years, the decline was greater in the year 2012-2013
- **The maximum yearly increase was recorded in the year 2010-2011 and the minimum yearly increase was recorded in the year 2013-2014.**

**3. Exporter Wise Export Of Coffee From India During 2016-2018**

Exporter Wise Export Of Coffee From India During 2016-2018			
Dominant Exporters			
Quantity In Metric Tonnes			
Name Of Exporter M/S	FY 2016-2017	FY 2017-2018	Change
CCL Products India Ltd	35594.8	43365.3	7770.5
Allanasons Private Limited	34310.8	28235.5	-6075.3
NKG India Coffee Private Limited	27764.9	27422.5	-342.4
S.L.N Coffee Pvt. Ltd	26105.3	10861.9	-15243.4
Tata Coffee Ltd	25660.4	21989.2	-3671.2
Ned Commodities India Pvt. Ltd	24720.6	31661.9	6941.3
OLAM Agro India Private Limited	19333.5	25504.0	6170.5
Nestle India Limited	13833.7	12213.4	-1620.3
Coffee Day Global Limited	13796.0	25367.1	11571.1
Emil Traders Pvt. Ltd	12948.6	14739.0	1790.4

Figure No 2: Exporter Wise Export Of Coffee from India during 2016-2018

Source: Market Research and Intelligence Unit Coffee Board

**Explanation of figure no 3:**

- 1) The above table shows the quantity of exports made by the different exporters during FY 2016-2017 and 2017-2018. It also shows the change /variation in the exports made during the two financial years.
- 2) CCL Products India Ltd has been the major exporter of Coffee from India during 2016 -2018. Their exports rose from 35594.8 tonnes to 43365.3 tonnes showing an increase by 7770.5 metric tonnes.
- 3) Allanasons Private Limited showed a decline in their exports by 6075 metric tonnes followed by NKG India Coffee Private Limited showing a minor decline in their exports by 342 metric tonnes and S.L.N. Coffee Pvt. Ltd recording a decline by 15243 metric tonnes and Tata Coffee Ltd reporting a decline by 3671.2 tonnes from FY 2016-2017 to 2017-2018.
- 4) Ned Commodities India Pvt Ltd and Olam Agro India Private Limited have shown an increase in their exports by 6941.3 and 6170.5 respectively during 2016-2017 and 2017-2018.
- 5) Nestle India Limited has shown a decline in their exports by 1620.3 metric tonnes from 2016-2017 to 2017-2018.
- 6) Coffee Day Global Limited has performed well showing an increase by 11571.1 metric tonnes in their export figures.
- 7) Emil Traders Pvt Ltd has also shown a positive sign by displaying an increase by 1790.4 metric tonnes in their exports.

**Observations:**

- CCL Products India Ltd has been the dominant exporter of coffee from India during FY 2016-2017 as well FY 2017-2018.
- The second dominant exporter during FY 2016-2017 and during FY 2017-2018 has been Allanasons Private Limited has been and Ned Commodities India Pvt Ltd respectively.
- With regard to the best positive change in terms of numbers we have COFFEE Day Global Limited which has shown a maximum increase by 11571.1 metric tonnes

**4. Exporter Wise Export Of Coffee From India During 01/01/2019-31/01/2019**

Coffee Board : Bangalore  
 Exporter Wise Export Of Coffee During 01/01/2019 To 30/01/2019  
 [ Provisional And Based On Export Permits ]

Name of Exporter M/S	Arabica (In Tons)	Robusta (In Tons)	Instant (Gbe) (In Tons)	Roasted (Gbe) (In Tons)	Total (In Tons)	Percentage % With Total Exports
Ccl Products India Ltd	0	0	3790.22	0	3790.22	18.17
Emil Traders Pvt Ltd.	0	3001.2	0	0	3001.2	14.39
Tata Coffee Ltd	250	7	1727.26	0	1984.26	9.51
Allanasons Private Limited	1101.2	709.8	0	9.52	1820.48	8.73
Coffee Day Global Limited	916.4	816.06	0	0	1732.46	8.3
Vidya Herbs Private Limited	38.4	1603.8	0	0	38.4	0.18
Ned Commodities India Pvt Ltd	402.9	1096.3	0	0	402.9	1.93
Mudremane Coffee Curers	293.8	1036.2	0	0	1330	6.38
Olam Agro India Private Ltd	202.4	865.8	0	0	1068.2	5.12
Nestle India Limited	0	0	853.827	0	853.827	4.09
Others	1845.4	4312.05	2979.52	14.221	4839.1	23.2
Total	5050.4	6436.06	9350.83	23.741	20861.1	100

**FIGURE NO 3: Analysis of the exporter wise export of coffee during January****Source: Coffee Board of India.****Explanation of the figure no 3:**

1. Out of all the coffee exporters in India, we find that the share CCL Products Ltd is maximum standing at 18.17%, followed by Emil traderspvt ltd whose share stands at 14.39%.
2. The third position is taken by TATA Coffee Ltd. with a share of 9.51%. AllanasonsPrivate Limited and Coffee Day Global Limited have an average share of 8.52 %.
3. Mudremane Coffee Curers and Olam Agro India Private Ltd have shares of 6.38% and 5.12 % respectively
4. Nestle India Limited and Ned Commodities India Pvt Lthave shares 4.09 % and 1.93% respectively.
5. Out of the total exports 76.80 % was done by these top 10 export companies and remaining 23.20 % exports belong to all other exporters.
6. In the total coffee exports, if we compare product wise or bean wise classification of export we will find that maximum export of Instant (Gbe-Green bean equivalent) has taken place accounting for 44.82%, which is followed by Robusta accounting for 30.85%. The export of Arabica stood at 24.21% and that of Roasted (Gbe) at 0.11%.

**Conclusion:**

Coffee is an ever demanding commodity in the international market and India plays a key role in fulfilling this demand. The exports of coffee from India have shown a positive trend over the last 9 years. There are various private players dominating the export of coffee from India to other countries which have also contributed to this positive trend.

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[10<sup>th</sup> January, 2019]

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