

# **Bizz...Ness**

**The Research Journal  
of the  
Ness Wadia College of Commerce, Pune**  
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**National Seminar on  
EMERGING ISSUES IN COMMERCE  
AND ECONOMICS  
(27-28 FEBRUARY, 2015)**



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The Research Journal of the Ness Wadia College of Commerce

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**Editor: Dr. Girija Shankar**

## **About the Journal:**

**Bizz...Ness**, the Research Journal of Ness Wadia College of Commerce is an annual peer reviewed journal which aims at honing the research skills among the teaching community. Its objective is to encourage teachers to write research level articles on various areas of business studies.

The journal publishes research papers, case studies, book reviews and articles relating to Commerce Economics, Business Finance, Management and other related areas.

All contributions to the journal are initially screened by the Editorial Board for their relevance and authenticity. The selected papers are peer reviewed. The Editorial Board reserves the right to accept or reject papers on the basis of the referees' assessment.

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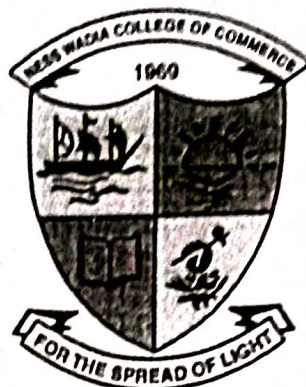
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## FROM THE EDITOR'S DESK

**Bizz...Ness**, the Research Journal of the Ness Wadia College of Commerce, Pune is now in its fourth year of publication and promotes research based activities at the College. It includes research papers contributed at the National Level Conference on 27<sup>th</sup> – 28<sup>th</sup> February, 2015.

The seminar was held as part of the Late Prin. Dr. B. S. Bhanage Memorial Seminar which is conducted annually in the College, since, 1998. The basic aim of the seminar was to highlight and discuss the various emerging issues in the field of Commerce & Economics; to have academic interaction on various innovative thought provoking ideas and deliberations on the subject matter; to endeavor to undertake research in the field and inculcate and promote research attitude amongst the teaching fraternity and propagate new techniques and practices to cater to the requirement of new challenges of the emerging issues and trends in the Commerce and Economics.

The research papers have undergone a rigorous blind review process. Depending on the referee's assessment, the selected papers have been published in full.

We are very grateful to the Referees for their diligent reviewing and for their conscientious efforts towards publication of the research papers.

We believe that the Journal will continue to provoke new thinking in the domain of business studies.

**Vice-Principal Dr. Girija Shankar**  
Editor

**Principal Dr. M. M. Andar**  
Chief Editor



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## Security Trading and Market structure

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**Keywords:** Market Structure, Dealer, Call Market, Liquidity.

### Market:

Market is a platform to exchange the obligations by participants. There is no need of physical place to exchange, it might be virtual or over the counter. One may find buyer him/her self and trade with him/her subject to the legal requirements. Individual demand and supply will be considered by the respective market even if there is no significant attachment of the trade with platform. The development of the market structure is highly concern for the convenience to trade and cost of the trade. Here market structure is different from the traditional view of the Market which is based on the availability of buyers and sellers and type of the products in market. It is micro view of the market. It focuses on ability of trader to trade and its cost in trade. Market structure is an important aspect for the asset market in particular financial assets. Defining the security market structure is the crucial role of the policy makers or the regulators of the market. Mere development in sense of the large trading and technology improvement cannot smooth out the security market. It requires particular shape and track to run. Here is a small attempt to understand, how the market involves with participants to get them in? The objective of the paper is to understand the working of the various market structure and participants interaction on the market platform.

Market structure concept had got importance during the period of Great Depression. Belief in dealer market increased due to the contemporary liquidity problem in world economy. But the 1987's liquidity crisis gave new thought process to this subject.

Huang and Stoll (1995) compares dealer driven market and auction market by measuring the effective spread and execution cost of the trade. Amihud, Mendelson and Lauterbach (1997) has been studied the structural changes in Tel Aviv stock exchange and understand the impact on the investment sentiment. It has been found that hybrid market has positive impact on the investment. Schewartz and Francioni (2004) put various forms of the market, and explained their working. Foucault, pagano and Roell (2013) explained price discovery and liquidity impact of different market structures.

Market structure consists of trading rules, the physical layout, the information presentation system, and the information communication system of the market.<sup>1</sup> Financial market is highly regulated throughout the globe to protect the interest of the small investors. However Market structure determines who can trade, what they can trade, when, where and how they can trade.<sup>2</sup> Many markets structures put restrictions on speculative trading by market participants. Hence market structure has an impact on agent's trading strategies and therefore on market quality.<sup>3</sup> Interaction of genuine investors on the platform has remained the crucial objective of the security exchanges and regulator in deciding the structure of the market.



Proper market structure can give a competitive edge to the investment as well as asset pricing.

### **Forms of market working in global financial market:**

- 1) Dealer market,
- 2) Auction Market,
  - a. Continuous auction market,
  - b. Call auction market.
- 3) Hybrid Market,
- 4) Crossing Network system.
- 5) Brokered market.

To understand working of these markets, following concepts must be known.

#### **Basic concepts:**

##### **Market Order:**

It is an order which accept the current market price of the security. It is used by the active traders. For buy market order, trade matches immediately with seller on other side and Vice-versa.

##### **Limit order:**

Limit order gives the order to trade only at the specified price. Passive traders put this type of order. Trade only matches if proper match is found.

##### **Stop loss orders:**

It is an order given with trigger price. As trigger price hit, buy or sell order enters in market platform for execution. It restricts the loss of the trader if the price of the stock moves in opposite direction to his expectation.

##### **Bid price:**

It is the price at which a buyer wants to buy the stock. It is shown on the left hand side of market depth table.

##### **Ask price:**

It is the price at which a seller wants to sell the stock. It is shown on the right hand side of market depth table.

##### **Best bid:**

It is the buyer who wants to buy the stock at higher price than the other buyers of that particular stock.<sup>4</sup>

##### **Best offer:**

It is the seller who wants to sell the stock at lowest price than the other sellers of that particular stock.



**Quote:**

It is price and quantity at which the dealer in quote driven market wants to purchase or sell the stock.

**Market maker:**

This is the authorized trader (individual or the institutions) who make the market by buying the stock if price of the stock plummets and sell the stock if the price increase significantly. Market maker works for company to reduce the volatility in the price of share of company. It might be separate authorized entity by the exchange called as dealer.

**Dealer market:**

In a dealer market, associated dealers put the quotes on both sides (Bid side and ask side)<sup>1</sup> of the trade. They are the liquidity provider for the Asset market. In this market the dominating role is played by the market makers or assigned dealers. Individual trader has to trade with the dealer or accept the quote given by the dealers. Order which comes in the market by the individual investor has to interact with the quote specified by the dealer. If at particular time ordered price quotes are not available, order has to wait till quote will be revised by any of the dealers in market. Dealer executes the orders and creates the inventory to disseminate the orders on the other side of the transaction. Capital gain in the netting of the orders by the dealers is the benefit available to the dealer for providing the services. They usually make the market if the stock movement is significant. The opportunity to make the market is available till the market is in imbalance. At the certain level of the transitions dealers leave the market due to high inventory cost and stock move upward or downward significantly. But there are other competitive dealers to make the market at next level. Orderly market dealers are only liquidity providers in market without getting any significant gain.

In the dealer market, spread (difference between bid and ask) is not only decided by the quotes give by the single dealer but it involves the quotes of all other dealers and individual traders available in market. It might be the best bid or best offer given by any dealer or limit order given by individual which could not find same price quote at that time. It shows that spread in quote driven market is important to know the aggressiveness in traders. Lower spread in best bid and best offer means trader are buying or selling the asset at efficient price. Here liquidity in stock will be more due to the quick and easy match for the order. High spread indicates lower liquidity in asset. High spread in bid and ask not give the proper match quickly.

NASDAQ (National Association of Securities Dealers Automated Quotations) in USA is well known for the quote driven market. Dealers come together through the electronic communication network. After the reforms, initial dealer market became the full-fledged stock exchange by allowing the public quotes by market makers and individual traders. Due to this reason it is considered as a hybrid market. Currently NASDAQ is the second largest stock exchange after the New York Stock Exchange in case of trade volume and turnover. Foreign exchange market in India is also a dealer market. It is operated by the authorized dealers (Especially banks) who are licensed by the regulating authority of countries where transaction takes place. (In India it is RBI). Virtual positions of individual investors are changing the structure of the foreign exchange market.



### **Auction market/order driven market:**

This type of market accepts orders by the traders and matches accepted orders on the basis of price and time priority. Individual traders as well as institutional traders are considered equal in auction market. Dealers are not available in this market. Every investor wants to participate for their own investment portfolio. Trade occurs due to different expectations of the trader of same security at the same time. They differ on fundamental of the financial asset. Pure order driven market cannot allow intermediaries as trader in trading, rather investors themselves are liquidity seeker and liquidity provider for the market. For trading a seller requires the buyer on that particular price and time, limit order placer requires market order placers and vice versa. Trade can be take place without market order if two limit orders matches on platform.

Order driven market can be structured in two different ways, continuous auction market and call auction market. Continuous market matches the order on real time basis. Market orders are allowed at any prevailing price. Trading is generally a sequence of bilateral matches on priority basis. Unorganized market itself does not have priority for the trade but it can be considered as a separate auction market with single buyer and seller. Continuous market is more efficient and quicker price discovery mechanism. It can give a chance to trader to look in order book<sup>6</sup> and take a decision to trade. Second market structure in order driven market is call auction market. Under this market orders are matches in batches. It is also called as batch auction market. Orders are collected from trader in one pool and then price is decided according to the elasticity of bid and ask order flow. However it is a higher weighted (trade quantity) price mechanism. Price of the trades will be at the highest quantity traded price. Market clearing Price decided at specified time will be the price for the batches which have involved in the price discovery mechanism. The buy order of discovered price or higher are executed and sell order at discovered price or lower are executed from the batch. Remaining orders has been cancelled or forward for the next session. In continuous market orders are placed when market is open and in call auction market orders are placed when market is on call.<sup>7</sup> The continuous markets accept the market orders to fill at current best bid or best ask for sell market order and buy market order respectively. Where, in call auction market orders are pooled and fill at cut off price and below for seller and above for buyer.

Call auction market is generally used for matching the orders in the premarket and post market period. It is a good tool to reduce the volatility in the prices at the time of opening of the market and end of the trading day. Since December 2013 Indian stock exchanges has started periodical call auction market for illiquid securities.<sup>8</sup> There are two call auctions in one trading day. It gives the trader a chance to trade in illiquid stock with less transaction cost. Order placed will be valid for a day. Unexecuted order can be valid for the next auction only on same trading day. This is a way by which Indian stock market as order driven market is being transformed to new hybrid market. Pure order driven market cannot allow the market order. Pure order driven market system is well established in the electronic market format. Where capacity of limit book is large and unexecuted orders can be routed to other limit order book of other exchange. Island in USA is a pure order driven market. Security like IBM trades through ECN (Electronic Communication Network). Island itself is one of ECN, s in US stock market.



### **Hybrid market:**

Unlike 'One size does not fit for all' acceptance of the market structure as it is, also cannot provide equal benefit to all. Trading under different market conditions lead to adulteration in market structure and make it more user friendly with more benefits on small investor or traders. Hybrid market structure is a structure which has adopted the characteristics from dealer market as well as auction market. New reforms in stock market not only in developing countries but also in developed countries altered the trading mechanism for accurate price discovery without price manipulation. Hybrid structure considerably strengthens an order driven market.<sup>9</sup> NASDAQ is well known for the quote driven market, have allowed the individual traders to put their limit order through ECNs. Specified traders works as liquidity providers for the market in order driven market. They are well known as market makers. Electronic communication has given more flexibility to trader to participate in the market with equal information as compared to flower traders.

Most of developed markets have adopted the call auction mechanism for market opening. Some of it also uses the call auction at the end of the trading day to reduce the high price fluctuations. Deutsche Borse, Euronext used the continuous auction market with two periodic electronic call auctions at their stock market. Main objective of setting of hybrid market is to find out the ideal way of determining the equilibrium price of the asset.

### **Cross Network System:**

It may be considered as one of the market structures in above structures. But most of the stock exchanges adopted traditional structure and then these exchanges were attached with the network communication line for routing the unexecuted orders. As discussed above, ISLAND is one such exchange which works through the telecommunication line and collects the orders from the remote traders and then matches with its own inventory. After the matching process if any unexecuted order in the limit order book of that exchange are found it is sent to other exchanges for execution. This system attached all the exchanges in the USA. Order routing can be for continuous market or call market. POSIT crosses US equity eight times a day by routing orders.

This system charges small fees from traders to operate the line. ECN,s in USA includes the nasdaq, arca, nyse, posit etc. Ownership of these ECN,s is being acquired by the stock exchanges working with them. NASDAQ belongs to the NASDAQ exchange. Nyse(ECN) isbelonging to New York Stock Exchange. Recently arca has been acquired by the NYSE to providing support to Euronext.<sup>10</sup>

### **Brokered Market:**

Brokered market works with a broker being the mediator to trade the securities or asset. Buyer of the security, places his intention in front of his/her broker and then broker finds the seller for execution of the order. Here brokers are not inventory holders unlike dealers in dealer market. They only work as a mediator and receive their commission on trade. It is highly illiquid securities market. Liquidity is provided by brokers only. There might be more than one broker in transaction. However holding illiquid securities might be risky for broker. Some time the trader who places the order wants a highly reliable person to trade with him (in case of selling strategic stake in corporate firm) brokered market works. Brokered market is not available for the publically traded securities due to the high cost to trade.<sup>11</sup> It is the



market for the private placement or block deals in corporate stakes. Property market is another example for the brokered market.

### **Adoption of Market Structure:**

There is no litmus test to recommend the market structure. Some markets adopt the market structure by convention. Like brokered market where a trader in initial stage cannot find the proper match. For this work he might appoint professional or sell to the risk takers (dealer). Mercantilism pushed forward the dealer mechanism for movable asset. But for immovable asset, still brokered market is the preferable choice by the traders. As financial market is concern initial brokered market transform to the dealer market due to the risk taking habit of the dealers increases. Liquidity is an important part in deciding the market structure. Brokered market has lesser liquidity than any other market format. Dealer market is liquid market subject to the inventory cost of the dealer in the market.

Auction market is the risk free in term of trade or inventory, but underdeveloped market is more illiquid. It requires the volume to determine the proper price of the asset. Hybrid market one of the most suitable market structures for any market. It reduces the problem of risk holding as well as liquidity of the market.

### **Conclusion:**

Security market is relevant for the investment ability of the economy. Adoption of proper market structure is one of the crucial decisions for the policy maker or the regulator of the country. Liquidity is an important need of the investor due to the uncertain future. On other hand, curbing the liquidity risk of financial market is a major challenge for regulators. To find out the win-win situation between them, the policy maker has to consider the current position and volume of the market. It is not necessary, existing structure always matches to the situation under consideration.

Market structure should be such that it considers investors with different trading capacities on the equal footing. It should also reduce the speculation on market platform. Trading structure highly influence the efficiency of market. In case of securities trading Hybrid market is one the solution to market structure subject to other economies available in system. it not only create large volume on market platform but increases the market depth in electronic limit order book.

### **Endnotes:**

Trading and exchanges, Larry harries, chap 1

<sup>2</sup> Ibid 1

<sup>3</sup> The microstructure of financial market, chap 1, para2,

<sup>4</sup> Two buyers on same price involve in the best bid or offer but executes as per the time priority basis.

<sup>5</sup> Bid side – purchasers of the stock and Ask side –sellers of the stock

<sup>6</sup> Order book – it is data about order flow with the exchange. For the order book display exchange may charge small fee to trader as per the norm or cost of providing information.

<sup>7</sup> Markets demands orders for to make pool or batch to discover the price of the trading asset.

<sup>8</sup> Sebi notification on 23 dec 2013

<sup>9</sup> Equity market in action page 187 para 2



<sup>10</sup> European stock exchange acquired by the NYSE

<sup>1</sup> In auction market transaction has been done through broker only. They are member of organized exchange. But here total market is driven by brokers only.

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### **The Vision:**

The members of the teaching and non-teaching staff of the Ness Wadia College of Commerce visualize four prime areas of their activity in years to come and wish to concentrate all their efforts in undertaking activities in these areas to the best of their ability:

- 1) Learning and Research
  - 2) Students as the focal point
  - 3) Administration, Resource Management & Scope of Operations
  - 4) Extension and Social Responsibility
- 

### **The Mission:**

To impart to the rising generation, commerce and business education of high academic, professional and ethical standard, capable of developing their overall personality in the service of the Indian nation and the world at large by such means as are upright and most conducive to the attainment of this objective.

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### **Other Institution of the Modern Education Society:**

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# **Bizz...Ness**

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Ness Wadia College of Commerce, Pune**

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**(21-22 MARCH, 2016)**



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## **About the Journal:**

**Bizz...Ness**, the Research Journal of Ness Wadia College of Commerce, Pune is an annual peer reviewed journal which aims at honing the research skills among the teaching community. Its objective is to encourage teachers to write research articles on various areas of business studies.

The journal publishes research papers, case studies, book reviews and articles relating to Commerce, Economics, Business Finance, Management, Mathematics, Statistics and other related areas.

All contributions to the journal are initially screened by the Editorial Board for their relevance and authenticity. The selected papers are peer reviewed. The Editorial Board reserves the right to accept or reject papers on the basis of the referees' assessment.

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FINANCE & MANAGEMENT**  
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## FROM THE EDITOR'S DESK

**Bizz...Ness**, the Research Journal of the Ness Wadia College of Commerce, Pune is now in its fifth year of publication and promotes research based activities at the College level. It includes research papers contributed at the National Conference held on 21<sup>st</sup>-22<sup>nd</sup> March, 2016.

The conference held as part of the Late Prin. Dr. B. S. Bhanage Memorial Conference which is conducted annually in the College, since 1998. The basic aim of the conference was to highlight and discuss the recent trends the field of Mathematics & Statistics with Applications to Commerce, Economics, Finance & Management; to have academic interaction on various innovative thought provoking ideas and deliberations on the subject matter; to endeavor to undertake research in the field and inculcate and promote research attitude amongst the teaching fraternity and propagate new techniques and practices.

The research papers have undergone through a rigorous blind review process. Depending on the referee's assessment, the selected papers have been published in full.

We are very grateful to the Referees for their diligent reviewing and for their conscientious efforts towards publication of the research papers.

We believe that the Journal will continue to provoke new thinking in the domain of business studies.

**Dr. Girija Shankar**  
Editor

**Dr. M. M. Andar**  
Editor-In-Chief



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## Features and Risk Associated with Reverse Mortgage Loan

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### Abstract

*Household property is mainly considered as an important asset for many elderly people. There are not many financial sources. In such financial crisis, the best option for senior citizens is "MORTGAGE LOAN". Reverse Mortgage Loan (RML) scheme allows them to create certain source of income while residing in the house instead of moving out or selling it. It allows them to turn the equity in home into lump sum or periodic payment with mutual agreement. Reverse mortgages loan has different features such as promising schemes, nonborrowing, spouse can stay in house, House ownership. Whereas Risk associated with it are Cross over risk, Occupancy Risk, Delay in Mortality Risk etc. In this paper we are trying to analyse the annuity paid as instalments of RML with respect to Risk Factors such as Cross over risk, Interest rate risk, Longevity / Mortality Risk from lenders and Borrowers point of view. This paper is based on secondary data.*

**Key words:** - Mortgage, Reverse Mortgage loan, Annuity, Mortality Risk, Cross over risk, Occupancy Risk.

### Origin of the problem

Due to improved standard of living, Better and quick health service facilities resulted in to increased life span of individuals. The increase in longevity is concluded from the fact that in India average life expectancy of an individual, 42 years in 1947 had increased to 64 in 2008. Economic factors such as the rising cost of inflation and health care, almost negligible social security, real value of old age pension and social issue such as Nuclear family, Migration of children has worsened the situation of senior citizens. In such scenario senior citizens with financial crisis has good option of Reverse mortgage loan(RML). Reverse Mortgage has been an excellent tool of income, after retirement. In many countries elderly citizens are able to receive regular cash flows for life span by mortgaging their property, with the privilege of residing in it. This helps them to meet their post retirement expenses comfortably.

In a regular mortgage, you pay to the lender every month to buy your home over a specific time period. In a reverse mortgage, borrower can get value of stake in his property, which decreases when loan amount increases. Reverse mortgages take part of the equity in your home and convert it into payments to you – a kind of advance payment on your home equity. All payment under RML are exempted from income tax under Section 10(43) of the Income-tax Act, 1961, whereas are liable for income tax if lender sales mortgaged property for the purchase of recovering loan i.e. when property is sold by borrower to repay the loan.

### Objective of the Study

As per a report published in the Business Standard on May 24, 2010, National Housing Bank (NHB), on March 31, 2010, around 7000 reverse mortgage loans for Rs 1,400 crore have been sanctioned, which is very poor as compared to western countries [14]. The Reverse Mortgage Loan scheme for senior citizens is discussed here and will try to analyze the annuity paid as instalments from lenders and Borrowers point of view, with respect to Features and Risk of RML. This study is based on the secondary data.



## Review of literature

Vipin Desai's findings based on a sample survey of senior citizens in Vadodara, Gujarat is very relevant in this matter. Housing wealth is mainly considered an important wealth asset for many elderly age groups. Reverse mortgages allow these age group people, to C&I benefit from it without moving out or selling the house [13]. The number of people opting for Reverse mortgages for betterment and smooth lifestyle has witnessed good response in western part of the globe because of a balanced perspective between the loan taker and the giver, as expressed by Tonja Bowen Bishop in his research paper Reverse Mortgages: A closer look at Home Equity Conversion Mortgage (HECM) has a lot of relevance [4].

Banks and Insurance institutes jointly market the Reverse Mortgage products and work out modified product time to time which combines financing and risk management at a lower level cost; are the findings of Kumar, P Mallela and others findings in "Reverse Mortgage - Features & Risk" [9]. The rising prices of residential property are resulting into more taker of RML. Here Securitization- Transfer of risk models are constructed and discussed (on the lines of traditional method). The survivor bonds and survivor swaps are developed to securitize longevity risk component [10]. Empirical analysis of RML with survivor bonds and sensitivity test is carried out on the survivor bonds by acknowledging the impact of mortality improvement on the investment income with reference to China [12]. Cross over risk (outstanding balance exceeds housing loan value) is due to three factors: Interest Rates, House Prices and Mortality Rates. Here crossover bond are design to transfer unexpected loss of lender to borrowers [6].

## Hypothesis of Study

Reverse Mortgage Loan lenders has many challenges with Prominent Risk Factors.

## Methodology

The research paper study is based on Secondary data. The data has been collected from various sources of information Viz. Different websites, newspapers, publications, related official bulletins, magazines and banks brochures.

## Scope of the Study

Taking into consideration the scope of research study, the following criteria has been adopted

- Here RML scheme considered in general.
- The study is considered for the senior citizens who are going to opt for RML
- Different types of Risk Management Models are not discussed.
- The study is considered for annuity in general.

## Annuity

The pension board defines Annuity as "Annuity is a series of payments made at intervals until a particular event happens (such as the death of holder - single life annuity or the lives of more than one person - joint life annuity). Annuity is paid Monthly, Quarterly, Half-yearly or Yearly intervals as per the selected mode of option. Overall, it involves a single premium to an insurer.

## Types of Annuities

The most common types of contracts are Fixed and variable annuities:



**Fixed annuities** are insurance contracts that offer the annuitant - the person who owns the annuity - a set amount of income paid at regular intervals until a specified period has ended or event has occurred [1].

#### **Types of Fixed Annuities**

The two main types of fixed annuities are Life Annuities and Term Certain Annuities. Life annuities pay a predetermined amount each period until the death of the annuitant, and Term certain annuities pay a predetermined amount each period (usually monthly) until the annuity product expires, which may be before the death of the annuitant [8].

A **variable annuity** is a contract between annuitant and an insurance company, under which the insurer agrees to make periodic payments to you, beginning either immediately or at some future date. You purchase a variable annuity contract by making either a single purchase payment or a series of purchase payments.

A variable annuity offers a range of investment options. It depends upon performance of different investments such as stocks, bonds, money market instruments, or some combination of all three [10].

#### **Guideline for RML form Reverse Bank of India:**

Depending upon the RML option selected by borrower, Lenders pays a fixed periodic (monthly, Quarterly etc.) installment or a lump-sum amount at a defined rate of interest. The quantum of loan shall depend on the value of property, age of the borrower, residual life of the property, rate of interest etc. and maximum tenure period is of 20 years. Property needs to be revalued once in 5 years.

#### **Formula for calculations of annuity of RML[7]**

The formula to calculate the periodic payments, as available in the website of NHB, is as under:

$$\text{Instalment Amount} = (PV * LTVR - OTDA) * I / ((1+I)^n - 1) \text{ ----- (A)}$$

Where, PV = Property Value; LTVR = LTV Ratio; OTDA=One Time Disbursement Amount;

n = No. of Instalment Payments; I = Interest Rate

**Hypothetical Example** - Mr. Joshi, 65 years of age, own a property worth Rupees 10,000,00 in Goregaon. Mr. Joshi lives with his wife 62 years of age. Both his sons are married and settled abroad. Joshi opt for RML scheme with rate of interest 12% p.a. for 15 years.

$$\text{Installment Amount} = (PV * LTVR - OTDA) * I / ((1+I)^n - 1)$$

Where, PV = 10,000,00, Loan to Value Ratio =LTVR= 80% (10,000,00) = 8,00,000,

OTDA=One Time Disbursement Amount=0, n = No. of Instalment Payments = 15x12(monthly)=15x4(quarterly)=15x1(yearly).

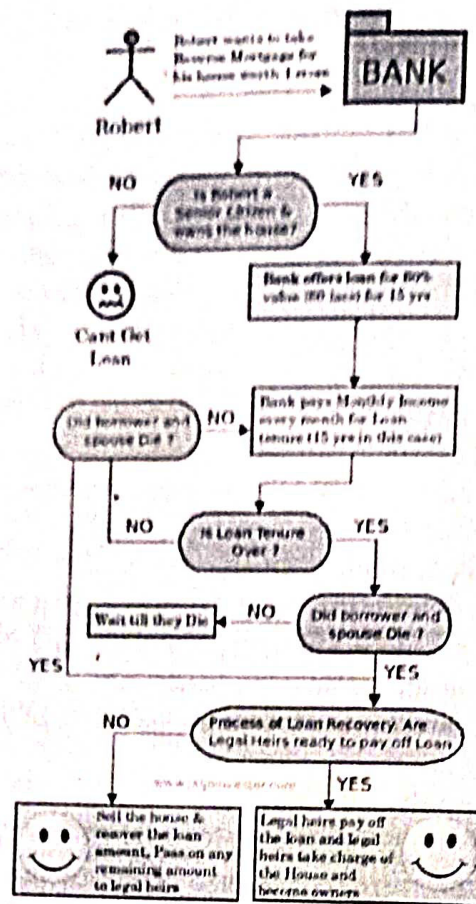
Current Interest Rate (I) = 12% yearly or (12/4) % quarterly or (12/12) % monthly.

Putting the values in the formula (A) we get Monthly instalment is Rs. 1600 or Quarterly instalment is Rs. 4906 or Yearly instalment as Rs. 21,164 [2].

Now, they get instalments for next 15 years & they continue to live in the same home. After this point, their children support them financially. Mr Joshi dies at age of 80. After this, his wife still continues to live in the house. Sadly, she too, passes away at age 85. By this time the total loan outstanding becomes Rs 9, 50,000 (It was 8 lacs at the end of 15 years, but after that, it starts growing). Now the loan has to be paid off. Both the son does not have money or not interested to pay to the bank, so the bank decides to sell off the property. At that time, the price of the house is Rs. 15 lacs. The bank sells the house and gets total 15 lacs, out of which bank settle their dues and rest is paid to legal heirs, which they split amongst themselves.



## How Reverse Mortgage Works ?



Source: [5]

### Features of RML

- ✓ The borrowers don't have to repay the loan (since it is an annuity product) and there is no liability on legal heirs in case value of house drops at the time of selling the property.
- ✓ The property is revalued every five years to check the annuity rates, the annuity payout.
- ✓ The money received is not taxable, and it generally won't affect your Social Security or Medicare benefits.
- ✓ Depending upon the type of RML options, a non-borrowing spouse may be able to remain in the home.
- ✓ House ownership: Lender does not own the house. The borrowers retain the title to the house and are responsible for taxes, insurance and upkeep.

### Risk Involved in RML

Different risks associated with the RML are; Longevity & Occupancy risk, Interest Rate risk, House Price risk and others such as Maintenance, Litigation etc.

### Cross over Risk

When borrower is living longer than expected term then lender has payment burden of exceeded annuity. When such situation continues further, then at one stage loan value exceeds the house value. This results into "Cross Over Risk". (Refer Figure 1 and Table) This situation is tackled by "Non-Recourse" features by putting a limit on the borrower's repayment obligation.

Non-Recourse: - The total amount owed by borrower can never exceeds the value of house at the time the loan becomes due and payable. It limits the borrowers' liability to the value of house. In this case borrower can stay in the house without annuity instalment depending upon type of scheme. Thus improvement in mortality delays the settlement of RML [6].



### House price Risk

If house value appreciation is less than average appreciation, then crossover point occur sooner, crossover point will shift to left and lender will be in loss. Even if the general appreciation rate is same as the predicted by lender predicts, he may face the property risk, resulting into the loss. The risk of depreciation or stagnation is tackled by lender with "Non-recourse" option.

In general, if house value appreciation rate is less than interest rate then also there is greater loan advances. When the appreciation of house is good, the value of the house grows at a much faster rate than the loan balance. Therefore, the remaining equity continues to grow. This is known as "Rising Debt and Falling Equity" concept. (Refer figure 2 and Table).

### Interest Rate Risk

If the interest rate, consider for calculations of annuity is higher than the house appreciation rate then there is scope of annuity to managed with the Loan advances and Net equity. If the rate of interest charged is more than appreciation rate of house value. Then in future (after some years) loan value will be more than the house value. The point (time) when it happens is crossover point. Lender will experience loss on every outstanding loan beyond the crossover point, which is taken care by "Non-recourse" option. Longer-than-average tenure of stay or lower-than-average home appreciation will shift the Crossover point to the left [6].

**Mobility-** When the borrower repays the loan (closed RML) other than his death is mobility risk. Borrower sales the house due to increased house value or due to increasing real estate trend or some times to meet the expenses due to bad health or nursing care. If this is higher than average mobility or lower than average mobility, then it may cause prepayment risk.

### Conclusion:

Many prominent risk involved in RML are controlled by relating the amount of the loan advances to the life expectancy (age) of borrower, the value of the house and cost of loan and also including Reverse Mortgage Insurance. The risk of loss is managed by controlling risk of loans losses by controlling the amount of loan advances and also by charging a premium on all loans to create a reserve fund for covering loan losses.

Fig 1-Cross Over Risk

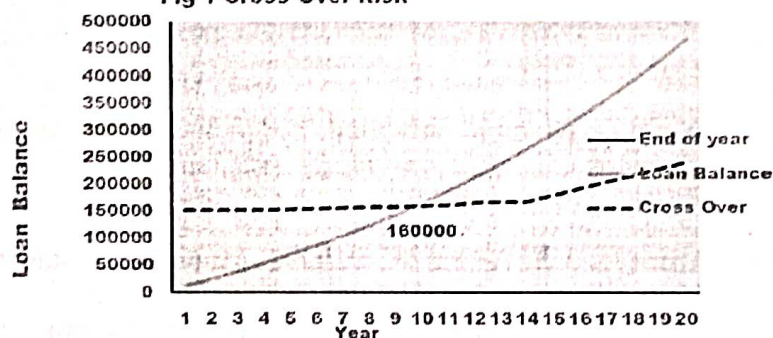
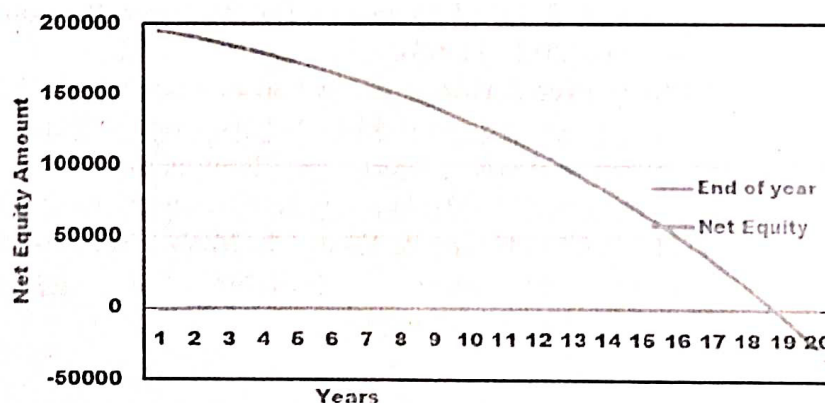


Fig 2-Rising Debt -Falling Equity





### Simplified Reverse Mortgage Example: -

Assumptions: - Monthly advance =Rs 1000, Monthly Interest Rate = 0.5 % ( 6% per year),  
Original home value = 2,00,000, Appreciation Rate = 4 % per year

Table 1

End of year	Cumulative Principal Advance	Cumulative Interest + (0.5%) p. m	Loan Balance(L)	House Value(H)	Net Equity (H-L)
1	12000	397	12397	208000	195603
2	24000	1559	25559	216320	190761
3	36000	3532	39532	224972	185440
4	48000	6368	54368	233970	179602
5	60000	10118	70118	243328	173210
6	72000	14840	86840	253061	166221
7	84000	20594	104594	263183	158589
8	96000	27442	123442	273710	150268
9	108000	35453	143453	284658	141205
10	120000	44698	164698	296044	131346
11	132000	55254	187254	307885	120631
12	144000	67200	211200	320200	109000
13	156000	80624	236624	333008	96384
14	168000	95616	263616	346328	82712
15	180000	112272	292272	360181	67909
16	192000	130696	322696	374588	51892
17	204000	150997	354997	389571	34574
18	216000	173289	389289	405153	15864
19	228000	197697	425697	421359	-4338
20	240000	224351	464351	438213	-26138

Note: - Illustration example only; does not include other cost and fees

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The members of the teaching and non-teaching staff of the Ness Wadia College of Commerce visualize four prime areas of their activity in years to come and wish to concentrate all their efforts in undertaking activities in these areas to the best of their ability. As such they earnestly want to :

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- 3) Administration, resource management and scope of operations
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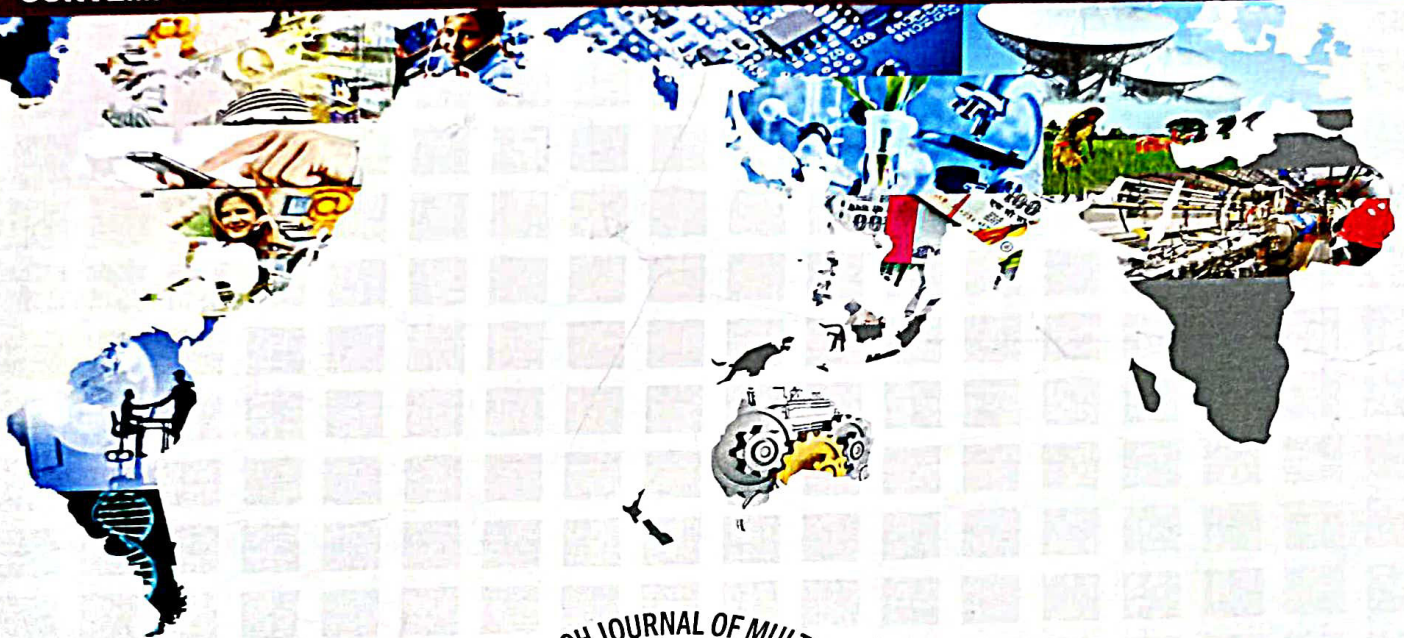
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## Introduction of Goods and Services Tax (GST) in India

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### Abstract:

*The Goods and Services Tax (GST) was implemented in India to make India a unified common national market. Under GST, all packaged food products are now classified under only four tax rates, a shift from the earlier scenario of numerous tax brackets under which products were classified. Implementation of GST would effectively result in consumption of some packaged food products taking a hit in the near term due to higher GST taxation.*

**Key Words:** GST, CGST, SGST, VAT, Economy.

### Introduction:

GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Credits of input taxes paid at each stage will be available in the subsequent stage of value addition, which makes GST essentially a tax only on value addition at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages.

GST aims to create "One Country One Tax One Market" by removing economic barriers between states. It will eliminate the present complex multi-layered indirect taxation system, making it possible for manufacturers to produce in one state and supply seamlessly across states without barriers.

"One Nation, One Tax." That is the concept of the new indirect tax passed by the Rajyasabha. The Goods and Services Tax is one indirect tax for the whole nation, which will make India a unified and common market. GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. It will be levied at every stage of the production distribution chain by giving the benefit of Input Tax Credit (ITC) of the tax remitted in the previous stages. Therefore, the final consumer will bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all previous stages. GST will replace all Central level taxes such as excise, service tax, and customs duty as well as state level taxes like VAT, CST, and entertainment tax among others.

### Objectives:

1. To know the Goods & Service Tax.
2. To know the benefits of Goods & Service Tax.
3. To know the tax slab rate.

### Research Methodology:

The research is mainly based on secondary data. For the purpose books, study material of educational courses and research journal, articles as well as websites and some extent primary observations of researchers have been implemented.

### History of GST in India:

- 2000: In India, the idea of adopting GST was first suggested by the Atal Bihari Vajpayee Government in 2000. The state finance ministers formed an Empowered Committee (EC) to create a structure for GST, based on their experience in designing State VAT. Representatives from the Centre and states were requested to examine various aspects of the GST proposal and create reports on the thresholds, exemptions, taxation of inter-state supplies, and taxation of services.



- **2004:** A task force that was headed by Vijay L. Kelkar the advisor to the finance ministry indicated that the existing tax structure had many issues that would be mitigated by the GST system.
- **February 2005:** The Finance Minister P. Chidambaram, said that the medium-to-long term goal of the government was to implement a uniform GST structure across the country, covering the whole production-distribution chain. This was discussed in the budget session for the financial year 2005-06.
- **February 2006:** The finance minister set 1 April 2010 as the GST introduction date.
- **November 2006:** Parthasarthy Shome, the advisor to P. Chidambaram, mentioned that states will have to prepare and make reforms for the upcoming GST regime.
- **February 2007:** The 1 April 2010 deadline for GST implementation was retained in the union budget for 2007-08.
- **February 2008:** At the union budget session for 2008-09, the finance minister confirmed that considerable progress was being made in the preparation of the roadmap for GST. The targeted timeline for the implementation was confirmed to be 1 April 2010.
- **July 2009:** Pranab Mukherjee, the new finance minister of India, announced the basic skeleton of the GST system. The 1 April 2010 deadline was being followed then as well.
- **November 2009:** The EC that was headed by Asim Dasgupta put forth the First Discussion Paper (FDP), describing the proposed GST regime. The paper was expected to start a debate that would generate further inputs from stakeholders.
- **February 2010:** The government introduced the mission-mode project that laid the foundation for GST. This project, with a budgetary outlay of Rs.1133 crore, computerized commercial taxes in states. Following this, the implementation of GST was pushed by one year.
- **March 2011:** The government led by the Congress party puts forth the Constitution (115<sup>th</sup> Amendment) Bill for the introduction of GST. Following protest by the opposition party, the Bill was sent to a standing committee for a detailed examination.
- **June 2012:** The standing committee starts discussion on the Bill. Opposition parties raise concerns over the 279B clause that offers additional powers to the Centre over the GST dispute authority.
- **November 2012:** P. Chidambaram and the finance ministers of states hold meetings and set the deadline for resolution of issues as 31 December 2012.
- **February 2013:** The finance minister, during the budget session, announces that the government will provide Rs.9000 crore as compensation to states. He also appeals to the state finance ministers to work in association with the government for the implementation of the indirect tax reform.
- **August 2013:** The report created by the standing committee is submitted to the parliament. The panel approves the regulation with few amendments to the provisions for the tax structure and the mechanism of resolution.
- **October 2013:** The state of Gujarat opposes the Bill, as it would have to bear a loss of Rs.14,000 crore per annum, owing to the destination-based taxation rule.
- **May 2014:** The Constitution Amendment Bill lapses. This is the same year that Narendra Modi was voted into power at the Centre.
- **December 2014:** India's new finance minister, Arun Jaitley, submits the Constitution (122<sup>nd</sup> Amendment) Bill, 2014 in the parliament. The opposition demanded that the Bill be sent for discussion to the standing committee.
- **February 2015:** Jaitley, in his budget speech, indicated that the government is looking to implement the GST system by 1 April 2016.
- **May 2015:** The Lok Sabha passes the Constitution Amendment Bill. Jaitley also announced that petroleum would be kept out of the ambit of GST for the time being.





- **August 2015:** The Bill is not passed in the Rajyasabha. Jaitley mentions that the disruption had no specific cause.
- **March 2016:** Jaitley says that he is in agreement with the Congress's demand for the GST rate not to be set above 18%.
- **June 2016:** The Ministry of Finance releases the draft model law on GST to the public, expecting suggestions and views.
- **August 2016:** The Congress-led opposition finally agrees to the Government's proposal on the four broad amendments to the Bill. The Bill was passed in the Rajyasabha.
- **September 2016:** The Honourable President of India gives his consent for the Constitution Amendment Bill to become an Act.
- **2017:** Four Bills related to GST become Act, following approval in the parliament and the President's assent:
  - Central GST Bill
  - Integrated GST Bill
  - Union Territory GST Bill
  - GST (Compensation to States) Bill

The GST Council also finalised on the GST rates and GST rules. The Government declares that the GST Bill will be applicable from 1 July 2017, following a short delay that is attributed to legal issues.

One of the most important benefits of the move is the mitigation of double taxation or the elimination of the cascading effect of taxation. The initiative is now paving the way for a common national market. Indian goods are also expected to be more competitive in international and domestic markets post GST implementation.

The President of India approved the Constitution Amendment Bill for Goods and Services Tax (GST) on 8 September 2016, following the bill's passage in the Indian parliament and its ratification by more than 50 per cent of state legislatures. This law will replace all indirect taxes levied on goods and services by the central government and state government and implement GST by April 2017.

### **GST Tax slabs in India:**

#### **No Tax:**

- **Goods:** No taxes will be levied on goods like milk, fruits, vegetables, bread, salt, bindi, curd, sindoor, natural honey, bangles, handloom, besan, flour, eggs, stamps, printed books, judicial papers, and newspapers.
- **Services:** All hotels and lodges who carry a tariff below 1,000 are exempted from taxes under GST.

#### **GST Tax Slab of 5%:**

- **Goods:** The goods which will attract a taxation of 5% under GST include skimmed milk powder, fish fillet, frozen vegetables, coffee, coal, fertilizers, tea, spices, pizza bread, kerosene, ayurvedic medicines, agarbatti, sliced dry mango, insulin, cashew nuts, unbranded namkeen, lifeboats etc,
- **Services:** Small restaurants along with transport services like railways and airways, Standalone ACs non-ACs Restaurants and those which serve liquor, Takeaway Food, Restaurants in hotels with a room tariff less than 7,500 (no input credit for these restaurants), will come under this category.





**GST Tax Slab of 12%:**

- Goods: Items coming are the tax slab of 12% include frozen meat products, butter, cheese, ghee, pickles, sausage, fruit juices, namkeen, tooth powder, medicine, umbrella, instant food mix, cell phones, sewing machine, man-made yarn, etc.
- Services - Business class air tickets will attract a tax of 12% under GST.

**GST Tax Slab of 18%:**

- Goods: As mentioned above, most of the items are part of this tax slab. Some of the items are flavored refined sugar, cornflakes, pasta, pastries and cakes, detergents, washing and cleaning preparations, safety glass, mirror, glassware, sheets, pumps, compressors, fans, light fitting, chocolate, preserved vegetables, tractors, ice cream, sauces, soups, mineral water, deodorants, suitcase, brief case, vanity case, oil powder, chewing gum, hair shampoo, preparation for facial make-up, shaving and after-shave items, washing powder, detergent, stones used in flooring, marble & granite, sanitary ware, leather clothing, wrist watches, cookers, stoves, cutlery, telescope, goggles, binoculars, oil powder, cocoa butter, fat, artificial fruits, artificial flowers, foliage, physical exercise equipment, musical instruments and their parts, stationery items like clips, some diesel engine parts, some parts of pumps, electrical boards, panels, wires, razor and razor blades, furniture, mattress, cartridges, multi-functional printers, door, windows, aluminum frames.

**GST Tax Slab of 28%:**

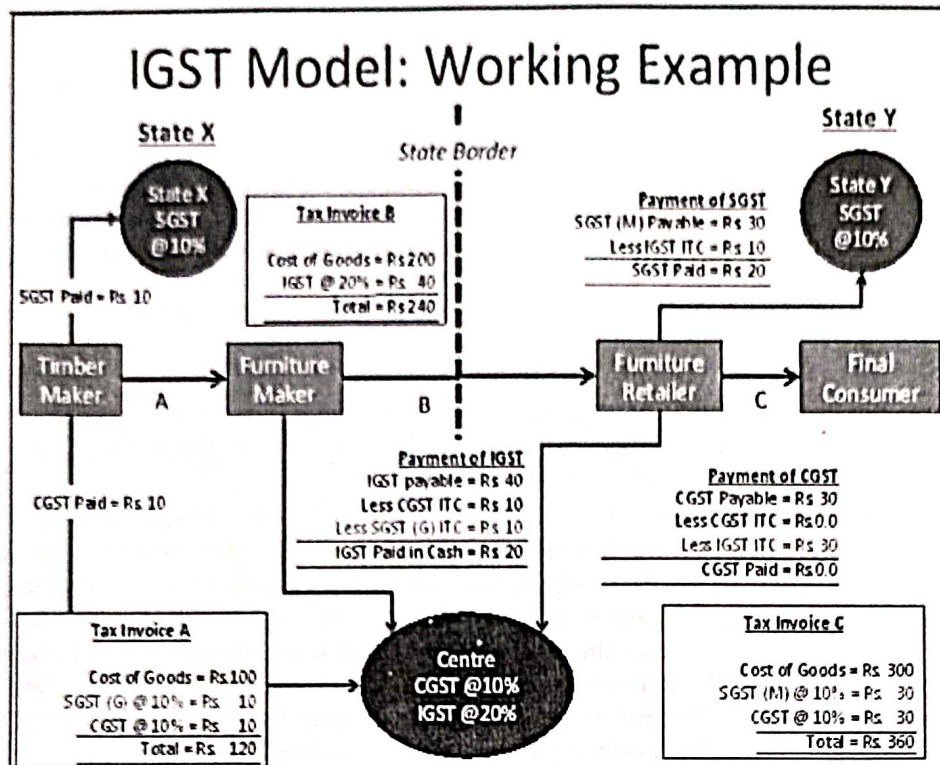
- Goods: Over 200 goods will be taxes at a rate of 28%. The goods which will be part of this category under GST are sunscreen, pan masala, dishwasher, weighing machine, paint, cement, vacuum cleaner. Other items include automobiles, hair clippers, and motorcycles.
- Services: As mentioned above, five-star hotels, racing, movie tickets and betting on casinos and racing will come under this category.

**Benefits of GST:**

**For business and industry:**

- ❖ Easy compliance: A robust and comprehensive IT system would be the foundation of the GST regime in India. Therefore, all tax payer services such as registrations, returns, payments, etc. would be available to the taxpayers online, which would make compliance easy and transparent.
- ❖ Uniformity of tax rates and structures: GST will ensure that indirect tax rates and structures are common across the country, thereby increasing certainty and ease of doing business. In other words, GST would make doing business in the country tax neutral, irrespective of the choice of place of doing business.
- ❖ Removal of cascading: A system of seamless tax-credits throughout the value-chain, and across boundaries of States, would ensure that there is minimal cascading of taxes. This would reduce hidden costs of doing business.
- ❖ Improved competitiveness: Reduction in transaction costs of doing business would eventually lead to an improved competitiveness for the trade and industry.
- ❖ Gain to manufacturers and exporters: The subsuming of major Central and State taxes in GST, complete and comprehensive set-off of input goods and services and phasing out of Central Sales Tax (CST) would reduce the cost of locally manufactured goods and services. This will increase the competitiveness of Indian goods and services in the international market and give boost to Indian exports. The uniformity in tax rates and procedures across the country will also go a long way in reducing the compliance cost.





#### For Central and State Governments:

- ❖ Simple and easy to administer: Multiple indirect taxes at the Central and State levels are being replaced by GST. Backed with a robust end-to-end IT system, GST would be simpler and easier to administer than all other indirect taxes of the Centre and State levied so far.
- ❖ Better controls on leakage: GST will result in better tax compliance due to a robust IT infrastructure. Due to the seamless transfer of input tax credit from one stage to another in the chain of value addition, there is an in-built mechanism in the design of GST that would incentivize tax compliance by traders.
- ❖ Higher revenue efficiency: GST is expected to decrease the cost of collection of tax revenues of the Government, and will therefore, lead to higher revenue efficiency.

#### For the consumer:

- ❖ Single and transparent tax proportionate to the value of goods and services: Due to multiple indirect taxes being levied by the Centre and State, with incomplete or no input tax credits available at progressive stages of value addition, the cost of most goods and services in the country today are laden with many hidden taxes. Under GST, there would be only one tax from the manufacturer to the consumer, leading to transparency of taxes paid to the final consumer.
- ❖ Relief in overall tax burden: Because of efficiency gains and prevention of leakages, the overall tax burden on most commodities will come down, which will benefit consumers.

#### Conclusion:

GST would be levied on the basis of the destination principle. Exports would be zero-rated, and imports would attract tax in the same manner as domestic goods and services. In addition to the IGST in respect of supply of goods, an additional tax of up to 1% has been proposed to be levied by the central government. The revenue from this tax is to be assigned to the origin states. This tax is



proposed to be levied for the first two years or a longer period, as recommended by the GST Council. With GST, it is anticipated that the tax base will be comprehensive, as virtually all goods and services will be taxable, with minimum exemptions. GST would bring in a modern tax system to ensure efficient and effective tax administration. It will bring in greater transparency and strengthen monitoring, thus making tax evasion difficult. While the process of implementation of GST unfolds in the next few months, it is important for industry to understand the impact and opportunities offered by this reform. GST will affect all industries, irrespective of the sector. It will impact the entire value chain of operations, namely procurement, manufacturing, distribution, warehousing, sales and pricing.

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# 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 agripreneurs 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 agripreneurial 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.

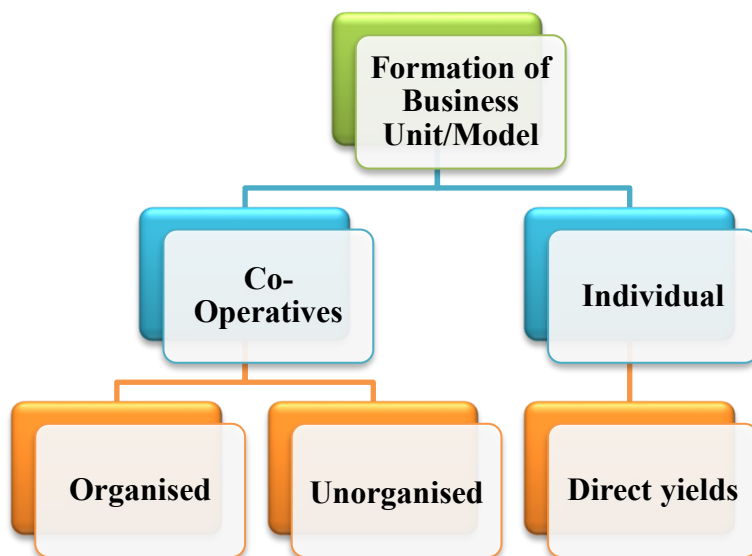
**Suggestions:**

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.



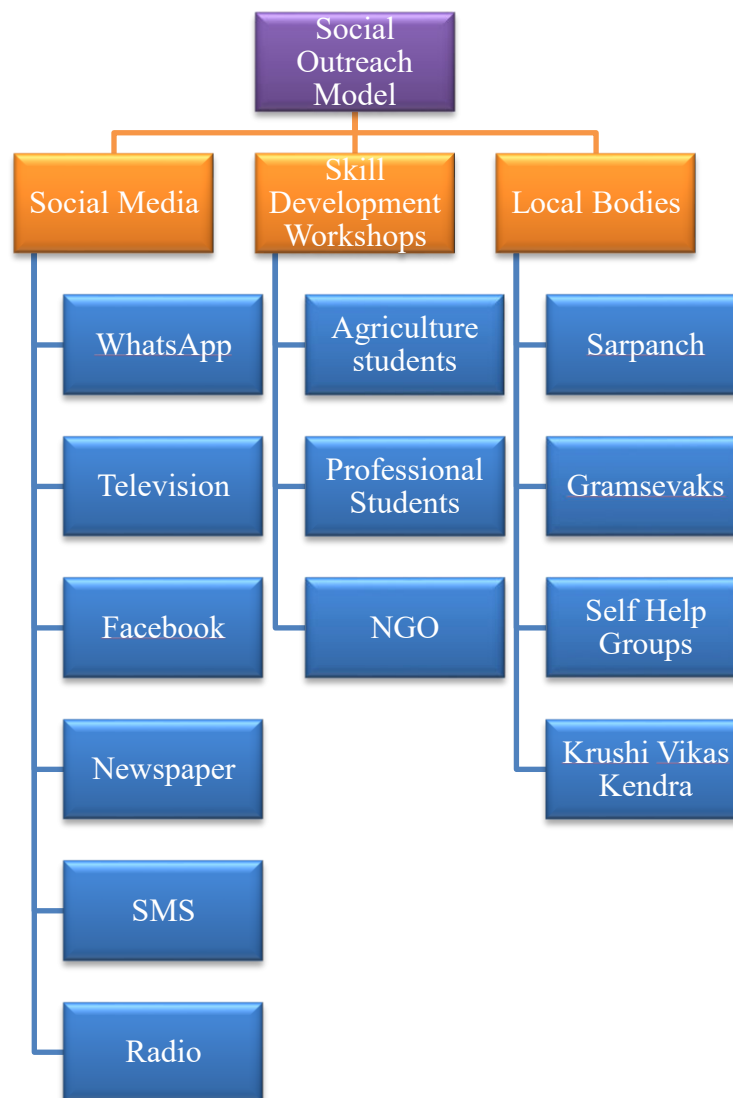


### Model No-02: Social Outreach Model:

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

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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 missing, 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:**

Agripreneurship has 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. Agripreneurship is 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 Agropreneurship is 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. Agropreneurship is not only an opportunity but also a necessity for improving the production and profitability in agriculture and allied sector.

Malaysian Government is also supporting Agropreneurship for employment generation, rural development and poverty reduction. Mohmad 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 Agropreneur 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.

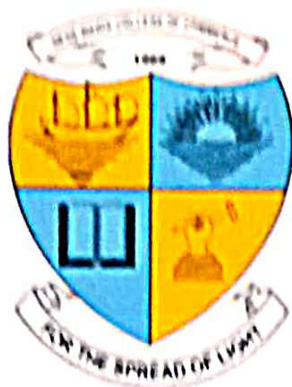
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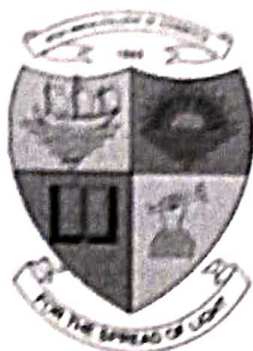
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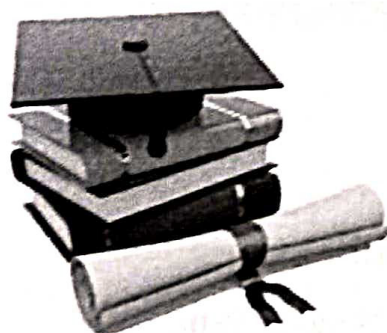
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## **Preface**

**Bizz..... Ness - The Research Journal of Ness Wadia College of Commerce publishes Research papers annually after a rigorous blind peer review and plagiarism check. This year's - ( 2019-20) , Bizz Ness is a compilation of 28 Research papers on "Changing Paradigms in Commerce Education". This topic was deliberated in Plenary levius at the late Prin Dr. B.S.Bhanage Memorial National Seminar on 28th & 29th Feb 2020. This discussions and the Research Papers were in the backdrop of the National Education Policy (2019).**

**The College is thankful to the Department of Business Administration and the conference Co-ordination Dr. Vrishali Randhir for taking keen interest in the publication of this journal.**

**We are hopeful that the Research papers would throw fruitful insights into the demands of a knowledge society and the need of new skills in teaching- learning.**

**Dr. Girija Shankar**

**I/c Principal, Professor and Head  
Department of Business Economics,  
New Wadia College of Commence, Pune.**



# **Bizz... Ness**

**The Research Journal  
of**

**Ness Wadia College of Commerce, Pune**

**Changing Paradigms in Commerce  
and Business Education**



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## 1. An Overview of National Education Policy (NEP 2019)

**Dr. Girija Shankar**

I/C Principal, Ness Wadia College of Commerce, Pune 1.

The best part of NEP is the recognition and analogy to the Mobius strip- 'Knowledge represents the sum what is created by all previous generations, to which the present generation adds its own.'

The NEP 2019 envisages a new vision and architecture for higher education with large, well-resourced, vibrant multidisciplinary institutions namely –

Type I - Research Universities (equal focus on research and teaching)

Type II - Teaching Universities (primary focus on teaching and significant focus on research)

Type III - Autonomous degree - granting colleges – (exclusive focus on teaching).

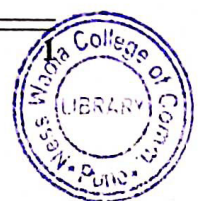
Liberal undergraduate education with 3 year and 4 year Bachelors Program and with an exit option; flexible Masters degree programs - this is towards an imaginative and broad-based curriculum. Multiple intelligence is the need of the day eg. Doctors with ethical background; lawyers with sociology background. Specialization with a multidisciplinary approach amounts to consolidation of Higher Education.

The focus is on learner, learning and learning outcome. The policy envisions an engaging and effective pedagogy where students are to be assessed not only on academic aspects but also on broad capacities and dispositions. An integrated curriculum will become the order of the day which will include language, scientific tempo, ethical learning, aesthetics, current affairs, digital technology. The distinction between curricular, co-curricular and extracurricular will be blurred. It promotes diversity and respects and accepts diversity. The Colonial system looked at standardization, the NEP 2019 focuses on local learning – local flavor and local talent to be emphasized. All kinds of learning- from potato farming in village schools to global retailing – is to be encouraged. Primary responsibility is to the nearest student and teacher and not the farthest.

The most important factor for the success of Higher Educational Institutions (HEIs) is the quality and engagement of its faculty – ad-hoc and contractual appointments to be replaced with appropriately designed tenure system in all institutions. The primacy of teacher in the world of technology to be recognized. Recruitment to be based on academic expertise, teaching capacities and dispositions for public service. Faculty is to be empowered to pursue research with academic freedom.

NEP-2019 sees independent self-governed HEIs with capable and ethical leadership as a driver of educational change.

The Policy aims at integrating Professional Education into Higher Education – professional education must not happen in the isolation of specialty. Preparation of professionals must involve education in ethics, importance of public purpose, an education in the discipline and an education for practice. Institutions offering either professional or general education must organically evolve into institutions offering both.





The Policy is committed to raising educational investment towards society's future – Public investment by Central and State Governments to be estimated as a percentage of Annual Outlay rather than a percentage of GDP. 20% of Overall public expenditure to be allotted to financing education.

Light but tight regulation, clamp on commercialization of education and mechanisms of good governance would be the thrust to promote and support private philanthropic activity in education.

The Policy sets a goal of achieving skill development among at least 50% of learners through the school and higher education system to realize the full potential of India's demographic dividend. Focus areas will be chosen based on skill gap analysis and mapping of local opportunities. Collaborations between educational institutions and technical institutions and industry is to be sought through a separate fund for integration. Models of offering vocational education and apprenticeship can also be experimented by HEIs on their own or in partnership with industry. Incubation centres will be set up in HEIs in partnership with industries.

In the light of the above features of NEP 2019, it makes sense to examine whether the draft report is yet another elaborate exercise in futility.

1. The TSRSubramanian committee draft NEP was junked because it proved inconvenient by criticizing "corruption and inefficiency of education management at all levels" and an outlay for education to 6% of GDP without further delay. Its draft was transformed into a mere "Input" for the K. Kasturirangan committee constituted in 2017.

2. Although women and backward states were represented in the KR Committee, no representative of Indian industry, agriculture or service sector were included in the drafting committee, despite the fact that these are the sectors in which the youth seeks gainful employment after their education. The majority of members of both Subramanian Committee and Kasturirangan committee are from academics serving in isolated hinterland universities, unaware that industry & business involved in educational policy formulation is common in all industrially developed OECD countries. In Sweden, Netherlands, Finland & Singapore, industry and business councils are deeply involved with shaping university curriculum. Composition of policy reform committees chaired and driven by ivory tower academics and bureaucrats many of whom who have shaped the country's failed socio-economic, industrial, agriculture and education policies is a futile exercise. They are unlikely to suggest radical root and branch reform required in all sectors. At best they have only recommended trimming of the branches.

3. There is a self denial among the academic employed in the government dominated higher education system that the state managed education system has failed, while many privately managed higher education institutions have relatively succeeded. The ostrich mindset of the politician bureaucrat has resulted is not a single representative of private education institutions which have more than half of the country's students on their rolls, was appointed a member of either of the committee. Despite their commendable achievements in institution building and development, private edupreneurs and innovators are routinely shut out of the education policy formulation process. Its recommendations are also reflective of the stringent Government control of private education institutions. Despite a plethora of evidence accumulated over the past seven decades indicating a miserable failure have of the state to deliver minimally acceptable standard schools, college and universities, the KR Committee recommends a greater, instead of reduced Government regulation of private



education institutions. They are reluctant to leave private education institutions to be regulated by the invisible hand of the market or at best lightly regulated to attain broader national objective. The committee's report repeatedly commends 'philanthropic' private school and institutions while disparaging 'for profit' private institutions. This has enraged quite a few private school and college promoters and managers.

4. The KR Committee's directives that educationists of unimpeachable integrity and reputation will be appointed to positions of authority within Govt. dominated institutions reflects naivety that such supervisory councils and Organizations are routinely packed with under qualified party elders required to be given sinecures. It pays scant attention to the implementation capability or resources of Central and State Government.

5. The NEP 2019 has addressed all segments of Indian Education System, from K.G to Ph.D. and has made some valuable, even if impractical, reform recommendation for every sector. The most important and socially beneficial recommendation made is that vocational education should be made compulsory in High School, Colleges and Universities. Presently less than 5% of Indian workforce in the 19 – 24 years age group has received formal vocational education ( in US – 52% ; Germany – 75% and Korea – 96% ). The draft policy recommends 50% of all learners should be provided access to Vocational Education and Training (VET) by 2025. However the importance of VET in nation building, exports, productivity, quality, jobs and employment – the secret of Korea's success - cannot be under estimated. 50% by 2025 is too modest a goal. It has overlooked the importance of VET in the agriculture sector which employs 50% of India's 420 million workforce. To integrate VET into mainstream education, the Union Skills and Entrepreneurship Development Ministry should be merged with the HRD Ministry.

5. The NEP – 2019 advocates the expansion and amalgamation of 'SILO' Professional Colleges being designated deemed Universities into large multi-disciplinary Universities to broad base their education. All professional and under graduate programmes to include an additional year of liberal arts education is necessary and overdue. It addresses the dangerous phenomena of narrowly specialized professionals in high positions who are often totally ignorant about the basic structure of the Constitution, rules of laws and the history and geography of the country. Integration of professional education with the liberal education is a basic principle of reforming the country's moribund higher education.

6. The restructuring and reforms for Higher Education which include detailed attention to developing research capabilities of the proposed multi- disciplinary Universities, are the best feature of NEP – 2019. It will ensure optimal utilization of resources, integration across disciplines and vibrant large education communities. It sets a target of doubling the (Gross Enrolment Ratio) GER to 50% by 2035. However it emphasises the need to eliminate the commercialization of education and recommends that 20% of students in each study programme of private universities should be given 100% fee waiver etc. This goes against the Supreme Court's landmark judgment in the T.M.A. Pai Case (2002). It constitutes unwarranted interference with the administrative autonomy of private HEIs.

7. Although NEP- 2019 strongly recommends the internationalization of Indian higher education system, it is somewhat vague on several critical aspects of internationalization. For eg, the report is silent on the issue of inviting international faculty to teach in Indian HEIs. Not much details are provided on the activities or mandate of the International Education Centre, nor international collaborations for research purposes. It is also vague on the issue of international universities being welcomed into the country other than the

Top 200, which will be allowed to set up and function according to rules and regulations applicable to Indian universities. This condition is unlikely to attract them as they are accustomed to a much higher degree of academic, administrative and financial autonomy than allowed under Indian rules and regulations.

The NEP-2019 with all its recommendations from pre-primary to PhD is a utopian wish list. Whether it will be able to regain the paradise in India's educational sector is something which everybody undoubtedly looks forward to .





## **The Vision**

The members of the teaching and non-teaching staff of the Ness Wadia College of Commerce visualize four prime areas of their activity in years to come and wish to concentrate all their efforts in undertaking activities in these areas to the best of the irability.

1. Learning and Research.
2. Students as the focal point.
3. Administration, resource management & scope of operations.
4. Extension and Social responsibility.

## **The Mission**

To impart to the rising generation, commerce and business education of high academic, professional and ethical standard, capable of developing their overall personality in the service of the Indian nation and the world at large by such means as are upright and most conducive to the attainment of this objective.

## **Other institutions of the Modern Education Society**

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2. The Cusrow Wadia Institute of Technology. Pune-411 001
3. The D.G.Ruparel College, Mumbai-400016
4. The New Law College, Mumbai-400 016
5. The Neville Wadia Institute of Management Studies and Research, Pune-411001
6. The M.E.Society's College of Engineering, Pune-411001

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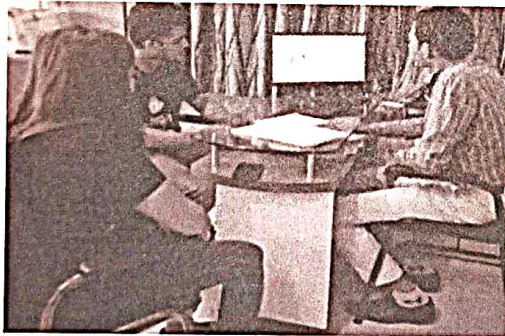
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Modern Education Society's  
**NESS WADIA COLLEGE OF COMMERCE, PUNE**

*Research Studies Compendium*  
*Undergraduate Research Program*  
*Research Centre*  
Volume I  
(2017-2019)







Modern Education Society's

## **Ness Wadia College of Commerce**

19, Late Prin. V.K. Joag Path, Pune- 411001, India

### *Research Studies Compendium* *Undergraduate Research Program* *Research Centre*

**Volume I**  
**(2017-2019)**

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**PRINCIPAL**  
**Professor Dr. Girija Shankar**

**PROGRAM CO-ORDINATOR AND EDITOR**  
**Dr. Deepa Krishnakumar Dani**

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*Due care has been taken to ensure accuracy of the contents of this  
Compendium. However, in case there are errors, they are inadvertent.*

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[nesswadiacollege@gmail.com](mailto:nesswadiacollege@gmail.com)



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## ***FOREWORD***

As the college enters the threshold of the second era of the completion of its Golden Jubilee, the myriad activities during the Golden Jubilee year (2018-19) have added luster to its gilded years. All the activities in the college are driven towards 'student' as the focal point. Notwithstanding this, teachers and students have the freedom to innovate. The college is a mélange of different hues- a blend of academia thrives with that of extra-curricular engagements - an experience that metamorphosis an individual completely.

This Research Studies Compendium is the culmination of experiential learning wherein students got the opportunity to interact, explore, network and learn from some of the brightest mentors in the country. The academic environment of the college provides plenty of opportunities and resources to hone one's research skills.

To add a flavor of research to learning, the Research Centre of the College has initiated the URP - Undergraduate Research Program - an application of classroom learning to real life problems in the areas of Economics and Banking, marketing, corporate governance and corporate social responsibilities under renowned senior mentors, some of whom are alumni of the college. The objective has been to produce research with cutting edge insights.

The college is indeed proud and privileged to release this first volume of the Research Studies Compendium on the occasion of the 51st Foundation Day of the College. We acknowledge and appreciate the efforts put in by the students, mentors and the Coordinator towards this venture.

16 July 2019

**Professor Dr. Girija Shankar**  
Officiating Principal  
and Head, Research Centre  
Ness Wadia College of Commerce, Pune

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## *Undergraduate Research Program*

### *From the Coordinator's Desk...*

Research allows higher order learning among students and therefore immense value is placed on research based learning and incorporating the same within the curriculum. The Ness Wadia College of Commerce recognizes the importance of inculcating research capability among undergraduate students.

This program is engineered for students who wish to learn more, dig deeper into relevant areas and are committed to pursuing careers in academics and research. Students with outstanding academic potential got the opportunity to work on measurable research deliverables.

Ness Wadia College of Commerce is rated as one of the Best College in Pune by the India Today. The leadership here is committed to provide the best for our students. Our rich history of learning and mentoring continues with the Undergraduate Research Program.

The Program has enhanced research engagement of undergraduate students. They, in association with mentors have worked within diverse areas of Economics, Commerce, Banking and Finance, Management, Computer Application and Law. Students were encouraged to delve into interdisciplinary research.

Learning has got to be an engaging process, and the management at Ness Wadia College of Commerce is committed to provide the needed environment. We ensure that our students take ownership of their learning journeys. We believe that the Undergraduate Research Program has been a crucial pedagogical tool to develop thinking, reading, writing and research skills among our students culminating into a research deliverable.

As a Coordinator of the Program, I had envisaged that the program will become a crucial pedagogical tool to develop critical and analytical thinking, reading, writing and research skills among our students. Believing in the innate ability of my students to think through, enquire and research, the program has culminated into this Compendium.

Planning and executing research studies, managing communications between mentors and students, conducting workshops and handholding each and every research study throughout, has been exhausting but the journey has been thoroughly satisfying.

This issue comprises of four research study reports carried out in the academic year 2017-18 and 2018-19 under External and Internal mentors. The two year journey of the Undergraduate Research Program has been rewarding to all stakeholders, namely students, mentors, society and our esteemed institution.

**Dr. Deepa Dani**

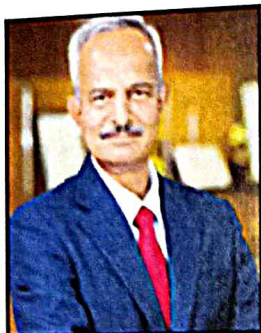
Coordinator

Undergraduate Research Program



## About our Mentors

The Mentors for the program are experts in their areas with years of experience of teaching, research and corporate experience. Mentors for the research studies undertaken are as follows:



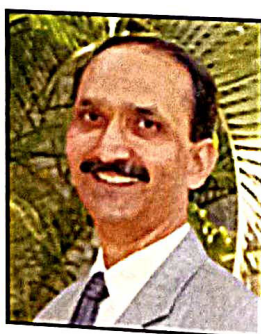
**Dr. K. Ramesha**

Dr. Ramesha is the Director of the Indian Institute of Bank Management, Guwahati. He is former Professor and Dean, National Institute of Bank Management. Dr Ramesha is a seasoned academic with more than three decades of experience in teaching, training, research and consulting activities in the area of banking & finance in reputed Universities and national level apex institutions. Currently, Dr Ramesha is also serving as Non-Executive Director on the Board of Union Bank of India and Member, Governing Board, Southern India Banks' Staff Training College.



**Dr. Sudhakar Gadam**

Dr. Gadam is former Professor and retired as Dean from Gokhale Institute of Politics and Economics, Pune. A sought after econometrician and an expert in Mathematical Economics and Input Output Analysis, he has spearheaded several research studies at the Gokhale Institute of Politics and Economics in the field of rural development. He is an independent research professional and Founder Director, Education and Development Research Centre (EDRC). The organization has carried out several studies in the field of Adult Education mainly for National Literacy Mission (NLM). As a Core group for Institutional Evaluation of NLM, he has carried evaluation studies across 15 states on behalf of the Government of India.



**Col. Dilip Sopori**

Col. Sopori is an alumni of the Ness Wadia College of Commerce. After a fulfilling stint in the Armed Forces for over 25 years, he shifted to the corporate sector and served as General Manager HR in Cummins India Ltd. He is now engaged with several corporate houses where he advises and consults on strategy, Corporate Social Responsibility and Corporate Governance.



**Mr. Saad Shaikh**

Mr. Shaikh is an alumni of the Ness Wadia College of Commerce. He was formerly Project Manager at ValueNotes, a business research organization. He is currently on an Entrepreneurial journey in the F&B field.

**Dr. Dipak Wayal**

Dr. Wayal is Assistant Professor and Nodal Officer of the BBA (Retail Operations) course at the Ness Wadia College of Commerce. He has completed his Doctorate from Dr. Babasaheb Ambedkar Marathwada University, Aurangabad and is an ICSSR grant recipient for research. He is currently Project Director of one major and one minor research projects funded by ICSSR and SPPU respectively. An academician with immense experience of extension work, he was an internal mentor.

**Dr. Deepa Dani**

Dr. Dani is Assistant Professor and Coordinator, Undergraduate Research Program at the Ness Wadia College of Commerce. A Cambridge Commonwealth Scholar, her research interests include FDI, MSMEs and Development. Dr. Dani has over four year experience of working in National and International academic and research organizations and a recipient of several awards for academic excellence. She has co-authored two books and her write ups, articles and research papers feature in popular media and research journals. As an Internal Mentor, she has acted as a bridge between the External Mentors and undergraduate students, offering her time, advice and inputs in all research studies under the Undergraduate Research Program.



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Research Study	: 1
Academic Year	: 2017-18
Title of Study	: Practices and Perceptions of Non-Segregation of Waste at Source and Problems faced by Stakeholders
Researchers	: Aishwarya Sawant (TY BBA-IB) and Shobhit Lad (TY BBA-IB)
External Mentor	: Dr. Sudhakar Gadam
Internal Mentor	: Dr. Deepa Dani

### **Abstract**

Waste segregation means separating, storing and collecting waste in different containers. The disposal of non-segregated solid waste by households contributes to challenges in solid waste management. Stigma pertaining to handling waste is observed widely in India. It is crucial to understand the role played by the waste generators to reach a solution. Moreover, the perspectives and voices of the residential households need to be represented in the framework of solid waste management. The paper studies households at three different levels - slum, standalone homes and a housing society in Pimpri Chinchwad Municipal Corporation (PCMC). Currently, PCMC has appointed small trucks or 'Ghantagadi' to collect waste door to door from the households. Distribution of two different coloured bins carried out in all areas of PCMC to introduce segregation of waste in categories of dry and wet waste. The study investigates and highlights whether the culture of segregation has set in households. It also reviews the legal framework for solid waste management with respect to segregation. It is found that the level of awareness, beliefs and lack of infrastructural support contributes to waste non-segregation. Cooperation and active participation of citizens in Solid Waste Management are crucial without which no effort from the urban local body can be successful. Citizens must be informed and motivated to develop the culture of segregation of solid waste at the source.

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## **Section 1**

### **Introduction**

#### **1.1 Background**

PCMC's 'Swachh Bharat Mission's Action Goals' of May 2018 lists the need to achieve 100% segregation: first into dry waste and hazardous waste, and subsequently into finer segregation categories. Source segregation has been a top priority for every urban local body. Despite the mandate in PCMC approximately 8% of the waste is segregated according to the data gathered by PCMC. PCMC's Action Plan 2018 states the goal of increasing the level and quality of source segregation to 100% by October 2018.

As responsible civic citizens, rigorous sorting of waste is a defined duty of every citizen. To push the government mandate forward and the agenda, there are extensive involvement of various social groups to create awareness regarding segregation. Despite this, there is less participation from the citizen for the same. A commitment from the waste generators is essential for reducing the overall quantity of waste for final disposal.

It is crucial to find how 100 % source segregation can be achieved. A study on the perceptions of the waste generators regarding waste segregation will play a key role in creating a stronger ground for such level of awareness.

#### **1.2 Statement of the problem**

Non-segregation of waste at source and problems faced by stakeholders' impediments 100% solid waste segregation.

#### **1.3 Objectives**

1. To review policies regarding solid waste segregation.
2. To study the current status of solid waste segregation management system in Pune city
3. To examine the solid waste segregation practices, perceptions and willingness of the waste generators and waste collectors.
4. To put forth suggestions based on the findings for greater implementation.

#### **1.4 Significance of the study**

Urban sprawl due to population growth combined with changing consumer habits has increased the per capita generation of waste over the years (Baishya 2017). One of the key issues of solid waste management is the non-segregation of solid waste at the source. This study is an attempt to understand the infrastructural, attitudinal and transactional forces which enable or otherwise inhibit the waste generators from segregating the household solid waste. According to the rules of SWM 2016, it is required by every waste generator to segregate their waste in three categories of biodegradable, dry and domestic hazardous waste. The study examines the status of compliance of this rule by the households of PCMC areas.

Additionally, the study examines the gaps in laws and policies governing the segregation in India and the extent of implementation in the selected area.

The study is significant as it provides feasible suggestions to reach the goals set by the local body of achieving 100% segregation. A proper understanding of the barriers and inconveniences creates a foundation for the local body to take steps which are relevant for improved public participation in waste segregation. It is recognized that a good understanding of the existing situation, public perception and expectation is crucial in making any strategic decisions.



## Section 2 Review of Literature

### 2.1 Waste Segregation and Management –

**Review of Theoretical and Empirical Studies** Waste segregation and management have become an important subject of debates and discussions in the political and environmental circles. Several studies have been carried out and research conducted to address the implications of this grave issue. Findings of selected theoretical and field studies have been reviewed in this section.

Wadhera and Mishra (2017) throw light on the lack of knowledge regarding waste reduction, to begin with. The study argues that a large amount of waste generation is a contributor to the problems of waste management. It observes that households take the quantity of waste generated by them for granted. This phenomenon poses a limitation to charging a flat fee service associated with the waste collection. Had the households have some accountability or cost associated with generating additional units of waste, the waste generated itself would be lesser. The study also discusses the outcome of the social cost-benefit informational deficit; which leads to the ad-hoc decision making for activities such as handling, recycling or disposing of wastes.

A related study draws the attention on the individual's perception, which is a key to influencing how they respond to solid waste management systems and the success of systems in general (Minhas, 2017). She explains the need to devise innovative ways to educate people and to garner greater public support for waste minimization. The study lays importance on the reduction of emotional reluctance and social stigma associated with working with waste. The paper further emphasizes that waste must not be viewed as something to get rid of, but as a resource to be valued and conserved.

In a previously conducted study on similar lines, Srinivasan (2006) finds that the reason for the unsuccessful execution of a community-based organization for segregation and composting lies in the lack of desire among people to cooperate. This throws light on the need for the presence of enforcement systems coupled by change in people's perception and attitude towards waste management is crucial.

A Guwahati based experimental study conducted in a resident colony to compare the effectiveness of a two-bin system as against a specially designed segregated bin system found that contamination level in biodegradable and non-biodegradable waste was low in the designed segregation bin (Baishya, 2017). We infer that segregation at source if practiced efficiently will lead to zero waste locality with economic viability.

### 2.2 Government Policies

The legal framework monitoring the Solid Waste Management of India is the Solid Waste Management Policy 2016. This is the revised policy on Solid Waste Management given by the Ministry of Environment, Forest and Climate Change. This is exhaustive and gives a clear set of instructions which has summarized the duties of different stakeholders. The policy throws light on ways in which waste is supposed to be classified depending upon the nature of waste. The segregation has to be carried out in three categories of biodegradable, non-degradable and hazardous wastes. All materials which are degradable are required to be collected separately and handed over to local authorities. The policy also prevents any waste generator from dumping waste on the ground or place in any public or private property.

The rules impose zero tolerance against throwing, burning and burying solid waste. It states that in case someone is found littering or disobeying rules, the Urban Local Body has the authority to put a fine on them on spot.



Further, local bodies have been directed to collect waste door to door. This collection has to be done in such a way that there is proper segregation of different types of waste. All gated communities and residential apartments are required to hand over segregated waste to local authorities. A nominal charge can be imposed as fees by local bodies as decided in their bylaws.

### Section 3 Research Methodology

#### 3.1 Research Design

The study is exploratory and analytical in nature. It utilizes both primary and secondary data to fulfill the stated objectives and answer research questions. Primary data is collected from households in a slum, standalone and a housing society through an intensive interview schedule and general discussion with subject experts. The use of secondary data is critical to study government policies, mandate and existing reports, periodicals, blogs and various available research papers.

The interview questions collected information on the following parameters:

- 1) Segregation practices
- 2) Environmental awareness
- 3) Waste management attitudes
- 4) Demographic data
- 5) 3R Awareness

#### 3.2 Scope

This research was conducted in Pimpri-Chinchwad Municipal Corporation which ranks at 43 in the top 100 cities in the "Swachh Survekshan Survey". This survey assesses the level of cleanliness and the active implementation of Swachhata missions in a timely and innovative manner. The six localities namely Bopkhel, Dighi, Dapodi, Sakuta Ram Colony, Swapna Nahari Housing Society, M.R Pride Housing Society are covered under this research. This research involved the residents and waste collectors as two stakeholders in the system of solid waste management.

#### 3.3 Limitations

Notwithstanding the time and resource constraints it should be taken into consideration that study has the following limitations:

- 1) The plausibility of stakeholder respondents to conceal sensitive information cannot be ruled out.
- 2) The study limits itself to the infrastructural, attitudinal and transactional forces that enable or inhibit waste segregation only. The financial, legal or otherwise political approach is beyond the purview of the study.

#### 3.4 Sample Size

The sample size included four sets of respondents which are 59 slum households, 60 standalone households, 20 active members of one housing society and 2 waste collectors from the society. The samples were selected based on non-probability convenience sampling.

Type of Sample	Sample Size
Slum Household	59
Standalone Households	60
Active Members of Housing Society	20
Waste Collectors	2



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### 3.6 Data Analysis Tool

Percentage method is used to analyze the data.

## Section 4

### Conceptual Framework on Solid Waste Segregation

This section provides a conceptual clarity about terminologies associated with Solid Waste Management and Solid Waste Segregation.

#### 4.1 Solid Waste

Under statutory terms solid waste includes “solid or semi-solid domestic waste, sanitary waste, commercial waste, institutional waste, catering, and market waste and other nonresidential wastes, street sweepings, silt removed or collected from the surface drains, horticulture waste, agriculture and dairy waste, treated bio-medical waste excluding industrial waste, bio-medical waste and e-waste, battery waste, radioactive waste”. In the context of this study, the solid waste is collected door to door from the households by a *Ghantagadi*.

#### 4.2 Solid Waste Management

Solid Waste Management (SWM) involves carrying out processes like segregation, recovery, storage, collection, recycling, processing, treatment or safe disposal. Solid waste is required to be managed by the ULBs concerned which can include sorting, segregation, material recovery, collection, secondary storage, shredding, baling, crushing, loading, unloading, transportation, processing, and disposal. It has developed from its early beginnings of mere dumping to a sophisticated range of options including re-use, recycling, incineration with energy recovery, advanced landfill design and engineering and a range of alternative technologies. (Chaudhary. R, Agarwal. M, Singh. J, 2015). Municipal solid waste management covers the full cycle from the collection of waste from households and commercial establishments through to the acceptable final disposal. In the process, efforts are made to reduce the final volumes, through recycling and materials recovery, as well as processing/treatment. (World Bank Document 2006).

#### 4.3 Segregation

The Solid Waste Management Rules 2016 defines segregation as the “sorting and separate storage of various components of solid waste”. The time frame stated by the rules requires the implementation of segregation of waste in 2 years from the notification of the new rules on April 8, 2016. It also states that every waste generator is required to segregate and store waste separately and further hand it over to the Municipal works or authorized waste pickers.

The three categories as defined under the rules are biodegradable, non-biodegradable and domestic hazardous waste. Biodegradable waste includes agriculture and dairy waste, whereas non-biodegradable comprises of “recyclable waste, non-recyclable combustible waste, sanitary waste and non-recyclable inert waste, domestic hazardous wastes, and construction and demolition wastes.” The soiling of the recyclable waste/material can be avoided when the segregation of waste is carried out at the source. Therefore, to manage waste efficiently, segregation of waste is made mandatory.

Further, a report by the Indian Ministry of Housing and Urban Affairs released a report to highlight the convergence between Swachh Bharat Missions (SBM) and Deendayal Antayodya Yojana-National Urban Livelihood Mission (DAY-NULM). It records various successful case studies where the Self-Help Groups were empowered with employment opportunities through the growing waste management sector. Moreover, it also proposes a model for livelihood opportunities based on segregation at source and indicates that “approximately 70-80 % of dry waste can be recovered for sale to recyclers, 10-15% of balance can be converted to RDF (Refused-Derived Fuel) and sold to cement plants, while the remaining 10-15% which is mostly inert waste, can be sent to landfills”. For the same, the report suggests a project by the Urban Local



Bodies which would involve setting up of dry waste/resource segregation centres.

## Section 5 Research Finding and Data Analysis

The broad findings of the research study are listed below. On the basis of these analysis and conclusion has been drawn thereafter.

- 1) 72 % of the slum, 60 % of society and 65 % of standalone respondent households reported to practice segregation of waste at their home.
- 2) The major barriers as told by the standalone households which prevented them from segregating the waste were that due to work commitments, they faced time constraints. It was noted that there was a lack of understanding or confusion about identifying the category of waste as dry or wet. It is understood that the terminologies of "dry" and "wet" lead to disposing of the waste in the wrong category.
- 3) The respondents of slum households reported that they throw the wet waste in the gutter alongside their homes. Also, some of the standalone households reported that they throw the wet waste in the open space in front of their houses as it is more convenient and many times cows eat it. For such cases, stringent action can be taken on the people who do not hand over their garbage to the waste collectors, thus, to instead prefer dumping it on the roadside or otherwise.
- 4) Some respondents reported that even though they are willing to segregate the waste, they are discouraged because the waste is not retained in a segregated form in the *ghantagadi*.
- 5) Another barrier as told by the 62 % slum, 55 % standalone and 24 % society respondents was that knowledge about segregation was not communicated to them either by the corporation or any other organization. Only during the bin distribution drive, a basic understanding of the two categories of bins was given.
- 6) Awareness about reusing, reducing and recycling was seen in households. However, appropriate data could not be gathered regarding the scale at which the 3R was practiced within the households.
- 7) The overflowing waste from the *ghantagadi* was reported by majority respondents which not only creates uncleanliness in the surroundings but also contributes to the risk of diseases.
- 8) 34%, 45% and 67% of the slum, standalone and society respondents respectively were aware of some of the advantages of segregation.
- 9) This study also showed that there is a value-action gap amongst the households. The importance of protecting the environment was acknowledged by 93 % of slum and 94 % of the standalone households. However, they were not only unaware of the effects of their actions but also the respondents accepted that they had the knowledge, but were not segregating the waste.
- 10) In India, the practice of separating and selling reusable and recyclable materials to scrap dealers (*kabadiwalas*) is widely seen. Although, through this study, it was found that respondents who were more educated and were a part of the working-class community were more likely to ignore their responsibility of dealing with household waste. They indicated time-constraint as one of the barriers preventing them from segregating the waste. This finding is in line with a report by World Bank which accounted that as people's incomes increased, they abandoned the behaviour of segregating waste at home and tended to throw away all such materials with other domestic (organic and inorganic) waste (World Bank, 2006).



- 11) As a part of an initiative two dustbins labelled 'dry' and 'wet' were provided to each household. During the field interview, it was seen that the bins were used for different purposes like for storing water or as a pot for plants.

Thus, through this study, it was found that the mass distribution of bins had not necessarily resulted in changing the attitudes of the households. Instead, the focus should be on creating conditions to cause changes in the system.

Further, as reported by 6 % of the respondents claimed that they did not receive the bins from the corporation due to stock out.

### *Case Study*

#### **DSK Ranwara Cooperative Housing Society Ltd, Bavdhan**

A society with more than 25 separate buildings and 10 twin bungalows was awarded "Third Prize for Clean Societies" under Swachh Bharat Abhiyan in the year 2018. Five years back, the society adopted the practice of waste segregation. The residents were requested to separate their dry and wet waste. Rigorous educational drives were conducted, PMC sponsored leaflets were distributed, regular requests were made in society meetings. The garbage collectors were provided with separate bins to collect waste and continuous follow ups were done by the society's office staff. Also, to manage the wet waste, 10 compost pits were constructed in which around 400 kg of waste is scientifically processed and digested. At the end, the material is dried and then powdered in grinder machines which is finally used in society's garden. The society made a suggestion to PMC for making arrangements to collect wastes like thermocol and other small dry waste generated during flat repairs. With continuous efforts the society successfully achieved 70% waste segregation. This society proves to be a successful example of willingness, education and compulsory implementation of the rule.

## **Section 6**

### **Recommendations and Conclusion**

#### **6.1 Recommendation**

A study conducted in Delhi's households supports the relevance of low -cost interventions such as dissemination of information which resulted in behavioural changes leading to households segregating their waste. Further, it established that providing a monetary incentive in the form of charging lower rates to the households which segregated waste, led to creating an impact on the households. Based on the success of this intervention, a similar step in Pune can go a long way to reach PCMC's goal of 100% segregation.

Majority respondents of slum, housing society and standalone households showed their willingness to support an initiative where the dry waste will be collected only twice a week. Such an initiative can prove to be a major inhibitor for the households to adopt segregation.

To involve the staff in the culture of segregation, incentivizing them with equipment like gloves, masks, and other pieces of equipment to facilitate proper segregation.

The findings of the research indicate that households with children going to schools had knowledge regarding recycling, reusing and reducing. And hence, were more likely to insist on following and adopting it in their daily life. Therefore, efforts to conduct awareness sessions in schools can be a lead point for instilling the culture of segregation in households.

For the Urban Local Body, the compliance of laws for Solid Waste Management is a problem which if implemented will increase the level of cooperation amongst the households.

During the study, it was found that there was a lack of accountability for the respondents to



follow rules. For such attitudinal changes, an ethic for cooperation can be built upon with stricter compliance of the SWM rules. Moreover, interventions and changes at each level are crucial in the sense that when the households segregate the waste, the onus of keeping the waste in the segregated form is upon the waste collectors and the local body. Based upon the data gathered through the interview, it was an observation majority validated/complaint by the respondents that the waste was eventually mixed in the *Ghantagadi* which was a major discouragement for the respondents. Hence, the respondents demanded that the *Ghantagadi* should be compartmentalized for separating the waste.

The vehicles should be compartmentalized in the sense that the belief amongst the respondents that the waste will be eventually mixed has to be overcome in order to set the culture of segregation. Thus, the infrastructure to support the solution is important.

## 6.2 Proposed Area for Future Research

Further studies can be conducted on the transportation of the segregated waste to understand the trail of how the waste is finally disposed of. Also, the number of trips each truck has to make to collect the waste can be studied. It is recommended that efforts towards zero waste in communities be studied in future.

## 6.3 Conclusion

The non-segregation of solid waste at source limits the solid waste management of the city. In this research, the constraints of the stakeholders were studied to understand why segregation at source is not adopted and how the adoption can be facilitated to reach the goal of 100% segregation at source. A solution strategy with the combination of the infrastructural, attitudinal and transactional forces can help achieve source segregation. By building consent and consensus of the local population through intensive public awareness, involvement of local leaders and suitable infrastructural support, the barriers to public participation in segregation can be overcome.

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<b>Research Study</b>	: 2
<b>Academic Year</b>	: 2017-18
<b>Title of Study</b>	: An Empirical Analysis of Select Parameters of Customer Satisfaction in Indian Banks in Pune City
<b>Researchers</b>	: Rakaiz Doctor (TY BBA-IB) and Karan Laheja (TY BBA-IB) and Sristi Sen (SY BBA)
<b>External Mentor</b>	: Dr. Ramesha K.
<b>Internal Mentor</b>	: Dr. Deepa Dani

### **Abstract**

The evolving banking scene coupled with competition pushes banks to place immense value on understanding customers and providing them a satisfying experience. Banks press on ways which will engage them with more people to expand customer base and retain them over the years. The study is an empirical analysis of customer satisfaction parameters in the current setup. The study finds that private banks lead in terms of ambience and customer experience. On the other hand, public sector banks offer stability being backed by some authority. It was found that customer needs and satisfaction depend on various factors such as their educational qualification and income. For example, it was observed that while customers that were less educated were highly satisfied with the ambience of a private bank, the highly educated people on the other hand thought that the ambience was basic and could be improved. The study concludes that there is much potential for retail banking expansion and infusion of technology driven processes.

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## **Section I**

### **INTRODUCTION**

As engines of development and vehicles of silent socio-economic evolution in the country, Indian banks have assumed new responsibilities in the fields of geographical expansion, functional diversification and personal portfolio. Indian banking has transformed itself from 'Class banking to Mass banking'. With the evolving banking scene coupled with competition, banks place immense value on understanding customers and providing them a satisfying experience. Banks press on ways which will engage them with more people to expand customer base and retain customers over the years. With this backdrop, the study assumes relevance as it is an empirical analysis of customer satisfaction parameters in the current setup.

The study is divided into 7 sections. The first section introduces the research, the second section presents a general overview of banking with respect to bank functioning and retail banking. The third section discusses customer satisfaction and its parameters. The fourth reviews related literature. The fifth section describes the research design. The following section analyses the data and interprets the findings. The final section presents the conclusion.

## **Section II**

### **GENERAL OVERVIEW OF BANKING**

Banking company transacts the business of banking which is accepting (for the purpose of lending or investment) of deposits of money from the public repayable on demand or otherwise and withdrawal by cheque, draft, order or otherwise.

#### **Background of Banking Sector**

The banking sector is as old as early Vedic period in India. Reference regarding deposits advances, pledge policy of loan, and rate of interest is present in the writings of Manu. Banking has been so developed from the beginning of 20<sup>th</sup> century, that, in fact it has come to be called "LIFE BLOOD" of trade and commerce.

Banking has developed from the primitive stage to the modern system of banking in a fashion that has no parallel in the world history. With the dawn of independence, changes of vast magnitude have taken place in India. After independence, India launched a process of planned economic activity in order to overcome the multitude of problems it faced as an underdeveloped nation. The increasing tempo of economic activity leads to tremendous increase in the volume and complexity of banking activity. Therefore, the role of banks has had to expand at a fast pace.

The most dominant segment of financial sector is banking system which accounts for over 80% of the funds flowing through the financial sector. Banking sector performs three Primary functions in an economy, which are operation of the payment system, mobilization of savings and allocation of savings to investment projects. Banking sector can exert a positive influence on the overall economy by allocating capital to the highest value use while limiting the risk and cost involved, and thus of broad macroeconomic importance.

#### **Bank Functioning**

Over the years, activities covered by banking business have widened and now various other services are also offered by bank. The banking services include issuance of debit and credit cards, providing safe custody of valuable items, lockers, ATM services and online transfer of funds across the country / world. This is perhaps why, in our day to day lives banking plays a silent, yet crucial part. The most basic banking function is to perform financial intermediation by pooling savings and channelizing them into investments through maturity and risk transformations, thereby keeping the economy's growth engine revving.



Business of banking has done wonders for the world economy. Through the simple looking method of accepting money deposits from savers and then lending the same money to borrowers, banking activity encourages the flow of money to productive use and investments. This in turn allows the economy to grow. Savings would sit idle in our homes, the entrepreneurs would not be in a position to raise the money, ordinary people dreaming for a new car or house would not be able to purchase cars or houses in the absence of banking business.

### **Retail Banking**

Retail banking, also known as consumer banking, is the typical mass-market banking in which individual customers use local branches of larger commercial banks. Services offered include savings and checking accounts, mortgages, personal loans, debit/credit cards and certificates of deposit (CDs). Retail banking, focuses on an individual consumer as well as families and small businesses.

Retail banking aims to be the 'one-stop shop' for as many financial services as possible on behalf of individual retail clients. Most consumers utilize local branch banking services, which provide onsite customer service for all retail customer's banking needs. Through local branch locations, financial representatives provide customer service and financial advice.

Retail banks are adding new product offerings to provide a greater range of services for their retail clients. In addition to basic retail banking accounts and customer service from local branch financial representatives, banks are also adding teams of financial advisors that offer investment services such as wealth management, brokerage accounts, private banking and retirement planning. Some of these ancillary services are also offered through outsourced third-party affiliations. All of the expanded offerings allow for increased convenience through greater connectivity of accounts, which helps customers to access funds and make personal transactions more quickly and easily.

Retail banks provide custody services for people who want to deposit their money, management services, with checking accounts and debit cards, and net banking services so that their services are accessible by customers any time of the day and from any corner of the world.

## **SECTION III**

### **CUSTOMER SATISFACTION AND ITS PARAMETERS**

Intense competition pushes banks to develop customer-oriented strategies in order to compete successfully in the competitive retail banking environment. The longer a bank can retain a customer, the greater revenue, business and cost savings from that customer. Moreover, the better the satisfaction, the greater the probability of having productive engagements with new customers.

The subsection below states the various parameters which research studies believe to be highly valued by customers.

1. **Service Quality** – In today's highly competitive financial market where there are a number of banks providing identical products and services, it becomes difficult for a bank to stand out in terms of customer satisfaction. One of the key aspects for customer satisfaction can thus be the quality of service being offered by respective bank. Service quality may include financial support provided to customers, time taken to resolve any issues or queries, ease of availing a service etc.



2. **Ambience/Hygiene** – Although it may seem unimportant, but ambience of a bank does impact the level of customer satisfaction. Proper seating space, clear display of departments and counters throughout the bank, and a fresh and clean environment makes a customer feel comfortable in spending time at a bank branch and thus result in better customer satisfaction.
3. **Customer Participation/Involvement** – A customer either invests his money as savings in a bank or borrows money from the bank, either ways, money is involved and the customer would want to be actively updated about the status of a service or transaction being executed for him or on his behalf. Active customer participation or involvement while working on an issue or making avail a service or product, would definitely encourage customer satisfaction.
4. **Accessibility** – With the increasing global technological enhancements, almost everything can be done with a few clicks. Thus, a customer that can have a fast and smooth access to almost all the services of his bank, without the hassle of visiting the bank physically, will tend to be a more satisfied customer. Banks are now making their services accessible to its customers through net banking on mobile applications or banks' websites.

## Section IV

### REVIEW OF LITERATURE

The area of customer satisfaction and ways to incorporate and integrate them in the banking systems itself has been an ever challenging task for all banks.

The Indian banking customer base is highly diverse given the geographical, demographical and technological imbalances. Despite the push provided by the demonetizing, digital banking has yet to build up adequate steam. The branch banking continues, which in itself brings the topic of customer satisfaction center stage.

According to Shields (2017), 94% Indians visit the branch at least once a year. He believes that banks have tremendous potential to work on the digital space. The study states that there is an underlying need of Indian banks to improve customer services in both branch and digital banking. Considering that only 9 % of Indian retail banking customers use mobile banking user base, banks need to pay emphasis on how they can make customers feel at ease with the use of technology. A study in Jiaozuo City, Henan Province, China showed that the decision to switch banks is hypothesized to be a function of price, reputation, service quality, effective advertising competition, involuntary switching, distance, switching costs, and demographic characteristics. The research findings revealed that these parameters have an impact on customers' bank switching behavior. The findings also revealed that the young and high-income groups are more likely to switch banks.

With the government's emphasis on going digital, banks also wish to align themselves to greater usage of technology. This, they believe, has the potential to provide greater range of services to a larger customer base while maintaining quality and cutting costs at the same time. On the other hand, greater usage of technology will provide convenience, save time and bring in greater efficiency for the customer. So, it may be safe to state that people conversant with technology and its usage will be more satisfied than those who are not.

## Section V

### RESEARCH DESIGN

The research is an empirical analysis of select parameters of customer satisfaction. Hence usage of primary data is deemed critical.

Simple random sampling technique was utilized for the study. The sample size of the survey conducted was 30 respondents, of which 15 were customers of private banks viz. Axis Bank, HDFC, ICICI and, YES bank and 15 respondents were customers of public sector banks such as State Bank of India, Canara Bank, Punjab National Bank and Bank of Maharashtra.

The analysis has been done for private banks and public banks separately. The analysis has also



been done on an aggregate level combining data from both private and public banks. Certain parameters have been given importance while collecting data, that we believe, are aspects that are directly or indirectly related to customer satisfaction. These parameters include – gender diversity, age group of customers, educational qualification, average income, usage of technology, types of accounts they hold (savings, current, salary etc.), insurance (vehicle, health, life) and loan (personal, home, educational) facilities availed, timeline of their relationship with the bank etc. Individual ratings, ranging from 1 to 10, were also taken across various parameters like ambience of the bank, time taken to execute services and provide solutions. An average score was then calculated to understand customer satisfaction in numeric terms on an individual customer level.

### **Hypotheses of the Study**

The hypotheses of the study have been framed to understand the relationship between parameters that could be associated in some way or the other, as well as their relationship with customer satisfaction. They are stated as follows:

1. There is an indirect relationship between the age group of a customer and use of technology.
2. There is a direct association between the educational level of a customer and use of technology.
3. There is a relationship between the educational qualification of the customer and their satisfaction level.

### **Section VI**

#### **DATA ANALYSIS AND INTERPRETATION**

The current section analyses the collected data to test the constructed hypotheses.

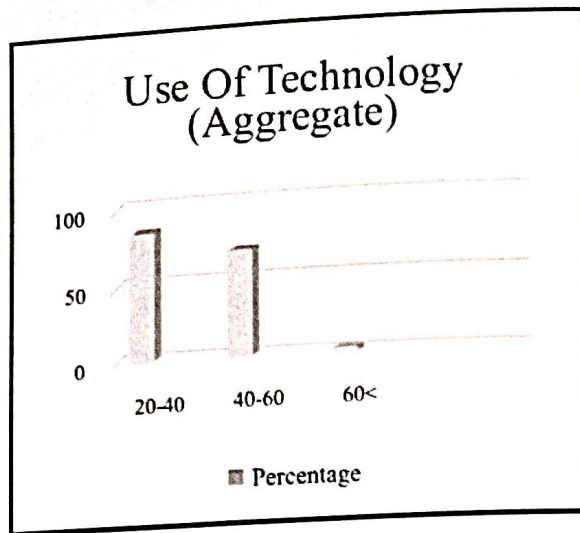
**Hypothesis 1: *There is an indirect relationship between the age group of a customer and use of technology.***

It is general understanding that the younger population is more inclined towards being technology savvy and using the same for banking transactions as well. For the purpose of the study, the usage of technology implies accessing net banking facility for most services through mobile apps or website or both.

The first hypothesis that there is an association between age group of banking customers and use of technology is constructed on this understanding. The findings of the study reveal that on an aggregate level, 85% of the respondents used technology in the age group of 20-40 years. On the other hand, only 69% of the respondents in the higher age group of 40-60 years. On a disaggregated level, all respondents of the younger age group (20-40 years) in private lenders, were technology savvy and used it for banking operations. However, a 33% fall was observed in technology usage in the older age category in the private sector banks. Among public lenders, 60% respondents used technology among the younger age group whereas 71% respondents in the age group of 40-60 years utilized technology. We may infer from the above findings that overall age is associated with usage of technology.

However, an exception was observed among public sector banks customers, where a greater percentage of respondents using technology belong to the age group of 40-60 years than 20-40 years. This exception can be attributed to two factors. One, the smaller sample size and two, that in recent times, more and more people are getting used to utilizing banking because of external factors.





Overall, it was found that the older respondents were resistant to change and experienced trust deficit towards usage of technology. Significant number of older age group respondents found technology user-unfriendly and cumbersome to handle with parameters such as internet connectivity, lack of real time assistance as challenges in the way of utilizing technology. These findings corroborate with the above hypothesis.

**2. *There is a direct association between the educational level of a customer and use of technology.***

The study presumed that higher the education qualification of customer, the higher would be the use of technology. The study classifies the respondents on the education parameter as Senior secondary (SSC), higher secondary (HSC), graduation (G) and post-graduation (PG).

On an aggregate, with both public and private lenders, a clear direct relationship exists in the education qualification and usage of technology. With only 25% of SSC respondents using technology the percent using technology among PGs increases to 100%.

The same trend is observed among private banking respondents. The data among public banking respondents digresses due to a small sample in the HSC category.

Educational Qualification	Respondents using technology ( In %)
SSC	25
HSC	100



**3. There is a relationship between the educational qualification of the customer and their satisfaction level.**

Category	Parameters	Less Educated					More Educated				
		1	2	3	4	5	1	2	3	4	5
Product/ Services	1. Deposit services including cheque book		1	3	2	1		1	2	5	11
	2. Internet/mobile banking services				1	3	1		6	3	9
	3. Retail loan products					2		1	1	3	6
	4. Retail financial services like Mutual fund, Insurance		1	1				1	3	3	4
	5. Interest Rate on Loans		1	1	1			3	3	2	
	Total	0	3	5	4	6	1	6	15	16	30
Ambience	1. Branch ambience		1	2	3	5	2	2	4	5	9
	2. Display board for customers		2	2	2		1	1	6	10	2
	Total	0	3	4	5	5	3	3	10	15	11
Hospitality	1. Friendliness of branch staff		1	1	3	2	2		5	9	6
	2. Service time at the branch		2		5			3	6	8	4
	3. Facilities for customers in the branch	1		3	2	1	2	2	6	10	2
	Total	1	3	4	10	3	4	5	15	27	12

To understand customer satisfaction, the factors were divided into three broader categories- Product/Service, Ambience and Hospitality of banks. It is clearly observed that number of people giving higher rating for all these categories were inclined highly towards the more educated respondents. This could be because of two reasons – 1. That the number of respondents who were more educated were higher in number compared to the respondents who were less educated, or 2. More educated people had a better judgment of a particular bank with reference to the above created categories. However, it was noticed that the less educated people were satisfied with the ambience more which may be because their expectations were not as high as compared to the more educated people.

## Section VII

### CONCLUSION

To conclude this study, it is safe to say that retail banking has a huge increasing potential in India. With more and more people getting access to banking and its services, banks have an opportunity to increase their customer base by catering to the needs of people.



However, the study found that customer needs depend on various factors like their educational qualification, their income etc. For example, it was observed that while customers that were less educated were highly satisfied with the ambience of a private bank, the highly educated people on the other hand thought that the ambience was basic and could be improved.

Technology is playing an essential role in helping retail banks reach a wider audience and at the same time offering convenience to customers. The need of visiting a brick and mortar store to avail banking services is reducing with almost everything being accessible through phones and computers. There is still a need felt to improve the user interface of banking apps.

When comparing private banks and public banks in totality, we can infer from the results of this study that Private bank leads in terms of ambience and customer experience. On the other hand, public sector banks offer stability as they are government backed. The interest rates offered to the customers in a public sector bank are controlled and regulated by central regulatory authority like the RBI. However, customers still feel that the interest rate on loans are still high for both private and public sector banks.

To end, the research throws light on how diverse the Indian market is. The customers come from various backgrounds, income levels, educational qualification, age group and gender. Retail banks need to be specific in terms of their customers' demands and try to offer something for all while also looking at their best interest. With the increasing use of technology every day, retail banks should take optimum advantage of it in terms of paperless processes and reaching a wider customer base at a lower cost.

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<b>Academic Year</b>	: 2017-18
<b>Title of Study</b>	: Corporate Social Responsibility by Select Automobile Companies in India
<b>Researchers</b>	: Mahek Ladkani (TY BBA-IB) and Riya Mehta (SY BBA)
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### **Abstract**

The Companies Act, 2013 has made India the first country to mandate and quantify CSR expenditure. The inclusion of CSR is an attempt by the government to engage businesses with the national development agenda. The study examines the evolution of Corporate Social Responsibility in India and divides it into four phases of CSR development. The study is based on secondary data of four automobile companies. Two Indian companies, Mahindra and Mahindra (Group Company) and Tata Motors; and 2 foreign, namely Mercedes Benz India Pvt. Ltd. and BMW India have been selected to analyze CSR activities undertaken by them. It was found that CSR activities undertaken by Indian businesses spread out across areas and their reach penetrated in semi-urban and rural areas as well. On the other hand, those undertaken by foreign companies related more to their businesses indirectly with limited penetration in rural and semi-urban area. The study suggests that partnerships between companies, NGOs and the government should be facilitated so that an effective combination of their skills, expertise, strategic thinking, manpower and money to initiate extensive social change will put the socio-economic development of India on a fast track.

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## **Section 1:**

### **Corporate Social Responsibility – An Introduction**

Corporate Social Responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholder. CSR aids an organization's mission and acts as a guide.

#### **The Companies Act, 2013:**

The Companies Act, 2013 has made India the first country to mandate and quantify CSR expenditure. The inclusion of CSR is an attempt by the government to engage businesses with the national development agenda. The Act came into force from April 1, 2014, where every company, private limited or public limited, which either has a net worth of Rs. 500 crore or a turnover of Rs. 1000 crore or net profit of over Rs. 5 crore, is required to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility activities.

#### **Evolution of Corporate Social Responsibility in India:**

India was one of the first countries to inculcate CSR activities but they weren't practiced regularly. They were usually done for namesake especially by MNCs with no cultural and emotional attachments to India. A lot has been done in recent years to make Indian entrepreneurs aware of social responsibility as an important segment of their business activities. However, CSR in India has yet to receive widespread recognition. To realize this goal, the CSR approach of corporate has to be in line with their attitudes towards business - companies setting clear objectives, undertaking potential investments, measuring and reporting performance publicly.

## **Section 2 :**

### **The Four Phases of CSR Development In India**

The history of CSR in India can be divided into four phases which are parallel to India's development. However, the phases are not static and the features of the phases may overlap.

#### **PHASE I**

In this phase, charity and philanthropy were the main drivers of CSR. Culture, religion, family values and tradition and industrialization had an influential effect on CSR. In the pre-industrialization period, which lasted till 1850, wealthy merchants shared a part of their wealth with the wider society by way of setting temples for a religious cause.

#### **PHASE II**

In the second phase, during the independence movement, there was increased expectations on Indian Industrialists to demonstrate their dedication towards the progress of the society.

#### **PHASE III**

The third phase of CSR had its relation to the element of "mixed economy", emergence of Public Sector Undertakings (PSUs) and laws relating labour and environmental standards. During this period, the private sector was forced to take a backseat. The public sector was seen as the prime mover of development. The policy of industrial licensing, high taxes and restrictions on the private sector led to corporate malpractices. This led to enactment of legislation regarding corporate governance, labor and environmental issues. PSUs were set up by the state to ensure suitable distribution of resources (wealth, food etc.) to the needy. However the public sector was effective only to a certain limited extent. This led to shift of expectation from the public to the private sector and their active involvement in the socio-economic development of the country became absolutely necessary. In 1965 Indian academicians, politicians and businessmen set up a national workshop on CSR aimed at reconciliation. They emphasized upon transparency, social accountability and regular stakeholder dialogues. In spite of such attempts the CSR failed to catch steam.

#### **PHASE IV**

In this phase, Indian companies started abandoning their traditional engagement with CSR and



integrated it into a sustainable business strategy. In the 1990s the first initiation towards globalization and economic liberalization were undertaken. Controls and licensing system were partly done away with which gave a boost to the economy the signs of which are very evident today. Increased growth momentum of the economy helped Indian companies grow rapidly and this made them more willing.

#### **Current State of CSR in India :**

As discussed above, CSR is not a new concept in India. The basic objective of CSR these days is to maximize the company's overall impact on the society and stakeholders. CSR policies, practices and programs are being comprehensively integrated by an increasing number of companies throughout their business operations and processes. A growing number of corporate feel that CSR is not just another form of indirect expense but is important for protecting the goodwill and reputation, defending attacks and increasing business competitiveness.

#### **Section 3 :**

##### **Research Methodology**

The research has been conducted on the basis of Secondary Data of four Automobile companies. The sample size includes 2 Indian automobile companies and 2 foreign automobile companies operating in India. The broad research objectives is to analyse the CSR activities undertaken by select companies.

#### **Section 4 :**

##### **CSR Initiatives and Processes by Select Companies**

##### **CSR and the Mahindra & Mahindra Group :**

**Mahindra & Mahindra group companies has always gone beyond legal and statutory requirements to make responsible investments in the community. Over the past few years, Mahindra group companies have focused its CSR efforts in a number of areas, notably, but not limited to:**

- Scholarships and grants
- Nanhi Kali
- Mahindra Pride schools
- Lifeline Express
- Project Hariyali
- Watershed management
- Disaster relief and rehabilitation

**The Company focuses its efforts within the constituencies of girls, youth and farmers through program designed in the domains of education, health and environment. The social initiatives of the group have been very well streamlined where each group company donates 0.5% of their PAT to the K C Mahindra Education Trust and adopts projects under the Trust. The remaining 0.5% is used by the company to run community development programs on their own.**

Mahindra & Mahindra Limited headquartered in Mumbai, has spent Rs. 85.57 Crore towards various corporate social responsibility (CSR) programs and initiatives during the financial year 2016-17, financial report said.

“Mahindra & Mahindra CSR efforts continue to be directed towards supporting the constituencies of girls, youth and farmers by innovatively supporting them through programs in the domains of education, health and environment, while harnessing the power of technology. It is



only through these sustained and continued efforts that your Company can build and consolidate its CSR activities which contribute to nation building." Annual Report said.

They have been making an impact through their ongoing CSR programs, some of the notable ones include Project Nanhi Kali, which supports the education of underprivileged girls, Mahindra Pride Schools, which provide livelihood training to youth from socially and economically disadvantaged communities and a variety of other scholarship programs, which range from providing opportunities to youth from low income group families to undergo diploma courses at vocational education institutes, to allowing meritorious students to pursue their post graduate studies at reputed universities overseas, to allowing meritorious and deserving students to study at the Mahindra United World College in Pune.

It has also helped set up an engineering institution 'Mahindra Ecole Centrale' MEC in Hyderabad, in partnership with Ecole Centrale, Paris and the Jawaharlal Nehru Technological University, Hyderabad. In the area of public health, Mahindra & Mahindra sponsored Lifeline Express, through which medical care and treatment was provided to communities who do not have access to any medical facilities. The Company has contributed to the environment by adding green cover through planting of over two million trees through Project Hariyali.

Mahindra & Mahindra has supported small and marginal farmers by training them in effective farming practices including soil, health, crop planning, creating model farms with bio-dynamic farming practice, with a view to increasing crop productivity, through Wardha Farmer Family Project, Krishi Mitra Project and Integrated Watershed Development Project.

The Company partnered with Maharashtra Govt. to support Village Social Transformation Mission of the Govt.

It has also created a Zero Fatality Corridor to ensure 'zero' deaths due to accidents on Mumbai Pune Expressway.

#### **CSR and TATA Motors:**

Tata Motors is committed to sustainable development, where business goes hand in hand with societal well-being and environmental consciousness.

##### **(a) Pollution Control**

Tata Motors is the first Indian Company to introduce vehicles with Euro norms. Tata Motors' joint venture with Cummins Engine Company, USA, in 1992, was a major effort to introduce emission control technology in India. To make environment friendly engines it has taken the help of world-renowned engine consultants like Ricardo and AVL. It has manufactured CNG version of buses and also launched a CNG version of its passenger car, the Indica. Over the years, Tata Motors has also made investments in the establishment of an advanced emission-testing laboratory.

##### **(b) Restoring Ecological Balance:**

Tata Motors has planted 80,000 trees in cities and more than 2.4 million trees have been planted in Jamshedpur region. Over half a million trees have been planted in the Pune region. The company has directed all its suppliers to pack their products in alternate material instead of wood. In Pune, the treated water is conserved in lakes attracting various species of birds from around the world.



(c) **Employment Generation:**  
Relatives of employees in Pune have been encouraged to engage in productive activities like re-cycling scrap wood into furniture, welding, steel scrap baling, battery cable assembly etc.

(d) **Economic Capital:**  
In Lucknow, two Societies - Samaj Vikas Kendra & Jan Parivar Kalyan Santhan have been formed for rural development & for providing healthcare in rural areas. These societies have made great efforts for health, education and women empowerment in rural areas.

(e) **Human Capital:**  
Tata Motors has introduced many scholarship programs for higher education of children. Through a scholarship program Vidyadhanam, the company supports 211 students. Out of these students 132 students are from the marginalized sections of society. These students get books, copies and other study materials. They also undergo different kinds of workshops, creative & outdoor sessions and residential camps as well.

### **CSR and Mercedes Benz India Pvt. Ltd.**

Mercedes Benz India Pvt. Ltd. is an Indian subsidiary of the Daimler AG a German auto giant. It has been operating in India since 1994 with its headquarters in Pune, Maharashtra.

It broadly undertakes activities in the areas of road safety and semi-urban community development in the fields of quality education and Infrastructural facilities.

The company operates through collaborating with partner NGOs and trusts. It has previously undertaken education initiatives, food and hostel provision through the Shashwat Trust. In collaboration with Laureus, and other partner NGOs such as Oscar Foundation, YUWA India Trust, NAZ Foundation, Krida Vikas Sanstha, it has initiated projects in rural India where students from different parts are brought together through medium of sports. Underprivileged girls are also encouraged to participate in training sessions and life development skills.

Being an auto giant, Mercedes Benz India Pvt. Ltd. finds value in investing in skill development of people especially in auto, their business domain. In collaboration with the Government Polytechnic Pune, Aurangabad, and Thiruvananthapuram, it initiated a unique an Advanced Diploma in Automotive Mechatronics especially in India. It also gives scholarships to deserving students. In the similar area, it collaborates with Don Bosco Pune where it has started an advanced auto body repair center. The purpose of which is to help make students industry ready.

Most of the company's resources are into related domain areas. It initiated 'Safe Roads', a road safety program, which helps inculcate road safety rules in people resulting in decreased road accidents. In this activity over 5600 students, 76 doctors, NGOs and over 60 government representatives were actively engaged. Driver sessions were conducted for over 200 drivers in Bangalore, covering 8 cities which are Delhi, Bangalore, Mumbai, Kolkata, Pune, Chennai, Kochi and Ahmedabad.

The company took an initiative of constructing new building and training hall of Smt. Vimalabhai Nerlekar school at Khadakwadi village where students from socially and economically challenged background study. It also gave scholarship to deserving students. Mercedes Benz India in collaboration with Shashwat trust initiated health checkup camps targeting 800 villagers from 6 to 7 different villages and helped them by providing treatment facilities.

Mercedes Benz India under Swachh Bharat Swachh vidyalaya campaign constructed 2 toilet blocks in two schools of Goa and total 10 schools in Pune district. It also provided road sweeping trucks which helps in reducing the air pollution.



Mercedes Benz India contributed towards the operational cost of Savali Ngo, an ngo working for special children and cerebral palsy. The project benefits 100 students annually. Mercedes Benz India took an initiative with an NGO to grow trees. 50,000 trees were successfully planted in 8 villages of two districts of Maharashtra. Mercedes also provides certificate to the customers for planting 10 saplings per car. Mercedes Benz took initiative of planting trees in native areas in vicinity to combat the effect of products manufactured in the company. An exclusive bar code is assigned to every tree that will help in tracking the number of trees planted. Mercedes Benz also participated in Jal Yukta Shivar where it built sustainable watershed structure and groundwater recharge in major drought areas of Khed and Ambegaon taluka. They provided conservation structure and a source of drinking water to the nearby communities. They have taken a long-term objective of providing clean drinking water in rural area schools Khed and Ambegaon Taluka in district Pune. They have installed high quality water purifiers in 14 remote schools.

Mercedes Benz has also taken a project for restoring mangrove forest in two sites in India. It involves local communities in the activities and gives training in preservation of forest to local people.

### **BMW and CSR**

BMW India Pvt. Ltd. is a wholly owned subsidiary of BMW group. It started its operation in India in 2004. Its headquarters is in Chennai, Tamil Nadu. BMW is committed to undertake socially useful programs for social and economic development. Its main focus is welfare of weaker sections of society and road safety awareness.

BMW conducted an Educational awareness program for 1000 children of 12-18 years on road safety. This activity took place in Noida, Anoopshahr. The total amount spent was 10 lakhs. BMW also took interest in distributing pamphlets and flyers on road safety all over India. The total amount spent was 2 lakhs. BMW conducted road safety awareness drives through films on road safety, and social media. This activity mainly targeted the road users, head and spinal injury victims, construction workers. Total amount allocated for this activity was 7 lakhs.

BMW purchased Neuro Rehab equipment to upgrade Indian Head Injury Foundation Rehab Centre. It targeted the victims of head and spinal injury. The activity took place in New Delhi and Jodhpur and had a budget of 10 lakhs. BMW also updated their Facebook page and website to focus on Head injury prevention, rehabilitation and patient support. This had a budget of 2 lakhs. They distributed wheelchairs and accessories to Para and Quadriplegic people of the weaker sections of the society. The budget allocated was 5 lakhs. They donated 1000 helmets to the two wheelers users from the weaker sections of the society. This activity started from Jodhpur and took place all over India. The budget allocated was 4 lakhs.

BMW through Magic Bus Foundation initiated an activity for sustainable livelihoods through training programs, skill upgradation programs such as computer learning. They targeted 200 youths of age 18-25 from family whose annual income is less than 1,20,000 from the community of displaced slum dwellers and migrated people to Navi Mumbai and Chatarpur area in Delhi. The budget was of 65,26,470. They also distributed clean water to slum migrants of Delhi NCR and in villages of Irula Tribe in Kanchipuram, Chennai. The allocated budget was 46,74,000.

### **Section 5 :**

#### **Conclusion**

With businesses focusing on generating profits, CSR was not a popular concern among companies up until recently. With increased media attention, pressure from non-governmental organizations, and rapid global information sharing, there is a surging demand to involve into CSR at various levels like conducting sustainable business practices and doing social welfare activities. For bringing back and maintaining the general balance in the economic and social arena it is evident to think deeply and act wisely about CSR. Every business house owes some



responsibility towards the society, nation and world in general which provide it with all human, material and natural resources.

Mahindra & Mahindra group plays major role in fulfilling its duties towards the societal orientation segment. Its Kisan-Mitra Initiative helps farmers generating wealth by getting education on latest agricultural-trends and this way company also generates good revenues from the wealthier and more loyal customers, and also increase their customer base. We can safely state that social responsibility can go hand in hand with greater business profits and therefore, can generate win-win situations.

The TATA group has gone a long way in fulfilling its duty and responsibility towards the society and the nation. It has reached the masses to elevate their lives, to nurture their dreams and to hone their skills justifying the statement of the founder

Mercedes Benz majorly contributes in uplifting the weaker sections of society. The company helps the unprivileged sections of the society through various foundations like The NAZ, The Shashwat, and The Oscar trust. Its main focus is on the growth of women and children. The other area it contributes is the road safety where it makes the people aware of the road safety rules and also conducts driving lessons.

BMW concentrates on specific cities and areas for its contribution. It allocated specific budget for each activity and spent that amount wisely on its activities. Its main activities are concerned with welfare of the society and road safety.

#### **Suggestions**

CSR has gone through many phases in India. The ability to make a significant difference in the society and improve the overall quality of life has clearly been proven by the corporate. Not one but all corporates should try and bring about a change in the current social situation in India in order to have an effective and lasting solution to the social woes. Partnerships between companies, NGOs and the government should be facilitated so that an effective combination of their skills, expertise, strategic thinking, manpower and money to initiate extensive social change will put the socio-economic development of India on a fast track.

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<b>Research Study</b>	: 4
<b>Academic Year</b>	: 2018-19
<b>Title of Study</b>	: Rethinking Agropreneurship Development
<b>Researchers</b>	: Omkar Dahiwalakar (TY BBA) and Shruti Patil (TY BBA)
<b>Mentor</b>	: Dr. Dipak Wayal

### ***Abstract***

In the ever changing environment a shift from agriculture to agropreneurship is an essential pathway to revitalize Indian agriculture and to make it more attractive and profitable venture. Agropreneurship 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 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 with special reference to soybean crop. 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 agropreneurship in rural area. Secondary data will be 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:*** Agropreneurship Development, Poverty Reduction.



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## Chapter 1 – Introduction:

### 1. Introduction:

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. Agropreneurship is the part of Agropreneurship, and both these are essential pillars of rural entrepreneurship. It also has potential to generate growth and entrepreneurial opportunities in rural areas. Rural entrepreneurs 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.

The term 'agro food processing industries' covers a wide range of activities utilizing farm, animal 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 therefore 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 missing, or institutional arrangements for collection, processing and marketing of the by-products may be lacking.

Maintenance of a high output-to-input ratio on government schemes and prioritizing government expenditure to only those areas where returns are high, besides allocating money and resources for sustaining primary investments (say in terms of managing and fixing the irrigation management systems) are all steps that need to be taken. One important way to achieve a more profitable agricultural model is to diversify crops to include higher-value commodities. This helps immensely with poverty alleviation, due to the limited land holdings of certain farmers. Further, liberalization of elements such as transportation, processing, marketing and export can be helpful in making the market competitive and to inject capital into the system. The government can play a basic minimum regulatory role but most of the agro-processing must be endowed with a competitive market value chain. This will lessen the burden on the government to invest in power, fertilizers and irrigation systems, wherein it spends four times what it spends in investment expenditures! Also, one must improve access to rural finance for farmers since it is still difficult for farmers to get credit.

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 agropreneural practices thereby generating employment, reducing the dependencies, promoting agriculture and its potential to contribute to Gross Domestic Product.



### **1.1 Significance of the study in the context of current status:**

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 Agropreneurship. There is need to suggest some plan to develop it. The Government is taking initiatives for rural development and it becomes imperative to check its effective utilization by Agropreneurs. 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 managerial, technical and innovative skills of entrepreneurship applied in the field of agriculture is likely to yield positive results and a well-trained and successful Agropreneurs will be a role model to disheartened farmers.

Applying the thought and practice of entrepreneurship in the field of agriculture generates wide range of economic benefits like – increased agro productivity, creation of new business ventures, new job opportunities in rural areas, innovative products and services, development of rural areas and increased wealth. In turn, this study will help understand potential of Agropreneurs in terms of skill, production and marketing and reliability of them for the sustainable development of rural area.

### **1.2 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 Agropreneurship. 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, Sujana, & 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 Agropreneurs, the road to rural development can be made more efficient and sustainable.

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 agropreneurs. 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 Agropreneurship.

### **1.3. Objectives of the research:**

1. To understand challenges faced by agropreneurs.
2. To rethink agropreneurship development.



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.

**Vinayak Kshirsagar** states in his thesis that “Small-scale industries do not require a high level of technology. These are generally labour intensive and do not require a large amount of capital. The energy of unemployed and under employed people may be used for productive purposes in an economy in which capital is scarce. SSI projects can be undertaken in a short period and hence can increase production both in the short and the long run. Most developing countries are rich in certain agricultural, forest and mineral resources, small scale enterprises can be based on the processing of locally produced raw material.” (Vinayak, 2016). He also opined that the socio-economic prosperity of any country mainly depends upon the success of industrial as well as agricultural sectors.

### **3.2 Need of Agropreneurship Development**

Agriculture frames the foundation of the Indian economy. Thus, India is likewise called as 'agriculture – commanded nation.' Agriculture assumes a vital part in the Indian economy is confirmed by the certainties that it contributes 22 per cent to the aggregate gross residential items, gives business to around 65 per cent of the aggregate work constrain, and contributes 14.7 percent of aggregate fares of the nation. Over the period of time, the contribution of agricultural sector in GDP in India has declined to 13.7% in 2012-13 from 51.9% in 1950-51. This decline is result of the shift from traditional agricultural economy to industry and service sectors, this performance are very meagre if we consider the size of the employment in this sector. In 2013-14, the GDP contribution of agricultural sector has been improved to 18%. More than 50% of people are employed in agricultural sector contributing to only 14 % of GDP. With respect to agricultural production India stands second but as far as export are concerned it is ranked 14th in the world. It is reported that the India's average agricultural production per hectare is only half of the of the world's average (50%), which indicates the need and potential for development of this area. By the analysis of above figures with reference to the greatest strengths of Indian agricultural sector like 157.35 million hectares of agricultural land, all the 15 major climates and 45 of the 60 soil types in the world, it can be stated that the current performance of agricultural sector in India is not upto the mark. Hence there is a clear need for agropreneurship development. National Agricultural Policy (NAP) announced by the Government of India in July 2000 seeks to actualize vast untapped growth potential of Indian agriculture, strengthen rural infrastructure to support faster agriculture development, promote value addition, accelerate growth of agribusiness, create employment in rural areas, secure a fair standard of living for farmers and agricultural workers and their families, discourage migration to face challenges arising out of economic liberalization and globalization etc.

### **3.3 Significance of Agropreneurship Development**

a. Availability of land for agricultural purposes.



- b. Low requirement of funds for agricultural activities.
- c. Illiterate and/or less educated population.
- d. Lack of employment opportunities in formal sector.

An economy broadly consists of two sectors, namely, agriculture and industry. Agriculture refers to the rural economy; whereas industry to that of the urban economy. Still, 72 per cent of India's population resides in rural areas and the rural areas are characterized by widespread unemployment and abject poverty. Thus, economic development of India means and depends on the economic development of her vast agrarian or rural economy. As regards how to develop rural economy, it depends on development of all what prospects and possibilities exist therein.

Of late, the new agro-economic conditions have offered a good scope for development of agri-business especially in rural areas of the country. Given its good promises for attracting huge investment including foreign investment, agri-business worldwide is considered to be a sunrise industry including India.

Let us first understand the meaning of agri-business. Agri-business is an old concept but relatively new term used in business literature. As referred by Hansra and Vijayaragavan, the term 'agri-business' was formally introduced by Professor Ray Goldberg of Harvard University during mid- fifties.

It is a comprehensive word encompassing a wide variety of activities related to production, processing and marketing of crops, livestock, and forest products. According to Surya Kumar (1999), agri-business includes activities relating to production, propagation, and distribution of products and services relating to agriculture, floriculture, horticulture, sericulture, aquiculture, and animal husbandry.

In other words, agri-business comprises of organizations and enterprises which in some way contribute for value and supply chain elements such as production, processing, marketing, packaging, transportation and wholesale and retail trade. The supply chain includes the entire spectrum from farm gate to plate. In a sense, agri-business includes all operations involved in the manufacture and distribution of farm supplies. Some researchers have tried to differentiate agri-business in terms of on-farm and off-farm activities. They call on-farm activities as agriculture and off-farm activities as agri-business. Having made a case for agropreneurship development, or say, agri-business development, let us now justify the need for developing agropreneurship or entrepreneurship development in agri-business.

### 3.4 Types of Enterprises

Different types of ventures in agri-business:

1. **Farm Level Producers:** At the individual family point, every family is to be treated as venture, to enhance the production by making best use of the technology, possessions and demand in the market.
2. **Service Providers:** For optimizing agriculture by every family business, there are diverse types of services requisite at the village level. These include the input borrowing and distribution, hiring of equipment like tractors, sprayers, seed drills, threshers, harvesters, dryers and scientific services such as setting up of irrigation amenities, weed curb, plant security, yielding, threshing, conveyance, warehouse, etc. related opportunities exist in the livestock husbandry sector for providing breeding, immunization, disease diagnostic and treatment services, apart from allocation of cattle feed, mineral combination, forage grains, etc.
3. **Input Producers:** There are many flourishing enterprises, which need critical inputs. a few such inputs which can be produced by the home entrepreneurs at the village level are biopesticides, soil amendments, bio fertilizers, vermicomposting, plants of diverse species of



vegetables, fruits, ornamentals, root media for raising plants in pots, production of cattle feed concentrate, agricultural tools, irrigation accessories, mineral mixture and complete feed. There are good openings to support, fishery, sericulture and poultry as well, during sponsorship of critical service amenities in rural areas.

- 4. Processing and Marketing of Farm Produce:** Well organized management of post-production processes requires higher level of knowledge as well as investment. Such venture can be handled by People's Organizations', either in the form of cooperatives, service joint stock companies or societies. The most successful instances are the dairy cooperatives, sugar cooperatives, and fruit growers' cooperatives in lots of States. However, the success of such undertaking is exclusively dependent on the reliability and ability of the leaders involved. Such undertaking needs good specialized support for running the activities as a competitive trade and to contend well with other players in the market, mainly the retail traders and intermediates.

### **3.5 Challenges for agropreneurship development:**

Despite huge potential and prospects of agropreneurship development in the country there are some important challenges in the process of agropreneurship development which needs to be taken care very seriously and timely: They are as following:

#### **I) Inadequate infrastructural facilities:**

For any kind of development, infrastructure is a pre requisite. In rural India, the infrastructural facilities are very poor and inadequate particularly with respect to the facilities like transportation, communication, power and marketing networks.

**II) Lack of entrepreneurial culture among people:** In India, in many areas very poor entrepreneurial culture has been identified. Lack of education and awareness is causing a gap in the development of entrepreneurial culture among rural people.

**III) Migration of skilled and talented workforce from rural area to urban:** People from rural area are migrating to urban area because of very poor infrastructure and facilities in rural areas. This migration is creating a gap in the rural talent. It is because of lack of employment, skill, specialization and platforms to use their talent. Even Skilled, educated and trained in some specific areas are seeking jobs with different areas in urban sector.

**IV) Poor technologies and equipment:** Information helps people to explore the opportunities analyzing the situation and make appropriate decisions at right time. Lack of information is a big gap in agropreneurship development. Lack of Information Technology and knowledge on farm equipment and farm enterprise will have an adverse impact on the development of Agropreneurship. It happens due to poor technological facilities and equipment creating challenge for information support for agropreneurship development which is very critical.

**V) Problems in marketing of agricultural products:** Production has no value unless it is sold and consumed. Lack of proper transportation, warehousing facilities, and lack of facility to promote the agri-products, lack of market information, destabilized prices for agriculture products, uneven demand, influence of local mediators and many more are creating a lot of trouble.

**VI) Inadequate institutional measure and Government Policies:** Though there are number of Govt. policies, the implementation is felt not appropriate because of the problems like corruption and bureaucracy. Because of illiteracy and ignorance, the rural people are unable to get the information of the policies of the Government and get the benefit. Critically speaking, the support from the Government in agriculture sector is much less than the support extended to industry and service sectors development.



### 3.6 Expected outcomes from agropreneurship:

**I) Social and economic benefits:** Agropreneurs standard of living is increased with socioeconomic empowerment. They are recognized with social status and prestige. They can afford quality and quantity of nutritious food, better education, and medical facilities to their families. It is a promising sector to build resources and mobilize local resources for community development as a whole.

**II) Net income:** The process of value chain and agro processing multiplies the net income into many times than conventional method of marketing after produce.

**III) Sustainability:** Agropreneurs continue to learn and embrace sustainable farming methods, business opportunities through the cycle of agribusiness and overcome risks associated with agribusiness. They always seek for more sustainable development of their enterprises.

**IV) Employment generation:** The most pressing advantage of agropreneurship development is huge employment opportunities for rural youth and farmers. Therefore it helps in enhancing rural income and improving living standard of rural people.

**V) Reduce rate of migration of rural people to urban centres:** Agropreneurship development creates lot of employment in rural areas itself, thus provide people their standard livelihood in villages only. This reduces the rate of migration of rural people particularly rural youth from villages to urban centres consequently reduce the population pressure on urban infrastructure.

**VI) Providing urban amenities in rural areas:** The agropreneural ventures will not grow alone but the supporting resource infrastructure will grow which will create urban like setup and facilities for local inhabitant in rural areas. Besides above visible impact agropreneurship also helps in reducing unemployment and underemployment thus helps in alleviating poverty. Agropreneurship helps in checking migration of skilled and talented rural youth and workforce from rural to urban areas thus reducing population pressure on major urban center and also create opportunity within villages itself.

## Chapter 4. Research Methodology

### 4.1 Research Design

Research is exploratory and analytical in nature. Agro processing industries are taken into consideration for the research. Exploratory research is defined as a research used to investigate a problem which is not clearly defined. It is conducted to have a better understanding of the existing problem, but will not provide conclusive results. For such a research, a researcher starts with a general idea and uses this research as a medium to identify issues that can be the focus for future research. An important aspect here is that the researcher should be willing to change his/her direction subject to the revelation of new data or insight. Such a research is usually carried out when the problem is at a preliminary stage. It is often referred to as grounded theory approach or interpretive research as it is used to answer questions like what, why and how.

For example: Consider a scenario where a juice bar owner feels that increasing the variety of juices will enable increase in customers, however he is not sure and needs more information. The owner intends to carry out an exploratory research to find out and hence decides to do an exploratory research to find out if expanding their juices selection will enable him to get more customers or if there is a better idea. Deductive research approach explores a known theory or phenomenon and tests if that theory is valid in given circumstances. It has been noted that "the



deductive approach follows the path of logic most closely. The reasoning starts with a theory and leads to a new hypothesis. This hypothesis is put to the test by confronting it with observations that either lead to a confirmation or a rejection of the hypothesis" Moreover, deductive reasoning can be explained as "reasoning from the general to the particular", whereas inductive reasoning is the opposite. In other words, deductive approach involves formulation of hypotheses and their subjection to testing during the research process, while inductive studies do not deal with hypotheses in any ways.

#### **4.2 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.

#### **4.3 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.

#### **4.4 Data Analysis:**

Having predetermined framework for the research, researchers have used deductive research analysis method, where interviews are conducted to collect data. A deductive approach is concerned with "developing a hypothesis (or hypotheses) based on existing theory, and then designing a research strategy to test the hypothesis.

It has been stated that "deductive means reasoning from the particular to the general. If a causal relationship or link seems to be implied by a particular theory or case example, it might be true in many cases. A deductive design might test to see if this relationship or link did obtain on more general circumstances".

Deductive approach can be explained by the means of hypotheses, which can be derived from the propositions of the theory. In other words, deductive approach is concerned with deducting conclusions from premises or propositions. Deduction begins with an expected pattern "that is tested against observations, whereas induction begins with observations and seeks to find a pattern within them".

## **Chapter 5. The Conclusion**

### **5.1 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. Agropreneurship are not aware about the pre and post production properties.

The following are government initiatives:

**I) The National Institute of Agricultural Extension Management (MANAGE), Hyderabad** is implementing the Scheme of Agri-clinics and Agri-Business centers initiated by the Ministry of Agriculture, Government of India. The Scheme aims at supplementing existing extension network to accelerate process of technology transfer in agriculture and strengthening input supply and services. Agri-graduates and Post graduates. Diploma holders in agriculture and allied fields can set up their Agri-Clinics and Agri-Business Centers and offer professional/consultancy extension services to farmers. The scheme enumerates availability of better methods of farming to farmers and better opportunities for self-employment to the Agricultural Graduates. As an integral part of the Scheme, specialized training is provided free of cost to the eligible agricultural



graduates. The course comprises of various aspects of entrepreneurship and business management. Centre for Entrepreneurship Development, (CED) Hyderabad is one of the recognized Nodal Training Institutes to provide two months Training Programme.

### **II) Institutional Support for Agri-business**

RBI started in July 1982 NABARD to give full attention to the rural sector in areas of agriculture, small – scale and cottage industries and agro-based industries. Since its formation NABARD hold the responsibility of managing all the activates of the RBI pertaining to rural development and agro based activities

### **III) Panchayatmandi (Agri-Mandi)**

The concept of self-governance has gone to the level of marketing of village produce through village markets and fairs. The concept of Panchayat mandi is to reduce the influence of middlemen and traders. This is possible only if functioning of the Panchayat is effective in coordination with state marketing boards and APMC (Agriculture produce market committee).

### **IV) State Agricultural marketing banks (SAMB)**

State agricultural marketing banks are set up to actively regulate markets for food crops and oilseed in bigger markets of towns and cities.

**V) NCOSAMB (The national council for state marketing board)** An agro based country like India needs training centres with modern facilities throughout the country. The government of India provides grants in aid to state to set up such training facilities. NCOSAMB is the body to coordinate the programmes of such training.

**VI) State Trading Corporation (STC)** The state trading corporation of India ltd is premier international trading house owned by the government of India having been set up in 1956; the corporation has developed vast expertise in handling bulk international trade international trade.

## **5.2 Rethinking Reforms**

Agricultural entrepreneurship shares many characteristics of "generic" entrepreneurship, but also has its distinct features due to the specific context of the agricultural sector. With better industrial and entrepreneurial education discipline, entrepreneurs will naturally take advantage of the vast human resource availability. It is clear that there is a great scope for entrepreneurship in agriculture and this potentiality can be tapped only by effective management of agri elements an individual with risk bearing capacity and a quest for latest knowledge in agriculture sector can prove to be a right agropreneurs. 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. Agropreneurship is not only an opportunity but also a necessity for improving the production and profitability in agriculture sector.

As per the data analysis and findings drawn, it can be concluded that there are various good schemes of the government for the Agropreneurs. 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.

From the last many years country is constantly struggling with the problems of unemployment, underemployment, especially amongst the rural populace and unfortunately we have failed in addressing these problems very effectively. Considering that two-thirds of the Indian population is employed (either directly or indirectly) in the agriculture sector, providing viable and



sustainable business opportunities in Indian agribusiness is imperative for generating employment in the country. With Industrialization attaining a plateau, the opportunities of value addition in farm produce has the potential to not only address the issues of employment but also carry forward the development agenda of the country in a more sustainable manner by balancing the growth requirement with the inherent strengths of the country. It is believed that agropreneurship development will help the economy to leverage the identified strengths and to achieve tremendous growth in primary sector and to contribute for rural development. It helps the economy to achieve self-sustainability in food production. Further, it helps in achieving balanced economic growth.

Agropreneurship Development is going to give excellent results at rural level. In this context, it is widely believed that sustainable agribusiness ventures can promote job-led economic growth in rural areas through harnessing science and technology for environmentally sustainable and socioeconomic viable economic opportunities. Agropreneurship in sustainable agriculture like natural farming, organic farming, eco-friendly agriculture etc. has the potential to transform the face of rural India, the prime driver of our economy. Agriculture can be better positioned as a more profitable economic activity by integrating the same with processing, packaging and storage activities. So, there is a dire need of making suitable policies and frameworks with action plans for achieving the target of agropreneurship development with establishment of several support systems to incubate the agropreneurs in rural India.

The current government has taken steps like the issuing of soil health cards to keep a tab on the 'health' of the soil. Designation of the agriculture ministry as the agriculture and farmers' welfare ministry has brought to the fore the idea that keeping farmers' welfare is important for agriculture progress. I would go a step further and include *sustainable community/ family interests* as well, albeit for that a sizeable amount of dialogue will need to be done with the rural development ministry.

They say India's soul resides in her villages and agriculture still sustains most of our rural populace. Given this reality and the aforementioned specific realities, the path seems clear. All we need now is a clear political will and action.

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