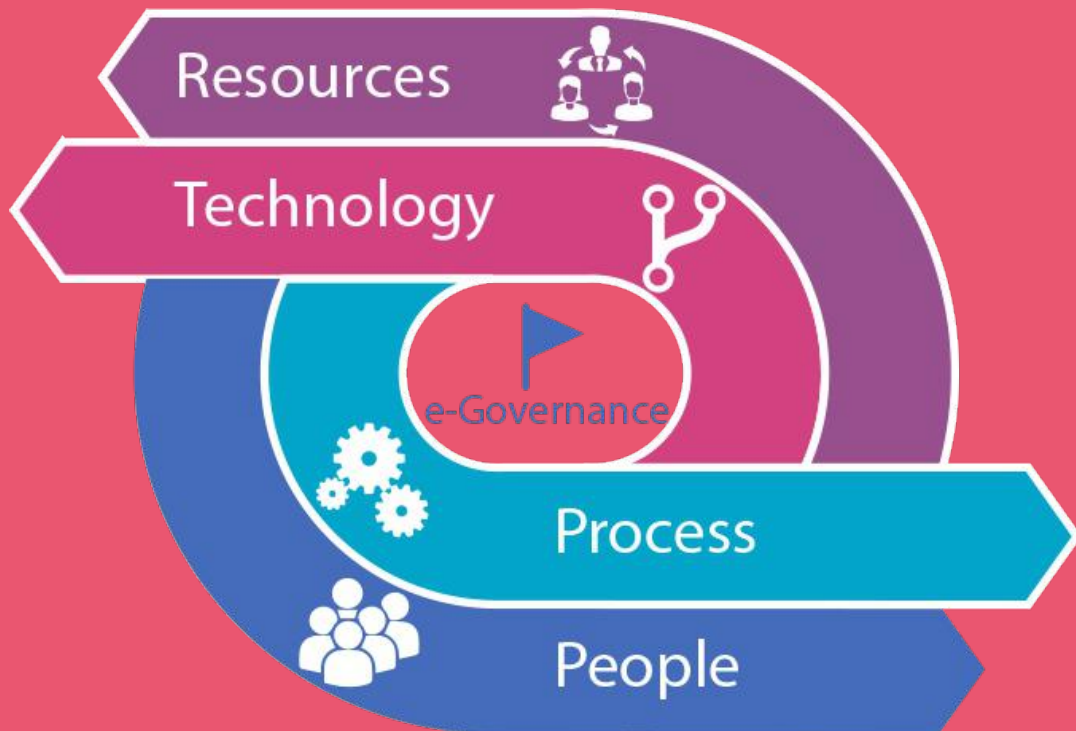


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NEW DIMENSIONS IN E-GOVERNANCE

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Prof. (Dr.) S.S. Modi

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NEW DIMENSIONS IN E-GOVERNANCE

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Work from Home-Boon or Bane for Life Balance

Dr. Anurag Sharma*
Ms. Divya Shekhawat**

Introduction

It is said that, Work-Life Balance is one of the core central issues and concerns for 21st century societies, and as stated by the American Psychological Association, stabilizing work and family is among the severe challenges for the current generation of employees. Clutter buck (2003) reports, Work-Life Balance is a very important and critical issue in the 21st century, human resource practitioners have begun viewing Work-Life Balance as a business issue, because it benefits for both worker and owner.

One of the first definitions in this field of Work-Life Balance research is that of Greenhaus and Beutell (1985), which states that work and non-work obstruction is a type of between part strife in which the part weights from the work and family spaces are commonly contradictory in some regard. That is, support in the work part is made more troublesome by ideals of investment in the family part. This definition suggests that work can either influence an individual's personal life or an individual's personal life can influence his/her work.

It is really difficult to give a standardized definition for "work life- balance", however, Kalliath & Brough, (2008) have defined work-life-balance as "*Work-life*

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balance is the individual perception that work and non-work activities are compatible and promote growth in accordance with an individual's current life priorities"

In the present scenario of life, where the life style, competitions and other external and internal demands on an individual become important to fit into any social set up, a healthy and positive mind is very necessary. Psychology at work today is an important department, to keep employees motivated and satisfied to work and perform well. This is not only for the organizational benefits, but also for individual's development and progress, such as self-confidence, crisis management and problem solving etc. Employees spend half of their day at work ,and then return to their personal life in the evening. Balancing between their personal and professional commitments plays an essential part in their life in maintaining a good and positive physiological, psychological, social and emotional health.

The 9am to 5pm job is losing its appeal. Now progressively many companies are offering flex work hours, and give employees the flexibility to set their own particular work routines to keep their worker solid and upbeat. Employees consider this to be a perfect intends to stay in the workforce and continue to be employed thereby maintaining all the tangible benefits of being part of an established company, while enjoying all the advantages of being based at home.

Advances in innovation make it far more straightforward to stay in contact and work far from the business' premises. It does require a working relationship that is based upon trust and encourages employees to manage their own work. As employers, organizations also have a 'duty of care' to protect their employees from dangers to their wellbeing and security. These dangers may incorporate anxiety caused by working extend periods of time or attempting to adjust work and home life. Adaptable working can enhance the wellbeing and prosperity of representatives. The above conceptual factors create the need for the study and enlighten importance and role of work from home in organization with a title of research "Work from Home-Boon or Bane for Life Balance".

Review of Literature

A detailed Literature has been reviewed to make the study relevant. Few among them are:

Margo et al (2008), studied "the connection between work-life adjust assets and the prosperity of working guardians" which intended to examine how working guardians adapt to function life requests. The investigation utilized 27 working guardians with either sick or debilitated kids in New Jersey. It was a blended research with both subjective and quantitative outcomes. The outcome discusses the impact of formal and casual work environment bolster in upgrading the prosperity of representatives with youngsters by and large and those with a constantly sick or debilitated kid specifically."

Reddy et.al (2010), inquired about on "Work-Life-adjust among wedded ladies representatives". The investigation intended to investigate different variables which could prompt Work Family Conflict and Family Work Conflict among wedded ladies representatives. Work Family Conflict and Family Work struggle polls were directed on 90 wedded working ladies of age in the vicinity of 20 and 50 years. The discoveries of the investigation accentuated the need to make mediations for the administration of Work Family Conflicts at authoritative level as it is identified with work fulfillment and execution of the representatives.

In the study, 'Live to work' or 'work to live'? A Qualitative study of gender and work life balance among men and women", conducted on mid aged employees. The authors, **Enisilie and Kate (2009)** finished up through their investigation that ladies encounter a great deal of part clashes and juggling amongst work and life, notwithstanding when their kids are settled, though men encounter a considerable measure of past clashes and inconveniences that they confronted, when their youngsters lived with them. Among the men, some attempted to live though others lived to work. Among the ladies some developed themselves regarding their families and others made themselves to be 'independent women'.

Bacik and Drew (2006), tossed light on "battling with juggling: gender orientation and work life adjust with lawful experts" examine in their examination that ladies entering lawful investigations are expanding step by step however the level of rehearsing ladies legal advisors are still transcendently low, when contrasted with that of men. It was found in the examination that ladies legal advisors have bring down level of work life adjust and battle in keeping up the harmony amongst individual and expert parts and sexual orientation is a factor that can influence work life adjust. The research 'Allowed in a man's world'-Meaning of work life balance: Perspectives of women civil engineer as minority workers in construction" by **Watts JH (2009)** concentrates on ladies working in structural building field, which is a calling commanded by values that require unending accessibility and presenteeism. For a lady it is hard to adjust amongst work and life working in such callings, as accessibility is even at home more than men. A lady is relied upon to be one who cares and a nurturers at home and do in-your-face harsh and extreme employments on development fields. Adjusting between the two "countenances" is trying for ladies structural designers.

Matjasko and Feldmen (2006) examined on "Bringing work home: the enthusiastic experience of Mothers and Fathers". They examined that getting work home has expanded the inherent inspiration and help the representatives in committing time for themselves in the midst of all the everyday feeling transmission in the middle of work and home. Confirmations from the examination indicate how bringing back function home can influence moms' satisfaction, outrage and nervousness and fathers'

tension. In fathers there is an expanded characteristic work inspiration and more noteworthy general tension at home. The ramifications of the investigation recommended ladies efficiency and prosperity in 2 working-guardians family.

Objectives

The primary objective of the current research study is to study, analyze and enlighten importance and role of work from home in organization with a title of research "*Work from Home-Boon or Bane for Life Balance*"

Paper also emphasizes to study the secondary objectives as stated below:

- To give a hypothetical structure clarifying positive and negative work– home procedures indispensably.
- To study the Work-Life-Balance techniques utilized by employees.
- To study need of Work from Home as a tool for Work Life Balance.
- To study theories of Work Life Balance.

Research Methodology

A *research problem* in broad, refers to some deficiency which a researcher experiences in the context of either a theoretical or practical situation and wants to obtain a solution for the same. *Research Methodology* is a way to thoroughly solve the research problem. It might be acknowledged as the science of studying how the research is done experimentally. The aim of the proposed research is to explore and describe the facts and developments related to the subject of the research.

Type of Research

Present research is *explorative and descriptive* in nature. The present study is based on secondary data collection, i.e. data is gathered for research study from information which has previously been collected by some organizations to satisfy its own need, but it is being used for the current research under references for an entirely different reason, such as Company's literature, Annual reports, Sales reports, Published sources like books and journals, Research papers, Masters and PhD Thesis, Newsletters, Media and authentic Websites.

Findings of Study

Employees spend almost half of their day at work and get back to their family lives in the evening. Managing and switching their priorities and roles from one domain (work) to another (life/family). Meeting all the demands of both the domains becomes really crucial and strenuous for them, as their energy levels are not constant. Not having the capacity to give rise to time for every one of the spaces may prompt some sort of disappointment and blame about the parts they play. If these conflict experiences continue it will play a depressing brunt on general life satisfaction, physical, psychological and social health and wellbeing. It can also affect performance

at work. Conflicts and problems faced in one domain can affect one's involvement in the other domain.

Some studies explain the concepts of Enrichment and Facilitation to explain the positive impact played by the conflicts on the employees. When an individual has good experience in one domain of life, it facilitates the employees to have a better experience in the other domains as well, which brings a sense of overall satisfaction in skilful and confidential life in the employees. It is also studied that learning multitasking helps managing both work and personal activities more efficiently and smoothly. A great deal of organizations offer work from home to employees due to workers because of the advantages that adaptability provides for both representative and boss. More prominent representative efficiency and higher association gainfulness are the most widely recognized advantages. Additionally, adaptable working hours advance and encourage work-life adjust. The alternative has its potential traps, however in flow look into a portion of the points of interest and burdens of telecommuting are talked about beneath as real findings of study:

Advantages to Employee

When you are working in a formal set-up, all the advantages of working from home seem to come to our minds. And many people often get attracted by the whole idea of being one's own boss. And there is no doubt about the fact that there are many rewards of working from home:

- Improved employee retention: Home working can help retain working parents with childcare responsibilities. Experienced lower stress levels, therefore improving their satisfaction and we all know that job satisfaction = job loyalty.
- Access to a more extensive pool of candidates: For instance, debilitated individuals who may want to telecommute
- Conceivable profitability increases: Due to less intrusions and less driving time.
- Expanded staff inspiration: With diminished anxiety and ailment levels.
- Wellbeing and wellness: One part of a more beneficial way of life that work from home offers is the accessibility of locally established exercise circuits, regardless of whether it be as straightforward as a stroll around the area or a run through a neighborhood nature trail.
- Adaptability – There is a great deal of adaptability that accompanies work from home. You can choose your own timings and can suit different undertakings that should be proficient.
- Higher obligation, higher responsibility: It is regular idea that a representative has a tendency to be dormant when supervisor isn't anywhere in the vicinity or when he isn't at his office work area. In any case, in all actuality, greater duty comes just when given an obligation of getting things done on claim.

- Accommodation: Ability to find deals staff close customers as opposed to in your premises.
- Better work/life adjust: Employees who work from home can prompt changes in wellbeing and prosperity. There are many favorable circumstances of work from home. Work from home implies representatives can split away for a reviving snooze should they require it, and they can recover lost time by working somewhat longer into the night from the solace of their home.
- Occupation fulfillment: A feeling of strengthening and flexibility radiates from somebody endowed with a more adaptable, work from home plan. Not exclusively does this adaptability make more fulfilled workers, yet it can likewise build representatives' excitement for the organization's objectives and desire.
- Great workplace: It is extremely normal in office condition to be encompassed with bunches of commotion and unsettling influences around. This will thwart the fixation and make focused. Having a tranquil domain and new climate is conceivable from working at your home. This will be more dynamic and centered to your activity.
- You are your own boss: One of the best things about working from home is that you get the opportunity to work for yourself. You don't need to be upbraided, admonished to complete the task. You won't be pressurized by somebody.

Disadvantages to Employee

Life is not all rosy when working from home. On the other side of the coin the disservices of working from home are abundantly as well. There are additionally a few impediments to representatives working at home, the majority of these identify with those telecommuting for all, instead of part, of their working week:

- Cost of working from home - introductory expenses of preparing and giving reasonable gear, including adjustments to meet wellbeing and security gauges and the requirements of debilitated workers.
- Problems with staff development - trouble of keeping up staff improvement and redesigning aptitudes.
- Increased telecommunications costs - for instance, increment in phone bills or requirement for a cell phone.
- Plenty of distractions: You will confront a lot of diversions when you are working alone. The thing about telecommuting is that a considerable measure will be set before you since you are at home constantly. You may need to get off a vital telephone to call to go to your children or do the clothing or something pressing that comes at home. Completing every one of your

errands is required, however you should make sure to avoid a wide range of diversions on the off chance that you need to wind up plainly the best.

- Toughness of restricting only to work: Getting just to work temperament, may be troublesome numerous a times in home. Keeping up a train depends and differs from individual to individual. Because of this reason telecommute may be an inconvenience.
- Missing Company's developmental activities: Working from home may likewise prompt miss few noteworthy events in office. A man may tend to miss the everyday exercises like bulletins, birthday occasions, introduction of new advances and some more. Because of this reason telecommute isn't tantamount to the normal office.
- Communication problems - could build sentiments of disconnection among home laborers.
- Not all jobs suit home working - working from home suits some jobs better than others.
- Nobody to help you: One of the most noticeably awful things from working at home is that there is no one to help you. You should work and help yourself the entire time. There will be no one to connect with you or be your staff. You need to deal with all work and assignments all alone.

Advantages to Employer

- Reduced Overhead: You for the most part don't need to supply office hardware or furniture for a working from home staff member and in a few cases might have the capacity to ask for that representatives utilize their own telephone lines and home PCs for finishing their work and remaining in contact.
- Reduced Turnover: Greater worker unwaveringness and diminished wearing down likewise mean less time and cash spent publicizing for open positions, screening, meeting and enlisting new staff members and updating them regarding work duties.
- Increased Productivity: Studies demonstrate that staff members who telecommute are more gainful than the individuals who work in a normal office condition. Representatives working at home have more prominent self-sufficiency, confront less intrusions and can concentrate on their work.
- Higher Morale: Employees with adaptable work alternatives regularly have higher assurance and make the most of their activity obligations more than those in a customary office condition. Expanded confidence frequently positively affects nature of work and profitability, which benefits the business as far as primary concern income.

- **Environmental Impact:** Employees who telecommute regularly speak with partners and chiefs through email, phone and videoconferences. Leading virtual gatherings and encouraging correspondence electronically ensures the earth through diminished car discharges. This helps the earth and can enable you to position your business as a decent corporate steward.
- **Work-from-Home Concerns:** Employers careful about enabling staff members to telecommute regularly fear representatives will manhandle the game plan. They may harbor worries that a worker won't work a full move or completely concentrate on the jobs needing to be done. One approach to battle this potential is to plot telecommute desires, set efficiency objectives and direct consistent advance registration.

Disadvantages to Employers

- **Security problems:** There may be some sort of hazard in sharing or exchanging data far from office. So telecommuting may prompt data security hazards on occasion. Infrequently this may be the motivation to deny telecommute alternatives to the businesses.
- **Increased telecommunications costs:** Sometimes long term remotely coordinating calls, typical gatherings or announcements through telephone calls can cost more than expected. Along these lines, now and again this may prevent giving a work from home alternative.
- **Communication problem:** Missed phone calls, or less information availability can cause some specialized postpones when telecommuting. There may be a few troubles because of correspondence issues while telecommuting.
- **Decreased staff moral:** Good affinity is constantly needed a sound domain in office. At the point when representatives regularly take telecommute, there are part many opportunities to not speak with each other and at times it may make a separation from each other. There are odds of reduction in staff coordination.
- **All jobs do not suit from home:** There are few occupations which won't not suit telecommuting. There are employments where singular nearness is particularly required. Thus, telecommute isn't a decent choice.
- **Difficulty monitoring performance** - there could be trouble overseeing home specialists and observing their execution.
- **Performance issues:** conceivable decay in representatives' abilities & work quality.
- **Promotions can be overlooked:** There are odds of being maintained a strategic distance from or ignored for an advancement as your quality may miss in office. This may likewise prompt not being associated with larger amount choices.

Conclusion and Recommendations

The Paper clearly demonstrates the importance and role of work from home in organization with a title of research "*Work from Home-Boon or Bane for Life Balance*"

Working from home has both advantages as well as disadvantages equally. It looks easy and promising, but it requires a lot of hard work. It depends upon the person majorly to handle their professional life in a very good manner. You can't be at two places on the double. You should be taught, beneficial and effective in your work. On the days or half days that you are telecommuting, you'll get the feeling that the workplace is scrutinizing your dedication. You'll likely even inquiry your own dedication, so is there any valid reason why they shouldn't? Rather than concentrating on your work, you place vitality into demonstrating your hard working attitude to individuals at the workplace. Be that as it may, considerably more imperatively, when you don't define up clear limits amongst work and home, you'll wind up with no reasonable limits amongst work and home. The current study can be applied and practiced in industrial relations and employee counseling as it explores various domains of work, life and the balance between the two: In many companies the HR teams are already working on work life policies that would assist the employees in coping with the balance between work and life. Companies also take up projects on employee relations and support where the HR team makes efforts to listen out to the issues faced by the employees. The current study can contribute to these projects taken up by the companies.

The issues discussed in the study can help in deriving and designing intervention/ training programs and other employee oriented policies by companies: The study discusses the issues faced by most of the employees in all walks of life; work, life, self, and other issues that might affect an employee's balance between professional and personal commitments and in turn affects their performance at work. Companies can utilize the analysis of the current study to bring about policies that support and facilitate the employees to cope with these issues. The research affirmed the proposition that, there are several benefits to working from home. It is in the employee's hand to choose the right thing for him as well the organization depending upon the pros and cons and it has a competitive assertion.

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Strategic Cost Management in Indian Pharmaceutical Industry

Dr. Pramod Bhargava*
Chahat Gupta**

Introduction

Strategic Cost Management is the analyzing the cost accounting information about the firm and other competitors in the market and to use the same information in order to develop and monitor the business strategy. The primary goal of strategic cost management is to reduce and bring maximum improvements in costs. The main objective of the Strategic cost management is to help the firms in achieving the cost leadership and to get the sustainable advantage over the other competitive firms in the market. In recent days, Strategic cost management has become an essential area. While developing and formulating the strategies, it is essential for the organizations to clearly define the different cost drivers to achieve the overall objectives. Effective strategic cost management is critical to the success of the firm or organization. Cost management has become much more critical and dynamic than before due to the growing pressure of the global competition, constant technological innovations and changes in business processes. To achieve the sustainable success, firms now need to think for the strategic thinking. The strategic emphasis also requires integrative thinking to identify and solve the problems. Since the issues related to strategy are becoming more and more important, cost management is now moving from a traditional role of product costing to a broader, strategic focus to strategic cost management. Strategic cost management is the development of cost management information to facilitate the strategic cost management.

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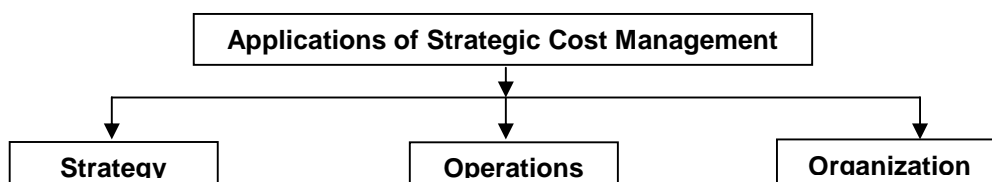
Strategic cost management has a broad focus. It is concerned with use of strategic information for the purpose of decision making. Strategic cost management is not only confined to reduction and controlling of costs, but it is much more concerned with the improvement of more strategic position of the firm at the same time. Strategic cost management facilitates the organization to earn the profits and increase the revenue. In the successful companies of 21st century, strategic cost management has so much relevance to organizations because it is more than only emphasizing on costs.

Today's we have entered into the area of liberalization. The focus of the overall industry has changed due to the process of liberalization. After liberalization, two factors have become important to improve the firm's performance and its profits i.e. cost and quality. In the changing paradigm business environment, firms need to focus on those strategic and key activities, which are necessary for future success of the firm and are helpful to the companies to realize the main goal of maximizing shareholder's wealth by selecting the right alternative out of the various alternatives available. After analyzing the pros and cons of various alternatives courses of action available, these alternatives are compared to select the best one. So companies here need to emphasize that only relevant costs should be considered and irrelevant costs should be ignored. Hence, cost data analyzed must be presented in a proper form for the proper control of costs.

Cost analysis is an integral part of profit planning and total management of an enterprise. It helps the firms to produce the quality goods at minimum cost. Cost analysis help the firms to take the immediate action to remove the deviations or deficiencies so that their can be reduction in cost and improvement in profits. Costs should be collected and classified in such a way so as to provide the information to pharmaceutical companies to ascertain the cost and profitability of each of the activity. The various techniques of cost analysis enable the firm to evaluate the efficiency, to maintain and then to take steps to improve it. The vital role of cost analysis is to provide a detailed control of material, labor and overheads of pharmaceutical companies. One of the problems in front of the pharmaceutical companies is that firms cannot quote the prices of their products properly unless they have proper information about costs. If prices of the pharmaceutical products are fixed without having proper costing information, it may possible that prices of the products may be quoted high or low.

Applications of Strategy Cost Management

There are three basic business areas where strategic cost management can be applied:



- **Strategy:** A strategy refers to the plan of action that shapes the direction of organization's success. Now, the companies have realized the importance of strategy and its effective implementation. Before formulating any strategy, the firm should think about its model or goals, whether these are relevant or need to be changed?
- **Operations:** Priorities can be fixed according to its importance. If the priorities are fixed, then the tasks can be accomplished effectively and efficiently.
- **Organization:** companies should check whether it is allocating its limited resources effectively so as to generate more value for the organization.

Overview of Selected Pharmaceutical Companies

- **Cadila Pharmaceuticals Limited:** Cadila Pharmaceuticals Limited is an Indian multinational pharmaceutical company headquartered in Ahmedabad, Gujarat, and Founded in 1951. Cadila Pharmaceuticals manufactures and sells finished formulations and active pharmaceutical ingredients (APIs) in 100 countries. The company offers formulations across therapeutic areas such as cardiovascular, anti-infective, antibiotics, respiratory agents, ant diabetic etc. Cadila Pharmaceuticals offers branded and generic formulations covering more than 45 therapeutic segments and 12 specialties.

- **IPCA Laboratories:** The company was incorporated as 'The Indian Pharmaceutical Combine Associations Limited' in October 1949. IPCA is one of the fastest growing Indian Pharmaceutical Company as well as fully integrated company. It has a strong thrust on exports. Its product like APIs and formulation are approved by leading drug regulatory authorities including UK- Medicines and Healthcare Products Regulatory Agency (MHRA), Brazil-Brazilian National Health Vigilance Agency (ANVISA), US- Food and Drug Administration (FDA). IPCA's consists of more than 52% of the total income from exports. It has its operations in over 100 countries. In 2003, One US business magazine, Forbes, selected IPCA one of the rising company with sales of USD 1 billion, among its top 200 companies. Forbes magazine selected IPCA in its prestigious list for two consecutive years 2004 and 2005. IPCA is one the largest suppliers of these APIs and other formulations in all over the world. Now days, IPCA is the one of the biggest producers in various drugs like Chloroquine Phosphate (Ant malarial), Furosemide (Diuretic) and Pyrantel Salts (Anthelmintic).

Literature Review

- **Chakraborty (2008):** In the study of "Working Capital and profitability: An Empirical Analysis of their Relationship with Reference to Selected Companies in the Indian Pharmaceutical Industry" analyzed the relationship between working capital and profitability of Indian Pharmaceutical Companies.
- **Mehmood et al. (2009):** In this study, the author discussed that in the current era, the pharmaceutical sector is becoming a more multifaceted and dynamic

environment. There are many changes in this industry such as new market, technological advancement and global competition which has increased up to a uncertain level. The expectations of the patients are increasing and healthcare cost is also increasing, so increased cost is one of the major challenge in front of the pharmaceutical industry.

- **Vivek Kumar Shrivastava (2011):** studied about the strategies of top 30 Indian Pharmaceutical Companies (by domestic turnover) to succeed globally. The main objective of the study was to examine and find out the strategies being adopted by Indian Pharmaceutical Companies. It was revealed that Research and development is crucial for the growth of pharmaceutical Industry.
- **Sudesh Kumar, DR. Bimal & Dr. Suman Nayyar (2012):** In their research paper “Financing Decisions: A Study of Pharmaceutical Companies of India analyzed the capital structure pattern of various companies. This study examined the trend analysis of financial information of four major pharmaceutical companies that are Dabur India Ltd, Cipla, Cadila Health Care Ltd, Aurobindo Pharma Ltd. The study was undertaken for five year i.e. 2007-2011. The study revealed that Cipla and Dabur India Ltd were continuously increasing their equity capital every year at a growth rate, where as the Aurobindo Ltd and Cadila ltd had made the tremendous growth in the equity capital.

Objectives of the Study

- ñ To evaluate the present costing system of Cadila and IPCA Pharmaceutical companies.
- ñ To find out the reasons for higher cost of selected companies under study.
- ñ To suggest the measures in order to reduce the cost.

Research Methodology

In the present study, an attempt has been made to analyze the cost of Cadila and IPCA Pharmaceutical Companies. The data collected is secondary in nature. Data has collected from annual reports of the respective Pharmaceuticals companies, Publications of the companies, magazines, journals, online database. The period of the study is for 5 years i.e. 2011-12 to 2015-2016.

Tools for Analysis

- ñ Expenses Ratio Analysis
- ñ Revenue and Cost Trend Analysis

Data Analysis and Interpretation

In order to analyze the cost of Cadila and IPCA Pharmaceutical companies, data has been extracted from various annual reports of the companies under study.

Table 1: CADILA (Rs. in Crores)

Year	Material Cost Ratio	Personnel Expenses Ratio	Financial Expenses Ratio	Selling And Distribution Expenses Ratio
2011-12	23.33	12.82	0.37	10.4
2012-13	26.37	14.60	0.31	9.38
2013-14	24.55	14.55	0.98	10.4
2014-15	23.51	13.18	0.78	9.69
2015-16	18.58	10.00	0.32	9.07
Average	23.26	13.03	0.55	9.78

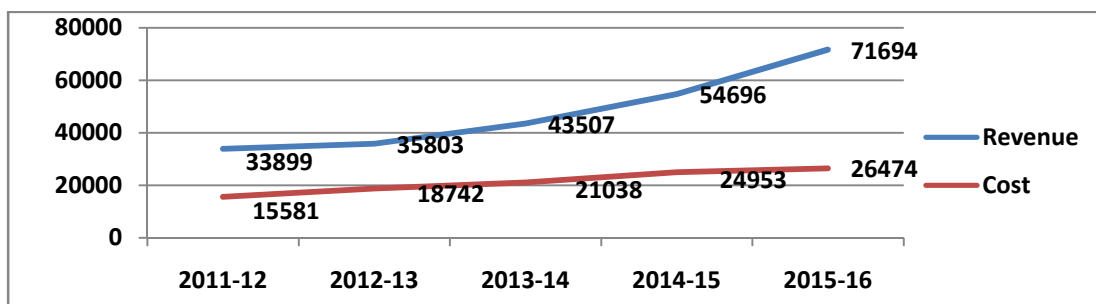
The Table 1 depicts that Material cost of Cadila Pharmaceutical Company was continuously increasing during the study period. Material is a major element of Pharmaceutical companies. It covers 35% of the total cost and the most important element of the cost after personnel cost. The material cost ratio of Cadila Company was more in 2012-13 i.e. 26.37% then it was declined to 24.55% in 2013-14, 23.51% in 2014-15, and 18.58% in 2015-16 respectively. The personnel expenses ratio was more in 2012-13 i.e. 14.60%. It also came down during the during the study period which means the Cadila company incurred less expenses on the employees and implemented new policies to control the expenses. In case of Cadila Pharmaceutical Company, the amount of the borrowings was too small and as a result, interest on the same was insignificant in comparison to the total revenue. It was 0.37% in 2011-12 and 0.32% in 2015-16. Selling and distribution expenses ratio fluctuated during the year. It as 10.4% in 2011-12 and it was 9.07 % in 2015-16.

Trend Analysis: Cadila Pharmaceuticals Limited

Table 2 : Total Revenue and Total Cost (From 2011-12 to 2015-16)

Years	2011-12	2012-13	2013 -14	2014-15	2015-16
Total Revenue	33899	35803	43507	54696	71694
Total Cost	15581	18472	21038	24953	26474

As shown in Table 1 and Exhibit 1 the total revenue of Cadila Pharmaceuticals Limited were increased from Rs. 33899 crores to Rs. 71694 crores which reflected an increase in 47.28% but the same had been set off by increase in the total cost which is continuously increasing fromRs.15581 crores in the year 2011-12 to Rs. 26474 crores in 2015-16.

Exhibit 1

As depicted in Table 1, the total revenue of Cadila Pharmaceuticals Limited has raised with a considerable margin during the study period. The maximum growth was noticed in the year 2015-16 in which total revenue was increased by Rs.16998 crores over the previous year.

Table 3: IPCA (Rs. in Crores)

Year	Material Cost Ratio	Personnel Expenses Ratio	Financial Expenses Ratio	Selling And Distribution Expenses Ratio
2011-12	37.4	13.8	3.82	1.68
2012-13	37.6	13.5	3.87	1.13
2013-14	33.9	14.8	3.32	0.75
2014-15	35.26	17.5	3.8	0.82
2015-16	31.6	21.4	2.99	1.05
Average	35.15	16.2	3.56	1.08

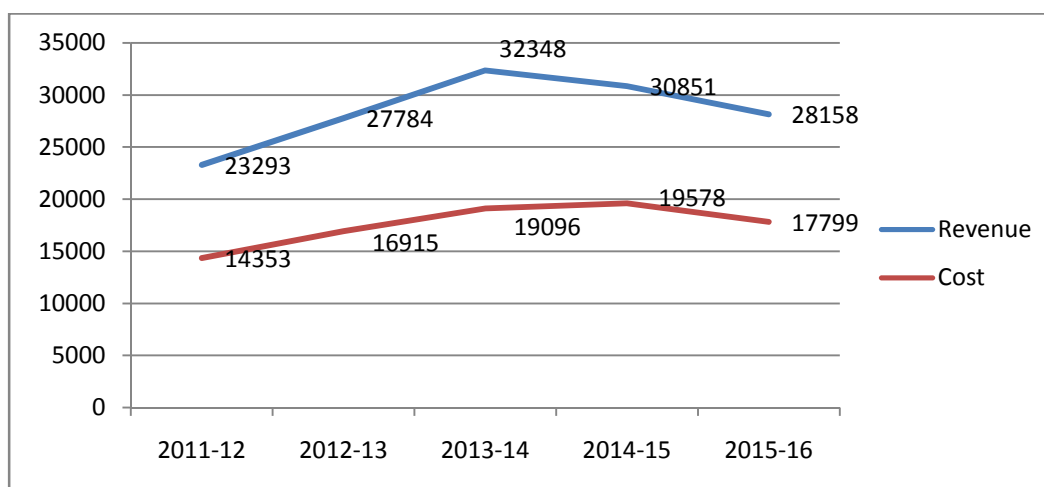
The Table 1 depicts that Material cost of IPCA Pharmaceutical Company was fluctuating during the study period. The material cost ratio of IPCA Company was 37.4% in 2011-12. Then it increased to 37.6% in 2012-13, thereafter again declined to 33.9%, 35.26%, 31.6% respectively. The personnel expenses ratio followed an increasing trend during the study period. It was 13.8% in 2011-12 then increased to 21.4% in 2015-16. In case of Cadila Pharmaceutical Company, the amount of the borrowings was too small and as a result, interest on the same was insignificant in comparison to the total revenue. It was 3.82% in 2011-12 and 2.99% in 2015-16. Selling and distribution expenses ratio fluctuated during the year. It was 1.68% in 2011-12 and it was 1.05% in 2015-16.

IPCA Pharmaceuticals Limited

Table 4 : Total Revenue and Total Cost (From 2006-07 to 2015-16)

Years	2011-12	2012-13	2013-14	2014-15	2015-16
Total Revenue	23293	27784	32348	30851	28158
Total Cost	14353	16915	19096	19578	17799

Exhibit 2



As shown in Table No. 1 and Exhibit No.1 the total revenue of IPCA Pharmaceuticals Limited were increased from Rs. 23293 crores to Rs. 28158 crores but the same had been set off by increase in the total cost which is continuously increasing from Rs.14353 crores in the year 2011-12 to Rs. 17999 crores in 2015-16. As depicted in Table No. 1, the total revenue of IPCA Pharmaceuticals Limited has raised with a considerable margin during the study period. The maximum growth was noticed in the year 2013-14 in which total revenue was increased by Rs.4564 crores over the previous year.

Conclusion

The Pharmaceutical Industry play a vital role in the society by providing life-saving products to the human beings. There is a wide range of pharmaceutical products and drugs which are produced and sold by the pharmaceutical companies. In current era, which costing techniques provide accurate results, it has become a significant problem, because different costing techniques provide different costs and profits for the firm. Like other profit organizations, the main objective of the pharmaceutical companies is to earn the maximum profit, while the profits of the pharmaceutical companies can be maximized only if cost is properly analyzed and there is a proper costing technique for accurate costing.

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Constraints and Barriers in Good Governance

Dr. Muhammed Riyaz Khan*

Introduction

At present the whole world has 195 countries. India is one of these countries. India is a marvellous country with unity in diversity. There have always been different systems of governance in all the countries. Similarly India saw different systems of governance in the past and ultimately got freedom on 15th August, 1947 from the slavery of Britain. India became a democratic country. There are elected governments at the states and in the centre. The people elect their governments. The elected representatives are called Member of Parliament and Member of Legislative Assemblies for Lok Sabha, Rajya Sabha and state Assemblies respectively.

Governance

Governance is a broad concept. It is not easy to define and many related concepts are attached. In simple words governance is a system of administration to make people prosper with peace and security and to maintain the harmony and unity of country. The democratic forms of governments are supposed to be the best as these are elected by the people and for the people. In democratic system of governance there is participation of the people. There is transparency, less corruption, accountability, rule according to law and efficiency etc. there are two types of governance, that is, poor governance and good governance.

Good Governance

After independence, as the time passed, the problems of the people could not be solved and many new problems arose. Problems of poverty, gap between the rich

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and the poor, female backwardness, communalism, naxalism, murders of innocent, intolerance, rape of women, hate mentality, religious intolerance, unemployment and educational backwardness etc. also arose. In this context during 1980's and 1990's the concept of good governance developed.

It was felt that the deep rooted desire for unity and development will be best served by good governance. Similarly promotion of democratic principles, popular participation, human and people's rights and the rule of law are also to be observed. In other words good governance is also defined as the capacity of a country to establish framework of order and stability, formulate and implement effective policies and create an environment durable for economic and social development. Culture of peace develops when there is good governance.

Essential Elements of Good Governance

- **Participation**

It means the people should exercise influence over policy decisions and share control of resources and institutions that affect their lives. Hence people have check at all levels of the governments be it local, district, state level or at the centre.

- **Transparency**

The policies of the government should be publicly available and confidence developed in its institutions.

- **Accountability**

It means elected individuals and organisations charged with a public mandate should be held accountable for specific action to public from which they derive their authority for allocation, use and control of public funds in accordance with legally accepted standards.

- **Combating Corruption**

Assistance should be provided to fight the abuse of public office from private gain.

- **Legal and Judicial Framework**

It means rule of law should be there. All citizens should be treated equal before law. A programmed and development oriented legal and judicial system should be created in which the laws are clear and are uniformly applied through an objective and independent judiciary. The concept of good governance gains more important in the background of poor governance which has all negative factors such as lack of public involvement, no transparency, no accountability, corruption and lack of judicial system and ultimately poor public service.

Hence, good governance means an ideal governing system that is necessary for political, economical, social and cultural development of a country. It is the ideal system of a state that works best to achieve self reliance, sustainable development and social justice. Under good governance there is unity in diversity and the people prosper with peace and security.

Constraints and Barriers in Good Governance

Though in democracy the concept of good governance developed but is there any such governance. The present condition of the country is telling contrary condition. There is religious hatred, intolerance, communal riots, problem of poverty and unemployment, murders of innocent persons, cases of rapes, degrading of moral values and lack of education etc. as the technology advanced the nature of crimes changed and increased. Hence it is imperative to identify constraints and barriers in good governance. Constraints are defined as the acts of constraining the thoughts or use of force to control the thoughts or behavior of others. Barriers are defined as to stop the thoughts or the movements. E.g. intolerance is a barrier to understanding. Constraints and barriers are summarized below:

- Corruption
- Crime
- Gender biasness
- Misuse of finance
- Improper infra structure
- Lack of innovation of technology
- Poverty
- Less involvement of people in democracy
- Biasness of leadership i.e. corrupt leadership
- Ambiguity of policy implementation system
 - Weak monitoring and enforcement system
 - Lack of guidance
 - Unaccountable coordination system
- Inadequate fund
 - Lack of federal support
- Poor staff competency
 - Lack of knowledge on policy
 - Lack of expertise
- Democracy

Important thought about Constraints and Barriers

- In democracy it appears that it is government of the people, by the people and for the people. But poverty is there so poor people sell their votes and many people do not turn to vote.
- In such a condition a corrupt leadership prevails. Corrupt leadership develops a vicious and corrupt system of governance. Human rights are violated and the

stage of discrimination emerges. Corrupt leadership develops a nexus with bureaucrats and corporate.

- This is the biggest constraint in good governance. Such corrupt leadership creates the atmosphere of hate and intolerance in the country.
- Poverty is another big constraint. In a democratic system of governance *one vote is meaningless unless accompanied by one man with bread*. Poor people sell their votes.
- Human rights are violated under corruption and the normal works of such poor people are not done.
- Honest leadership sets good goals for the welfare of the people. His bureaucrats affectively implement the policies giving better results. A good leadership has a vision and capacity to motivate the people and inspire them. Such a visionary leader mobilizes the efforts, energies and talents to reach set goals.
- Hence it is an imperative that the leadership should be honest and impartial so as to care for the betterment of the citizens.
- There are civil societies in the form of nongovernmental organisations which act as pressure groups on the government. Hence their voice should be heard.
- Misuse of finance is also important constraint. Since money is essential for all the projects of development. Firstly the revenue collection is to be done honestly. Secondly the utilization of funds is to be done impartially for the welfare of the citizens. But both the ways reveal a different vicious story. Wealth is being collected in few hands and its use is not in proper form.
- Degradation of moral values is another barrier which is affecting the governance at all levels and is reflected in the form of theft, rape of women, suicide of farmers, chain snatching of even old women, murder of innocent persons, brutal abandonment and killing of girl children, decreasing dignity of labour, unrest in families and improper functioning of various institutions and administrative departments etc.
- Another important barrier is entrance of culprits and criminals in the politics which damage the system of governance and make it poor one.
- Weak and ineffective judicial system is another barrier in the sense that posts of judges are kept vacant and lack of working staff. Crores of cases are pending with the result justice delayed is justice denied. In such a condition where do the people go for justice? What a pity!
- Public fund is not properly utilized. It goes waste in unproductive ways. This is another barrier.
- Crimes are serious constraints in good governance which spoil the peaceful atmosphere of the country which is conducive to prosperity and flourishing business.

- Religious biasness is again a serious barrier which hampers the governance.
- Similarly gender biasness also spoils the governance and proves to be a barrier.

Hence for the people of the world to live peacefully, for the welfare and prosperity of the Indians and to keep India united in the marvellous form of diversity good governance is imperative. All the parameters of the good governance are to be fulfilled so that people may work peacefully and may live in harmony without climate of hate, animosity and intolerance. For good governance the constraints and barriers are to be eradicated. Sooner the better. India has a specific position in the world so far as it has heterogeneous culture with different religions. Hence, in Indian context and in the context of democracy to succeed and to continue the citizens must have good governance free from constraints and barriers.

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Make in India Initiative of Government of India: Challenges and Strategies

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Dr. Abha Jain Nagawat**

Introduction

India is one in every of the most important and quickest growing economies of the planet however one in every of the foremost worrisome truth concerning its growth is that its growth has not solely been uneven however conjointly distinct. There has been no similarity in its growth performance and conjointly the advantages of its growth couldn't reach to sure sectors of the economy. In spite of its high growth, it couldn't bring down state and economic condition to tolerable levels. an enormous majority of population couldn't be ready to receive basic health and education facilities throughout the expansion part of economy.

In recent decades, economic and social inequalities have inflated alongside high growth rates that have inflated regional inequalities. Over 25th of Indian population live below the poverty level. As a result, inclusive growth has become a national policy objective of the Indian Government within the context of Indian growth coming up with, inclusive growth may be a comparatively new term that got the attention of policy manufacturers within the Eleventh 5 year plan. As per the Planning Commission of India, the term "Inclusive" ought to be seen as a method of including those persons whose participation is essential in development process. In simple terms, inclusive growth could be seen as a strategy of economic development which

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aims at equitable distribution of growth benefits along with equal access to economic opportunities for all. In this paper, a shot has been created to know the comprehensive growth development and also the would like of economic inclusion as Associate in Nursing instrument to realize comprehensive growth.

Literature Review

Levine (1997) through empirical observation tested the neo-classical read and finds that countries with larger banks and a lot of active stock markets grow quicker over subsequent decades even after dominant for several different factors underlying economic growth. Equally necessary is access to finance by all segments of the society (Levine 1997, Pande and Burgess 2003). Finance also can play a positive role in economic condition reduction. A well developed cash system accessible to any or all reduces data and human activity costs, influence saving rates, investment selections, technological innovation, and long growth rates (Beck et al. 2009). Evidences from Binswanger and Khandker (1995) and Pande and Burgess (2003) counsel that Indian rural branch enlargement program significantly lowered rural poorness, and multiplied non-agricultural employment. A key objective in development political economy is to work out ways in which to elevate people out of economic condition.

Access to finance has been seen as a important think about enabling individuals to transform their production and employment activities and to exit poverty (Aghion and Bolton 1997, Banerjee 2001, Banerjee and Newman 1993, Pande and Burgess 2003, Yunus 1999). In recent years, monetary inclusion has assumed public policy connectedness. Several countries like Bharat, Asian country{Asian nation} (Government of India 2008) and also the uk (UK) (2006) and International organizations just like the international organization (2006), World Bank (2008, 2009) have set up task force/committees to perceive monetary inclusion and to improve its scope. These studies throw light-weight on numerous aspects of monetary inclusion.

However, the mensuration facet of monetary inclusion has, so far, not extensively been lined by these reports. For India, being a terribly well distributed economy and society, it is imperative to offer adequate attention to mensuration of monetary inclusion. There ar few students WHO have tried to measure some aspects of monetary inclusion.

Honohan (2007) calculable the fraction of the adult population exploitation formal money intermediaries exploitation the information on range of banking and MFI accounts for over 160 countries, so correlate with difference (Gini Coefficient) and economic condition. Sarma (2008) developed an Index for financial inclusion using aggregate banking variables like number of account, number of bank branches and total credit and deposit as proportion of GDP for 55 countries. Mehrotra et al. (2009) Conjointly engineered up an index for monetary inclusion victimization similar kind of

mixture indicators like variety of rural offices, variety of rural deposit accounts, volume of rural deposit and credit from banking information for sixteen major states of Asian country. Moreover, United Nations agency (2008) provides a composite live of access to financial services, that is, the proportion of adult population that has academic degree account with a financial negotiate for 51 countries.

Whereas world bank (2009) in Banking the Poor analyzed the association between access to banking services, as measured by the vary of bank accounts per thousand adults in each country, and a number of other factors like transactions offered at banks, or needed by banks, and rules adopted by country authorities which will have an effect on banking access for forty five countries. Beck et al. (2009) discusses about the supply of copious quantity of information on several aspects of the economic system, however systematic indicators of inclusiveness of monetary sector ar lacking. Sadhan Kumar Chattopadhyay in an exceedingly} very in operation paper for run on cash Inclusion in India: A case-study of West Bengal (2011), has examined the extent of cash inclusion in West Bengal. in step with the study there has been Associate in Nursing improvement in reaching activity within the banking sector, however the action isn't vital.

Associate in Nursing index of money inclusion (IFI) has been developed in the study mistreatment information on 3 dimensions of money inclusion viz- banking penetration (BP), availableness of the banking services (BS) and usage of the banking system (BU). The paper provides a comparable image between completely different states on the idea of IFI rankings. In this paper, a shot has been created to know the comprehensive growth development and also the would like of economic inclusion as Associate in Nursing instrument to realize comprehensive growth.

Objectives of Paper

- To study the meaning and want for inclusive growth
- To study the role of monetary inclusion in inclusive growth

Need For Inclusive Growth

Inclusive growth, typically outlined as quick development helping each section of society is that the foremost approach of the Govt of India.

Inclusive growth is massively determined on the trend and extent of difference, notably regarding the regional distinction. Reducing impoverishment, up the standard of life, and making certain that each one elements of the society making the most of the economic process of the country is that the primary motive of an comprehensive growth arrange. There are numerous small and macro level interference that is favorable in promoting comprehensive growth. The macro level, suggestions prefer money laws, openness to Foreign Direct Investment, trade liberalization, tax reforms, privatization, providing social safety, reorientation of public expenses, and lawful and

political reforms square measure useful in leading policy negotiations for encouraging fast and comprehensive growth.

Where as in small level, reducing financial gain and non-income associated unfairness, developing infrastructure, education, healthcare, women's authorization, access to markets, role compete by civil society organizations, answerability, and smart governance will facilitate accelerate impoverishment reduction. The most thrust areas for want of comprehensive growth is summarized as below:

- Removal of impoverishment and state
- Removal of financial gain inequalities
- Agricultural Development
- Reduction in regional inequality
- For social sector development
- Protecting surroundings

So it's clear that the key levers to realize comprehensive growth is increasing the accessibility, handiness, quality, and affordability of assorted merchandise and services therefore all a vicinity of population will have honest opportunities. To accomplish this, the private sector and additionally the govt got to work reciprocally, whereas enduring by the primary principles of a democratic society.

So, for attaining the objectives of comprehensive growth, money inclusion is needed. money inclusion through applicable financial services can solve the matter of resource convenience, mobilization and allocation notably for those who do not have any access to such resources. so inside this paper Associate in Nursing effort is formed to review the role of financial inclusion in comprehensive growth.

Financial Inclusion

Financial inclusion implies that people and businesses have access to helpful and credit merchandise and services that meet their wants – transactions, payments, savings, credit and insurance – delivered throughout a accountable and property approach. Access to a bunch action account may be a begin toward broader money inclusion since it permits individuals to store cash, and send and receive payments. A group action account can even function a entry to different money services, that is why guaranteeing that folks worldwide will have access to a group action account is that the focus of the globe Bank Group's Universal money Access 2020 initiative. Financial access facilitates a day living, and helps families and businesses created for everything from long-term goals to unforeseen emergencies.

As accountholders, people ar further likely to use completely different cash services, like credit and insurance, to start and expand businesses, invest in education or health, manage risk, and weather cash shocks, which could improve the standard of their lives. money inclusion is popping into a priority for policymakers, regulators and development agencies globally: The G20 committed to advance

financial inclusion worldwide and reaffirmed its commitment to implement the G20 High-Level Principles for Digital financial Inclusion. The World Bank cluster considers monetary inclusion a key enabler to scale back extreme poorness and boost shared prosperity. Since 2010, over fifty five countries have created commitments to monetary inclusion, and over thirty have either launched or are developing a national strategy. Our analysis indicates that once countries institute a national monetary inclusion strategy, they increase the pace and impact of reforms.

Financial Inclusion as a Driver for Inclusive Growth

Inclusive growth is that the biggest challenge that the state faces and it's vital to confirm that whereas the Indian economy grows speedily, all segments of society area unit a part of this growth method, preventing any regional disparities from derailing such growth. Thus, there's associate degree pressing want these days to supply monetary services to any or all households that area unit excluded from formal monetary services.

Here, it should be remembered that the monetary sector is may be the sole sector that has the flexibility to act as a helper and number for overall economic process and stability. A well unfolded economic system engenders economic activity by mobilizing savings into the formal economic system, providing an avenue to urban employees to remit cash to their families in villages besides a lactation them aloof from the clutches of outrageous moneylenders. This is as it connects all elements of the country to the economic system and mitigates risks by guaranteeing that the poor have access to a range of Social Security product, like micro-savings, micro-credit, micro-insurance, and micro-pension product. monetary inclusion has been referred to as a priority sector among the government's efforts to create the enlargement methodology lots of just and inclusive , and technology is enjoying a vital role throughout this methodology by reducing the worth of delivery whereas increasing the sector's efficiency and productivity.

It's recognized by all that within the long-term, the monetary services sector should have the power to service the complete real sector of the economy. This shall increase its potency, vibrancy, effectiveness and productivity of the \$64000 economy. the target of the monetary deepening method is to confirm the creation of adequate Social Security nets that shall offer voters with a alternative of economic merchandise, as well as pension, insurance and saving instruments. It'll conjointly change the menage sector to convert physical assets into monetary assets, which may be leveraged for productive activities goad economic activity. monetary Inclusion is additionally necessary because it provides AN avenue to the poor for transportation their savings into the formal national economy. it's so essential to increase banking services to the agricultural rural area at the earliest so as to incorporate these regions

in India's growth story. The supply of banking and monetary services to the agricultural rural area is going to be an enabler for inclusive growth.

Conclusions

Inclusive growth attainment depends a pleasant deal on just distribution of growth opportunities and benefits. And financial inclusion is one amongst the foremost crucial opportunities that might prefer to be equitably distributed within the country thus on attain comprehensive growth. It has to be understood by the state that so as to bring orderly growth, order has to be developed with relevance inclusive finance. the share of economic inclusion within the completely different states of the country varies otherwise. as an example Kerala, geographic region and Mysore accounts for higher rate of economic inclusion however the states like Gujarat, Manipur, Assam, Bihar, state, and Madhya Pradesh, etc stand poorly on the grounds of economic inclusion.

Undoubtedly the matter of accelerating the geographical and demographic reach poses challenges from the viability/sustainability views and applicable business models square measure still evolving and varied delivery mechanisms square measure being experimented with by the various government agencies at the central and state level. but somewhere the efforts taken are not equal to encounter this staggering issue of financial exclusion.

Financial attainment and level of awareness still keep an issue with regard to usage of monetary services/products. It needs coordination of all the stakeholders like sectoral regulators, banks, governments, civil societies, NGOs, etc. to realize the target of financial inclusion.

Challenges of financial exclusion are featured by most of the states of the country so on resolve it states want to develop its own custom-made solutions drawing upon its own experiences and choices and other people of its peers across the country.

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Goods and Services Tax: General Review

Priyanka Kuri*

Introduction

Taxation play an important role in the development of an economy as it affects equity and efficiency. It is expected that a good system should control distribution of income and generate tax revenue for government expenditure. So to boost India's taxation system GST is implemented. On July 1, 2017 a unified tax, Good and Service Tax was launched in India. After implementation of GST, India became in list of 160 countries who adopted a unified tax regime. GST is imposed by removing all other indirect taxes. It has been introduced by 101st constitutional amendment act. It is not a new tax, but a comprehensive VAT. It will subsume all indirect taxes of central and state government under a single tax regime. It is a single tax on supply of both goods and services.

Why was GST Established

GST was introduced by Narendra Modi government to combine different indirect taxes at different levels, with an idea of removing red-tapeism, leakage and providing a way for transparent tax regime. This integration of various taxes helps in giving full credit for input taxes collected. It is a destination based consumption tax

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based on Value added tax principle, which help in removing distortions and help in developing a common national market.

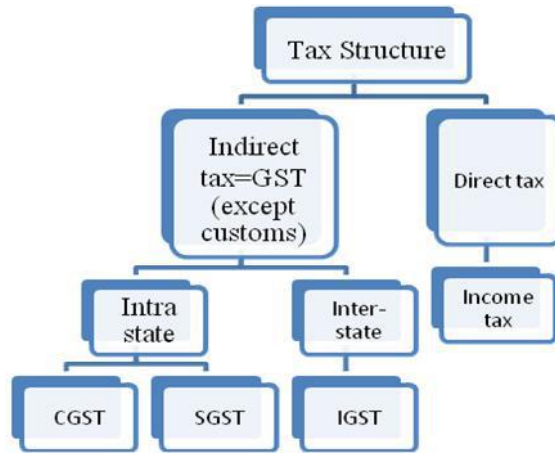
GST Council

As per the Article 279A (1) of the amended Constitution, the GST council was formed on September 12, 2016. This council will function under the chairmanship of Union finance minister with all state finance ministers as its members. Among these state finance ministers, a vice-chairperson is to be selected. The 1/3rd representatives in council are from centre and 2/3rd are from state. No decision of the council can be taken without 75% majority of the votes. It may also work as dispute settlement authority. It will make recommendations on:

- Taxes, surcharge and cess under GST
- Goods and service exempted from GST
- threshold limit of turnover for application of GST
- Model GST laws
- Principles of levy
- GST rates
- special provisions related to special category states

Salient Features of GST Model

- GST will be applicable on all goods and services except alcoholic liquor, liquor for human consumption and five petroleum products which includes crude, motor spirit, high speed diesel, natural gas and aviation turbine fuel.
- In India, a dual GST is proposed which have 2 components- Central GST and State GST.
- The CGST and SGST will be applicable on all transactions of goods and services except the exempted goods and services.
- An Intergrated GST will be applicable on interstate supply of goods and services.
- An IGST will be collected by centre.
- The CGST and SGST are to be paid State and Central government separately.
- Supplies to exports and special economic zones shall be treated as zero supply.
- Taxpayer need to submit common format for periodical returns to both centre and state.
- Each taxpayer will be allotted a PAN-linked identification number.



GST Rates

Tax Rate	Indicative Items
0%	Milk, bread, vegetables etc
5%	Mass consumption items like oil and spices
12%	Cheese, ghee , pickle etc
18%	Pasta, cornflakes, pastries etc.
28%	Sunscreen, panmasala, cement etc.

Indirect Taxes Included Under GST



Challenges

- Dispute between centre and state over tax sharing.
- Political imbalance.
- Robust IT network is required for success of GST.
- Extensively trained staff is required for its implementation.
- Independent dispute settlement authority should be set up to solve disputes between centre & states.
- Earlier different threshold limits for VAT, Excise duty and service tax were there, but now for GST a common threshold limit is required. This will create conflict among centre and state.

Benefits of GST

For central and state governments:

- Simple and easy to administer: GST is introduced after removing various indirect taxes. This will make the tax filing simple and easy. It is backed with a IT system, which will make it easy to administrate.
- Better control on leakage : GST regime is backed up with strong IT foundation which will provide online facility to tax payers for registration , returns and payment. This make the compliance transparent and leads to
- Higher revenue efficiency: GST decrease the cost of collection of tax revenue of the government and will lead to higher revenue efficiency.

For the consumer:

- More transparency in tax regime and easy to understand for the customer.
- Relief in overall tax burden.
- Price of goods and services would fall.
- Eliminate 17 indirect taxes and therefore compliance cost would reduce.

For business & industry:

- It will provide a single interface for registration , duty payment, tax filing ,tax refund etc.
- Seamless flow of tax from manufacturer to retailer .Therefore, eliminate cascading of taxes.
- Reduction in transactional cost will lead to improved competitiveness.
- Reduction in multiplicity of taxes.
- Development of common national market.

GSTN

GST network is a *Special purpose vehicle* to serve the GST needs. It is a section 25 company i.e.non-profit, non-governmental organization and manage the entire IT system of GST portal. It will establish a uniform interface for taxpayer and

also form a common infrastructure between centre and state. It is capable of handling complex IGST transactions. Private players (Banks and Financial institutions) own 51% share in GSTN and rest is owned by Central Government. Functions of GSTN are registration, return filing, tax payment, IGST settlement, challans, refunds, audits, appeals etc.

Conclusion

GST is not a new tax, but a more comprehensive VAT. GST is considered as one of the biggest reforms in Indian economy. It will boost programs of government like MAKE IN INDIA by MAKING ONE INDIA. All sectors of economy either government sector or private sector have to bear its impact. GST will create a single unified tax window which will improve tax collection and tax governance and boost India's economic development. It is expected that it will increase India's GDP by 2%.

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Impact of Demonetization on Society and Economy

Suman Singh*
Dr. Jaya Sharma**

Introduction

Labour is a primary factor of production. It is considered to be important not only because it is productive but also because it activates other factors and makes them useful for production purposes. Therefore, the size of labour force in a country is of crucial importance for the level of economic activity. Size of labour force in a country is determined by the number of people in the age group 15-59. Such people who voluntarily keep themselves out of productive activity are not included in the labour force. In India, 39.26 percent of the population constituted the labour force in 2001. As against this, the labour force is 45 percent of population in various developed countries.

Although labour market outcomes in the 1990s were better than what is commonly perceived and job growth has picked up markedly since 2000, India's employment situation is still a cause for concern. But labour productivity and average wage growth were higher in the latter period than in the 1983-93 decade. Then, as economic growth accelerated post-2000, employment numbers too showed an increase. However, since 2000, there has been a deceleration in the growth of wages and earnings, especially for workers whose earnings fall in the middle of the wages

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spectrum. Additionally, as the large number of working poor indicators, many Indian workers are still trapped in jobs with low earnings.

The structure of employment was, until recently, surprisingly resistant to change. There was little shift in employment away from agriculture and the sector still provides employment to nearly half of India's workers. The share of employment in agriculture has declined, from 65 percent in the early 1980s to 55 percent at present, but much less so than the decline of agriculture's share in GDP. During the same period, the share of manufacturing employment has matched the share of manufacturing GDP and remains at less than 15 percent of all employment. Between 1999-2000 and 2004-05,

Data & Methodology

The present study aims to identify the factors responsible for the status of and water resource sectoral composition and employment in industrial sector. The study is based on secondary data which is gathered from various government publications and research articles. The scope of the present study is to make a systematic attempt for the identification of factors responsible for the employment in various sectors. Sectoral indices for twenty eight states in agriculture, industry, demography, education, health and economic infrastructure are constructed using principal component analysis.

The present paper is a modest attempt to study the divergence or convergence phenomenon across selected Indian states for the period 1980-81 to 2009-10. To test the implication of the theory, only single equation linear structure models both simple and multiple regressions are specified

Result and Discussion

• Determinants of Growth Across Indian States

The conflict between growth and employment is inherent in the Mahalanobis strategy which guided India's development efforts for about two decades. However, until the five year plan 1978-83 was formulated, this conflict was not recognized by the government. The assumption of the plans was that growth would automatically solve the unemployment and growth problems. Since the adoption of neo-liberal economic policies in India since 1991, the government's obsession with the high rate of economic growth has made it completely oblivious to possible conflict between economic growth and employment. In New reforms period, there has been deceleration in the growth of employment in India in spite of the accelerated economic growth.

This can be explained in terms of steady decline in employment elasticity in all the major sectors of economic activity except in construction. Overall employment elasticity declined in India from 0.52 during 1983 to 1993-94 to 0.16 during 1993-94 to 1999-2000. As would be clear from table, the decline was quite fast in agriculture as it

declined from 0.70 during 1983-1993 to 0.01 during 1993-94 to 1999-2000. According to T.S.Papola, the decline in employment elasticity in the agriculture "is found to be due primarily to the sharply declining and even negative elasticities in a few regions Punjab, Haryana and Uttar Pradesh where the green revolution has resulted in significant yield and output growth."

C.P. Chandrasekhar has also argued that economic growth in India in recent years has not led to much employment generation. He states, "India's trajectory of growth is not matched by employment generation. This will lead to social unrest unless the government rethinks its economic priorities. Structural transformation takes place with the process of economic development in almost all the spheres of economic activities such as changes in sectoral composition of GDP, sectoral contribution to employment, etc. An important consequence of this process is the growing industrialization of world economies

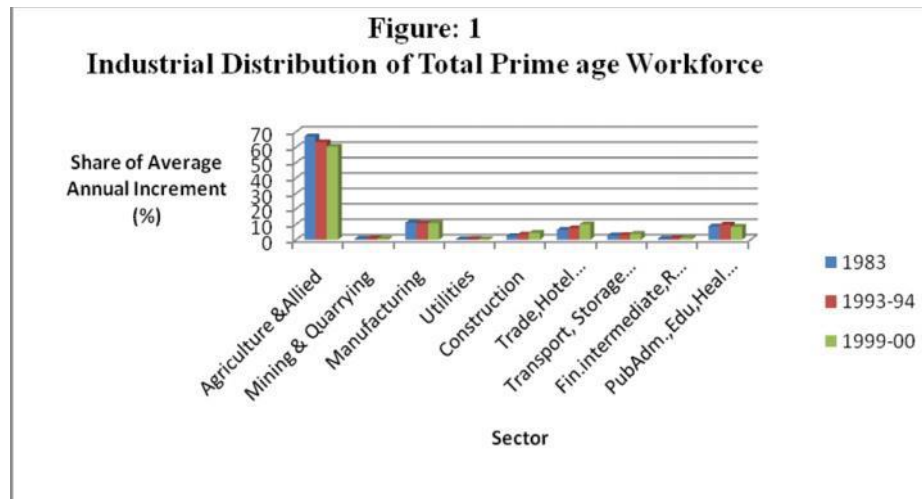
- **Structural Transformation in Terms of Employment**

Collin Clark, Simon Kuznets and other economists conducted studies on occupational distribution of labor force and concluded that the percentage share of primary sector in labor force declines with the process of economic development, while share of secondary sector increase and the share of tertiary sector also increase with more speed than other two sectors. This hypothesis suggests that high level of growth in real income will be accompanied by a higher proportion of work force engaged in industrial or secondary sector.

Empirical studies regarding evolution of employment structure amongst developed economies suggests that there have been three distinct phase experienced by these economies. All the developed economies were primarily agrarian economies where a substantial proportion of working population was engaged in primarily economies activities. The second phase is described as the post agriculture period, in which these developed economies experienced (at varying dates) that the proportion of working population engaged in primary activities declined and shifted to secondary sector. The third phase began when these economies entered the post-industrial phase. Employment growth in the industrial sector can be a residual and result from a lack of productivity growth in the rest of economy. In particular, demographic pressures in rural areas, which lack sufficient employment opportunities. These migrants are mostly absorbed by the urban informal industrial and service sector, because of the possibilities of small-scale production and less capital-intensive work. (World Employment Report, 2004-05).

However, since the 1980's most firms are following the second alternative. Therefore, as a consequence of this strategy, a shift has occurred to move industries functions out of the manufacturing enterprises. This phenomenon has created employment in industries at the cost of employment expansion in manufacturing.

Some scholars also explain the rate of growth of employment in industries with the help of the excessive growth of employment in administration along with increasing role of government in achieving the objective of employment generation and reduction of poverty.



Source: Government of India, Planning Commission, Tenth Five Year Plan 2002-07, Volume I, Annexure 5.6, p.163.

- **Employment in Industries**

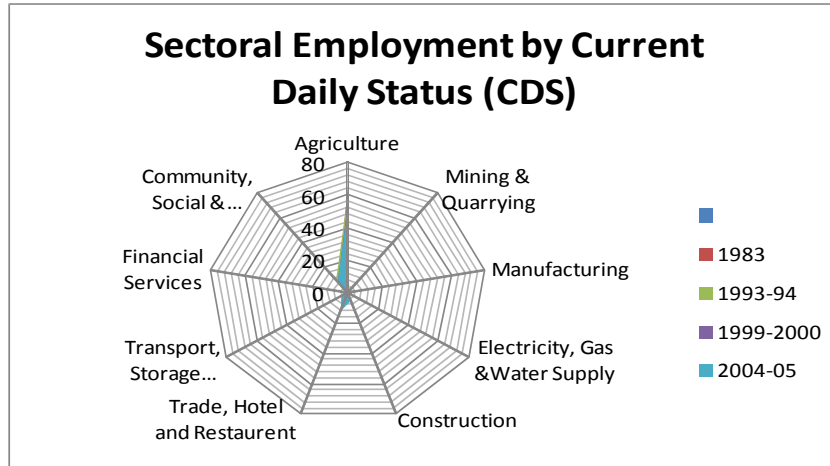
Apart from issue, related to employment in industries, has also identified several important characteristics of employment in industries. It has been observed that employment in industries is more stable over business cycle, but its producing is unstable in comparison to primary sector. This may be explained by the fact that industries cannot be stored. This eliminates the possibilities of fluctuations in the output of industries caused by changes in the holding of inventories of industries caused by changes in the holding of inventories of goods by firms as well as consumers.

The most favorable situation for India is one in which labour demand outpaces its supply and food supply outpaces its demand. It is important to recognize that the real issue in the Indian context is whether the accelerated growth generated decent work in the employment strategy must seek to achieve two things. First creative productive employment opportunities to absorb the annual addition of eight million labour force and sectors such that real wages rise through improved productivity.

Their study also reveals sharp decrease in the rate of employment generation during the mid and late 1990s in both rural and urban areas. The overall growth in employment declined from 2.01 percent per annum during 1983 to 1993-94 to 0.98 percent per annum during the period 1993-94 to 2004-05. As is clear from data contained in table growth rate of employment can be followed by examining the

sectoral distribution of employment, employment in organized sector, and rural and urban employment.

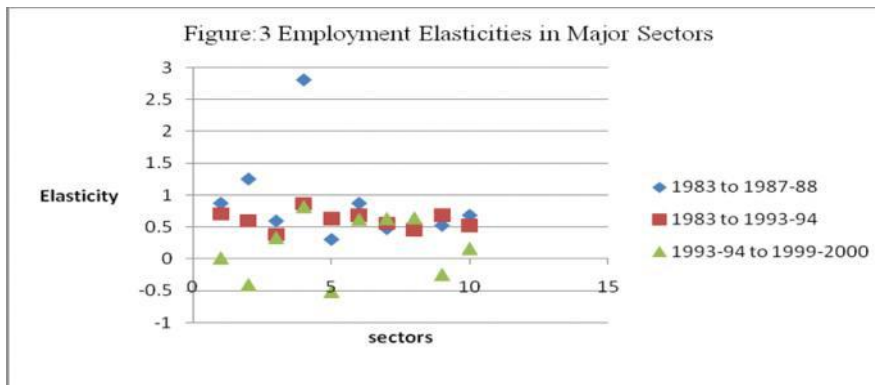
Figure: 2



Source: Government of India, Economic Survey, 2007-08, Table 10.10, p.247

Next in importance from the point of view of employment is trade, hotel and restaurant. In 2004-05, this sector accounted for 12.62 percent of the employed workers as against 6.98 percent in 1983. Thus annual growth rate of employment in trade, hotel and restaurant sector was 4.01 percent during 1983 and 2004-05. In no other major sector employment increased at this rate.

Community, social and personal services accounted for 9.24 percent of employed workers in 2004-05. Employment in this sector increased from 9.10 percent in 1983 to 10.50 percent in 1993-94. The government vigorously pursuing neo-liberal reforms policy on the one hand discouraged fresh appointments and on the other hand encouraged retirement under voluntary retirement scheme.



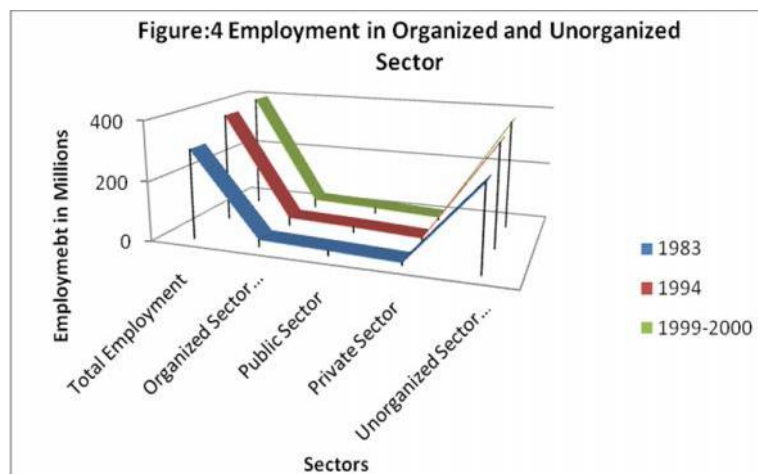
Source: Government of India, Planning Commission, Tenth Five Year Plan 2002-07, Volume I, Annexure 5.6, p.163.

- **Shift in the Composition of Employment in Industries**

The degree of development in government industries depends upon the role of state in the provision of industries such as education, health, public administration, defense etc. Since 1990s with the emergence of the process of liberalization and globalization, the role of state in providing above mentioned industry is continuously squeezing. So, employment opportunities are also declining in these industries. Conceptually, the time, productivity, income and all the recognition criteria of employment may help in defining analytically useful measures of unemployment, under employment or disguised employment in the country as whole or various segments of India. The national sample survey data on employment, through less satisfying from the point of view of conceptual purity, are fairly satisfactory from the policy perspective. Differential rates of growth of employment between some of the important industrial sectors of the economy have some obvious implication. Beside the factory sector, which has recorded the sharpest increase in employment? Among the commodity producing sectors, banking services have generated more employment opportunities in the decade 1971-81 than any other servicing activity in the economy. Data relating of earnings of workers are scanty and disorganized.

- **Structural Shift in Employment in Indian Economy**

Even though Indian has experienced profound changes in output shares, the same is not true for employment shares. A striking feature of India's development is that in contrast to the substantial decline in the share of agriculture in GDP, there has been rather no change in the share of employment in agriculture. Similarly secondary sector from 21.71% (1990-91) to 21.90% (2004-05) of GDP during the 1990s, employment share of industries increased from 11.53% in 1993-94 to 13.9% in 2001, which is not significant in composition of its share in GDP. Thus, while activities have shifted to industries, employment creation in industries has lagged far behind.



Source: Various issue of economic survey, GOI.

If we consider only organized sector, it is found that Indian experience has not been different from developed countries as concentration of economic activity is shifting from primary and secondary sector to tertiary sector both in terms of its share in GDP and employment. The above table reveals that the share of secondary sector in employment in organized sector has declined from 27.56% in 1990 to 24.95% in 2004 while share of primary sector is almost stagnant with 9.45% in 1990 and 9.47% in 2004. The share of tertiary sector has grown up from 62.99% in 1990 to 65.38% in 2004. Thus as far as the concerned, it has been secondary sector declined.

Organized sector employment in 1999-2000 was 28.11 million, i.e., about 7.08 percent of the total employment of about 397million. Interestingly, despite economic reforms employment in the organized sector has been declining in percentage terms. In absolute terms, employment in the organized sector was 24.01 million in 1998. It steadily rose to reach the level of 27.37 million in 1994 and further to 28.11 million in 1999-2000. This cannot be considered as a satisfactory development, because in percentage terms employment kept on declining since 1983.

- **Sectoral Composition of Total (Organized and Unorganized) Employment**

India embarked upon a public sector-dominated, basic and heavy industry oriented, autarkic industrialization strategy under the centralized investment planning in 1950-51, consequences have been import and capital using high cost industrialization limiting labour absorption in industry. The share of manufacturing in the total workforce has been creeping up very slowly, thanks to the restrictive trade and domestic investment policies followed during the centralized investment planning with added emphasis on public sector. From earlier studies we know that slowly rise in the Industries, sector's share in GDP is often followed by a corresponding growth in total employment in the economy. However, in India we find that phenomenal stagnation in the industrial sector has not been followed by a corresponding slow growth in employment in 1990s. Further, the low rise in the share of industry in employment has been much slower than the decline in the share of primary sector in total employment.

Conclusion

The paper arrives at the conclusion that furtherance of macroeconomic reforms, harnessing synergistic links among the sectors and availing of opportunities provided by the forces of globalization and intensive use of technology can enable us to achieve higher level of Employment in industrial sector. Emergence and growth of basic and capital goods industries constitute an integral element of the long term strategy of Industrialization. Equally vital is the development of infrastructure with a view to pave this path of industrial growth as well as to promote and accelerate its progress. The development of technologies capabilities and skill formation potentials has further reinforced the foundations of modern industrial structure in the country.

The secondary sector employment is also characterized by large differential in earnings, with a few jobs in high-tech activities with very high salaries and benefits, on the one hand and a large mass of low earning jobs in the informal sector, on the other. Fast growing sub sectors of industries like manufacturing, contraction are revealing such characteristics more prominently. The dynamic segments of the secondary sector are also location ally concentrated in a few states and large cities and to the extent the new growth is derived from them, inter regional differences in growth rates and development levels are likely to increase. Industrial economy has indeed made rapid rides since independence, with a phenomenal expansion of the industrial base and a remark able diversification of its structure. India as comes a long way from a state of net total dependence on imports for her requirements of manufactures to an exporter of same the manufacture products. Emergence and growth of basic and capital goods industries constitute an integral element of the long term strategy of Indus-triplication. Equally vital is the development of infrastructure with a view to pave this path of industrial growth as well as to promote and accelerate its progress. The development of technologies capabilities and skill formation potentials has further reinforced the foundations of modern industrial structure in the country.

Appendix

Sector	1993-94	1999-2000	2001	1993-94	1994-2000
Primary	61.19	57.37	57.3	1.6	-0.34
Secondary	11.53	12.45	13.9	2.91	3.14
Tertiary	27.28	30.17	28.8	3.53	2.26

Source: Joshi Seema --- NSSO different rounds (2004).

Sector	Employment (million)			Growth Rate (percent annum)	
	1983	1994	1999-2000	1983-94	1994-2000
Total Employment	302.75	374.45	397.00	2.04	0.98
Organized Sector Employment	24.01	27.37	28.11	1.20	0.53
Public Sector	16.46	19.44	19.41	1.52	-0.03
Private Sector	7.55	7.93	8.70	0.45	1.87
Unorganized Sector Employment	278.7	347.08	368.89	2.01	1.02

Source: Government of India, Economic Survey 2001-02, Table 10.7, p.240.

Sector	1983 to 1987-88	1983 to 1993-94	1993-94 to 1999-2000
Agriculture	0.87	0.70	0.01
Mining and Quarrying	1.25	0.59	-0.41
Manufacturing	0.59	0.38	0.33
Construction	2.81	0.86	0.82
Electricity, Gas and Water Supply	0.30	0.63	-0.52
Trade, Hotels and Restaurant	0.87	0.68	0.62
Transport, Storage & Communication	0.47	0.55	0.63

Financing, Real Estate, Insurance and Business Services	0.49	0.45	0.64
Community, Social and Personal Services	0.52	0.68	-0.25
All Sectors	0.68	0.52	0.16

Source: Government of India, Planning Commission, Tenth Five Year Plan 2002-07, Volume I, Annexure 5.6, p.163.

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Impact of Goods and Service Text on Global Economy in Indian Context

Dr. Sharda Tiwari*

Introduction

As a matter of fact, as far as GST is concerned it is a indirect type of tax, which is expected to bring about simplified tax system in the country. It was not as easy task to implement the system or GST in practice the main issue was to dissolve central taxes and state taxes in a single tax, i.e. GST. Once implemented, this tax system of GST will facilitate the domestic business as well as international investors doing business in India. As a matter of fact the consumer is liable to pay the tax at the other end of the line but it doesn't means in any sense that the manufacturers and channel partners will be abided from the same. all the inputs and outputs will charged with an equitable system of taxes. Before the implementation of GST there were a number of taxes which were being levied, like excise duty, service tax, VAT and other state and central level taxes. GST will concise this complex structure of taxes and unify it.

Reforms Under GST

- As the previous system of taxation, where the same good is being charged with different taxes in the different states, GST will be charged differently at

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different levels of central and state as well but the format of the same will be different. Here the tax charged at the level of central government will be called as Central Goods and Services Tax (CGST) and the tax collected by the state government will be called as state Goods and Services Tax (SGST) depending on the type and kind of transactions.

- Again IGST will be used as a tool to transfer the tax credits between the states and is liable to be charged on all interstate supplies.
- Taxes which will be subsumed at central level are, central excise duty, excise duty on medical preparation, service taxes, Additional custom duty, additional custom duty, other types of surcharges on goods and services.
- Taxes which will be subsumed at state level are, VAT, Central sale tax, Entertainment tax, Octroi and entry tax, Purchase tax, Luxury tax, Taxes on lottery, State surcharges in so far as they relate to supply of goods and services.
- Consumption of liquor at individual level will be brought under GST, other than this petroleum and petroleum products will be brought under GST. Taxes on tobacco products, which were earlier levied at central level will now come under GST.

The Methodology of GST

- **Level I:** At the Manufacturer: Let's assume a manufacturer of apparel buys raw materials like thread, buttons, tailoring equipment which cost him Rs 1000, a sum that includes a tax of Rs 100. With the available raw material, the manufacturer manufactures apparel. The manufacturer adds value to the materials in the process of making the apparel. Let us assume the value added by him to be Rs. 300. Then the gross value of the shirt becomes Rs 1300, (Rs 1000 + 300). At a rate of 10%, the tax on output will then be Rs 130. But under GST, he can set off this tax Rs 130 against the tax, as he has already paid on raw material and inputs Rs 100. Therefore, the effective GST incidence on the manufacturer is only Rs.300.
- **Level II:** At the Channel Partners: As the goods passes from one channel partner to the other, like from manufacturer to wholesaler, who is basically a service provider. The wholesaler buys it for Rs.1300 and adds on value which is the margin of for assumption say Rs.200. Then the gross value of the goods the wholesaler sells would then becomes a total of Rs 1500 (Rs1300 + 200). A 10% tax on this amount will become Rs 150. But again, under GST, one can set off the tax on his output Rs 150 against the tax on his purchased good from the manufacturer Rs 130. The effective GST incidence on the wholesaler is only Rs.200 (1500 – 1300).
- **Level III:** At the Level of Consumer Finally a retailer buys goods from the wholesaler. He adds a margin of Rs.100 to his purchase of Rs.1500. Therefore the gross value of the goods that he sells goes up to Rs.1600 (Rs.1500 + 100). At this

stage the tax a 10% will be Rs.160. By setting off this tax (Rs.160) against the tax on his purchase from the wholesaler (Rs 150), the retailer brings down the effective GST incidence on himself to Rs.100 (1600 –1500). Now the complete chain of the channel partners, i.e. from the manufacturer to the retailer will accumulate to Rs 100+30+20+10 = Rs 160 which will be paid by the customer of the final product.

Impact of GST on Ecommerce

Since the year 2009, the need was felt for the abolition of confusing tax system at various level of central and state, and a number of classifications under them. The situation was even more typical in case of online retailing, the reason behind was the growth of the business and even the customers. As a matter of fact, in case of online business, new dimensions are being added every now and then and the state and center are levying new taxes and duties every time. After the implementation of GST the tax structure of online business has changed a lot, and a number of issues have been sorted out.

Parties Covered Under GST

Operator of Ecommerce Platform: Here the term operator refers to the person or agency that is the owner of the business, and manages all the related activities of business as such. These activity include the logistics, supply management and related services. Here the term operator also refers to a person who manages the respective platform and also caters the customers as per the services to be offered by a particular brand. Here brand means, the brand owned by the operator or the other brands the operator is dealing with. Under the law of GST the operator and owner of the business are considered as one party and covered under the law of GST accordingly.

Aggregator: Then again 'Aggregator' is the term related to the operator of ecommerce platform who is responsible for managing and maintaining the respective electronic platform. An Aggregator is responsible for providing services to the customers at a given level. As a matter of fact operator and aggregator can be differentiated on the grounds of service they are providing i.e. the aggregator is suppose to provide the service under his own brand and the operator might be dealing with more than one brand. On the other hand, an aggregator is required to collect the taxes at the source and meet the respective compliances. More clear differentiation of an Aggregator and Operator is given below:

Aggregator refers to a person or agency who is the owner of the respective electronic platform and is required to manage it. He is also responsible for inviting the prospective customers and provides them the requisite service; this is supposed to be done under a given brand name or the name of trade. Here the use of a device or group of devices are required which may be used to contact the respective customers.

Operator may be considered as the owner of the respective electronic platform and on the basis of the same he is providing services and supplying goods and services to the respective customers. Even the flow of information to the respective customers can be the important task of the operator. Now it is important here to mention that, prior to the implementation of GST, the taxation system of the country presumes both the agencies i.e. Aggregator and Operator as the same and use to charge them accordingly, but in case of GST they both are clearly defined and required to pay taxes accordingly. Some of the examples of Aggregator can be mentioned as Ola cabs, Oyo rooms both of these are working as a connector between the customer and service provider, they also holds the responsibility of monetary transactions. On the other hand some of the examples of Operator can be mentioned as Flipkart, Ebay, Amazon, etc. these are holding all the related activities off business as such, starting from the sale of goods to collection of payments. It can be said that the business portfolio of an operator is wider than that of an aggregator.

Parties not covered Under GST

There are a number of online retailers in India that are heading all the activities of business on their own level, and not taking the help of any other brand or agency may not be recognized as Operators and even the taxation system will be different for such agencies.

Current Scenario of Ecommerce in India

The industry of Ecommerce is not very old in the Indian scenario, started as a brainchild in early years of 90s has made a tremendous growth in the last ten years and still sky is the limit for such retailers. The revenue of the online retailing is increasing every now and then, and a large amount of business is adding to the same every year. This may also be the result of floatation of information and knowledge about online banking and use of mobile phones for various online transactions.

The growth of the industry can be explained with the following points:

- According to Wikipedia there were 354 million internet users in India in 2016 and that number is set to grow to 500 million by the end of 2017. Having access to the internet automatically exposes the average Indian to e-commerce and online retail and that in itself translates in to growth for the e-commerce sector. According to Wikipedia growth in the penetration of e-commerce is unlike anything seen before in any other country with 6 million Indians opting to use e-commerce to meet their consumer needs for the first time joining the fray every month. This growth can only be commended.
- In 2009 the market value of e-commerce in India was worth about 3.9 billion and that figure grew to 12.6 billion in 2013.

- According to figures from Google India, there were 35 million people in India shopping online and that figure is bound to rise to 100 million by the end of 2016.
- Electronics and Apparel are definitely the winners that contribute to a large chunk of this growth trajectory in terms of sales
- The Internet and Mobile Association of India conducted a study that predicts that the e-commerce industry is estimated to reach 211,005 crore rupees by the end of 2016.
- Estimations for future growth continue to be encouraging even after 2016 with the e-commerce industry set to generate an estimated figure of about \$100 billion with \$35 billion of the total amount being generated by the fashion industry online.
- Growth in the sales of apparel is set to spike four times the current estimate by 2020.

The growth of the industry can be considered as a good news for the economy of the country and the Tax Department as well, but as a matter of fact it may not be good enough for the indirect tax system. Prior to GST a number of indirect taxes have been imposed on the industry which was considered as an obstacle for the growth of the industry, but under the regime of GST things are expected to be improved.

Scenario of Ecommerce Prior to GST

Before July, 2016 the format of business was same as in case of Ecommerce, i.e. online retailers are working with the model of 'stock-and-sell' model to 'market place' model. As far as taxes are concerned, the industry was facing the complex system of taxes including Value Added Tax, CST, Excise Duties, and even different service taxes. Even there were a number of indirect taxes that were imposed on this industry at different level of operations. And this stands true for all kind of new business models and services offered.

The categorization of taxes was even difficult for the online retailers, i.e. it was, at times, difficult to segregate their business activities as goods and services, as a matter of fact different amount of taxes are imposed on both of these. This was confusing situation that a particular business activity will be charged under VAT or CST or both or the company has to pay the service tax. Any of the online retailer is required to take the support of services like network, software, etc which are presumed under the head of service tax and both the respective agencies of VAT and CST might claim their authority over the taxes and a never ending dispute may occur.

For the online retailers the movement of their goods from one state to another was again a cumbersome activity, legitimate amounts of duties and taxes were imposed on the same, like the permits for roads, Way bills and other from. Even in the starting of

2016 a local registration was also required for the same. This was by the virtue of state taxation system of VAT and CST which presumed tax collection at the state entry and transaction at inter state level. Before the implementation of GST in India, the state of confusion was there for even the allied activities of online business like no clarity of taxation on E wallets, system of cash on delivery, delivery systems followed by the retailers, and many other related activities. As a matter of fact, the implementation of goods and service tax in India is expected to change the face of online business as many of the indirect taxes will be abolished and taxes at source will be encouraged.

Scenario of Ecommerce Post GST Implementation

- **Service Tax:** After the implementation of GST in India, the ecommerce companies are in a state to use the cross utilization of credits in case of services taxes on the implied services of logistics, warehousing, and related activities. Earlier it was not allowed for the online retailers, where the companies were not able to claim this credit against VAT which were paid earlier and used for making the output services available. As a matter of fact this was the part of service tax which remained in the state of confusion for both the parties i.e. tax may be taken at the output source or at the input source. The implementation of GST has eradicated this confusion for once and for all, the model of GST entailed these credits for all the supply chains, even the requisite taxes were taken off for different value chains for both the goods and services. This system of GST was presumed to neutralize the effect of prior system of taxation and help the suppliers to reduce the costs at their level and even the respective benefit would reach the customer in one or the other manner, which in turn will increase the profits of the company.
- **Prices:** Prior to the implementation of GST in India, the tax rates in the country were very vivid, like different state taxes are charged on the same commodity by different states, and this was matter of high dispute for a long period of time. The implementation of GST brought about uniformity in this system of taxation which was expected to reduce the amount of dispute and also the amount of tax itself. This will boost the business of online retailers. GST in this case is uniform at both the central and state level. On the other hand the implementation of GST will increase the level of documentation and paper work for the online retailers.

As far as the output rate of taxes is concerned, it has increased a bit as compared to the earlier level of the same. On the other hand the credit form of these taxes might help the online retailers to make their services more cost efficient. As can be seen in the example of Business to Consumer model where the location of transaction will be considered as the location of service provider and the tax will be charged accordingly, then again in the case of Business to Business model location of transaction will be the location of the recipient of service as such. Under the law of GST the only consideration in this case will be the interstate or intrastate service as

because this may include the additional compliance for the online retailers. This can be understood by an example, if an online retailer is to be charged with CGST + SGST at the location of the service recipient then the respective retailer has to get registered in all the respective states where the recipients of the service are located.

- **System of Payment:** In the pre GST Era the online retailers are required to pay taxes against a centralized registration, but in case of GST the online retailers have to get register in all the states where the respective service recipients are living or they are having their business operations. This system might increase the level of compliance for the tax payers. The main concerned issue will be the collection of tax at the source, which might bring the seller and retailer head to head. This stands true only for the case of online retailing only because the supplier is paid in advance and the payment is collected from the customer at a later date.

- **Business Expansion**

The business of online retailers is ought to increase in size, this stands for the fact that GST has opened avenues for small and medium sized e-commerce sellers to compete with larger enterprises at a national level. Previously, these sellers were limited to operating within the boundaries of one state due to the looming tax rates of trading across multiple states. By unifying the taxation, online sellers need not be hampered by multiple taxes while selling to consumers across the nation.

As and when the GST was implemented in India, the respective online retailers are asking for the exemption from GST, they argue at their level that they are only the service provider or the connecting platform between the customer and the brand, and the respective income from this service may not be charged with taxes. They also summated that the main source of their income is from the respective advertisements and they are already paying taxes for the same.

Conclusion

As far as the online retailers are concerned, they are working on the lines of any other given dealers, as they are working for the increment in their respective sales and earning profits from the same. Apparently they are offering related services of packing for deliveries, providing pickup facility, delivering orders to the customers, etc. As given above the aggregators may not consider them as sellers but the operators may not be spared from the taxes as such, the reason behind that the aggregator are the basic service prodders and only service taxes are charged from them, but in the current stage, service taxes are amalgamated in GST and now the aggregators will also be included in the brackets of GST. On the other hand prior to GST there were a number of small online retailers who use to work without any authentication from the authorities, like VAT number and things like that. These retailers are just like the staircases for the giant players for increasing their visibility in the market by the way of Search Engine Optimization. The system of GST will deal with such fallacies, and the

rate of compliance will also increase. On the other hand the GST will motivate new entrepreneurs to enter the market who were discouraged by the multistage taxation system.

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Declaration of Dividend According to the Companies Act 2013 along with Applicable Provisions of the Companies Act 1956

Dr. Devendra Jarwal*

Introduction

The paper seeks to highlight the various provisions related to declaration and payment of dividend in a composite manner. The dividend related provisions are running through transitional phase and Sections 124 and 125 of the Companies Act 2013 are yet to be notified, hence till then corresponding sections of the Companies Act 1956 and rules thereof will be in force and we need to interpret both the Acts in a harmonious and constructive way for better compliance of the provisions.

Meaning of Dividend

A dividend is a distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders. As per Section 2(35) "Dividend" includes any interim dividend. According to Oxford Dictionary dividend means "a sum of money that is divided among a number of people, such as the part of a company's profit paid to its shareholders. As per Section 134 of the Companies Act 2013, the board report shall include the amount, if any, which it recommends should be paid by way of dividend. The declaration and payment of dividend is governed by Section 51, 123, 124, 125, 126 and 127 of the Companies Act 2013. But Section 124 and 125 are yet to be notified and hence Sections 205A, 205B and 205C of the Companies Act 1956 are still in force regarding unpaid dividend and Investor Education and Protection fund.

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Types of Dividend

Companies at the end of a reporting may choose to declare dividends to its shareholders as part of the distribution of profits that it makes. Dividend is proposed by the board of directors of the company and approved by its shareholders at the Annual General Meeting. Dividends can however be paid once or twice a year depending on the policy of the company. When a company decides to pay dividends twice a year it pays an interim dividend at some time before the end of its financial year and then a final dividend at the end of the financial year.

Interim Dividend

According to Section 123 (3) the Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared. This is the dividend declared and distributed by a company to its shareholders prior to the determination of final profit position for the financial year. Hence Board of Directors may declare interim dividend which is paid between the two Annual General Meetings of the Company. Interim dividend is paid on basis of estimated profit from which company should provide for depreciation in full. It should transfer to the reserves an amount based on estimated profits after the end of the financial year and before the finalization of the amounts for the financial year and thereafter decide to pay an interim dividend to its shareholders. Interim dividend stands on the same footing as that of the final dividend and hence all provisions applicable on final dividend are applicable on payment of interim dividend as well.

Only Board Resolution for Interim Dividend

Earlier the Department of Company Affairs has expressed the view that approval of dividend is the privilege of the general meeting and the Board can pay interim dividend if so authorized by the articles of association subject to the regularization of the interim dividend by the company in general meeting- [Department's letter no.8/13(205 A)/79-CL-V dated 18-7-1981]. But now Regulation 81 of Table F empowers the Board to pay the members Interim dividends.

Final Dividend

The last dividend is distributed at the end of the financial year declared after the financial statements have been audited and approved by the board of directors of the company. However, some companies pay dividend only once in a year. In this case they will not pay an interim dividend. However, if after paying the interim dividend no other dividend was paid then the interim dividend will become the final dividend at the end of the year. It is the discretion of the Board of Directors to recommend or not to recommend the declaration of final dividend, which has to be exercised in good faith in the interest of the company. The shareholders have no

power to declare dividend in the absence of a recommendation of the Board of Directors in this regard.

Dividend on Preference Share

A preference share carries a preferential right as to dividend in accordance with the term of issue and the articles of association, subject to the availability of distributable profits. The preferential right to a dividend could either be a fixed amount or an amount calculated at a fixed rate. In case of non cumulative preference shares, dividend is payable only in the profit making year while in case of cumulative preference shares, the dividend is cumulated in loss making year and it is paid in the profit making year.

Dividend on Equity Shares

Dividend on equity shares is to be paid in accordance with the rights of the respective classes of shares. Equity shareholders are entitled to be paid dividend on their shares only after all dividends on preference shares have been paid to date. Although the equity shareholder stands second in preference to preference shareholders, he enjoys a privilege of a higher dividend, as the preference dividend is fixed and cannot be increased. Where the preference shareholders are participatory, they will carry the right to participate in surplus profits.

Declaration of Dividend (Section 123)

A company can declare or pay dividend

- out of the profits of the company for that year arrived at after providing for depreciation in accordance with the provisions of Schedule II of the Companies Act 2013, or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of Schedule II of the Companies Act 2013 and remaining undistributed, or out of both; or
- out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government:

Provided that a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company, provided also that no company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the company for the current year¹.

¹ Recently inserted through the Companies (Amendment) Act 2015

Rate of Dividend in Case of Adequate Profit: Dividend for a financial year may be declared when the financial statements of the company are presented to the shareholders at the annual general meeting. It is the prerogative of the board of directors to recommend the rate of dividend to be distributed. The shareholders have the right to approve or lower the rate of dividend but in no case shareholders can increase the rate of dividend recommended by the board. If a company fails to recommend any dividend in any AGM then it can do so in the subsequent general meeting but if a company has declared dividend at a general meeting, then it is not permitted to declare dividend for the second time in that year.

Transfer to Reserve: A company **may**, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it **may consider appropriate** to the reserves of the company. Earlier in the Companies Act 1956, before declaration of dividend the company was required to mandatorily transfer the portion of profits to the Reserve as per the Companies (transfer of profits to reserve) Rules 1975. But now as per the Companies Act 2003 it is up to the will of the Company to transfer profits to reserve the amount which the company feels appropriate.

Declaration of Dividend in Case of Inadequacy of Profits

In the event of inadequacy or absence of profits in any financial year, a company may propose to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves. Such declaration of dividend shall be made in accordance with rule 3 of the Companies (Declaration and payment of Dividend) Rules 2014 which requires the following condition.

Rate of Dividend in case of inadequate profit: The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year. Where a company has not declared any dividend in each of the three preceding financial years then condition of average rate is not applicable. As stated above here for better interpretation of law a clarification is required in such a condition whether a company is at liberty to have rate of dividend as it deems fit or it may take average for the remaining period in which dividend was declared out of three preceding financial years.

Permitted amount of Dividend: The total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement.

Set off of losses: The amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared.

Balance of Reserve: The balance of reserves after any amount withdrawn for dividend shall not fall below fifteen per cent of its paid up share capital as appearing in the latest audited financial statement.

Previous Losses: No company shall declare dividend unless carried over previous losses and depreciation not provided in previous year are set off against profit of the company of the current year, the loss or depreciation, whichever is less, in previous years is set off against the profit of the company for the year for which dividend is declared or paid.

Free reserve: In case of inadequacy of profit, dividend can be declared only out of free reserves.

Payment of Dividend out of Capital Profits: The Companies Act does not mention specifically whether capital profits i.e. profits which arise where a company sells part of its fixed assets at a price higher than the original cost, can be distributed as dividend. Section 123 specifically mentions usage of only revenue profits and free reserves or any money provided by the Central Government to declare amount of dividend and hence a company cannot pay dividend out of capital or capital profits.

However, in the two important cases of *Lubbock v. British Bank of South America (1892) 2 Ch. 198* and *Foster v., The New Trinidad Lake Asphalt Co Ltd. (1901) 1 Ch. 208*, the Courts have held that capital profits cannot be considered as available for distribution as dividend unless:

- The articles of association authorize such a distribution, and
- The surplus is realized and remains after a valuation of the whole of the assets and liabilities.¹

Other Provisions Regarding Declaration and Payment of Dividend

The following provisions are applicable in all cases whether company is declaring dividend in case of adequate profits or absence of profits or inadequacy of profits. Similarly all the provisions are applicable in declaration and payment of final as well as interim dividend:

Ñ **Compliance with Section 73 and 74:** A company which fails to comply with the provisions of Sections 73 and 74 shall not, so long as such failure continues, declare any dividend on its equity shares. That means before declaring any dividend, Company must comply with provisions related to acceptance and repayment of public deposits and interest thereof.

Ñ **Payment of dividend in proportion to amount paid-up:** As per Section 51, a company may, if so authorized by its articles, pay dividends in proportion to the amount paid-up on each shares.

Ñ **Amount of Dividend to transfer in separate bank account:** The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.

¹ 'Company Law Module for Executive Programme' ICSI pp. 639.

Ñ **Payment to registered shareholders:** No dividend shall be paid by a company in respect of any share therein except to the registered shareholder as registered on the date which is specified as the “record date” or “book closure date” or to those shareholders keeping their shares in dematerialised form, a list of which is provided by the National Securities Depository Limited and Central Depository Services (India) Limited. No shareholder is entitled to a dividend while any lien in respect of unpaid calls on any of his Shares is outstanding.

Ñ **Payment in cash/Dividend Warrants:** Dividend is paid to such shareholder or to his order or to his banker and shall not be payable in cash. Any dividend payable in cash may be paid by cheque or warrant or by any electronic mode to the shareholder entitled to the payment of the dividend.

Provided that, nothing shall be deemed to prohibit the capitalization of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or for paying up any amount for the time being unpaid, on any shares held by the members of the company.

Ñ **Time period:** The Company is required to pay the amount of dividend to the shareholders within 30 days from the date of declaration of dividend.

Ñ **Unclaimed Dividend to transfer to a special dividend account:** According to section 205A of the Companies Act 1956, where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the “Unpaid Dividend Account of...Company Limited/Company (Private) Limited”.

Explanation: In this provision, the expression "dividend which remains unpaid" means any dividend the warrant in respect thereof has not been encashed or which has otherwise not been paid or claimed.

Ñ **Statement of unpaid shareholders:** The company shall, within a period of ninety days of making any transfer of an amount to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

Rule 3 of the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012

Every Company (including Non – Banking Financial Companies and Residuary Non – Banking Companies) shall, within a period of 90 days after the holding of Annual General Meeting or the date on which it should have been held as per the provisions of section 166 of the Companies Act 1956 (now section 96 of the Companies Act 2013) and every year thereafter till completion of the seven years period, identify the unclaimed amounts as referred to in sub-section (2) of section 205C of the Companies Act 1956, separately furnish and upload on its own website as also on the Ministry's website or any other website as may be specified by the Government a statement or information through e-Form 5 INV, separately for each year, containing following information, namely:

- Ñ The names and last known addresses of the persons entitled to receive the sum;
- Ñ The nature of amount;
- Ñ The amount to which each person is entitled;
- Ñ The due date for transfer into the Investor Education and Protection Fund; and
- Ñ Such other information as considered relevant for the purpose.

Verification of e-Form 5 INV

As per Rule 4 of the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the information filed in e-Form 5 INV as per rule 3, shall be verified and certified by a Chartered Accountant or a Company Secretary or a Cost Accountant practicing in India or by the Statutory Auditors of the Company.

Ñ **Interest on un-transferred amount:** If any default is made in transferring the total amount or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent per annum and the interest accruing on such amount shall ensure for the benefit of the members of the company in proportion to the amount remaining unpaid to them. [Section 205A (4)]

Ñ **Claim from Unpaid Dividend Account:** Any person claiming to be entitled to any money transferred to the Unpaid Dividend Account of the company may apply in Form II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, to the company for payment of the money claimed according to the Section 205B of the Companies Act 1956. The procedure for filing Form II is still in physical form and for the sake of convenience of the investor and for transparency in procedure the MCA should introduce electronic procedure in this regard.

According to Section 205 any person claiming to be entitled to any money transferred under sub-section (5) of section 205A to the general revenue account of the Central Government, may apply to the Central Government for an order for payment of the money claimed ; and the Central Government may, if satisfied,

whether on a certificate by the company or otherwise, that such person is entitled to the whole or any part of the money claimed, make an order for the payment to that person of the sum due to him after taking such security from him as it may think fit.

Provided that nothing contained in this section shall apply to any person claiming to be entitled to any money transferred to the Fund referred to in section 205C on and after the commencement of the Companies (Amendment) Act, 1999.

Ñ **Penalty:** If a company fails to comply with provisions of Section 205A then the company, and every officer of the company who is in default, shall be punishable with fine which may extend to **five thousand** rupees for every day during which such failure continues.

Ñ **Revocation of Dividend:** A dividend including interim dividend once declared becomes a debt and cannot be revoked, except with the consent of the shareholders. If a dividend is declared and paid to shareholders, then the character of the payment cannot be altered by a subsequent resolution.

But where a dividend has been illegally declared, the directors will be justified in revoking the declared dividend. If an illegally declared dividend is paid then the directors shall be personally responsible to the company.¹

Right of dividend, rights shares and bonus shares to be held in abeyance pending registration of transfer of shares (Section 126)

Where any instrument of transfer of shares has been delivered to any company for registration and the transfer of such shares has not been registered by the company, it shall, notwithstanding anything contained in any other provision of this Act:

- transfer the dividend in relation to such shares to the Unpaid Dividend Account unless the company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and
- keep in abeyance in relation to such shares, any offer of rights shares under clause (a) of sub-section (1) of section 62 and any issue of fully paid-up bonus shares in pursuance to first proviso to sub-section (5) of section 123.

Punishment for Failure to Distribute Dividends (Section 127)

Where a dividend has been declared by a company but has not been paid or the warrant in respect thereof has not been posted within thirty days from the date of declaration to any shareholder entitled to the payment of the dividend, every director of the company shall, if he is knowingly a party to the default, be punishable with imprisonment which may extend to two years and with fine which shall not be less

¹ 'Company Law module for Executive Programme' ICSI pp. 632

than one thousand rupees for every day during which such default continues and the company shall be liable to pay simple interest at the rate of eighteen per cent per annum during the period for which such default continues:

Provided that no offence under this section shall be deemed to have been committed:

- where the dividend could not be paid by reason of the operation of any law;
- where a shareholder has given directions to the company regarding the payment of the dividend and those directions cannot be complied with and the same has been communicated to him;
- where there is a dispute regarding the right to receive the dividend;
- where the dividend has been lawfully adjusted by the company against any sum due to it from the shareholder; or
- where, for any other reason, the failure to pay the dividend or to post the warrant within the period was not due to any default on the part of the company.

Investor Education and Protection Fund

According to Section 205C, the Central Government shall establish a Fund to be called the Investor Education and Protection Fund. Any money transferred to the Unpaid Dividend Account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Investor Education and Protection Fund established under sub-section 205C and the company shall send a statement in the e-form no. 1INV of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer.

Amounts to be credited to the Investor Education and Protection Fund

The following amounts shall be credited to the Fund:

- amounts in the unpaid dividend accounts of companies ;
- the application moneys received by companies for allotment of any securities and due for refund ;
- matured deposits with companies ;
- matured debentures with companies ;
- the interest accrued on the amounts referred to in clauses (a) to (d);
- grants and donations given to the Fund by the Central Government, State Governments, companies or any other institutions for the purposes of the Fund ; and
- the interest or other income received out of the investments made from the Fund :

Provided that no such amounts referred to in clauses (a) to (d) shall form part of the Fund unless such amounts have remained unclaimed and unpaid for a period of seven years from the date they became due for payment.

Explanation: For the removal of doubts, it is hereby declared that no claims shall lie against the Fund or the company in respect of individual amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims

Utilization of the amount of Investor Education and Protection Fund

The Fund shall be utilised for promotion of investors' awareness and protection of the interests of investors in accordance with such rules as may be prescribed under Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Conclusion

The Dividend related provisions are running through transitional phase from the Act of 1956 to the Act of 2013 and we need some more clarification from the Ministry of Corporate Affairs. While some provisions are notified some are yet to be notified and the rules notified before the notification of Companies Act 2013 related to unpaid dividend and Investor Education and Protection which are still applicable along with the Companies (Declaration and Payment of Dividend) Rules 2013. Hence the remaining Sections of Dividend provisions should be notified soon so as to remove ambiguity and proper implementation of the Investor Education and Protection Fund as its application is very clear as per section 125 and even an investor can claim his money from fund.

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A Study on the State of E-governance Reforms in India

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Introduction

Each & every citizen of the country has their expectations from their governments. They expect that government will take care of them by making and implementing such policies that has citizens' welfare as its prime objective. Further, they also expect that citizens view points are included while framing policies. These things could not be thought of prior to developments in IT. No citizen involvement was there in government policy making. But as advancements in IT took place, things changed drastically and today, it has become a need. Now, governments are utilizing it as a first medium to establish a connect with citizens. They are using technology to showcase their agendas, policies, processes and services to citizens in a transparent manner. Such type of governance is termed as e-governance. The first definition of e-governance was proposed by Osborne and Gaebler, (1992) where they defined e-Government as "The government's use of technology, in particular, web-based Internet applications to enhance access and delivery of government services to citizens, business partners, employees and other government entities. It is a way for governments to use the new technologies to provide people with more convenient access to government information and services, to improve the quality of the services and to provide greater opportunities to participate in our democratic institutions and processes."

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Then in 2001, M Backus defined e-governance as the application of *electronic means* in (1) the *interaction* between *government* and citizens and government and businesses, as well as (2) in internal *government operations* to simplify and improve democratic, government and business aspects of Governance. Another definition from The World Bank, states it as “The use by government agencies of information technologies (such as Wide Area Networks, the Internet, and mobile computing) that have the ability to transform relations with citizens, businesses, and other arms of government. These technologies can serve a variety of different ends: better delivery of government services to citizens, improved interactions with business and industry, citizen empowerment through access to information, or more efficient government management. The resulting benefits can be less corruption, increased transparency, greater convenience, revenue growth, and/or cost reductions.”

All the definitions emphasized a fact where the first definition emphasized the use of web based internet applications, the second one focused on the interaction between governments, citizens & businesses and the third definition brought more technology in governance in the form of mobile computing etc. Thus, it can be deduced that the governments have been trying to utilize ICT to deliver public services, make things transparent and to connect with citizens. Now, efforts are put in by every government to bring their services online so that the citizens are benefitted, time and money is saved and processes become smooth and are streamlined. Thus, it can be said that governments, with the help of Information & Communication Technology are moving towards complete e-governance. The paper is further organized as follows: The next section presents the objectives formulated for the paper and the research methodology adopted to achieve the mentioned objectives. In the next section, the factors for growth of e-governance are presented and in next section, the major e-governance initiatives taken in India are listed. Thereafter, the findings of the study and conclusion are given.

Objectives

Following research objectives have been formulated:

- RQ₁: What are the influencing factors that led to e-governance in India?
- RQ₂: What are the major e-governance initiatives taken in India?

Research Methodology

To achieve the above mentioned objectives, the authors intend to use descriptive research methodology. This is due to the fact that the topic under consideration is very vast and the author feels that the best way to understand and analyze it would be to do an exhaustive literature review from various news articles, published reports in print and electronic media and so on. Then, the authors will do a careful analysis of the studies made and bring out their observations and analysis of the reports studied.

Influencing factors that led to e-governance in India

India took motivation from United States of America where so many E-Governance initiatives where the Federal Government used Information Technology to automate its projects. To list a few, the following initiatives were taken:

- IT Projects were emphasized that offered services to the citizens and which greatly improved service delivery.
- The official website firstgov.gov was made online through which every single piece of information regarding government policies and plans could be gathered.
- Various organizations and departments- NSF, CEG, OMB initiated e-governance initiatives.
- NSF and CEG created a group of practitioners and researchers in public policy and public administration to create an agenda for digital government research.
- NRC conducted a study to inspect the impact of government's investments in IT.
- The new government created Office of Management & Budget (OMB) that expanded the e-governance initiatives further.

During the same time, E-governance in India where categorized e-governance in India in three phases:

1947-1984 Informatics-based E-government

During this period, government conducted so many surveys like *Population Census* (1891), *National Sample Surveys* (1950), *Annual Survey of Industries* (1953), and *Agricultural Census* (1971-72). Thereafter, *Department of Electronics* (DOE) was set up in 1970, and *National Informatics Centre* (NIC) was set up in 1977.

1984-1995 Personal Computer (PC)-based E-government

During this phase, new computer policy was introduced in 1984 and policy on computer software export, software development and training was brought up in 1986. Thereafter, the DISNIC (District Information System of the National Informatics Centre) programme ensured that all district offices are computerized. Thereafter, as the innovations in ICT and telecommunications saw a steep rise, e-governance in India started to take a huge leap.

1995-2007 World Wide Web (WWW)-based E-government

In August 1995, the Internet was made available to public; Ministry of IT was set up in 1999 and first National E-Governance Plan was created in 2003. Till 2007, more than 2000 government portals of governments at various levels were registered. Therefore, to summarize, the following points can be considered as influencing factors that led to e-governance in India:

- **Improved Efficiency:** Governments have realized that through e-governance, their service delivery can become more efficient and by automating things, so many time consuming tasks can be avoided and thus improving the efficiency in government functioning can be achieved.
- **Improved Services:** The governments are there to serve people and by utilizing IT to its maximum, the governments can serve people in the best possible way. They can do it by bringing every service online so that people don't have to visit the offices and they are able to deposit the bills, download the forms for various services, and provide suggestions to government etc easily.
- **Builds Citizens' Trust in Government:** Surely, e-Governance boosts the trust of citizens in the government because when some sort of transparency is introduced in any system, then that system is bound to benefit and gain the trust of its users. Same applies to e-governance. When citizens are able to see the way a government functions clearly, has access to their plans and policies easily, it instills their trust in government.
- **Enhances Transparency & Accountability:** The citizens' trust comes due to transparency and it also makes the government accountable towards citizens. When citizens have access to every government official who is responsible for a particular department or task, it increases their accountability towards their duty.
- **Reduces Corruption:** The most worrying and disturbing thing in India is corruption and this can be greatly reduced by effective use of e-governance. By bringing services online, the records can be maintained efficiently, the fees can be paid directly and thus the middleman is eliminated that results in reduced corruption.
- **Promotes Economic Development:** Governments across the world are using e-governance measures and it helps in improving their efficiency and promotes economic growth in the form of revenue generation through taxes, fee received for various government services and so on.
- **Technological Advancements:** E-governance would not have been possible in the absence of technological advancements. The availability and speed of internet, the affordability of smart phones, low cost data plans have helped the growth of e-governance.

Major E-Governance Initiatives in India

There are so many noteworthy initiatives and reforms taken by Indian Government to incorporate technology into its functioning. These are listed below :

- Simplifications of the process of Filing Income Tax Returns where every individual or business organization can file ITR's online and check the status of its processing.
- Computerization and online delivery of Land Records that greatly reduced corruption.

- E-Sewa project to facilitate online payments of utility bills like gas connection bills, electricity bills, telephone bills etc.
- MyGov.in platform where citizens can interact with government.
- Ebasta, an ebook platform where e-books of all classes can be freely downloaded.
- Admission to professional colleges through Common Entrance Tests (CET).
- E-Kranti project to deliver services of Digital India Programme.
- E-Mandi portal to make procurement of agricultural products smoother and provide competitive remuneration.
- E-Hospital- The Online Registration System to take appointments of patients.
- Digilocker- An online portal to keep all government ID proofs and other important documents safe, thereby allowing citizens to remain on move without carrying them.
- Mann ki Baat- A monthly interactive talk by the Prime Minister where he briefs the general public about the recent happenings and plans of the government.
- Students' Grievance Redressal portal by University Grants Commission where complaints and issues can be brought up by students in university's knowledge.

Findings

As both the objectives have been investigated thoroughly, the following are the findings for the same:

- The author did a thorough study of the content regarding how e-governance grew in India and was able to identify the reasons that led to e-governance growth in India.
- The author was also able to identify several e-governance initiatives taken by the Indian Government and they have been enlisted.

Conclusion

In this paper, the authors touched upon basics of e-governance and how it has grown till date in India. Thereafter, some of the best e-governance initiatives in Indian Context are given. Finally, the motivational factors to e-governance are presented. To conclude, it can be said that every economy in this world has understood the importance of e-governance and they are trying to utilize it to provide better services to their citizens. However, there is no doubt that barring a few, most of the economies are still far behind to truly leverage its benefits. But with the intent to serve the citizens, the governments worldwide are on a path to achieve this mammoth task.

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Battle against Misleading Advertisements: An Empirical Study of New Consumer Protection Bill

Aarti Chopra*

Introduction

The current consumer protection act came into force in 1986 and since then, it has been protecting the interests and providing safety to the consumers of goods and services. If we rate it on the basis of its connotation and success for upholding the status of the customers, it can surely be rated as four and a half on five. The act has remained successful in creating a fear amongst the manufacturers of being punished or penalized if they are unable to satisfy the customers in the terms of quality (Patil, 7). Various rights being provided to the consumers of goods and services under the act had kept the producers conscious about the goods they are providing to the customers. The act had also been amended twice that is in 1993 and 2002 to the extent of its coverage and scope as per the current social transformations. It states the rights like right to knowledge which gives the customers an opportunity to know the contents of the product; for instance, putting a green, brown or red mark on the eatables. Obligation to provide statutory warning on the products like alcohol, cigarettes, insect killer, etc. also stayed the major triumph of the act. Examples of the suits where customers won the case against business tycoons and got justice kept the flame of trust lit in the eyes of common public.

As said rightly, the most constant thing is change. With the advancement in technology, the pattern of manufacturing as well as distribution also changed. Earlier, the major purchase used to be made from the local manufacturers or sellers. Undoubtedly, industrial revolution and growth in advertising sector lead to development in international trade and commerce but the distribution channel was

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usually the proximate shopkeeper. Thus, the statute of filing a suit in the jurisdiction of contract of sale was feasible up to an extent. However, with the inception of computer and mobile networks, the trend of online shopping and electronic transactions came into existence. Right from electronics to crockery, garments to eatables, everything could be purchased through the network of computers called World Wide Web from the sellers all over the world. Consequently, ceiling of putting writ at the jurisdiction of contract remains no longer practical. Payments through online banking, credit and debit cards also got preferred over cash transactions. All these reasons have strengthened the grounds for bringing major amendments in the act.

Salient Features of Consumer Protection Bill, 2017

In the current winter session of Lok Sabha, the Union Cabinet passed the new consumer protection bill which was drafted with all the necessary inputs required to persuade modern-day customers. Unlike other laws which are punitive and preventive in nature, the provisions of Consumer Protection Act were compensatory in nature and this feature has continued to be there in the new bill. The bill is one of the benevolent pieces of Legislation intended to protect the consumers from exploitation. The earlier act did not contain the provision to transfer the case from one consumer court to another and furthermore, the forums and commissions had no power to pass interim orders. The new bill eradicates this shortcoming and allows transferring the case from one consumer court to another in between the hearing as per the convenience of the customer. This alteration would be beneficial for the online customers where the seller and the customers are physically far.

Another major reform under the new consumer protection bill is hefty penalty and punishment on manufacturing company due to consumer suffering from injury, damage or death resulting from any defect in the product as a result of faulty manufacturing, construction, design, packaging, testing, etc. The most prominent change in the marketing strategies of the companies in last few years is how they advertise their products. The budget of corporate houses for advertising and promotion has not only immensely increased over the years but also its pattern and presentation have been changed. Companies get their advertisement copy designed from the professional advertisement agencies and due to high budget allotted, they hire popular celebrities to attract the class of customers. Since, advertisements act as an important stipulating instrument to influence and motivate customers to buy; corporate houses put in their best efforts to make them impressive. Some advertisements are made to touch the emotions of the prospective buyers while some develop the need of the product in their minds.

The output in the terms of enhanced sales is largely credited to the attractive advertisements. This has put on a pedestal to prepare misleading advertisements as their one point agenda remains increased sales and market share. Either it is the skin

whitening cream which guarantees the fairer skin in few weeks or the deodorant which can make a man a favourite for all; either it is the chocolate with all the goodness of milk or the insurance company which promises to pay the insured amount in few hours without hassle; almost all the advertisements present their products in a way that it is the best product that can be offered. In the words of Stephen Leacock, 'Advertising may be described as a science of arresting human intelligence long enough to get money from it.' (Leacock, 11)

Common and innocent people are trapped by these striking commercials which are adorned with impressive audio-video effects and their much loved celebrities (Nathalie, 98). The simple population of the nation thinks that the product which is used by these fashion or business flag-bearers must definitely be the best. They rely on those attractive advertisements and spend their hard earned money with the hope of getting beautiful, healthy or popular. Sometimes, they lend up themselves in various troubles. There are various cases in the recent times which have come up where consumers have faced heavy losses due to misleading advertisements.

Though, the Consumer Protection Act, 1986 also considered misleading advertisements as unfair trade practices but the new bill has taken account of such advertisements in a very serious manner. The bill hits not only the manufacturers but also the celebrities for presenting such false image of the product.

Misleading Advertisements: Concept and Concerns

Advertisements are intended to develop awareness among the customers. They have a major influence on the purchasing decision of the consumer. In earlier days, the mode of advertising was the mass media which includes newspapers, television, radio, magazines, etc. but with the growing technology, new advertising approaches like text messages, websites and blogs have also come up. It has increased the likeliness of misleading advertisements.

Misleading advertisements can be defined as the use of misleading, false, exaggerated or unproven information to advertise the products (Kessler, 116). There are certain self-regulatory principles the manufacturers have to follow to ensure the honesty, truthfulness and credibility of the information floated as well the presentation of the advertisements should be in acceptable norms of the society. If some seller does not follow this self- control, he will have to face penalties and punishments under the act. New consumer protection bill shows a very austere approach towards misleading advertisements. Not only the manufacturers but the celebrities endorsing products with false claims are caught the hold off under the bill.

There were provisions related to issue of correct advertisements in Consumer Protection Act, 1986 also under section 14(I). The case of Mr. Ramesh vs M/s Prakash Moped is an exemplary piece of justice where a motorbike company advertised that the average of the bike would be 80 km per litre. The consumer found

it 22 kms lesser than promised in the advertising and hence filed a suit. The company defended that it was mentioned that this average can be obtained only when 40 kmpl/130 kgs condition is fulfilled. This condition was written in very small letters at the bottom of the advertisement which was unreadable and therefore deceptive. But, legislation seems to be following zero tolerance policy for deluding advertising. Thus, the new act imposes strict regulations against the guilty party.

Critical Analysis

As per the testimony, there were 700 cases of misleading advertisements reported in between 2015-2017. Keeping this in consideration, for the first time, India will have a Central Consumer Protection Authority which will act as a national regulator for the protection of consumer rights. This agency will have the power of taking action against the companies indulged in unfair trade practices. The bill has a provision of hefty fines and imprisonment terms for misleading advertisements by the company. Further, celebrities who endorse such products may endure a ban or may even suffer an imprisonment term.

Press Trust of India states, that "On misleading advertisements, the bill provides for fine and ban on celebrities. In case of the first offence, the bill states one year ban on the endorsement with a fine of Rs. ten lakhs. While the second offence leads to three years of ban with Rs. fifty lakhs of fine."

The firmness of the act would definitely bring constructive results for the common consumers. They would be able to take right judgment for the purchase of accurate products so as their well-merited funds are used aptly. It is hoped that the new act when comes in force will establish better grounds for the customers to be protected against any kind of frauds and hoaxes. Hopefully, the act would justify the statement 'customer is king of the market' in the real sense.

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A Study on Government Reforms Regarding Women Empowerment in India

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Introduction

India is a male dominated country where women don't play important role in their family & they are bound to take care of her family along with various restrictions that's why In India still women's are not empowered. In this situation we can't expect that our country will be developed in future. In our country women empowerment is based on different factors that include location, education, economic & social status. So, to improve the status of women in country, Government started so many different types of programmes for women. Empowerment of women is necessary for the process of upliftment of society. In this sequence change can be brought through the different constitution & supportive legislations. Government gave a new direction in women empowerment. In order to improve employability different ministries of government has been created & these ministries are continuously working for the upliftment and empowerment of the women. Government's role in business including protection many Central & state Governments has been working to protect the rights of women employees. The mission of government is to ensure a safe & healthy environment for the women.

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Review of Literature

M. Bhavani Sankara Rao (2011) has highlighted that health of women members of SHG took a great step for improving the condition of women. It clearly shows that health of women members discuss health issues about their family in their groups.

Doepke M. Tertilt M. (2011) This study is an empirical analysis suggesting that economic power provide strengths to women. This study evaluated a non-cooperative series related to family bargaining models for getting frictions of empirical relationship. They have proved in their study that many factors give impact to relationships.

H. Subrahmanyam (2011) evaluated current women education from past education in his study. in this research author reflected the better improvements in the data of girls education. He used the term empower as a lawfull authority to act which is the way of getting some activities of women.

Duflo E. (2011) Women's Empowerment and Economic Development, National Bureau of Economic Research Cambridge The study reflects the poor Inter-relationship between empowerment and development. Self sustaining process of women has not increased. still women are dependent on men in many ways.

Venkata Ravi and Venkatraman (2005) reflected the effects of SHG on women role and exercise in decision making both in family issues and in group matters. women are playing important role in decision making.

Sethuraman K. (2008) The Role of Women's Empowerment and Domestic Violence in child Growth and under nutrition in a Tribal and Rural Community in South India. This research paper express the relationship **between women empowerment and different factors** in a rural and tribal community. This evolutional study has undertaken in rural Karnataka.

Objectives of the Study

- To know the objective & importance of Women Empowerment.
- To reflect the Awareness of Women Empowerment in India.
- To analyze the Factors affecting the Empowerment of Women.
- To evaluate the Government reforms For Women Empowerment.
- To identify the obstacles in the field of Women Empowerment.
- To provide useful Suggestions for the empowerment of women.

Research Methodology

In this paper an effort has been taken to evaluate the empowerment of in India. The data used in it is purely from secondary sources according to the need of this study. This paper is basically descriptive and analytical in nature.

Present Situation of Women

The women in modern times are entering into certain new fields that were unknown to the women's sphere of roles sets. They are activating and participating in social, economic & political activities. The women of the present generation have generally received higher education than the women of their preceding generation. That, why government of India is providing strong support to present women Ministry of Women Development, Government of India have come up with various schemes, programmes, social welfare plans, scholarship for women empowerment.

Need of Women Empowerment

Reflecting the Indian culture, women are being worshiped such as Maa Laxmi, for wealth, Maa Saraswati for wisdom, Maa Durga for power. The situation of women in India especially in rural areas needs to attention the matter of empowering women. Approximately 66% of the rural women are not developed. This is happened due to many traditions. If we also discuss about the urban women they are still underemployed in man oriented society in many ways & area. In order to protect women's & their right government has taken strong step for empowering women in India by stated different schemes plans, programs & evolution steps .Targeting these issues will directly benefit the empowerment of women in India.

Ways to Empower Women

In the simple words, women empowerment in the creation of an environment where women can make independent decisions on their personal development as well as shine as equals in society. Women want to be treated as equal to men so that if a women rises to the top of her field it should be accepted by the man and also should be encouraged. This can only happen if there is a channelized route by everyone for the empowerment of women.

Government Schemes for Women Empowerment

The Government programs for women development began as early as 1954 in India but the actual participation began only in 1974. The efforts of government and its different agencies are very commendable that they are playing an important role in facilitating women empowerment .Women need these schemes and programs for building up their life and status in society. These schemes are motivational force which improve productivity of women .It enables the women to take appropriate decisions. The central and State government have come up with several schemes for the empowerment and welfare of women in India. The central government is running about 147 schemes for women in the country which protect the different needs of women in the society. Other than this the state governments are also running about 195 schemes in their respective state. AT present the government of India has started so many schemes for women operated by different department & ministries some of them are as follows:

- Sabla scheme for holistic development
- Beti Bachao Beti Padhao Scheme
- One stop centre scheme
- Women helpline scheme
- Swadhar grah scheme
- Entrepreneur scheme for women
- Janni Suraksha Yojana
- Integrated child development
- Pradhan Mantri Jeevan Jyoti Bima
- Pradhan Mantri Ujjawala
- Mahila – E- haat
- Mahila Police Volunteers
- Women empowerment & livelihood programme
- Central social welfare board
- Development of Women & children in rural aare
- Dhanlakshmi
- Indira Mahila Kendra
- SBI Shree Sakhi scheme
- NGO's credit scheme
- Swalamban
- Rashtriya Mahila Kosh (NCFW)
- Mother & Child Tracking System (MCTS)
- Indira Gandhi Matritva Sahyog Yojna
- Rajeev Gandhi Scheme for empowerment for adolescent Girls
- Swadhar & Short stay home
- Working Women hostlers
- Support to training & employment progress
- National Mission for Empowerment of Women
- Rajeev Gandhi national Crecha Scheme
- Scheme for universalization of Women

Challenges in Women Empowerment

We want violence free environment for the women. It is the most critical building blocks in women human right. When a woman has economic, social and political rights, she can be bold, strong, safe and powerful. when women are safe and free from bad activities, they can earn their own dignity and can have equal voice in their family and community. They also can get equality and justice in their family.

History proved us that economies are developed when women have their fundamental rights. There are several challenges that are plaguing the issues of women right in India some of them are as follows:

- Access to Education: UNESCO proved in its report of 2013 that 31 million girls deprived from school education and in developing countries many young women had not completed their primary education.
- Employment Opportunities: In developed countries women continuously are facing major in equality in job. They are getting less salary than man also in developed countries.
- Reproductive Health and Rights : The ratios of reproductive health and right are very poor. Around 225 Million women have poor family planning; 74 Million women faced unplanned pregnancies and 36 Millions abortions in every year that are very serious data in women empowerment.
- Maternal Health: The data is very harsh related to Maternal Health according to WHO report 800 women every day from this cause.
- Gender Base Violence: Whether its normal domestic bad activities or rape & sexual harm, gender based violence denies for so many women the opportunity to live happy, health and safe.
- Child Marriage: According to new data till 2020, 140 million girls become child bridges and these girls will go to face so many problems in their marriage life.
- Gender In-Equality: In equality is regular issue when we talk about gender. Whether its unequal school education or in equality in profession. It always exists in the field of women empowerment.

Constitutional Efforts for Women Empowerment- Some Constitutional Efforts of Women Empowerment are as Follows-

- Rape (Sec. 376 IPC)
- Sexual Harassment (Sec. 509 IPC)
- The Crimes identified under the special laws (SLL)
- The Hindu Marriage Act,1955
- The State not to discriminate against any citizen on grounds only of religion, caste, sex, place of birth or any of them (Article 15(i))
- The State to make provision for securing just and human conditions of work and for maternity relief (Article 42)
- To promote harmony and the spirit of common brotherhood amongst all people of India and to take renounce practices derogatory to the dignity of women (Article 51(A) (e))

Suggestion of the Study

- Education should be compulsory for woman at primary level.
- Women should be aware to different Government schemes & plans.
- Women should get opportunity in family and society also.
- Status of women should be improved including economic, political and social.
- Support should be given to girls and women in crises.
- Empowerment should be start from our families, workplace and neighborhoods.
- Women should get equality in families, workplace and society.

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An Empirical Study of Goods and Service Tax (GST) with Reference to Karnataka State

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Miss. Vidyashri Dodamani**

Introduction

Introduction of GST would be a milestone in the history of indirect tax reforms in India. Goods and Service Tax (GST) is an all-inclusive tax charge on manufactures, sale, consumption of goods and services. It is monster indirect tax structures designed to develop the economic growth of the country. With the basic fundamental aim of GST to make uniform the scattered indirect tax system in India. For the consumers, the biggest gain would be in terms of a reduction in the overall tax burden on goods, which was estimated at 25%-30%.It leads to GST would also make our products competitive in the domestic and international markets which in turns gain revenue for the Centre and the States by its transparent character.

Emergence of issues and challenges while introducing new system is common. Like this Goods and Service Tax (GST) system also facing some issues and challenges in its adoption and implementation process. With this reason the present paper attempts to know issues and challenges of Goods and Service Tax (GST) with “An empirical study of Goods and Service Tax (GST) System with Reference to Karnataka State of India”

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Evolution of GST in India¹

The idea of a Goods and Services Tax (GST) for India was first mooted sixteen years ago, during the Prime Minister ship of Shri Atal Bihari Vajpayee. Thereafter, on 28th February, 2006, then the Union Finance Minister in his Budget for 2006-07 proposed that GST would be introduced from 1st April, 2010. The Empowered Committee of State Finance Ministers (EC), which had formulated the design of State VAT, was requested to come up with a roadmap and structure for the GST. Joint Working Groups of officials having representatives of the States as well as the Centre were set up to examine various aspects of the GST and draw up reports specifically on exemptions and thresholds, taxation of services and taxation of inter-State supplies. Based on discussions within and between it and the Central Government, the EC released its First Discussion Paper (FDP) on GST in November, 2009. The FDP spelled out the features of the proposed GST and has formed the basis for the present GST laws and rules.

In March 2011, Constitution (115th Amendment) Bill, 2011 was introduced in the Lok Sabha to enable levy of GST. However, due to lack of political consensus, the Bill lapsed after the dissolution of 15th Lok Sabha in August 2013. On 19th December, 2014, The Constitution (122nd Amendment) Bill 2014 was introduced in the Lok Sabha and was passed by Lok Sabha in May 2015. The Bill was taken up in Rajya Sabha and was referred to the Joint Committee of the Rajya Sabha and the Lok Sabha on 14th May, 2015. The Select Committee submitted its report on 22nd July, 2015. Thereafter, the Constitutional Amendment Bill was moved on 1st August 2016 based on political consensus. The Bill was passed by the Rajya Sabha on 3rd August 2016 and by the Lok Sabha on 8th August 2016. After ratification by required number of State legislatures and assent of the President, the Constitutional amendment was notified as Constitution (101st Amendment) Act 2016 on 8th September, 2016. The Constitutional amendment paved way for introduction of Goods and Services Tax in India.

After GST Council approved the Central Goods and Services Tax Bill 2017 (The CGST Bill), the Integrated Goods and Services Tax Bill 2017 (The IGST Bill), the Union Territory Goods and Services Tax Bill 2017 (The UTGST Bill), the Goods and Services Tax (Compensation to the States) Bill 2017 (The Compensation Bill), these Bills were passed by the Lok Sabha on 29th March, 2017. The Rajya Sabha passed these Bills on 6th April, 2017 and were then enacted as Acts on 12th April, 2017. Thereafter, State Legislatures of different States have passed respective State Goods and Services Tax Bills. After the enactment of various GST laws, GST was launched with effect from 1st July 2017 by Shri Narendra Modi, Hon'ble Prime Minister of India in the presence of Shri Pranab Mukherjee, then the President of India in a mid-night function at the Central Hall of Parliament of India.

¹ <https://www.gst.gov.in/about/gst/history>

What is GST Bill?

Goods and Services Tax (GST) is defined as the tax levied when a consumer buys a good or service. It is proposed to be a comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services. GST aims to replace all indirect levied on goods and services by the Indian Central and State governments. GST would subsume with a single comprehensive tax, bringing it all under a single umbrella, eliminating the cascading effect of taxes on the production and distribution prices of goods and services.

Salient Features of GST¹

The salient features of GST are as under:

- The GST is applicable on the manufacture, supply of goods and services.
- It is a dual GST with the Centre and States at the same time levying it on a common tax base. The GST to be imposed by the Centre on intra- State supply of goods and services is called Central GST (CGST) and that is levied by the States is called the State GST (SGST).
- The GST is applicable to all goods other than alcoholic liquor for human consumption and five petroleum products; they are petroleum crude, high speed diesel, motor spirit (petrol), natural gas and aviation turbine fuel. It is applied to all services excepting a few to be specified.
- The CGST and SGST imposed at rates recommended by the GST Council.
- There is a floor rate with a small band of rates within which the States may fix the rates for SGST.
- The list of exempted goods and services would be common for the Centre and the States which is finalized by GST Council.
- An Integrated GST (IGST) levied and collected by the Centre on inter-State supply of goods and services. Accounts settled periodically between the Centre and the States to ensure that the SGST portion of IGST is transferred to the destination State where the goods or services are eventually consumed.
- Tax payers allowed taking credit of taxes paid on inputs (input tax credit) and utilizing the same for payment of output tax. However, no input tax credit on account of CGST utilized towards payment of SGST and vice versa. The credit of IGST permitted to be utilized for payment of IGST, CGST and SGST in that order.
- The law, regulations and procedures for impose and collection of CGST and SGST harmonized to the extent possible.

¹ Goods and Services Tax (GST): An Overview,(01st July, 2016) As modified on 7th November , 2016

GST and Centre-State Financial Relations

Before the Constitutional amendment, the fiscal powers between the Centre and the States are clearly demarcated in the Constitution with almost no overlap between the respective domains. The Centre has the powers to levy tax on the manufacture of goods (except alcoholic liquor for human consumption, opium, narcotics etc.) while the States have the powers to levy tax on the sale of goods. In the case of inter- State sales, the Centre have the power to levy a tax (the Central Sales Tax) but, the tax is collected and retained entirely by the States. As for services, it is the Centre alone that is empowered to levy service tax.

The required amendments in the Constitution for the introduction of the GST so as to simultaneously empower the Centre and the States to levy and collect this tax are already made. The assignment of simultaneous jurisdiction to the Centre and the States for the levy of GST would require a unique institutional mechanism that would ensure that decisions about the structure, design and operation of GST are taken jointly by the two. For it to be effective, such a mechanism also needs to have Constitutional force.

Objectives of the Study

- To know the change in economic conditions in the market due to GST;
- To examine impact of Goods and Service Tax (GST); and
- Offer suitable policy suggestions for women empowerment.

Research Methodology

Keeping in view of the objectives, in the present study primary and secondary data have been used. Primary data is collected by personal interview of various types of businessmen and buyers, 25 each during field study. Secondary data has been collected from various research papers, magazines and articles. In addition to this study, data has also been collected from various journals, and the research is also based on the referred source- published, unpublished and electronic. To know importance, issues and challenges take place by implementation of GST. Names and localities of respondents are not disclosed.

Importance of the Study

To overcome the difficulty of multiple taxes and its cascading effect which is a burden on common man, Indian government introduced new indirect tax system that is Goods and Service Tax (GST). The framework of proposal has dual GST which means it will have a federal structure. GST will basically have three kinds of taxes namely Central, State and one called integrated GST that will help to tackle inter-state transactions. Under the current GST tax reform, all forms of supply of goods and services like transfer, sale, barter, exchange and rental will have a CGST and SGST.

Present study helps to know facts of GST in real situation and offers suitable suggestions on basis of findings.

Tools of Data Analysis

A few simple statistical tools such as averages, percentages, frequency, and range, have been used for the analysis and interpretation of the data. The sources of data were discussed at appropriate places in the present paper.

Data Analysis and Discussion

As per the present study sample size 50, interview of various types of businesses man and buyers, 25 each during field study, is only source from primary data collected:

Table 1: Gender Wise Distribution of Respondents.

Gender	Beneficiaries	Percent
Male	40	80
Female	10	20
Total	50	100%

Source: Filed Survey

As depicted in the above table, among 50 respondents, male respondents are 40 and remaining are 10 female respondents. As explained earlier, present study interviewed business men as well as consumers/buyers, 25 each. Among business men no one is female, it means are interviewed business men are male.

Table 2: Age Composition of Respondents

Age Group	No. of Respondents	Percent (%)
20-30	18	36
30-40	14	28
40-50	9	18
50-60	4	8
60 and Above	5	10
Total	50	100

Source: Filed Survey

As shown in the above table 20-30 year age group respondents are more with 36 percent, next age group which is 30-40 is near to this with 28 percent and remaining age groups are followed as 40-50 with great distance, 60 and above and finally 50-60 respectively. This table explains that as age increases participation of people in the market decreases because of new market strategies, technology and many others aspects.

Table 3: Social Groups wise Distribution of Respondents

Social Groups	No. of Respondents	Percent (%)
SC/ST	12	24
OBC	28	56
Others	10	20
Total	50	100

Source: Filed Survey

Present study interviewed different social group respondents according to their population. As shown in the above table OBC people are more compare to remaining SC/ST and others with 56, 24 and 20 percent respectively.

Table 4: Business Type of Respondents

Business Type	No. of Respondents	Percent (%)
Kirana Shops	5	20
Stationary Shops	9	36
Textile Shops	7	28
Electronic shops	2	8
Other Shops	2	8
Total	25	100

Source: Filed Survey

To collect the information of GST in real life, present study conducted interview of different type businessmen they are categorized as above, among 25 respondents majority of them are running stationary shop with 36 percent and it is followed by textile shop, kirana shop, electronic shop and others respectively.

Table 5: Educational Qualification of the Respondents

Education	No. of Respondents	Percent (%)
P.G	9	18
Graduation	13	26
PUC	10	20
Primary Education	18	36
Total	50	100

Source: Filed Survey

As depicted in the above table among 50 respondents majority of them had elementary education with 36 percent and it is followed by graduates, pre university course and post-graduation with 26, 20 and 18 percent respectively.

Table 6: Rural – Urban Distribution

Rural/Urban	No. of Beneficiaries	Percentage
Rural	12	24
Urban	38	76
Total	50	100

Source: Filed Survey

As shown in the above table, 76 percent of total respondents are belongs to urban area and remaining 24 respondents are from rural area. It depends on nature if the area. Urban area has more business activities compare to rural area.

Table 7: Knowledge about GST

Sources of Updating Knowledge	Business man	Consumers
Media (News Paper, TV, Radio, etc)	3(12%)	16(64%)
By Implementation	9(36%)	7(28%)
Training	5(20)	-
Communication / Group discussion	2(8%)	2(8%)
Total No. of Respondents	19(76%)	25(100%)

Source: Filed Survey

Different people get information by different sources like this present study respondents also came to know about GST from different sources that are listed above. Among 25 businessmen 76 percent of them are expressed their opinion as know about GST. 36 percent of it are know about GST by implementation, 12 percent are by media such as TV, radio, news paper and many, 20 percent got training of it and remaining 8 percent by communication. Among 25 buyers, majority of respondents are know about GST by media and it is followed by implementation and communication with 28 and 8 percent respectively.

Limitations of the Study

- Present study selected male businessmen respondents only.
- Present study is restricted to small and medium scale businesses of the study area.
- This study is restricted to Karnataka State only.
- Study data is restricted to the year 2017-18 only.

Findings of the Study

Present study found various findings some of them are listed below:

- Among 25 businessmen respondents, 13 of them are expressed their opinion as GST is favorably affected to their business and remaining 12 are expressed as adversely effected.
- Among 25 buyers/consumers, only one consumer felt that GST adversely effected on their consumption. And remaining 24 are comfortable with GST.
- Shops which have more than one goods are suffering from the calculation problem to sellers such as kirana shop, stationary shop and many.
- Present study found that businessmen as well consumers also have less knowledge about GST, some businessmen adopted GST because it is compulsory to all and many consumers do not bother about the any tax system.
- Sometimes consumer behaves as rigid to adopt new tax system; it leads to waste of time and energy of sellers to convince them.
- Because of lack of awareness among consumers, businessmen are easily manipulating consumers with high rate of GST.
- Present study found that existence of fake illegal receipts, even though after implementation of GST.
- All respondents of the present study are literate.
- Indirect tax uniformity is recognizable in the study area.

Suggestions of Present Study

Keeping findings in the mind, present study offers some suitable suggestions to overcome these difficulties, they are listed below:

- Each and every shop should have GST rate boards which are useful to buyers.
- Government should provide training to calculate GST tax rate for all businessmen.
- More and more programs, conference and seminars should conduct in order to ensure and enhance awareness of GST.
- As many respondents opinions that present GST tax payment system is complicated, to overcome this difficulty, government should modify present system or train to operate.
- India has recorded high rate of GST, to reduce burden tax rate should come down.

Conclusion

In the light of the above discussion, the present study has recommended that GST system is more beneficial for the Government as well as businessmen from the management and analysis point of view. GST is also helpful in avoiding Tax evasion, improved Tax collection and compliances. It reduces the cost of goods and services to some extent and creates a supportive environment for development of trade, thereby helping in revenue generation which leads to economic development. Similarly, it will also be helpful in lowering the Tax burden on the various segments of the economy. The GST System is basically structured to simplify the earlier Indirect Tax system in India. A well designed GST is an attractive method to get rid of deformation of the earlier tax process of multiple taxation. As said earlier, Introduction of GST would be a milestone in the history of indirect tax reforms in India. Goods and Service Tax (GST) is an all-inclusive tax charge on manufactures, sale and consumption of goods and services. As said earlier, Emergence of issues and challenges while introducing new system is common. Like this Goods and Service Tax (GST) system also facing some issues and challenges while adoption and implementation. As time passes by adoption and implementation of government police measures, the issues and challenges of GST will overcome.

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Demonetization: An Overview

Bhawna Sanduja*

Introduction

Meaning of Demonetization: The dictionary meaning of demonetization is” to deprive or to withdraw from use as currency tender”. Due to demonetization all currency ceases to be a legal tender. Means old notes or even coins must be retired or replaced or new currency can be issued in its place like issue of ₹2000 notes which was not available earlier. Such currency cannot be used to any transaction but to replace it with new currency. PM Modi’s announcement on 8th Nov., 2016 was the breaking news across India when ₹500 and ₹1000 notes are made illegal. These two currency notes are the most used currency in Indian market it had 86% share in the market. Some say it “Surgical Attack” on Black money.

Objectives of Demonetization

- Eliminate black money from the country.
- To stop counterfeiting of money.
- To combat corruption.
- To promote cashless economy.
- To fight against naxalism and terrorism.
- To stop money laundering activities.

History of Demonetization in India

Before 8th Nov., 2016, Demonetization has been practiced twice in India. When half year before the Independence, notes of high Demonetization ₹ 1,000 , 500

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and 10,000 were taken out of circulation in 1946. But all the three currencies were again reintroduced in 1954. And in 1978 again all the three currencies were again stripped off from the country. And it was announced public can replace the old currency with the new one by telling their source of income.

According to RBI Report, "At that time these notes were in circulation about 146 crore in the economy And out of this 125 crore ₹ has been exchanged with the small denomination currency. Remaining Rs. 21 crore notes were not exchanged. Therefore because of this scheme Govt. would be able to remove 21 crore of black money out of the country.

Countries which Implemented Demonetization

There are eight countries which practiced demonetization before India:

- **Nigeria:** In 1984, Nigeria introduced new currency and banned the old notes.
- **Ghanas:** In 1982, to tackle tax evasion and excess liquidity Ghana ditched their 50 cedis note.
- **Pakistan:** From December 2016, Pakistan brought out notes in new design and phase out old notes. The citizens had time to exchange the old notes and get newly designed notes.
- **North Korea:** In 2010, North Korea also announced demonetization which affected people a lot. In order to curb black market Kim Jong introduced two zeros from the face values of the old currency.
- **Australia:** To stop counterfeiting of money Austria released plastic notes, it became the first country to introduce plastic money. It did not have any side effects on the economy since the purpose was just to replace the paper with plastic.
- **Zimbabwe:** Zimbabwe had a one hundred trillion note after demonetization. The value of trillion dollars dropped to \$0.5 dollar.
- **Soviet Union:** To curb black market Mikhail ordered for stripping off large ruble bills from circulation. But this didn't go well with the citizens which brought down his authority and led to soviet breakup.
- **Myanmar:** In 1987, Myanmar military demonetized around 80% value of money to curb black market. But this decision led to economic disruption which led to mass protest in the country that killed many people.

Impact of Demonetization

- **Black money and corruption:** Because of the demonetization black money will be taken back out of Indian system. Corruption will also be automatically reduced by removing black money from economy.

- **Digital payments:** After ban of rupee 500 and 1000 notes in India people start adopting online payment system such as paytm, free charge etc. Demand of online transaction using E- banking, E-wallets usage of plastic money has substantially being increased and it could be a game changer in near future.
- **Fake currency:** It also helped in removing fake currency because people can get exchange their notes only by telling their source of income. But if they have counterfoil notes with them they can be trapped so there is no other option left to them instead of destroying their notes and incur losses.
- **Lower Inflation:** As black money goes out of system the money supply will shrink and this will reduce inflation rates in the country.
- **Real estate:** .It would impact red in cash transactions in real estate which reduces prices in real estate and make it affordable.
- **Cash Crunched:** A cash crunched in the economy has occurred due to the demonetization. Chandubhai Kothia, head of Gujarat based Shree Ganesh chemical complained that limit of 24000 cash withdrawal per week is not sufficient as payment of wages to worker's transport are to be done in cash.
- **Decrement in income:** India's service sector which contributes more than half of the GDP is worst hit earnings of the automobile industry, retail sector, telecommunications, NBFC's will report downfall.
- **On Economy:** There are serious liquidity crisis in the economy because of demonetization of 500 and 1000 rupee notes. It led to cash crunch which result in GDP growth crashing to 0.5% in the second half of financial year 2016-17.

Strategies for Tackling Black Money

- All business activities of financial nature should be properly recorded. Further govt. should make provision that for book keeping online system or certified software is mandatory for all businesses.
- Property is the one of the largest generator of black money in the country. All land records and property should be dematerialized in a similar way as company shares.
- The income declaration scheme 2016 was announced recently under this scheme; persons can declare their undisclosed income and pay tax, surcharge and penalty amounting to 45% of total undisclosed income.
- There should be reform in tax system so that cost of compliance is lower than cost of tax evasion.
- Control on holdings of cash and physical money including Indian and foreign money (FEMA, recent Demonetization).

- Enable identity of persons (through PAN card, Aadhar card) operating in the country citizens and foreigners.
- Implementation of various formats for direct transfer (NEFT/IMPS/RTGS)

Conclusion

To demonetize the high currency notes from the country was one of the major step of the central government for eradicating black money in India. It has affected general public to some extent but for the larger interest this decision was inevitable. It will definitely have major impact on curbing of black money.

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GST: Challenges and Issues

Dr. Bhakti Mahindrakar (Tatuskar)*

Introduction

In the history of Tax Reforms Value Added tax (VAT) was anticipated primarily by Wilhelm Von Siemens in Germany 1919, as a better over turnover Tax. Prof. Thomas S. Adams of United State of America in 1921 recommended Sales Tax. In 1949, Carl S. Shoup suggested VAT reform of the Japanese Economy. But France is the first country to implement VAT in 1954. While, Value Added Tax i.e. VAT is being executed by more than 160 countries in the world. One of our neighboring Country Pakistan is also on the way to adopt GST. It is termed as “General Sales Tax” in Pakistan. In one of the African Country, it is termed as “General Consumption Tax (GCT)”, while in Australia, Canada, Singapore and New Zealand it is popular as “GST”. Brazil and Canada have implemented GST in 1960 and 1990 respectively. India is the 3rd to introduce dual GST levied by both Federal and State Government. There is no much difference between VAT and GST excluding certain minor change i.e. VAT is levied on goods and GST will is imposed on goods and services. Fortunately, GST is not an additional Tax; it is merger of all indirect taxes. Hence, now all the Indirect taxes are under one umbrella.

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Literature Review

Agogo Mawuli (May 2014) “Goods and Service Tax-An Appraisal” opined that GST is not good for low-income countries and does not provide broad based growth to poor-countries. If still these countries want to implement GST then the rate of GST should be less than 10% for growth.

Dr. R. Vasanthagopal (2011) “GST in India: A Big Leap in the Indirect Taxation System” and concluded that switching to seamless GST from current complicated indirect tax system in India will be a positive step in booming Indian economy. Success of GST will lead to its acceptance by more than 130 countries in world and a new preferred form of indirect tax system in Asia also.

Ehtisham Ahmed and Satya Poddar (2009) “Goods and Service Tax Reforms and Intergovernmental Consideration in India” noted that GST introduction will provide simpler and transparent tax system with increase in output and productivity of economy in India. But the benefits of GST are critically dependent on rational design of GST.

Pinki, Supriya Kamma and Richa Verma (July 2014), “Goods and Service Tax- Panacea For Indirect Tax System in India” and stated that the new NDA government in India is positive towards implementation of GST and it is beneficial for central government, state government and as well as for consumers in long run if its implementation is backed by strong IT infrastructure.

Objective of the Study

- To find the Issues and expectations of GST in Indian context.
- To offer suitable suggestions to improve complications faced by GST in India.

Methodology

The study is based on secondary data collected from books, journals, govt. reports and publications from various websites related to Goods and Service tax.

India and GST: In the history of Indian taxation, GST was initiated on 28th February 2006 in by FM Chidambaram in the budget speech of 2006-07 and he declared as it will be implemented from 1st of April 2010. GST will replace previous VAT and Service Tax on 1st April 2012, but few states are not in favor of GST so it was quite pending. Again govt. took a step ahead on 1st April 2012 to introduce GST once again it was postponed because of several management and infrastructural problems. Finally current Finance Minister, Arun Jaitely initiated the 122nd Constitution Amendment Bill in parliament and GST came into force on **1st July 2017**. (Table-1). The advantage of GST is that it will replace Indirect Taxes which are levied by Central and State Government. The GST structure has a transparent system which shrinks the burden of cascading effect and it will also improve the Tax compliances and Tax

collection. GST will prove the uniformity of Taxes all over the country. Table 1 depicts stages of development of GST in India since 2006 till date.

Table 1: Development of GST in India

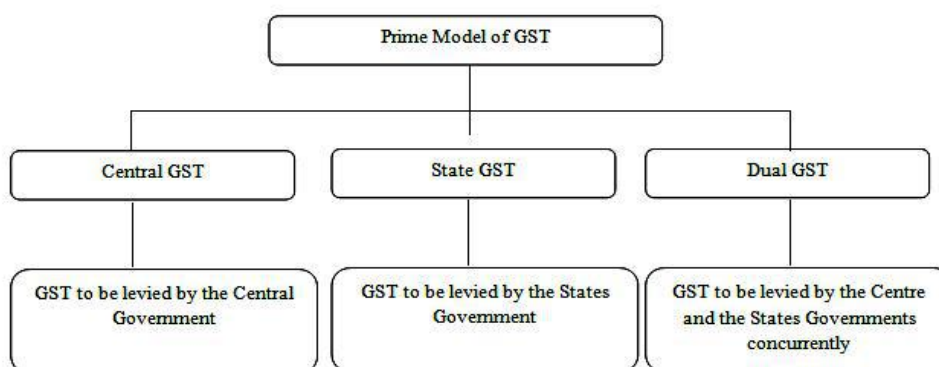
2006	<ul style="list-style-type: none"> • FM announces GST in India from 01.04.2010
2007	<ul style="list-style-type: none"> • Joint Working Group set up by Empowered Committee of State Finance Ministers • Joint Working Group submitted Report to Empowered Committee • Report of Joint Working Group discussed by Empowered Committee and some changes made.
2008	<ul style="list-style-type: none"> • Views of Empowered Committee was sent to Government of India • Comments received by Empowered Committee from Government of India • Comments of Government of India considered by Empowered Committee and Committee was constituted to consider these comments
2009	<ul style="list-style-type: none"> • Views accepted by Empowered Committee, a Working Group was formed by State/Central Govt. office to submit recommendations for the structure of GST. • The interaction between Finance Minister and Empowered Committee for compensation for loss of Revenue to the State for phase out of the CST. • First Discussion Paper released by Empowered Committee • Report of the Task Force on GST constituted by the 13th Finance Commission • The Prime Minister's Economic Advisory Committee (PMEAC), Chairman C. Rangarajan has said: "The Centre could follow the pattern in which there is only one rate for goods and one rate for services, or one rate which is common to both goods and services".
2011	<ul style="list-style-type: none"> • The Constitution (One Hundred and Fifteenth Amendment) Bill, introduced in Parliament.
2014	<ul style="list-style-type: none"> • The Constitution (One Hundred and Fifteenth Amendment) Bill, introduced in Parliament on December 19, 2014
2015	<ul style="list-style-type: none"> • Lok Sabha cleared the Constitution (122nd Amendment)Bill on May 6, 2015
01/07/2017	<ul style="list-style-type: none"> • Implementation of GST

Important Features of GST

Some of the important features of the GST reform are as under execute:

- This twin GST model would be executed through legal provisions. The GST has two instruments: one charged by the Centre (CGST), and the other charged by the respective States (SGST).
- Central Taxes and State Government Taxes are subsumed under the GST.

- The GST is pertinent to all business transactions of all the goods and services but except the excused goods and services under GST list.
- There is a separate Tax administration at Central and the State level. And they are paid to the accounts of the Centre and the States individually.
- Every Taxpayer will be provided with a PAN-linked Taxpayer identification number (TIN) of 15 digits.
- Alcoholic product, Tobacco and Petroleum products will not come under the GST.
- 13th Finance Commission has also announced 50,000 crores compensation package for States in case of revenue deficit, there is a concern raised by the States regarding their freedom to levy Tax and increase the Tax rates at their discretion.

Figure 1: GST Model**Table 2: Details of CGST and SGST**

Central Government Tax (CGST)	State Government Tax (SGST)
Service Tax	VAT/ Sales Tax
Central Excise Duty	Entertainment Tax
Additional Excise Duty	Luxury Tax
Excise Duty under Medicinal and Toiletries preparation Act	Taxes on lotteries
Additional customs duty (Countervailing Duty)	Betting and gambling
Surcharge	Entry Tax
Cess	Octroi

Table 3: Global Implementation of GST and Rates

Country	Year of Implementation	Standard Rates
France	April 10, 1954	20%
United Kingdom	April 10, 1973	20%
South Korea	1977	10%
Japan	April 1, 1989	8% (to be raised to 10%)
Canada	January 1, 1991	HST=15%, PST=14% and GST=13%

Singapore	April 1, 1994	7%
Australia	July 1, 2000	10%
Malaysia	April 1, 2015	6%

(Note: HST= Harmonized Sales Tax, PST=Provincial Sales Tax)

Table 4: Key Features of Dual GST

Transactions with the States		Inter-State Transactions
SGST	CGST	IGST
<ul style="list-style-type: none"> Levied by State 	<ul style="list-style-type: none"> Levied by Centre 	<ul style="list-style-type: none"> Levied by Centre
<ul style="list-style-type: none"> Implemented through Multiple States 	<ul style="list-style-type: none"> Implemented through Single State 	<ul style="list-style-type: none"> Implemented through Single State
<ul style="list-style-type: none"> Paid to the account of State Govt. 	<ul style="list-style-type: none"> Paid to the account of Central Govt. 	<ul style="list-style-type: none"> Paid to the account of Central Govt. IGST = CGST+SGST
		<ul style="list-style-type: none"> Addl. Levy @ 1% on goods for a period of 2 years

GST Council

- The council is set up by president under article 279-A and is chaired by union finance minister.
- It constitutes union minister of state in charge of revenue and minister in charge of finance or taxation or of any other field nominated by state governments. The 2/3rd representatives in council are from states and 1/3rd from union.
- The judgment of council is made by 3/4th majority of the voting and minimum members of the total council members should be 50%.
- It makes recommendations on:
 - Cess, Surcharge and Taxes of central and states will be included in GST.
 - Basic Goods and services will be exempted from GST
 - Integrated Goods and Service tax (IGST) – proportional distribution between central and state governments.
 - Under GST Regime registration entry is limited.
 - GST rates are fixed at 5%, 12%, 18% and 28%
 - Special rates can be laid during calamities
 - Provision of Unique category states especially north-eastern states.
 - It also works as Dispute Settlement Authority for GST.

GST Since Implementation

The GST Regime took approximately 13 years to conceptualize and is implemented. It is at infancy stage of just 150 days older. Its effect in long-run can't be

anticipated accurately. However, the agreement obstacles, vagueness, uncertainty and inventory effects tracked since the execution have made a dimple on the aggregate growth and hence, on the assurance with Indian trade and industry especially micro (tiny) and small business institutions. The scale of coverage for India has been huge given that India has a large MSME base, probably second largest in the world and more than 90 percent of those MSMEs belong to the un-organized sector. Certain challenges and issues are yet to be learnt by the government and also by the business community and it will be a model for policy inference for other countries too.

The Initial Barriers of GST

- In the initial stage of five months since implementation, the government and business community have observed difficulties of different types like faithfulness to agreement, IT arrangement & clarification, assessment & categorization of goods and services, increased documentation, high initial functioning investment expenditure and not the least uncertainty and vagueness. Additionally, repeated changes recommended by the GST Council meets set aside at tentative stage. While the hypothetical information concerning a variety of procedure and rules and regulations under GST was offered to business prior to implementation, the realistic issues concerning all those stages to function will be clarified only after years of execution. While several companies were not completely prepared and ready to make required changes, some legislative provisions, like necessity of a 'turn over charge' payment of tax on purchases from unregistered retailer, supplementary to the difficulty further. Moreover, steady explanation of a variety of constitutional facet nonstop position towards the execution and hence regular clarifications and modification had to be performed by the firms. These have affected the average performance of business activities, especially micro and small business corporations, as number of them have to enter under GST for the initial point and also for the individuals or companies who have to file for first-time.
- The various reviews in the set-up for the payment of taxes were not only complicated for business communities to know, it also affected business providing GST software to upgrade their organization, which ultimately led to disorder and ambiguity and therefore delay in filing of returns. Assembling GSTN registration number of clientele and sellers and including them into the system is rather difficult as any mistake would take place. Complexity in maintaining input tax credit on time.
- The importance on simplicity has led to an enlarged in the quantity of documentation that must to be filed on monthly basis. Contrast to the centralized filing of taxes, the service suppliers will carry out at divisional level

accounting to each state needs separate compliance requirements, documentation and return filing. As well, inter branch and intra branch invoicing have increased due to internal tax transfers. Even as the doubt/analysis/ inspection started by union or/ and state can be reacted online, in some cases, physical presence is required.

- GST has also commenced assured level of uncertainty with regards the estimation of services, i.e. especially the services which are shared inside the organization crosswise the states and has formed a room for fraud/manipulation (in valuation and categorization). In the case of production units, whose storehouses are situated in different states, tax is to be paid for interstate movement of goods, for which repayment will be claimed at a later stage. This involves obstacle of functioning capital as heavy bills and claiming input tax credit.

Measures to Reduce Initial Difficulties

The government to overcome from various issues and challenges of the business community has taken practical steps to ease out the difficulties faced principally by the tiny enterprises and the exporters.

- The GST Council in its 22nd meeting announced multiple changes including suspending the Reverse Charge Mechanism (RCM) till March 2018.
- Decline in tax rates of certain goods and services and relief package for exporters are predicated to provide some relief. The chief obstacle faced by exporters was postponement in repayment resulting to dead investment.
- Though, postponing the execution of e-billing system is a provisional assistance for tiny sellers and business community the ultimate to squash will cause some obstruction and confusion amongst traders. It would require up gradation of the IT system as it will necessitate documentation and tracking on a real time basis.

Also, the government should endeavor for more simplified methods for tiny business vendors so that as an alternative of excusing them they should be included under the broader GST umbrella. All business activities should be registered under GST regime irrespective of their tax payment. This will remove the necessity of RCM and it will promote Small scale industries and business community to register and MNCs to contract with these business holders. Micro firms should be permitted to pay taxes on a yearly basis instead of quarterly. GSTN registration code for all businesses activities in India is similar to unique identification code 'Aadhar' for every person would work as a vital detection digit for businesses accounting and policy formulation.

Challenges of GST

- Note ban has effected enormous on the new Tax Reform of (GST). The major two changes have affected the Indian Economy crucially.

- lack of proper co-ordination between Center and State related to the issue of jurisdiction, assesses and maintenance of States.
- Political factors are influential to the destiny of GST, which is inappropriate as preferably GST is an economic tax reforms, should not be uttered by political factors.
- GST also affects cash flows and working capital. As it includes high record of goods in different states may be negatively affected as they have to pay GST at high rate on stock movement from one state to another. At present CST/VAT is paid on sale and not stock movements.
- Involving unorganized sectors (unregistered firms) will have a negative impact on government exchequer.
- The maximum rate of GST in France and UK is 20 percent, but in India it is fixed at 28 percent which is burdensome.
- Union government has to coordinate with all the states as it is in initial stage because of transfer of credit through SGST.
- As it is one of the biggest tax reforms in the area of Indirect Taxes, officers working under these departments should be trained for proper implementation of GST.
- Effective co-operation and co-ordination at central and state level is very essential for appropriate execution of GST.
- Presently VAT is levied by 29 States and 7 Union Territories of India. All the Indian State has the power to finalize the Tax rates and they had the right to restrict the Tax system as per their convenience. If this power is vested to the Union Government, to control the Tax rate along with the Tax system. It is an issue of critical concern, but the question arises why all the States hand over their right to the Union Government.

Prospects of Goods and Service Tax

122nd Amendment Bill of Indian Constitution has introduced GST by removing multiple indirect with homogeneous taxes as 'One Nation One Tax':

- The present system of indirect tax structure is major obstruction in India's economic growth and competitiveness. Tax barricade in the type of CST, entry tax and restricted input-tax credit have separated the Indian market. Numerous taxes have increased expenditure of compliance.
- GST throughout the country with uniformity in taxes has made India a universal market. This leads to the scale in production and effectiveness in deliver sequence of goods and services. It has expanded business activities. GST has a positive effect on organized logistic industries and modernized warehousing.

- Digitized Tax filing, reimbursement and tax imbursement via 'GSTNET' without manpower has reduced rent seeking activities, tax avoidance and black money.
- Chief benefits of GST will be received by major sectors like FMCG, Pharmacy, luxuries goods, automobile and warehousing and logistic industries.
- Higher pressure of inflation would fall on the industries like telecommunication, banking and financial services, air & road transport and real estate.

Suggestions

- **Simplifying returns**

At present, every taxable person has to upload 3 returns every month (fractional assistance is provided to the turnover below 1.5 crores). For tiny tax payers, with fewer earnings getting a computer system with internet facility, uploading each and every bill or statement and filing 3 returns is a complicated procedure. An effortless summarized mode of payment is required alternative to uploading each and every bill/statement.

- **Making GST structure easier**

At Current much exclusion like interstate supplies of goods has been put in composition scheme. These make many small players unable for further procedure. The reason is to account for each interstate transaction and properly appropriate credit to destination state. But considering the tax paid by these players is very small, these restrictions can be removed.

- **GST Service Centers**

Many CAs, Tax practitioners and Accountants are cheating tax payers for GST filings, so govt. can arrange service centers to make easy GST associated tax filing at reasonable cost.

- **Modification of e-payment structure.**

Generation of e-payment requires a different portal which helps to reduce complications and issues.

- **Rationalize tax slabs**

There are unlike slabs on similar articles such as 'X' commodity >Rs.1000 @ 5% and above it is @12%. Likewise for lodge accommodation above 7500 etc these generate needless hurdles for tax assesses as well as extent for avoidance. Such issues should be removed.

- **Better IT system**

The present GSTN portal is extremely slow and the training of element is still under procedure. This has to be speeded up.

Conclusion

It has been witnessed that in the economies where GST has been executed had positive impact on their economies. It is the most simplified tax structure and an indirect tax reform in the country by evading unnecessary complications. Economists

are in favor of GST regime, experience of other countries support to believe a landmark in the area of progress of Taxation in Indian context. As for the challenges are concerned it is between State and Central Government proportion in Taxes majorly, but directly or indirectly it is adding wealth to the nation. It has great prospects in favor of the nation. The GST System is basically structured to simplify existing Indirect Tax regime in India.

A sound planned GST is an impressive technique to get relieve of present system of multiple taxation with reduction in the compliance of burden. Several indirect taxes such as Sales Tax, VAT etc., have ended under GST regime. GST will create a rule of 'One Nation and One Tax' system. It provides comfort to manufacturers and clients by offering a broad and ample coverage of taxes merging the several taxes. Efficient development of GST will lead to strong earnings for both Centre and States governments, enlarging of tax base and development in tax compliance. Additionally it can be concluded as GST laid a optimistic impact on different areas, especially industrial sector. While execution of GST involves strong efforts of all stake holders like, Central and State Government, trade and industry. Electronic processing of tax payments, repayment through 'GSTNET' in absence of manpower leads to reduction in the level of rent seeking activities and tax avoidance and generation of black money. Built-in check on business transactions through seamless credit and return processing will reduce scope for generation of black money, leading to productive use of capital. Therefore it is essential on the part of the government to educate, conduct proper training, seminars, conference and workshop on GST is need of an hour. Thus, necessary steps should adopt to improve distortions. The present paper concludes that GST plays a dynamic role in the growth and development of the country but GST as a Tax Reform require little time to adjust in the economy.

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Goods and Services Tax and its Impact on Indian Economic Growth

Dr. Pradeep Kumar Sharma*

Introduction

When almost all larger economies of the world are struggling to maintain their growth rate, Indian economy is growing by leaps and bounds. In the financial year 2016, Indian growth rate (GDP) stood at a huge 7%. With make in India and Digital India campaign, India is all set to make a remarkable difference on world economic growth forum. The introduction of goods and services tax (GST) is one more mile stone in the pursuit of economic excellence. By introducing GST central and state levies like excise duty, custom duty, VAT, entry tax, luxury tax, and services tax got replaced and the country set on the path of one India one tax. It helps trade and commerce by abolishing indirect taxation and paving the way for free movement of goods and services. GST also minimizes the flawed double taxation system. The rates for various categories of goods and/ or services under GST are 0%, 5%, 12%, 18% and 28%. There is special 0.25% tax rate on rough precious or semi- precious stones and 3% on gold. Gst is categorized in three main groups, i.e., central gst or CGST, state gst or SGST and Integrated gst or IGST. The returns under GST are to be filed in a continuous and pre determined manner every month or quarter or every financial year involving various steps called as GSTR's.

- GSTR 1 is to be filed by or before 10th of every next month on outward supply of goods or services.

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- GSTR 2 is to be filed by or before 15th of every next month on purchases made by business.
- GSTR 3 is to be filed by or before 20th of every next month which includes monthly returns along with payment of amount of tax.
- GSTR 4 is to be filed by or before 18th of every next quarter which includes quarterly return of tax.
- GSTR 5 is to be filed by or before 20th of every next month by non-resident tax payers.
- GSTR 6 is to be filed by or before 15th of every next month as a return of input service distributor.
- GSTR 7 is to be filed by or before 10th of every next month as return for TDS.
- GSTR 8 is to be filed by or before 10th of every next month as a return for economic supplies.
- GSTR 9 is to be filed by 31st of next financial year as GST annual return.

Scope of the Study

The study is focused on the different aspects of GST that include various features; positive and negative impact of GST on Indian economy from a common mans perspective. It will ultimately help a common man to get a better understanding of this newly introduced technically advanced tax system.

Objective of the Study

- To understand the basic crux of GST.
- To study positives of GST.
- To evaluate the impact of GST on Indian Economy.
- To give suggestions on the basis of findings.

Research Methodology

This research paper is based on empirical study. It is descriptive type of research paper, based on secondary data collected from different books, news paper articles, research journals, etc.

Basic Crux of GST

Goods and Services Tax or GST is an indirect form of taxation system replacing the previous version of taxes with cascading effect by State or Central government on 1st July 2017 with 105th amendment by Government of India. It is an indirect form of tax to be levied on supply rather than production or sale. Under GST the term supply is the basis for levy of tax, whether supply of goods and/ or services.

It is destination based consumption tax that means no more excise duty at manufacturer level, thus reducing the cost of manufactured goods. Under GST, there is 8 digit HSN code (Harmonized System of Nomenclature) for identifying the applicable rates of GST on different products as per CGST rules. If the company has

sale up to 1.5crore in preceding financial year then they need not to mention HSN code on supply of goods on invoices. If the company has turnover of more than 1.5crore up to 5crore then they need to mention HSN code of 2 digits while supply of goods on invoice. If the company has turnover of more than 5crores then they need to mention 4 digit HSN code for sale of goods on invoice.

Positives of GST

- Under GST, there is a single tax system unlike previous versions of tax systems in place.
- Under GST, prices of product and/or service are less on a particular commodity as the rates are less than previous taxes (which include multiple taxes and double taxation).
- GST is levied by both States and Central government concurrently and simultaneously, making them to work in perfect co-ordination with each other.
- Under GST, filing of return and paying of taxes is fully automated and governed by a super- specialty software unlike previously used excel sheets.
- It provides corruption free tax system as the whole process is centrally governed and fully supported by software.
- Helps removal of double taxation, as earlier at factory/ manufacturing level there was excise duty and at vendor level there used to be VAT and in between there were many other taxes like CST, etc. now there is only one tax at consumption level.
- GST is proving useful for the economy by reducing the manufacturing cost for most of the items and ultimately bringing their selling price down and helping economy in wider terms by reducing inflation.
- Under GST there are less chances of corruption as there are no longer multiple confusing taxes. Thus helping society moving towards corruption free system of taxation.

Impact of GST on India Economy

In order to clearly understand the impact of GST on Indian Economy, it is necessary to understand its impact on Business, Consumers, and Central and State Governments.

Business

- With the implementation on GST the Cascading system of taxation got evaporated as GST is a single answer to all queries of indirect tax system.
- Lot of more business would come under the span of taxation, even those who used to evade VAT and other taxes due to multiple operating points and flaws.

- For a businessman it becomes simple and easy to file returns, as the software is very user friendly and the returns are to be filed on monthly basis. Thus, reducing the chances of omission on part of businessman.
- As the GST helped in reducing manufacturing cost of goods produced, the selling prices got slashed. Thus, providing a competitive edge of price leadership to goods produced in international markets.
- With the implementation of GST law the double taxation got abolished which was a great point of relief for business community.

Consumers

- For buyers GST came as something to cheer about as the prices of commodities got less.
- The amount of indirect taxes that is ultimately meant for consumers shoulders got curtailed, reducing the tax burden of consumers.

Central and State Governments

- GST helps both State and Central government to maximize their circle of tax collection.
- GST helps both State and Central government to get out of previously used paper work, excel sheets and manual file systems by replacing the same with advanced hi-tech software, wherein tax liability of GSTIN holder is just a click away.
- GST help the governments to have a clear and closer look on defaulter and tax evaders.
- With the implementation of GST law in India all loose doors of tax leakage got sealed.

Conclusion

In India GST is still in infancy as compared to other 140 countries where it has already been implemented and followed since long. But its system has been designed in such a perfect manner that it would create good amount of revenue for both central as well as state governments. In the long run GST would lead to the free movement of goods and services across the country. It will help common man by way of reduced cost of goods and services. It will also help state and central government to increase their tax base and also central government can work in complete coordination with state governments as both get equal sharing in the form of CGST and SGST.

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Changing Modes of Payment after Demonetisation: Issues and Challenges

Ms. Mitali Gupta*

Introduction

Cash is a basic necessity to run an economy. Cash is being used as the basic medium of exchange due to its wider and legal acceptability. In the present digital era, various modes of payment have emerged. These new methods bring with them a combination of risks and benefits. In order to curb the black money demonetisation policy was adopted in India, thereby the currency notes of 500 and 1000 were taken away from the economy. At the same time the use of digital modes of payments were accelerated. As a result of demonetisation there is depletion in cash and increase in other modes of digital payment like e-banking, e-wallet etc.

Review of Literature

Cashless economy does not mean an economy without cash but it is an economic environment wherein goods and services are purchased by making payment for electronic media. Woodford (2003) described a cashless economy as an economy where money balances are kept less because these earn certain rate of return. Roth (2010) found that developed nations are increasingly getting away from paper payment instruments and inclined towards electronic payment methods. Moses-Ashike (2011) suggested that e-finance, e-money, e-brokering and e-exchanges are some of the

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additional features of the cashless economy. Marco and Bandiera (2004) agreed that enhanced use of cashless banking instruments gives support to the monetary policy effectiveness and the increased use of e-money is not creating danger for the present financial system. However there is possibility that the apex bank may be left with less control over the monetary policy if the government is not able to maintain an effective fiscal policy. As reported by Price Water House Coopers (2015), India's population not linked to banks was at 233 million. Even the people who have access to banking, the ability of using debit or credit card is less because there are only about 1.46 million POS (point of sale) where payments can be made through cards.

Statement of the Problem

A cashless economy is an economy where the transactions are done through digital means. As a result the flow of physical currency is minimised. In India people mostly prefer use of cash for accomplishing transactions. The currency in circulation is very high in comparison to other developed economies. But this scenario is now changing due to the emergence of information technology and the increasing focus on cashless transactions. As a result there is radical change in the modes of making payment especially after demonetisation.

Objectives of the Study

- To understand the concept of cashless economy.
- To highlight the emerging modes of payment.
- To study the advantages of cashless transactions and the digital modes of payment.
- To study the challenges of the new modes of payment.

Emerging Modes of Payment

Online transfer (NEFT or RTGS): Under this method the payment is made using internet facility provided by the bank. This method facilitates to pay from anywhere and at any time. This is a time saving method. The payment is made directly to the bank through online transfer. Credit card and Debit card: The person having a bank account is offered debit card and those having sufficient creditability are also offered credit card by the bank. Under this system payment is made through swipe of cards at the POS system by the merchants and traders.

E-wallets: Under this system, a smart phone with internet connectivity is used by the payer to pay for transactions. The receiver should also have the facility to receive the payments. The payer has to register for e- wallet and then he has to link it with his credit or debit card for making online transfers.

In the emerging cashless economy, the above modes of payment are mostly promoted and encouraged. These methods offer a number of benefits not only to the common man but also to the economy at large.

Advantages of Cashless transactions and Digital Modes of Payment

- **Convenience:** The biggest advantage of cashless payment mode is the convenience which it offers. These methods are not time bound. Moreover they remove the risk of carrying currency along. 'Anytime anywhere' is the greatest motivator for digital payment system. It facilitates making payments 24*7 i.e. at anytime, even on holidays.
- **Transparency:** When most of the transactions are recorded there would be transparency in the whole system. In the long run, ultimately when most of the currency would be in bank then there would be more circulation of money which will lead to growth of the economy as a whole.
- **Discounts:** With the motive to accelerate digital transactions, various discounts are being offered by the sellers. On using digital payment mode we can save also by availing the discount offers.
- **Impact on Taxation:** As there are less cash transactions, the chances of tax evasion have also been reduced. If taxes are paid properly then ultimately the country will be benefitted and tax rates are likely to reduce. Tax avoidance can be highly decreased due to increased transparency. This will increase the funds at the disposal of the government for the welfare of the public at large.
- **Lesser Cash for Illegal Activities:** Due to increased transparency, there is record of every transaction, so there less cash would be available for illegal activities. Less ways of hiding money and indulging in illegal activities will decline.
- **Reduction in Transaction Cost:** Transaction costs will come down in the long run. It would bring down the logistics & cost involved in printing, managing and moving money around. In spite of numerous benefits which the digital mode of payment offers, it is also not free from certain limitations.

Challenges of Digital Modes of Payment

- **Financial Inclusion:** The major issue in establishing a cashless economy is connecting the people to banks and banking facilities. For this, there is need that every individual must have a bank account. There is also need that individuals having bank account should have a debit/credit card and they should have access to e-banking so that they can use digital mode. It is only through a drive for financial inclusion that people will have awareness of its benefits and are encouraged to shift towards using non-cash modes of payments.
- **Lack of Infrastructure:** Availability of sufficient infrastructure is a basic requisite for moving to a cashless economy set up. There are various problems related to infrastructure which need to be resolved like incompetent

banking systems, inferior digital infrastructure, mediocre internet connectivity, lesser efficient digital payment interface etc. In order to convert the cashless society into a reality there is immediate urge to improve internet connectivity and develop a protected and riskless payment infrastructure.

- **Digital and Financial Literacy:** Literacy has a great impact on the way of conducting transactions. So people should be made literate on financial aspects as well as on digital aspects. Awareness should be created for the digital payment modes available and should be familiarise with the ways of using them. In a country with large section of society being illiterate it is very difficult to implement such a system.
- **Cyber Security:** Digital modes are highly exposed to cyber-attacks and cyber frauds. Before moving to a cashless society, risks and dangers associated with the digital modes should be removed otherwise people will never develop faith in such system and the whole idea of promoting cashless economy would fail.
- **Changing Habits and Attitude:** In India transactions are mainly undertaken with cash because of less encouragement to e-payment modes, lack of knowledge of e-payment methods and habit of carrying cash due to convenience in its acceptance and no requirement of any infrastructure in using it.
- **Rural Society:** Urban areas have high speed of internet connectivity while this is not the case in rural areas. Though we see a drastic shift among the masses towards increased use of smart phones but the rural areas are far away from such use of mobile phones.

Current Scenario in India

- Indian economy is majorly inclined towards the use of cash and most of the payments are done through cash. The primary reason for this is limited reach to the banking facilities especially amongst the rural and illiterate population. The scenario is that even those who can avail digital modes of payment, they also prefer using cash.
- Indians mostly prefer to pay and save in the form of cash only and that is the reason they don't realise the need of a bank account and generally avoid using banking facilities.
- As per the reports of RBI, the banks have issued around 697.2 million debit cards and 25.9 million credit cards to customers after making adjustments for withdrawn or cancelled cards till July 2016. But this should be noted that cards themselves cannot convert the economy into cashless. Even those who are having cards, are not using them frequently. It indicates that many customers

have multiple accounts in banks and multiple cards. This defeats the goal of going cashless.

- Moreover the use of debit card is also limited to withdrawal of cash and not making payments. This has merely shifted the masses from banks to ATM's for withdrawing their cash requirements and ultimately making payment in cash form only.
- In spite of a massive drive like JAN DHAN YOJANA, there has been no active improvement in using banking facilities. Many accounts were started in this scheme but many of these have remained dormant or with no balance in them.
- The number of use of ATM's and POS terminals in India doesn't match with its increasing population. In 2014, there were only 18ATMs and 13 commercial bank branches for every 100,000 adults. Most of the growth in number of POS terminals and ATM's has been restricted to urban areas. A limited number of ATMs are established in rural areas. The RBI's own research found that the areas with more proportion of female and rural population have indicated lesser financial inclusion.
- For a layman using cards, electronic modes of payment, POS terminals are not easy to understand and adapt. The issue can be resolved by enhancing literacy level and creating awareness throughout the nation.
- Indians are significantly less inclined towards digital banking, especially with the use of credit or debit cards. They are less aware about conducting transactions using mobile phones, and making payments using net banking facilities.
- There need to be insist on the efforts towards efficiently linking bank accounts with mobile numbers. Also a clear urban-rural divide exists in this regard.
- The issues relating to cyber-attacks need to be checked as well as there is increased need to emphasize on framing strong legal framework to ensure data security. Individuals must be allowed more control over their data, conditional access to data indicating user behaviour etc.
- A cashless society requires a powerful legislation to guard against wrong use of power. But the fact is that data protection laws and public policies are weak. In India, privacy is not a prime concern and there is a lack of privacy or data protection laws.

Conclusion

The biggest problem India faces in shifting to digital modes of payment is lack of digital infrastructure, limited reach to banking facility, security concerns, poor internet connectivity and illiteracy. At the most what is seen in the name of initiating cashless economy is the use of POS terminals to make payment and the use of

ATM's for withdrawal of cash only. Many people even today are not connected to bank, PoS terminals, internet or are not aware about the use of digital payment methods etc. So there is a strong urge for a drive to improve digital services and awareness for digital payments in rural and urban areas. India must learn from other developing nations, the ways to decrease their dependence on cash and to connect more and more people with banking system. The major steps which can be undertaken are:

- Invest in building the required financial and digital infrastructure
- A nationwide financial and digital literacy drive together with by a medium-term strategy to improve access to electronic payments. Targeted financial education programmes for better financial skills and credit management.
- The government should initiate the challenging work of modifying attitudes of people towards electronic modes of payments.
- Effective implementation of cyber security measures.
- Installing more ATM's and POS terminals.

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Employee's State Insurance Scheme: A Step of Economic Growth through Cashless Measures in India

Ms. Kanika Kaondal*

Introduction

The economy of India is moving towards the economic parameters by cashless transactions. India has one of the highest cash to gross domestic product ratios in the world, and lubricating economic activity with paper has costs. According to a 2014 study by Tufts University, the cost of cash in India, cash operations cost of the Reserve Bank of India (RBI) and commercial banks goes around Rs 21,000 crores annually. A shift away from cash will make it more difficult for tax evaders to hide their income which would be a substantial benefit in a country and it is a sign of better governance reforms in India as by it country can reach towards the economic growth.

Factors that are required to make India cashless economy by which economic growth can be achieved are as follows:

- A meaningful transition will depend on a number of things such as awareness, technological developments and government intervention among the general public.
- Mobile wallets will become a notable landmark for Indian economy towards cashless scenario, and it is possible that a large number of Indians will move straight from cash to mobile wallets.

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- The availability and quality of telecom network will also play an important role in making India a cashless economy.
- Banks and related service providers will have to constantly invest in technology in order to improve security and for the ease of transaction.
- The government will have to find ways to incentivize the cashless transactions and discourage cash payments.
- Government should revamp the tax administration because more than taxes, small businesses fear from the tax inspectors.
- India's current economic moment constitutes a crucial inflection point, if this is handled correctly then there will be a chance that the unbanked will adopt digital payments.
- A sharp increase in the use of mobile phones with internet connectivity will help to drive the movement towards digital payments.
- The penetration of online payments should be reached to local stores so that the transition can be effective.
- Financial security over the digital payment channels should be imperative for pushing the cashless economy idea in India.

Hurdles in Making India a Cashless Economy

- A large part of the population is still outside the banking net and not in a position to reduce its dependence on cash. According to a 2015 report by Price Waterhouse Coopers, India's unbanked population was 233 million.
- Even for people with access to banking, the ability to use their debit or credit card is very limited because there are only about 1.46 million points of sale which accept payments through cards.
- It will not be easy for the informal sector to become cashless.
- There is a general preference for cash transactions in India.
- Merchants prefer not to keep records in order to avoid paying taxes and buyers find cash payments more convenient.
- People face difficulties in making electronic payments even in metro cities because of poor network.
- The World Bank's Global Index shows that Indians are significantly less familiar with digital banking, making transactions using mobile phones, and using the internet to pay bills – than their peers in middle-income nations.
- Another big hurdle is unachieved targets for digital India.
- Low literacy rates in rural areas along with lack of internet access are main hurdles in rural areas by which it is hard to make India a cashless economy.

Employees' State Insurance Scheme

Social Security: Industrialization leads to economic development and a nation's prosperity and progress. It paves the way for the modernization of the country and better standards of living of the working people. An industrially advanced country is also an economically advanced one, when it is well developed in all sectors. Healthy industrialization requires steps to introduce labor welfare programs. Each and every human being wants protection from womb to tomb in the society. So worker also requires protection in and out of the course of employment through the institutions of social security schemes enacted by the government from time to time.

Labor is an important factor of production and has a key position in an industrial organization. It is the only workers who are responsible for industrial production in a concern. Even an automatic machine cannot be handled without the help of labor force. Thus the worker should be provided protection and other welfare facilities by the government and the employer, so that he may work willingly and efficiently. Steps for providing protection and welfare facilities to industrial workers either by the government or the employers will have a favorable effect on industrial productivity and harmony. This is possible only if the workers are satisfied and give full cooperation. It is very necessary that the work force should feel secure against various types of hazards involved in their work. A poor worker cannot afford huge expenses to protect himself and his family against risks and uncertainties.

Social security may generally be defined as protection provided by the society to its members against providential mishaps over which a man has no control. This protection is provided through proper organization. In western countries, the State and employers both generally provide it to the individual workers and as such the term 'social security' has come to be associated with them. Thus, social security is the security which the society especially the State and the employers furnish through appropriate organizations to the individual members of the society who are exposed to certain risks.

Employees' State Insurance Scheme

One of the major legislation passed by the parliament on social security for workers in independent India was the promulgation of the ESI Act. The ESI Act covers certain health related eventualities that the workers are commonly exposed to, such as illness, maternity, permanent or temporary disablement, disease caused due to the hazardous nature of the occupation or death caused due to injury obtained during employment, resulting to loss of income or total or partial earning capacity. The Act provides for provisions made in Social security to offset or eliminate the resulting physical or financial sufferings in such contingencies are, thus, intended at supporting the self – esteem of a human being in times of hardships through protection from social degradation, deprivation and destitution while making it possible for the society

to ensure the retention and continuity of a socially useful and productive workforce. Thus, we can conclude that the ESI Scheme in India is an integrated and pragmatic social security scheme designed to provide social protection to the employees and their dependents in the organized sector in the occurrence of contingencies, such as, illness, death or disablement due to an employment injury, occupational disease, and maternity. Applicability of ESI Scheme: The ESI Act applies to any premises where 10 or more persons are employed. A factory or an establishment located in a geographical area notified for implementation of the scheme falls under the purview of the Act. Employees of the aforesaid categories of factories and establishments, drawing wages up to Rs.21000/- per month (July 2017) are entitled to social security cover under the ESI act. The wage ceiling for purpose of coverage of employees revised from time to time, to keep pace with rising cost of living and subsequent wage hikes. Various Benefits under ESI Scheme:- All the benefits are availed by the insured persons and their dependents through a ESI Card, which works online on ESI Portal and then they gets benefits by cash-less measures. Some of the benefits are discussed below:

- **Medical Benefit**

Medical benefit includes the medical care package (free of cost) consisting of out-patient treatment, in-patient treatment, specialist consultation, X-ray and laboratory investigations, supply of drugs, dressings, artificial limbs, aids and appliances and health improvement services such as vaccination, preventive inoculations and periodical health check up. An insured individual and his /her dependents become eligible to receive medical attention from the date he /she joins the insurable employment and entitlement continues till the time the insured person continues to be in insurable employment or is qualified to stake a claim for instances like illness, maternity or any form of disablement. The medical care is provided by the corporation mainly through a well established network of ESI dispensaries, hospitals and panel of clinics set up all over the country. Super specialist treatments are provided through the country's most advanced medical institutions for which payments are made directly by the ESI Corporation to the institutions concerned.

- **Sickness Benefit**

Sickness Benefit includes periodical payment to an insured person in case of Illness/Sickness in the form of cash compensation at the rate of 70 per cent of wages is payable to insured workers during the periods of certified sickness for a maximum of 91 days in a year. In order to qualify for sickness benefit the insured worker is required to contribute for 78 days in a contribution period of at least 6 months.

- **Maternity Benefit**

Maternity benefit includes periodical payment to an insured female in case of confinement or miscarriage or illness or premature birth of child or miscarriage due to

complications of pregnancy, duly certified by an appointed medical officer. Maternity benefit continues to be payable in the event of passing away of an insured woman during her confinement or during the period of six week immediately following her confinement leaving behind a child for the whole of that period, and in case the child also passes away during the given period then until the passing away of that child.

- **Disablement Benefit**

Disablement or employment injury benefit implies payment to an insured individual who has suffered disablement due to an employment injury sustained as an employee if he is certified to be eligible to receive such payment by an authorized entity specified in such cases. Disablement may be temporary or permanent. In case of disability which is temporary in nature and sustained out of an employment injury, disablement benefit is admissible to an insured individual for the complete period so certified by the specified Insurance Medical Officer/ Practitioner under which the insured individual is not employed.

- **Dependents Benefit**

If the insured person dies as a result of an employment injury or occupational disease, his dependents are eligible to receive compensation under the ESI Act, who shall be entitled to periodical payments. In the dependents benefit there are no contributory conditions for qualifying to this benefit. Thus, if the person dies of employment injury even on the first day of his employment, his dependants are entitled to the benefit.

- **Other Benefits**

Besides the above main benefits, the Corporation also provides some additional benefits to the insured individuals or their dependents. Other benefits include the funeral expenses on death of insured person subject to a maximum of Rs.10,000 and free supply of aids and appliances such as crutches, wheelchairs, debentures, spectacles and other 21 such physical and aids preventive health care services such as immunization, HIV/ AIDS detection etc.

Objectives of the Study

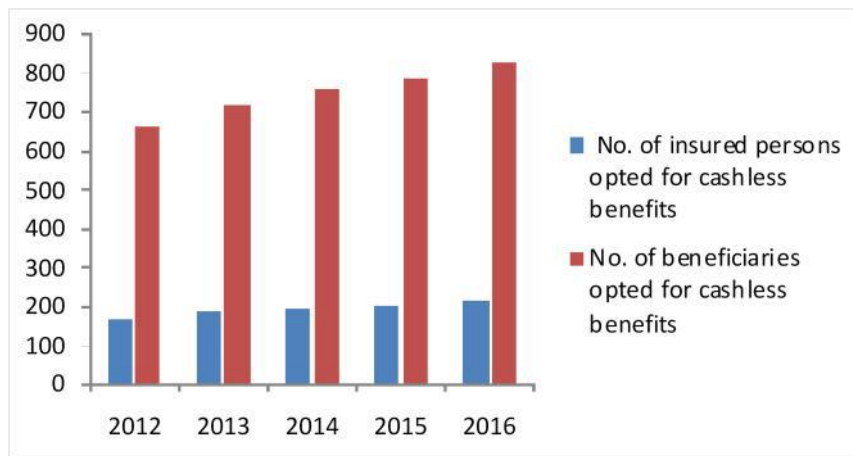
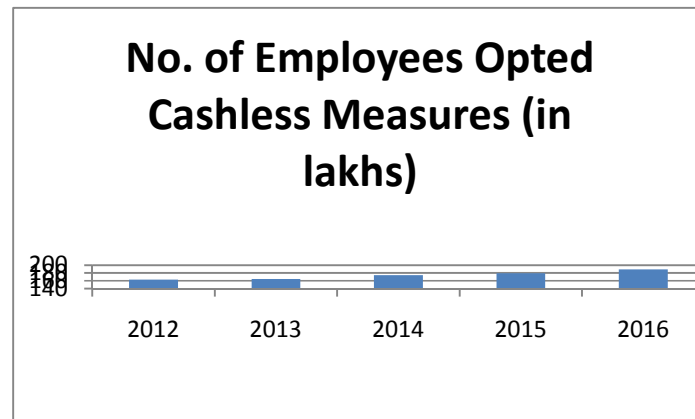
The object of this study is to examine the following aspects of the Employees' State Insurance Scheme:

- To study the effectiveness of the benefits provided by the cashless measures to the insured persons under the Employees' State Insurance Scheme.
- To study the awareness level of the people so that they can get benefits from the scheme through cashless ways.
- To study the quality of the services provided to the insured persons and to their dependents.

- To explore various problems which become an obstacles in achieving the economic growth.

Research Methodology

In this research paper I opted to collect data from secondary source. In secondary collection of data, the data is collected from the annual reports provided on the official websites of ESI. The official records will give detail information about the past, present and future plans of the respective scheme.



Source: Annual Reports of ESIC

Findings

From the above it has been found out that the insured person and beneficiaries both are continuously availing the cashless measure benefits. The research methodology states that the insured person is being aware of the cashless initiatives and they are continuously involving in these measures and country is moving towards the economic growth by this scheme. But there is still many loopholes to achieve Indian economy towards full cashless economy.

Conclusion

Employees' State Insurance Scheme is achieving its target of inculcating into cashless economy. But there is requirement to do much in this direction. The government should target the financial education programs so that the financial skills and credit management can be increased. A nationwide financial literacy campaign should also be accompanied by a medium-term strategy to improve the access and awareness of electronic payments among insured persons and beneficiaries. Country is still in the boundaries of developing economy only, so there is lot to do in this direction to make India more economic viable and moveable with the developed nations.

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GST: Challenges in Becoming One Nation One Tax

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Introduction

The GST was expected to overcome the deficiencies of Indirect Tax. GST has merged all Indirect Taxes into one tax and would likely to help in creation of national market where there is no state barriers. Experts said that GST will help in economic development of the country. It was estimated that GST will help in creation of a nationwide market that will benefit the Indian economy. Both the State and the Central Government is now levying GST on supply of all goods and services produced in India or imported into the country with certain exceptions and exemptions. The Centre and the States would have simultaneous jurisdiction for the entire value chain and for all taxpayers on the basis of thresholds for goods and services prescribed for the states and the Centre as per CGST Act and SGST Act. The taxpayer would need to submit common format for periodical returns, to the state where they have taken registration. The difficulty the public and businessman are facing is with different slab rates and its poor implementation it is doubted that whether it is a single tax. There are some items on which rates are 0% and some on which there are 28%. Many amendments and notifications have been till now which is making the unified tax structure most complex tax structure. Every month the GST council reduces tax rates on certain items, alters the composition limit and alters the requirement of return making it more and more difficult to understand.

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Concept of GST

GST is a tax system which has removed the burden of various taxes like VAT, CST, Service Tax, CAD, SAD, and Excise Duty which will have an appreciable impact on common man. There will be less tax formalities and a simple tax policy as compared to earlier tax structure, GST will reduce the cascading effect of taxes i.e. tax on tax system, It will help in removing the manufacturing cost which will bring price of consumer goods down, the lower price will further lead to an increase in demand/consumption of goods, increased demand will lead to increase supply hence this will ultimately lead to rise in production of goods. The increased production will mean more job opportunities. In India the expected model of GST will be "Dual GST" which is combination of both CGST and SGST. All the goods and services bearing certain exemption of taxes will be brought under GST where the difference between the goods and services is ignored. Both CGST and SGST are levied on intrastate supply and IGST is levied on interstate supply.

Benefits of GST

GST is designed to remove the burden by ending many Indirect Taxes. GST will be important for economy in following ways like GST will reduce tax evasions, it will help to provide more money to backward states like Bihar, Jharkhand etc. which will improve the economy of the country it will also help in removal of local tax BIAS which means a person can set his factory in any state without worrying about different tax systems.

Advantages and Disadvantages of GST

GST is taught to be one of the biggest tax reforms of the country. It subsumes many indirect taxes which were earlier imposed by Centre and State such as excise, VAT, and service tax. It is levied on supply of both goods and services sold in the country. Any reform is bound to have certain merits and demerits so the same goes with the GST. Certain Merits are

- GST eliminates the negative of non set off of one tax from other
- The threshold limit for registration is increased
- The composition scheme for small business is introduced
- The GST portal is designed to provide simple way of tax filling
- The numerous tax compliances have been reduced
- E commerce operators are charged with liability and dealers selling through it are saved

Certain Demerits

- The business man have to purchase a licensed software so overall cost is increased.
- Taxpayers have to be Tax compliant otherwise may face heavy penalties.

- GST will lead to an increase in operational costs.
- GST came in the middle of year which distorted the position of credit, invoices etc.
- Everything is online in GST which may not be successful in areas having no internet facilities.
- Small and medium enterprises which were facing higher exemption under excise will now have heavy burden of tax.

GST as One Nation and One Tax: Certain Arguments

- **Arguments Against the Proposition**

Multiple Tax Slabs: The burden of so many legislations is now been replaced with single tax for the entire nation. The Constitution has empowered both centre and states to levy GST on supply of goods and services within the state and enact their respective legislatures. There is a CGST Act and around 29 state laws on GST as each state has its own SGST Act and union territories have their own UTGST Act. The Centre has further been empowered to levy the tax on interstate supply of goods and services which is called as (IGST). Value Added Tax and Central Excise Duty on specified products like petrol, diesel, aviation fuel and alcohol continue. Apart from these indirect taxes, tobacco and tobacco products have been subjected to central excise duty tax besides GST.

Too Many Tax Rates: Most of the countries with GST have a single tax rate whereas some have two but India has come with five different rates along with list of separate rates for services. The service tax law for which there was only one rate across the country is now divided into four rates.

Tough to Comply: The returns compliance under GST is more tough than previous one as small business have not only to file their returns but also has to match their returns with their suppliers and customers and in case of mismatch has to present the causes for such a mismatch. The internet connectivity in many areas is still a big issue.

Scope for Evading: Many businesses are eyeing the scope for evasion. According to the law, businesses with less than INR 20 lakhs yearly turnover can be exempt from GST. Recently we have seen a trend of shell companies which will grow further to avoid GST.

Inadequate Coverage: Close to one-third of products and services are not under GST. This includes petrol, liquor and real estate industry. This will create a major issue for companies that take services or products from those outside the GST ambit, for example, restaurants looking to purchase alcohol for their menu will now have to pay excise, service tax and VAT on inputs for which no input tax credit will be provided to them.

No Limitations on GST Laws: it places any limitations on laws on GST. So, numerous permutations and combinations are possible. Nothing in the constitution prevents the centre and state from enacting CGST and SGST in ways that deviate from the GST Council. GST Council can only make recommendations, not binding statutory laws. So the basic aim of GST is still not seem to be achievable.

- **Arguments in Favour of Proposition**

Hurts None, Benefits Everyone: The introduction of the GST law will not hurt anyone but it purports to benefit everyone concerned. The consumer will be benefitted by lower prices of products and services. This is because post tax rate on most products and services is lower than pre GST.

Ensures Tax Compliance Across the Nation: Both small and big business houses will be benefitted by the GST because of one tax compliance return instead of multi compliances and multi returns. They will also be benefitted by lower tax rate and simpler interstate movement.

Electronically Maintained Portal: The entire GST system is now maintained on an electronic portal named as GSTN (Goods and Service Tax Network). Since GST online is a digital and online, tax need to be subsumed across the state, varying far less among them. Also purchase by one person needs to be matched with supply by another person which makes it less tax evasive.

Digital Trail: As there will be less evasion, and more taxpayers will come under the ambit of GST, there will be a broad digital trail of taxes and businesses. The effective compliance will lead to the growth of economy, more investments, more jobs, and higher growth will result. Tax ushered in will boost the economy through one tax for one nation.

Brief Challenges of GST

- Heavy opposition of GST in Surat district which is known for textile and Cloth Manufacturing.
- Steel and Iron industry is benefitted due to reduction of additional duties now governed by single rate of tax.
- The marble Industry of Kishangarh district is opposing due to higher GST on Raw material and Lower GST on the main product.
- Cement Industry enjoys lesser transportation cost.
- Pharmaceuticals face lower GST slabs.
- The tax rates for restaurants have been revised multiple times but with no benefit to ultimate consumer.
- Others sectors like FMCG, Automobile, Real Estate, etc. are also impacted by GST in India.
- GST compensation cess is to be introduced in short time which will further increase the burden.

Conclusion

From the above discussions it can be concluded that GST has been introduced in India with a intention of One Nation One Tax but still something needs to be done by the government to actually make it as desired. It no doubt provide relief to producers and consumers by providing wide and comprehensive coverage of input tax credit set-off, service tax set off and subsuming the several taxes. The GST has been efficiently formulated to provide balanced revenue to both center and state. The tax base has increased and compliances have also been increased. It can be further concluded that GST has a positive impact on various sectors and industry. Although implementation of GST requires concentrated efforts of all stake holders namely, Central and State Government, trade and industry still it is expected to achieve the targets and provide merits both to the industry and the government Electronic processing of tax returns, refunds and tax payments through 'GSTNET' without human intervention, will reduce corruption and tax evasion. Built-in check on business transactions through seamless credit and return processing will reduce scope for black money generation leading to productive use of capital. Moreover various amendments have made it more complex than ever. The center is already on the way to introduce GST Compensation Cess of 15% which will be provided to state to cover their losses and will increase the burden on consumer. Therefore it is necessary on the part of the government to educate, conduct proper training, continuous seminars and workshop on GST is need of the hour.

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Make in India Initiative of Government of India: Challenges and Strategies

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Introduction

Make in India is a magnificent initiative by the Indian Government, launched on 25. 09. 2014 by Prime Minister of India. Make in India programme is related to manufacturing of goods and products in India by Indian as well as foreign corporates. If this programme is acceptable by foreign companies then India would become the top destination globally for FDI. The major objective behind the initiative is to focus on job creation and skill enhancement in 25 sectors of the economy.

25 Sectors of the Economy

Automobiles	Food Processing	Renewal Energy
Automobile Components	IT and BPM	Roads and Highways
Aviation	Leather	Space
Bio-Technology	Media and Entertainment	Textile and Garments
Chemicals	Mining	Thermal Power
Construction	Oil and Gas	Tourism and Hospitality
Defence manufacturing	Pharma	Wellness
Electronics	Ports	
Electrical machinery	Railways	

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India as a favourable destination for Make in India programme

India is considered as among the

- World's most striking investment destinations
- Most valued national brand in the world
- World's peak Greenfield FDI destinations
- Top 10 FDI destinations
- World's fastest growing economies

Research Methodology

The objectives of the present are:

- To analyse the objective of Make in India campaign
- To highlight the challenges and roadblocks in Make in India campaign
- To present strategies for the Make in India campaign

Area of Study

The paper is based on secondary data. Experts' views from industrialists and officers of few corporate houses in Moradabad (UP) and Jaipur (Rajasthan) have been taken about the feasibility of this initiative. Their views are stated in this paper. The study also takes the references of various articles written by different authors on Make in India initiative.

Responses with Respect to Make in India Campaign

The responses came from different corporate houses are given herein below:

S. No.	Month	Name of the Company/ Organisation	Announcements
1	January 2015	Spice	Announced to establish a manufacturing unit of mobile phones in UP with ₹500 crore investment. A MOU was signed between the Officers of Spice and the UP Government.
2	January 2015	Samsung	Meeting took place between President & CEO, South Asia Mr. HyunChil Hong and Mr Kalraj Mishra, Union Minister to talk about the possibility of starting a joint initiative under which ten "MSME-Samsung Technical Schools" will be started in our country. In February, Samsung also announced that it will carry out the manufacturing process of Samsung Z1 in Noida.

3	February 2015	Hitachi	To increase the employee base in India from ten thousand to thirteen thousand and it would work for increase in its revenue from India from ₹100 billion in 2013 to ₹210 billion. It planned to set up auto-component plant in Chennai in 2016
4	February 2015	Huawei	Opened a new R&D campus in Bengaluru. Invested \$ 170 million to setup the Research & Development centre. It is willing to setup a Telecom hardware plant to manufacture in Chennai, the approvals of which have been granted by the Central Government.
5	February 2015	Marine Products Export Development Authority	Under this initiative, the authority was interested in supplying shrimp eggs to shrimp farmers.
6	March 2015	Fiat	Fiat's component manufacturing arm Magneti Marelli started production of Electronic Fuel Injection (EFI) in a joint venture with Hero MotoCorp in Manesar (Haryana)
7	May 2015	Jaguar Land Rover	Tata JLR moves its production of the Land Rover Defender to its Pune facility in India.
8	May 2015	Daimler	Daimler AG, Stuttgart, Germany through its 100% wholly owned subsidiary DICV Pvt Ltd (Daimler India Commercial Vehicles Private Limited) announced the start up of its bus manufacturing plant in Oragadam, Tamil Nadu and unveiled its second wave of products (BharatBenz and Mercedes-Benz) buses along with new range of new BharatBenz engine trucks (high-power) and BharatBenz tractors (heavy-duty).
9	June 2015	LH Aviation	LH Aviation (French Company) signed a Memorandum of Understanding with OIS Advanced Technologies to establish a plant in order to manufacture drones.

10	July 2015	Mercedes Benz	Mercedes Benz India started its another manufacturing plant in Chakan, which leads to double the manufacturing capacity to 20,000 units pa.. The investment in the manufacturing facility now stands over US\$ 148 million since commencement.
11	August 2015	Xiaomi	In February 2015, the company began talks with the Government of Andhra Pradesh to setup manufacturing plant for smart phones at a Foxconn -run facility in Sri City. In August 2015, the company informed that the first manufacturing plant was operational and introduced the Xiaomi Redmi 2 Prime, smart phone.
12	August 2015	Lenovo	Lenovo started manufacturing Motorola smart phones in Sriperumbudur (Chennai), run by Flextronics International Ltd. The plant has different production lines, quality assurance and product testing for Lenovo and Motorola.
13	September 2015	Sony	Sony, is getting back to manufacture in India, with plans confirmed for manufacturing 2 models of its TV brand Bravia.
14	October 2015	Boeing	The company could assemble fighter planes and defence helicopter (Apache or Chinook) in India
15	November 2015	Sonalika	International Tractors Ltd. invested US\$ 75 million for establishment of its new plant in Hoshiarpur (Punjab) having a capacity of manufacturing 0.2 million tractors pa. There will be a single production line for all variants and models and an engine assembly line for around 500 engines daily.

Recent Developments after the Announcement of Make in India Campaign

The current developments on the frontiers of Make in India are encouraging. The few highlights are given below:

- Indian Railways: Invited bids by foreign suppliers for the purchase and production of fifteen train sets from which 2 train sets will be imported, where as the remaining will be produced in India i.e. forty coaches to be imported and two hundred and seventy five coaches will be produced in India. The whole project is worth approx. Rs. 2,500 crores. These train sets are planned to run on inter-city travel routes with high speed.
- Military aviation: The Rafale deal with Franch Government is well publicized. The Government of India has been able to haul out huge investment in India in the future. 50 percent of the total value of the deal around \$4bn will be invested in our country within the defence and aerospace sector.
- Civil aviation: Airbus also joined the “Make in India” campaign. To this extent, Airbus has already announced to restructure its organization in India and expect that exports will reach \$2billion from India.
- Foxconn: The manufacturer of Apple’s iPhones plans for creating good number of facilities in India, consisting of factories as well as data centers. The company chose India due to some issues it faced in China. The advantages of the arrival of an electronic company can be manifold. Its arrival can prompt other business units along its supply chain and lead to indirect jobs.
- Hyundai Heavy Industries: The South Korean company will work in association with HSL (Hindustan Shipyard Limited), Vizag to develop warships in India. Presently, the time duration for availability is around six years. With this association, six years will reduce to two and half years. The objective of the South Korean company is to outsource the production of ships ranging from small and medium size.

Aims of ‘The Make in India’ Initiative

- Job creation in twenty five sectors of Indian economy
- To focus on skill development and enhancement in 25 sectors of the economy
- To lower barriers to doing business
- To increase GDP growth
- To increase tax revenue
- To upgrade the quality standards
- To minimise the blow on the environment
- To attract capital and technological investment in India
- To transform Asia’s 3rd largest economy into a manufacturing powerhouse like China

Best examples of Make in India

- ISRO's innovations are certainly the best Make in India products, with the launch of a satellite for India's own GPS In April 2016.
- India's 1st Scorpene-class submarine INS Kalvari entered into the service. INS Kalvari is the best example of Make in India initiative. Precision in strike and advantage of operating in shallow waters makes INS Kalvari a special submarine.
- ISRO effectively placed its low-cost Mars spacecraft in orbit in its first attempt, entering into an elite club of 3 nations.

Problems Ahead of Make in India Initiative

Attracting international companies towards India through investment subsidies, ease of doing business and tax holidays is not without its problems.

- Revised policy and reforms in labour welfare still not carried out which are very much essential for the success of the Make in India campaign
- Many hi-tech companies not shown any enthusiasm in this new initiative and still continuing getting their components produced by China
- Companies are having a problem of layoff.
- In case of ease of doing business index India ranks very low
- The jobs in the manufacturing sector will be much less than the hype suggests. Because of mechanization and cut throat competition from many developing countries/economies India and similar countries are losing the ability to retain jobs. Now production facility can be easily relocated if costs at home go up, or costs elsewhere descend.
- Nowadays international trade tariffs are very low which have made it cheaper to import rather than produce in India.

Conditions Favouring Make in India Initiative

Make-in-India focuses on attracting investments in India especially in manufacturing sector. This is possible keeping the following points into consideration:

- Majority of the Indian population is young which is more than half a billion. By 2025, India is projected to have the largest workforce. This gives India an added advantage over other countries in terms of skilled labour force
- Labour wages in India are very low as compared to other countries. Even in China it is increasing at 10 % pa. In India labour wages starts at less than Rs 10000 per month. We find lot of companies are shifting their manufacturing facility in low cost places.

- Indian Government is trying hard to improve its rank in ease of doing business such as introduction of GST. We hope this would certainly attract foreign investment in our country.
- Many companies in the developed nations like USA, Japan, etc prefer to outsource from different countries at a time in order to avoid dependency risk on one country. India is a potential alternative for these foreign companies to look forward to.
- FDI cap in many sectors have already increased and portals related to investment have been developed in order to draw the attention of investors worldwide. Due to our Prime Minister's frequent visits to different countries helps in bringing FDI.
- Introduction of the GST would help in redesigning the burden of indirect taxation equitably between the two sectors i.e. manufacturing and services. It will promote a similar market across the country reducing the compliance costs and will make possible the investment decisions being taken on solely economic concerns, free of tax considerations. It will encourage exports and most importantly, will spur growth.
- In order to empower the Indian states, all states are told to issue self-certification for manufacturing which will avoid delays and reduce complexities. The Central Government is putting emphasis on collaboration between centre and states, the compliance processes are likely to be smoother, easier and simplified.

Challenges or Barriers in Make in India Initiative

Though Make in India is a great initiative still seems to be an unachievable dream due to many factors such as:

- Though India has an plentiful labour force but it is unskilled. The skilled labour is confined to urban areas. More than 90 percent of them are still trapped in unorganized sectors. When we wish to shift our economy from service-oriented to manufacturing-oriented it requires development of skill at higher level, extensive training programs and reforms in labour legislations. This requires quality education which is absent in India. It is a reasonable concern for any investor to avoid coming to India.
- India is in shortage of electricity and the manufacturing sector consumes good quantity of electricity.
- Road network is extremely essential for the promotion of export sector. If India wishes to become a manufacturing hub, road network should be enlarged which is not seen in India till now.

- India is ranked low when it comes to ease of doing business. Tax system is very complex and although there are steps taken to provide platform conducive to business, things are uncertain until seen in reality. Investors are suspicious of the rules and regulations, red-tapism prevalent in Indian Bureaucracy and various scams including financial frauds that get noticed worldwide.
- A lot of investment is needed to incorporate Computer Integrated Manufacturing into Indian manufacturing sector as success relies heavily on such technology. In India, at present labour productivity is very much below the International standard.
- At present it takes nearly 6 months and around 35 formalities and procedures to complete the process of acquiring various permits. Everything is irritating when it comes to construction and land-acquisition. It is even more tiresome to get the clearances relating to forest and environment.
- India still has old days labour legislations which were enacted on socialistic aspects. These legislations avoid firing of workers even if they are not performing.
- Indian trial and judgement takes more than a year to complete. There is a requirement of fast track courts to expedite such cases. Nothing is clear about the steps taken towards it.

Strategies for the Progress of Make in India Initiative

The researchers present the following strategies for the progress of Make in India initiative:

- The vast size of our local market represents a enormous opportunity for domestic and international companies to establish and manufacture in India.
- There is a requirement of fast track courts to expedite such cases.
- Reforms in labour and tax laws are essential
- Infrastructural facilities are needed to be enhanced such as road connectivity, electricity, power, etc.
- Manufacturers are unlikely to be moved by the size of the market alone. In order to attract large investments in India, the Indian government should provide stability and certainty in various areas such as tax, labour laws and policy.
- The need of the hour currently is to create strong Indian brands that can be marketed globally
- Skilled labour is the need of the hour. Educational Institutes and Universities should upgrade their syllabus in the tune of corporate needs.

Conclusion

Make in India is definitely a long term programme having a good vision. It should be continued irrespective of the government in power, the drive has to continue with the same force to establish India as a topmost manufacturing hub in the world that will generate employment opportunities and take India towards the sustainable development. To conclude, we can say that lot of efforts by Indian government is required to attract foreign investors in India. Also, Make in India concept is in the interest of our country so all the state governments should come ahead in cooperation with the central government. All political parties should support the Indian government to make it a success. Also lot of reforms are required by the government to make India a preferable destination for foreign investors.

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Segment Reporting: A Prospect to Explain the Business for Investors

Arvinder Singh*

Introduction

The segment report concept is pertinent to a varied company. A diversified company can be definite as an enterprise that has varied operations, i.e. assets or actions in diverse sectors and / or transactions and sales abroad, where such assets (or operations) are significant in terms of revenues, profits or losses. Employee generated or active for more than a decade, India has followed the AS-17 to prepare its segment report, but now with the entry of IND-AS the image must report its industry report in accordance with IND-AS 108 which is parallel to IFRS 8. It is also exact that the segmentation along the industrial and geographical lines subject to diverse effectiveness, diverse risks and diverse growth prospects is prospective to be found in most differentiated enterprises. Diversified enterprises and their industries, businesses and geographic areas of indifferent activities are asking whether the changes are necessary for the existing framework of corporate responsibility and financial reporting practices.

Review of Literature

Allen I. Schiff et al. (2006) analyses the information and communication requirements envisaged by the FASB regulation (SFAS 131). This study condenses the history of industry relationships and compares the SFAS 131 with the international accounting guide Segment reports.

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Larry P. Seese and Timothy S. Doupnik (2003) specified in their study that SFAS 131 (1997) significantly reformed the geographic segment reports in the United States with mandatory communications made by a foreign country when procedures in a single country are relevant.

Mishari M. Alfaraih et al. (2011) examined both the information practices of the segments of the companies listed on the Kuwait stock exchange (KSE) and the aspects that affect their level of disclosure of the segments.

Sanjiv Agarwal (2007) specifies that greatest of the public sector banks followed the RBI's instructions to clarify the commercial segments, while some private sector banks reported according to the accounting standard 17.

Research Methodology

This study is grounded on quantitative and qualitative techniques of methodology. In order, a precise review of literature was conducted to attain the identified objectives. An efficient review of literature facilitates in cultivation of knowledge regarding the accounting standards under study. The literature was collected from relevant books, periodicals, journal articles, online articles.

Objectives of the Study

- To analyze the segment reporting practices in India.
- To discuss the requirements by investment professionals to assess the quality and sustainability of performance.
- To discuss role of IFRS 8 to change in reporting system.
- To discuss suggestions to make good segment reporting.

Need for Segment Reporting:

Diversified companies have a special and special problem to make investment decisions. The growth and accomplishment of a varied enterprise are exacerbated by the growth and accomplishment of its various segments. Industry sector advocates argue that information on separate segments contributes to the valuation of investors in diversified companies.

- **Industry information and Investment Decision Making**

An important argument supporting segmental relationships is that if investors receive information on the profitability, risk and progress of the diverse parts of a company's procedures, they will be better placed to evaluate the company's profit potential and risk as all. They will be capable to expect more exactly the future incomes and cash flows of an enterprise than those that can be made using only consolidated data. In this way, investors' uncertainty about business prospects will be reduced, stock prices will be more precisely determined and more resource allocation will be promoted.

- **Disclosure of Segments and Further Users (Who are not Investors)**

In addition to investors, it has been recommended that segmented relationships can be useful for employees and trade unions, consumers, the general public, government and also for the determination of promoting managerial efficiency. Employees and trade unions are interested in the performance and prospects of the enterprise from the point of view of wage bargaining and job security and, therefore, segmental relationships may be as appropriate to them as they are to investors. Segmental performance information is also required so that the management's policy decisions for the development or limitation of certain actions can be certified and understood. The lack of information, on the other hand, can generate distrust and problems in working relationships. The interests of customers and the public can also be indorsed through segmental revelation in the sense that social responsibility in terms of eliminating price discernment could be invigorated through disclosure of benefits per segment. Consumers can also benefit from the increased competition that can result. Governments, at national and international level in the situation of multinational companies, are increasingly concerned about the actions of huge enterprises and the balance of payments. The information segmented by geographical location seems to encourage a better considerate of the business policy and its impact and therefore will provide a more reliable basis for the formulation of government policies. Furthermore, mergers and acquisitions legislation and competition policy appear to be more effective if based on more complete information.

Discussion

- **Segment Accounting Policies**

- Segment information must be organized in accordance with the accounting policies adopted to prepare and present the financial statements of the enterprise as a whole.
- There is an assumption that the accounting policies that directors and the management of a company have chosen to use to prepare the financial statements of the company as a whole are those that directors and management consider most appropriate for external reports. Given that the determination of segmented information is to aid users of financial statements to better understand and make more knowledgeable decisions about the enterprise as a whole, this Standard entails the usage, when preparing segmented information, of the accounting policies adopted to prepare and present the financial statements of the enterprise as a whole. However, this does not mean that the company's accounting policies are practical to reportable segments as if the segments were independent entities from independent reports. A detailed calculation can be assigned in the application of a particular company-wide accounting policy to the segments if there is a

rational base to do so. Pension calculations, for example, are often made for an enterprise as a whole, but company-wide figures can be assigned to segments grounded on the salary and demographic data of the segments.

- This Standard does not forbid the revelation of additional segment information that is organized on a base other than the accounting strategies approved for the company's financial statements whenever (a) the information is stated internally to the board of directors and the executive director of the company. Purposes of making judgments about the apportionment of resources to the segment and the evaluation of its performance; and (b) the measurement basis for this additional information is clearly described.
 - Assets and liabilities that are related together with two or more segments must be assigned to the segments if, and only if, their related returns and expenditures are also assigned to those segments.
 - The manner in which the elements of assets, liabilities, income and expenses are assigned to segments depends on factors such as the nature of those elements, the actions carried out by the segment and the relative autonomy of that segment. It is neither possible nor proper to identify a single allocation basis that all companies should adopt; nor is it proper to force the allocation of elements of assets, liabilities, income and expenses of the company that are related together with two or more segments, if the only basis for making those assignments is arbitrary. At the similar time, the meanings of segment revenue, segment expense, segment assets and segment liabilities are interconnected, and the ensuing apportionments must be consistent. Therefore, the assets and liabilities used mutually are assigned to the segments if, and only if, their related returns and expenditures are also assigned to those segments. For example, an asset is encompassed in segment assets if, and only if, the associated depreciation or amortization is comprised in the segment expense.
- **Information required by investment professionals to evaluate the quality and sustainability of performance.**
 - **Models based on segment information:** Segment information is ranked first in terms of importance for analysts. Many of the models they use to evaluate performance are assembled by the segment.
 - **Discriminating reporting:** Segment information was seen by defendants as the biggest reporting gap today. It has been detected that enterprises that have a good relationship in this area have the prospect to discriminate themselves from their peers.
 - **Through the eyes of the administration:** Investors expressed some reservations about the "management through" approach for segment

reporting. Depositors worry that the administration can unite companies with different business models and choose the metrics they have reported.

- **Performance measures:** While depositors want to see an entity breakdown; they also want significant performance measures, which may comprise non GAAP results. When non GAAP consequences are accessible, the investor must understand why non-GAAP measures are used; how they are stated; and how they are reconciled with GAAP.
- **Constancy:** Depositors want to be capable to connection the information in the main segment with the information from the previous year and compare segment information with other descriptions delivered by the administration when analyzing its previous performance and its prospects for the future.
- **Role of IFRS 8 to change in Reporting System**
 - **The number of segments can transformation:** The IASB believes that the number of segments reported will increase according to IFRS 8; further information will be accessible to users. This is sustained by the outcomes of an informal investigation of financial managers according to which IFRS 8 will change the way in which they see the segments specified that the number of segments reported is anticipated to increase.
 - **Segment composition:** The administration is essential to present its segment reports in the similar way as it sees your business. This may transformation the composition of the segment if this view is not associated with the requirements of the geographical or commercial segment of IAS 14. Perpendicular integrated transactions that are valued independently may be segments to report, even though most of their income comes from sales internal.
 - **Information quality:** Measures that do not comply with the IFRS used to evaluate performance should be used for segment disclosures. Financial executives expect their industry information to contain more line items that do not comply with IFRS. Many believe that the quality and usefulness of the facts essentials to be enhanced because it will result from the uses of information management to make the company work. However, management must take into account a number of problems when examining information, which include:
 - ~ How robust is the information?
 - ~ What are the controls and procedures that support information gathering?

- ~ What audit procedures do the financial department use to be happy with the information?

One way to solve these problems is to contemplate whether the data is subject to the similar level of controls and assessment of other information that is stated superficially.

- **Report of the competitors:** Since IFRS 8 is grounded on the administration approach, rivals in the similar sector may not report in the similar way; Information about segments can be different. Although these variances may obstruct the comparability between enterprises, they will deliver information on how administration examines the business.
- **Prospective influence on the goodwill impairment test:** The impairment standard entails administration to classify the components of an unit to which the goodwill refers and verifies the goodwill for impairment at the level of these components, which cannot be greater than one operating segment. If the segments change with the adoption of IFRS 8, the element to which goodwill is subject may also change. This could occur when companies have previously tested the goodwill at the flat of the primary or secondary segments, resolute in accordance with the earlier standard, IAS 14.
- **Suggestions to make good segment reporting**
 - The eyes of the chief operating decision-maker (CODM) - the person or group of persons responsible for evaluating the performance and apportionment of resources in diverse fragments of the business.
 - Which business components consider this CODM the apportionment of resources? This will be a basic element of the operating segments.
 - The combination of operational segments for revelation may be potential in narrow situations; but the aggregation of significant or unrelated significant companies is not appropriate.
 - Beyond basic industry information on income, profits and assets, additional information about the whole unit being analyzed is required for business risks, even if the enterprise has only one segment.
 - Put yourself in the shoes of a depositor reporting segments that will allow users to comprehend your business. This may comprise reporting a segment that is irrelevant to today's society, but it could increase business understanding, for example, a segment that is anticipated to grow in the future.
 - Investor value enterprises grounded on cash flow models and performance generated by capitalized funds. Consider the possibility of

providing facts on the functioning cash flow, working capital and capital invested per segment.

- Be clear in disclosing how certain costs are assigned (or not).
- Ensure that resolutions are openly described so that users can bond the gap between segment and income statement measures are in accordance with IFRS.
- If you plan to change the segments inform the reader of the conversion and describe why.
- Consider providing the similar level of information on certain segments in which the annual report accounts.
- Certify that the direction comments are constant with the segment information.
- The operational procedures used by administration to evaluate performance? Consider informing investors about management comments.
- To assistance the reader understand the fundamental performance by emphasizing any non-recurring returns or material costs, the effect of the currency on the consequences, the effect of acquisitions or disposals, etc.
- Certify that qualitative remarks on the performance of a segment are supported, where possible, by quantifications and financial evidence.

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An Analyzing Study of the Awareness Level of People about Micro Finance

Jyoti Tejan*

Introduction

Concept of Micro Finance and its Implementation in India: Micro finance was established in Bangladesh by the guidelines of Grameena Bank in 1983. The basic objectives of micro finance that distinguish it from the previous modes of credit delivery are small amounts of loan, lack of physical security but highlighting on social security or peer monitoring and focus on women borrowers. Micro finance is expected to tackle the major three problems that are often faced in any credit delivery program planned for the poor, namely, targeting, broadcast of borrowers, and implementation of the credit contract. Under the model of micro finance promoted by the Grameena Bank, women borrowers are organized into Self Help Groups (SHGs), which would be enabled to borrow from the lending institution either for individual or group requirements.

These groups are normally formed by women from similar socio-economic backgrounds that strengthen the unity among these women. The participation of the entire group at every stage of seeking loans and its repayment is important and needs proper monitoring. In many countries across the world, micro finance originated from the activities of Non-Governmental Organizations (NGOs) that were supported largely or partly by foreign donors for their lending operations. Against this context, the Indian

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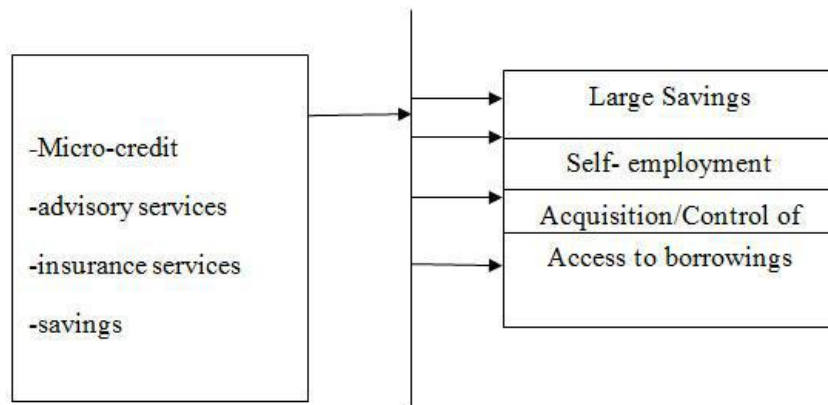
~ The chapter is based on the paper presented in "**International Conference on Modern Management Strategies, E-commerce and Global Economy-In Indian Context**" Organized by **Inspira Research Association (IRA)**, Jaipur & **LBS PG College**, Jaipur, Rajasthan, India. **02-03 February, 2018.**

experiment with micro finance was different in major two aspects. At the beginning, India started to provide micro finance through its public bank network. The commercial banking network, whose development after bank nationalization in terms of geographical spread and purposefully reach is often deemed unparalleled in the world was lashed in for micro finance. The microfinance institution experiment in India and been pronounced by NABARD as relationship banking rather than parallel banking elsewhere in the world.

Microfinance Products

- Credit
- Savings
- Insurance
- Non financial services like training, counseling etc.

Figure 1: Conceptual Framework



Review of Literature

Prabhakaran. J1 (2016), "Analyzing the Facilities and Awareness Level of People about Micro Finance in Coimbatore City" analyze that There is urgent need to streamline the procedure for applying, seeking and releasing of credit from the banks. The procedural difficulties are one of the major issues, which have denied women the financial benefits of the banks. Therefore, the procedure for credit access to women should be made more easy and simple.

Amidzic Goran and Mialou Andre (2014) opined that there is general acknowledgment among policy makers that financial inclusion plays an important role in supporting employment, financial stability and economic growth.

Sarkar & Baishya (2012) suggest that women's access to credit has a role in improving the household decision making capacity, workforce participation, control over resources, political and legal awareness, thereby it lead to greater empowerment of women of Assam.

Gordon, A.N. and **others** (2011) this paper aims to examine links between women's access to micro-finance and how they use maternal healthcare services in sub-Saharan Africa (SSA). It is found that improved access to micro-finance by women, combined with education may enhance maternal health service uptake.

Research Gape

Above literature focused on micro finance various aspects, so there is need to analysis of micro finance facilities and analyzing the awareness level of people about micro finance in Jaipur district.

Objectives of the Study

- To analyze the awareness level of the people of Micro Finance.
- To find the awareness level of the urban poor people about the various schemes and concept of Micro Finance.

Hypothesis

The hypothesis formulated for this particular research work is as follows:

- Urban Poor people are aware of the concept of micro finance.

Research Methodology

- **Data Collection**
 - Primary Data Collection - Primary data is collected from shg's member's and non shg's member through interviews.
 - Secondary data Collection- Various journals, Reports, news papers and websites.
- **Population of the Study**
 - Jaipur District
- **Sample size**
 - Total no. of respondents is 200.

Data Analysis and Interpretation

Table1: Age Group of the Respondent

Age	Frequency	Percentage
18-25	32	16
26-35	73	36.50
35-50	59	29.5
51 and more	36	18
Total	200	100

Interpretation: The maximum number of respondents is in the age group of 26-35 which is 36.50% and minimum number of respondents is in the age group of 18-25 which is 16%.

Table 2: Education Status of Respondents

Education	Frequency	Percentage
Illiterate	43	21.5
Secondary	74	37
Senior secondary	66	33
Graduation and others	17	8.5
Total	200	100

Interpretation: The maximum numbers of respondents are secondary and senior secondary which is 37% and 33%. The minimum number of respondents is graduates and with various other courses which counts to be 8.5% respectively.

Table 3: Marital Status of Respondents

Marital status	Frequency	Percentage
Unmarried	29	14.5
Married	169	84.5
Widow	2	1
Total	200	100

Interpretation: Maximum number of respondents is married and is 84.5%. The minimum number of respondents is widow which is 1%.

Table 4: Occupation of Respondents

Occupation	Frequency	Percentage
Job	16	8
Self employed	133	66.5
Any other	51	25.5
Total	200	100

Interpretation: Maximum number of respondents is maid self employed which count 66.5%. Minimum number of respondents is into jobs which count to 8%.

Table5: Family Members of the Respondents

Members	Frequency	Percentage
1-3	17	8.5
4-6	178	89
6 and more	5	2.5
Total	200	100

Interpretation: Maximum number of respondents has 4-6 members in their family which is 89%. Minimum number of respondents has more than 6 members in their family which is 2.5%.

Table 6: No. of Earning members in the Respondent's Family

Members	Frequency	Percentage
1	138	69
2	54	27
3	8	4
Total	200	100

Interpretation: Maximum number of respondents has only 01 earning members in the family which is 69%. Minimum number of respondents has 03 earning members in the family which is 4% and 27% respondents have 02 earning members in the family.

Table 7: Monthly Income of the Respondents

Income	Frequency	Percentage
Less than 3000	66	33
3000-5000	106	53
5000 and more	28	14
Total	200	100

Interpretation: Maximum number of respondents earns less Rs.3000-5000 per month. Minimum number of respondents earn 5000 and more in a month.

Table 8: Housing Status of Respondents

Status	Frequency	Percentage
Own	152	76
Rented	48	24
Total	200	100

Table 9: Micro Finance Awareness Amongst Respondents

	Frequency	Percentage
Yes	152	76
No	48	24
Total	200	100

Interpretation: out of 200 respondents, 152 respondents responded Yes, which is 76%. The outcome of this question is positive about the awareness about micro finance.

Table 10: Awareness about Various Schemes Micro-finance Scheme

Scheme	Frequency	Percentage
Micro credit	106	53
Micro savings	134	67
Micro insurance	68	34
Training and others	104	52

Interpretation: Respondents are aware about the various micro finance schemes. There is awareness in respondents about more than one micro scheme. Maximum number of respondents which counts 67% is aware about micro saving schemes. Minimum number of respondents which counts 34% is aware about micro insurance schemes. According to responds we can say there is good level of micro finance awareness.

Hypothesis Testing

Hypothesis: Poor people are aware of the concept of micro finance and its schemes.

Result: This hypothesis is validated.

Discussion

Table 9 of the questionnaire shows the awareness about the microfinance. Question 9, tests whether the respondents have heard about micro finance and for that, the researchers got the answer as, 76% of the respondents, have heard about micro finance. Question 10, is the extension of question 9, and tries to find out, the various schemes which are knowledge in respondents. From the above results the researcher got, one can say that Hypothesis 1 is validated.

Major Findings

There have been some objectives while conducting the research and these have been proved by the research as below:

- The study has focused on the awareness level of microfinance. The study shows that the awareness level about micro finance of the sample studied is 76%.
- The study reveals that most of the poor people of Jaipur city are aware about micro saving schemes and also these schemes are the most opted for options amongst the targeted consumers.
- Micro finance is mostly given to the poor married women for starting their own business or for financing the existing business. Also various saving schemes are being provided to the consumers.
- The high level of awareness has been proved in the city of Jaipur about micro financing.

Recommendations

- If microfinance is to be made a successful mass movement, the operations need to be made streamlined, cost effective and transparent.
- Loan size should be increased enough to meet the requirements of borrowers.
- The people should be given more opportunities for loan attainment.
- Knowledge should be provided by MFIs to interested borrowers for the better utilization of credit.
- The government should provide the basic infrastructural facilities such as good roads, schools, hospitals, constant power supply etc in the state to enable individuals achieve the benefits of microfinance.
- The Poverty Alleviation Programme should be modernized to meet the needs of the less advantaged members of the society mostly the women that are in serious need for microfinance.

- The government should place proper supervision and regulation of most of the microfinance institutions in the country.

Conclusion

Finally, it is concluded that Microfinance is not just about giving micro credit to the poor rather it is an economic development tool whose objective is to assist poor to work their way out of poverty regarding this we have to increase micro finance awareness and fulfill its benefits to grassroots level. It covers a wide range of services like credit, savings, insurance, remittance and also non-financial services like training, counseling etc. And it is suggested that the government should place proper supervision and regulation of most of the microfinance institutions in the country.

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Positive Impact of Demonetization on Indian Hospitality Sector

Jai Sonker*

Introduction

These ceased to be legal tender from the midnight of 8th of November 2016. Citizens have to deposit up to December 30, 2016 to exchange the notes held by them. The proposal by the government involves the removal of these existing notes from movement and a gradual exchange with a fresh stock of notes. To know the impact of these magnitude, it is important to first recognize what is it that cash do in the market? There are generally four kinds of transactions in the economy: accounted transactions, unaccounted transactions, those that belong to the informal sector and illegal transactions. The first two types relate to whether dealings and the consequent earnings are informed for tax purposes or not. The third category would include majorly of agents who gain earnings below the exemption threshold and then do not have any tax liabilities. The uses that cash is put to for these various sectors of the economy can be summarized in the form of chart.

Finally, there will be demand for money for against the law purposes like bribes in elections, spending over sanctioned limits, dealings in crime and corruption. If one takes a snap of the location of cash at any particular time, it is difficult to forecast what the breakup of the money as per these categories will be, but it will be safe to say that each of these components will be represented in that snapshot. Definition of Demonetization: Demonetization is the act of stripping a money unit of its status as legal tender. It happens whenever there is an alteration of national currency:

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The current forms of currency is taken away from market and retire, immediately to be exchanged with new currencies. Sometimes, any nation fully replaces the old currency with new currency.

The opposite of demonetization is re-monetization, in which a form of payment is set as lawful tender. The Effect of Demonetization on Organized Sectors: Over the short and medium terms, the demonetization move will have various impacts on the several category of the hospitality segment in the country, but in the long term will positively effect of the development of the hospitality segment. Often, the major season for the hospitality area in the country extends from October to March, which to a large amount defines the growth for the business in any given year. The shortage of present currency will force some hospitality consumers to either delay / call off their journey and or to use hospitality services that easily permit the use of the other methods of expenditure. The demonetization drives will assist the organized hospitality segment in country the most.

Combined with the common uptake in the segment, the movement of clientele to the organized sector due to ease of substitute methods of expenses will certainly force the marketplace. However, given the bigger base of hotel rooms in the India is in the unorganized segment, we expect the general performance of the business to observe some pressure in the short term. The hospitality and the tourism markets are well-known for their capability to produce a huge amount of direct and indirect employment in India.

With the incapability of clientele / tourists to effortlessly pay out on frills due to lack of available money, the unorganized business will undergo the majority in its non-capability to generate new jobs. The effect of demonetization will also be feeling by the suppliers of consumable commodities, who often work on cash dealings with their wholesale counterparts. The unorganized list of hotels in the business will be most affected by this move. In addition, the leisure sector hotels and restaurants sector will notice a major affect on account of the discretionary environment of expenses in this sector, and the significantly larger base of cash dealings that happen in its when compared to normal business hotels.

Also, the restaurants industry – both in hotels and single unit – will face a temporary delay in development on account of the reduced accessibility of money and the normally high usage of currency expenditure in restaurants. The organized banqueting industries will observe development. Since customer go from the almost cash-only unorganized sector of single unit party venues and farm houses to hotels for want of non-cash methods of payment.

The weddings business also come back to Indian hotels from their abroad counterpart, as unofficial channels for offshore transfer of money have dried out up, forcing the cancellation of many Indian weddings from foreign location back to hotel

venues in country. The tourism and hospitality segment are essentially tied to the financial situation of any country.

The improvement given by the demonetization shift to the macro economy of the India will successfully trickle down to the business. With banks being flush with liquidity, we look forward to a major decline in interest costs, which augurs well for the growth of the business. As more liquidity enters the organized area along with some additional softening of land rates and steady movement towards cleaner real estate dealings, we look forward to investments into the segment to enlargement from the organized company who have, in the past, shied away due complexities connected with underlying real estate.

Average Monthly Income before Demonetization

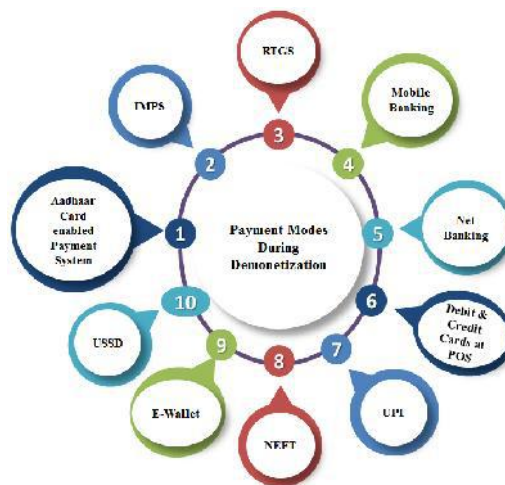
Average Income	Tours & Travel	Hotels	Frequency	%
10000 - 20000	9	18	27	45
40000 - 60000	4	7	11	18
80000 - 100000	1	1	2	3

Average Monthly Income during Demonetization

Average Income	Tours & Travel	Hotels	Frequency	%
50000 - 25000	15	23	38	63.33
50000 - 75000	1	5	6	10
75000 - 100000	0	1	2	3

The above table reveals the average monthly income earned during demonetization by small to medium tour & travel and hotel business. Maximum 38 were earned between 5,000 to 25,000 constituting about 63.33%, 15 were earned between 25,001 to 50,000 constituting about 25%, 6 were earned between 50,001-75,000 constituting about 10% and 1 was earned between 75,001 to 1,00,000 constituting about 1.67% as an average monthly income.

Payment Mode used during Demonetization by Hospitality Sector



Problems and Challenges due to Demonetization

- Foreign tourists faced too much of problems to buy tickets in various monuments and other tourist places as they are not accepting the old Rs.500/- and Rs.1000/- denominations and they have few numbers of machines in few places only to accept the plastic money from the tourists.
- Tourist both domestic and International are struggle to pay their hotel and travelling expenses to the service providers due to lack availability of new currency in banks & ATM's as well as cashless transaction facilities in the small to medium service provider in India.
- Most of the businesses in India, restaurants, especially budget guesthouses, tourist sites, hotels, buses and taxis do not have facilities to accept card payments and that creating problems to the travelers.
- The room section of hotels is much affected, but leisure segments like hotel banquets and high-end restaurants are facing the pinch as marriages are being postponed and many pre-bookings for various wedding ceremony are also being postponed. Surely in the future these events will take place
- The high-end restaurants are also facing strong change as citizens are replacing fine-dining with pocket-friendly eateries.
- Luxury items will have an extreme negative effect. Majority of the public use their undeclared earnings on such services. Following the decision, it is possible that all magnificence segment like clothing, electronics, luxury car, furnishing and associated business will take a hit. Media and hospitality segment are also getting affected.
- The effect on food & beverages business as well as cabs has been severe. Restaurant owners complained that nearly 25% business has dropped as people are seeing troubles with paying lower denominations to avail the services.
- Time consuming for Office commuters, industry people have shelled out their time for exchange & deposits.
- Need of real money, There are numerous places where you can't find an substitute to real currency like parking charges, fruit / flower shop, pooja / prayer items, bus / auto fare, small provisions, temple, petty shop, cobbler, etc... Meeting these requirements was a challenge.
- Leave work, Stand in Ques, People have to run off work and stand in lines for banking transaction, for exchanging only 4000 rupees at one chance.
- No money for wedding that effect the hospitality service providers.
- ATM's couldn't serve people anymore because Lack of Money in ATM's.

- Currency Change not Available, Many people who are getting Rs. 2000 note from banks or ATM are not able to get the exchange as none of the retailer is equipped to give change of Rs. 1800 on buying of Rs. 200 so change is a big trouble to common person.
- Usage of E Wallets, Usage of E-Wallets is one of the most brilliant solutions but challenge is that many citizens who are of old generation don't use smart phone and if they use then also big ratio among them is of people who don't feel safe on transferring the money through E-Wallets.
- Banks unable to feed their Customers, You can still find long queues of people waiting outside banks for their number and some of the times it happens that after long hours of waiting they come to know that cash is finished and now they have to come again after some hours or need to be in queues tomorrow again.
- Old and poor people losing lives - It's been in several news channels that some of the people who are not well or are very weak have lost their lives due to standing in queues for long hours.
- Everyone in India, including tourists, is struggling to cope. The major trouble is finding sufficient lawful tender – cash – to pay for day-to-day things like food, restaurants, chai, taxis, tickets, entrance fees, souvenirs, hotels that don't accept credit cards, etc.
- Small to medium hotels, tour and travels, Restaurants are increasingly move towards accepting payment in cards to run their business and facilitate their guests in terms of money.
- No clear thought of Indian money from Foreign Bank.
- Highly affected by the savings economy.
- To curb small business sectors.
- Low business deal by poor, middle and neo middle class people.
- No permanent and alternative solution of demonetization.
- Lack of New Five hundred rupees currencies.
- Tribal and hill area people were highly affected for transaction. Post demonetization impact: Hotels are among the least affect sectors post-demonetization. In fact, the economy hotels have reported a rise in bookings and revenue per available room (RevPAR) this year compared to last year.

Post Demonetization Impact

Hotels are among the least affect sectors post-demonetization. In fact, the budget hotels have reported a rise in bookings and revenue per available room (RevPAR) this year compared to last year.

At Tata Group's budget hotel chain Ginger, for instance, the occupancy rate this December 2016 has gone up by more than 10%, compared to last year, registering over 3% overall growth to clock an aggregate of 70%. Similarly, Arif Patel, VP - sales, marketing, distribution and loyalty of Accor Hotels said "the month of November, the revenue per available room (RevPAR) increased by 33% across all hotels, while those operational for two years and more have seen 25% growth." With the December data, Patel confirmed that the last month of the year has also been buoyant, which is a testimony that there has been little or no impact of demonetization on the business.

"Business demand has been largely agnostic to demonetization. Leisure travel demand from metros has seen a 10% reduction and 15% from non-metro and Tier-2 cities. Metro leisure demand should pick up in a quarter while non-metro would take another two quarters to come back full steam," said Rahul Pandit, MD and CEO Ginger Hotels. Ginger Hotels currently operate 37 properties in 30 cities. The average retail rates range from Rs. 3,000 to Rs. 4,000, depending on the location. Accor Hotels, currently has 45 operational hotels in 10 brands. This year, the number of last minute bookings too has gone up significantly. According to budget hotel aggregators OYO, 61% of all the bookings made on their platform were made within 24 hours prior to check-in. As per 2016 data at Accor Hotels, for midscale and economy brands, 40 to 50% of the business got booked three days prior resulting in shorter booking window.

Experts view booking windows as a function of demand and supply. "Renewed digital booking tools and better flight connectivity have reduced the booking window pattern," Patel said. ICRA research says that premium room inventory database (12 key cities) across the country indicates nearly 8% compounded annual growth in supply during the period during financial year 2017-2020... ICRA research expects narrow active supply pipeline amidst robust demand to drive modest average room rate recovery in 2017.

"The last few years saw increase in supply outpacing a demand growth, in a subdued economy. This ensured that hotels had inventory available last minute at low rates and customers were assured of accommodation, even if they booked late – leading to a shortening of the booking window," said Pandit, who was earlier working with Lemon Tree Hotels.

Conclusion

Hospitality sector is an integral constituent of the country's economy. While medium and large scale business is unaffected to such ban, many small-size commercial establishments are deeply affected by such sudden move by the government. The economy of the country may experience recession in the coming few weeks but is expected to get back to its shape shortly after the influence of

government.. The demonetization drive will affect some extent to the general public, but for larger interest of the country such decisions are inevitable.

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M-Wallets Milking the Demonetization Opportunity with Advertisements Tailored to Perfection

Swati Luthra*

Introduction

India is set to emerge as the world's fastest-growing major economy in the coming few years ahead of China. The country was ever-dependent on cash giving m-wallets a hard time. However, the picture changed when the Prime Minister of India took a step of demonetization by taking back the legal status of paper currency with maximum circulation.

Demonetization

Before moving forward it is important to understand the meaning of the term-demonetization. Demonetization is the act of stripping a currency unit of its status as legal tender. It occurs whenever there is a change of national currency. The old currency is replaced with new paper currency or coins. The aim of the demonetization move made by the government was to take the country towards digital transactions from cash. Indian m-wallet market was already making its way in the dark alley where the majority of population thought of the idea of digital transactions as risky. The faster adoption of mobile internet with telecom operators slashing mobile internet rates every day contributed as one of the major factors of the upward trend in the m-wallet market. In the meantime, withdrawal of currency was the opportunity that helped these digital transaction facilitators grow tremendously in a short time.

M-wallet

A mobile wallet is an app-based technology. The credit card or debit card information is kept in a digital form in the mobile device to replace the usage of

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physical plastic cards. The payments can be digitally made with a smart phone or tablet. The concept itself sounds risky as the information security is at stake. Additionally, the ease of making digital transactions was a far-fetched idea as users were still sceptical. Due to this, the average m-wallet spend for retail was approximately INR 500-700 prior to demonetization move. The m-wallets tapped the lucrative opportunity of currency replacement by apt advertising. Below is the list of m-wallets with their advertisements at the right time.

- **Paytm:** The m-wallet was already one of the most popular brands in its business are but with demonetization the brand left no stone unturned to milk the opportunity. Immediately after the announcement on 08 November 2016, Paytm released a full-page print ad congratulating the Prime Minister and adding the tagline- "Ab ATM nahi, #Paytm karo". The brand had Rs. 600 crore allocated for its marketing and branding in 2016-2017. The brand faced a lot of criticism with television commercials saying 'Drama band karo, Paytm karo' which means- stop being melodramatic, use Paytm. The firm changed the tagline to - Chinta nahi, Paytm karo (do not worry, use Paytm). Apart from this, Paytm released more videos depicting how to make cashless payments using the app.
- **Freecharge:** The other big player in the cashless payments market was Freecharge striking the right chords with advertisements placed correctly at the right places targeting the right lot. Following Paytm, the online payment app went for a full-page advertisement in the newspaper. However, the app chose to make a smart move by not only targeting the buyers but the vendors as well. The ad used the tagline- "You don't need cash for your business. You need a phone." The emphasis was on downloading the app to accept digital money. The hashtags used were "#CallingAllMerchants" and "#DigitalIndia". When the nation was under panic state the app welcomed the merchants with open arms. The ad also displayed clearly the existing partners to build confidence for using the app by both- vendors and buyers. The app also released an ad that caught everyone's attention. The ad was based on the fact that a common person had a hundred rupees note in the wallet with bills to be paid everywhere. The ad showed that one can use Freecharge to make cashless payments with a precise how-to-use tutorial. The tagline used here was – "Freecharge kiya matlab cash diya" which meant paying through Freecharge means paying through cash.
- **Ola Money:** The online transportation network company had a digital wallet too. The Ola Money ran a multi-channel campaign with a title – "Nahi rukega India. Cashless chalega India." The tagline meant – India won't stop. India will move cashless. The ad emphasized on use of their cab service with or without cash (by using Ola Money). The ad successfully targeted customers to look at the silver lining of what seemed like a dark cloud. The app came up with cashback offers to lure the crowd.

- **MobiKwik:** The brand managed to bring the logo into everyone's attention with its advertisements showing scan codes available even with the street hawkers. It used the catchy tagline- "MobiKwik hai na". Additionally, the brand launched MobiKwik Lite app for the less digitally savvy populace or the ones with slower internet connections.

Conclusion

Cashing in the demonetization opportunity the m-wallets saw a soaring growth. While the western countries took their time to move from cash to plastics then to digital payments, India quickly leapfrogged to m-wallet payments in a matter of few weeks. While the country struggled for hours in the queues for hours in front of ATMs and banks the digital transactions reached the number of one billion – all thanks to demonetization. RBI data revealed that 5.9 crore transactions worth Rs.1320 crores were made in the month of November 2016. Paytm had 50 lakh daily transactions worth Rs.100 crores which included the non-wallet transactions as well. Freecharge gained momentum with a nine fold jump in merchant transactions. MobiKwik, on the other hand, recorded an eighteen fold increase in its transaction volumes. There has been about ten times growth in the digital transactions since the demonetization announcement and the market is looking forward to an upward trend with focus on digitization and transparency. The m-wallets did come to rescue when the ATMs and banks failed to be of any convenience. The m-wallets are now supporting UPI (Unified Payment Interface) with cashback offers on use of UPI through the apps with irresistible cashback offers. The apps are giving One Time Passwords which are harder to crack in order to enhance security. The m-wallets have had a golden period and is all set to see tremendous hike with consumers getting accustomed to the ease of using these apps.

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Role of GST in Development of Indian Economy

Dr. Prahlad Sharma*

Introduction

To make India as a financial superpower, the introduction of GST was a must. The GST as we all know has a dual structure which means it has two components the central GST and the state GST. It is expected to simplify tax administration ensure ease of doing Business and promote make in India taxation both direct and indirect plays an important role in promoting economic growth as well as equitable distribution. As we are facing the cascading system of indirect taxes in India and with the introduction of GST, all the cascading effects of Cen vat and service tax will be more comprehensively removed with a continuous chain set off from the producer's point to the retailer's point. The manufacturing sectors would benefit from economies of scale. Output of sectors including textiles and ready mode garments, minerals other than coal, petroleum, gas and iron ore, organic heavy chemicals; industrial machinery for food and textiles. The sector in which output is expected to decline include natural gas and crude petroleum; iron ore; coal tar products, and non-ferrous metal industries. Finally a more rational tax system would lead to lesser disruption of the market economy and more efficient distribution of resources within country. So at last it can be concluded that GST will provide relief to producers and consumers by providing wide and comprehensive coverage of input tax credit set-off and its implementation will play an important role in development of India economy.

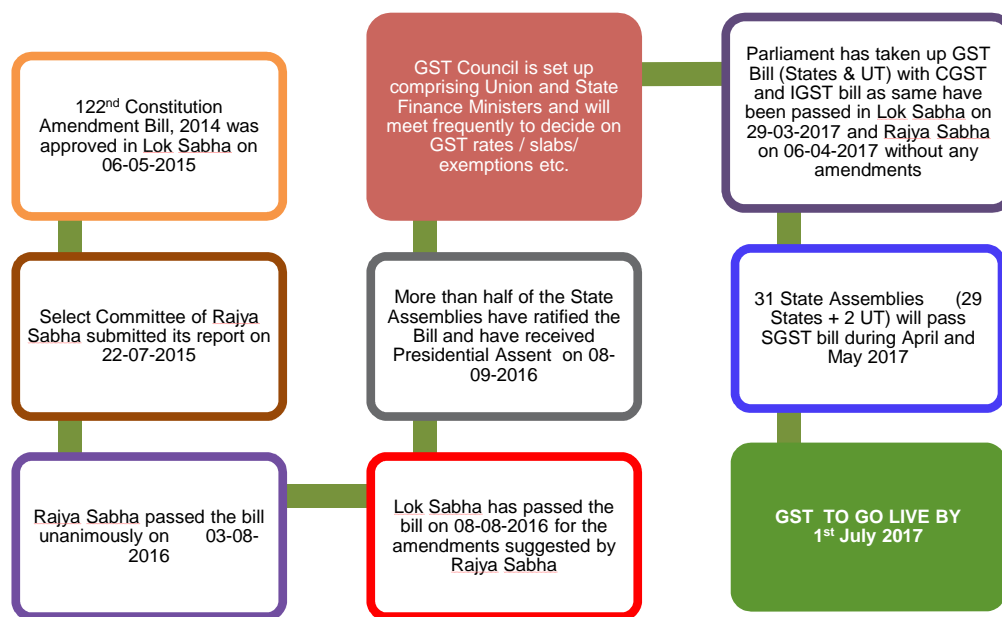
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Objectives of GST

- Ensuring that the cascading effect of tax on tax will be eliminated.
- Decreasing the unhealthy competition among the states due to taxes and revenues.
- Making a unified law involving all the tax bases, laws and administration procedures across the country.
- Reducing the tax slab rates to avoid further clarification issues.
- Improving the competitiveness of the original goods and services, thereby improving the GDP rate too.
- Reducing the complications in tax administration and compliance.
- Ensuring the availability of input credit across the value chain.

GST – The Road Ahead



GST - Meaning

- GST is stage wise destination based consumption tax.
- Broad based and a single comprehensive tax levied on goods and services consumed in an economy.
- Levied and collected on value addition at each stage of sale or purchase of goods or supply of services based on input credit method but without state boundaries.

- Uniform single tax across the supply chain.
- Improvement in international cost competitiveness of indigenous goods and services.
- Enhancement in efficiency in manufacture and distribution due to economies of scale.
- GST encourages an unbiased tax structure that is neutral to business processes, business models, organization structure, product substitutes and geographical locations.
- The prices of commodities are expected to come down in the long run as dealers pass on the benefits of reduced tax incidence to consumers by slashing the prices of goods.

Levy of GST in Different Situation

S.N.	Situation	Supply	Tax
1	Location of Supplier and Place of Supply in same State	Intra State	CGST & SGST
2	Location of Supplier and Place of Supply in different States	Inter State	IGST
3	Import of Goods or Services from outside India	Inter State	IGST
4	Location of Supplier in India and Place of Supply outside India	Exports	Zero Rated

Probable Rate Structure in Gst

SGST (+) CGST Total Rate %	Goods and Services
Exempted	Basic Education, Healthcare, Agriculture related, Public Transport etc.
Zero Rated	Essential items including food grains, 50% of items under Consumer Price Index (CPI), Export of Goods and Services
5%	Gold and Silver ornaments, precious and semi-precious stones
12%	Rate for Basic Commodities
18%	Standard Goods and Services
28%	Items currently taxable with 30-31% like partial luxury items
28% + Cess	Luxury & De-merit goods (Like Luxury Cars, Tobacco, Cigarettes)
Will be brought in GST at a later Stage	Petroleum and Petroleum products
Out of GST	Alcoholic Liquor for Human Consumption

Entitlement/Obligations - Present Laws and GST

Particulars	VAT	Excise	Serv. Tax	GST
Allowance of Input Tax Credit (ITC) of pre-registration period	No	Yes	Yes	No
Allowance of Input Tax Credit when supplier does not discharge his liability	*No	Yes	Yes	No
Allowance of ITC of tax paid on inter-state transactions	No	NA	NA	Yes
Refund of ITC to exporters	Yes	Yes	Yes	Yes
Refund of accumulated ITC due to inverted rate structure	Yes	No	No	Yes
Option of Revised Return	Yes	Yes	Yes	No
Rectification of Filed Returns	No	No	No	Yes
Matching of Invoices & Recovering tax from purchasers in case of mismatch	*Yes	No	No	Yes
Reverse Charge Mechanism (RCM) for Goods	No	No	NA	Yes
Reverse Charge Mechanism (RCM) for Services	NA	NA	Yes	Yes
Partial Reverse Charge Mechanism (RCM) for services	NA	NA	Yes	No

* In some states such as Gujarat and Maharashtra

Entitlement/Obligations - Present Laws and GST

Particulars	VAT	Excise	Service Tax	GST
Tax on Advance Receipts	No	No	Yes	Yes
Power to reject transaction value declared in invoice*	No	No	No	No
Centralised Registration	No	No	Yes	No
Inclusion of free supplies in the taxable value	No	Yes	Yes	Yes
Inclusion of incidental expenses in the taxable value	Yes	Yes	Yes	Yes
Tax on Distribution of free samples	No	Yes	NA	No
MRP based valuation	No	Yes	No	No
Specific valuation in case of Related Party Transactions*	No	Yes	No	No
Post supply Discounts / Incentives not known at the time of supply to be included in transaction value	No	Yes	No	Yes

*The same provision was there in earlier MGL. But, the same has not incorporated in Revised MGL.

GST Network – GSTN SPV

Formation	Roles & Responsibility
<ul style="list-style-type: none"> Special Purpose Vehicle (GSTN-SPV) has been set up to create enabling environment for smooth introduction of GST GSTN-SPV will provide IT infrastructure and services to various stakeholders including the Centre and the States Strategic control over GSTN-SPV has been ensured with the Government due to sensitivity of role of GSTN-SPV and the information which would be available with it GSTN-SPV has been incorporated as a not-for-profit, non-Government, private limited company with 49% equity held by the Government and 51% equity held by the non-Government institutions 	<ul style="list-style-type: none"> Provide common PAN-based registration Enable returns filing and payments processing for all States on a shared platform Ensure integration of the common GST Portal with the existing tax administration systems of the Central / State Governments and other stake holders Build efficient and convenient interfaces with tax payers to increase tax compliance Carry out research, study best practices and provide training to the stakeholders

Place of Supply of Services

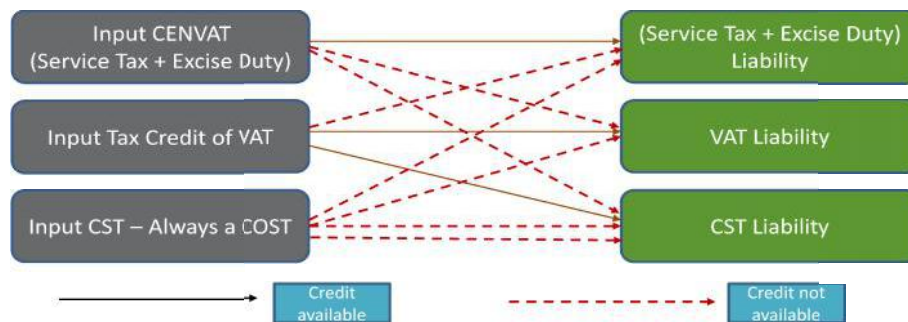
Particulars	Place of supply
General Provision	<ul style="list-style-type: none"> Supply to Registered Person - Location of such person Supply to any other person - Location of recipient of services where the address is on record; and in other cases location of supplier of service
Immovable property	<ul style="list-style-type: none"> Location of such property, and if the same is o/s India then, Location of recipient
Restaurant, personal grooming, fitness etc.	<ul style="list-style-type: none"> Location where the services are performed
Training service	<ul style="list-style-type: none"> Where supplied to a registered person, location of such person Any other person, location where services are performed
Admission to a cultural, sporting event etc.	<ul style="list-style-type: none"> Location where event is actually held
Organization of a cultural, sporting event etc.	<ul style="list-style-type: none"> Supply to Registered Person - Location of such person Supply to any other person - Location where event is held If event is held o/s India – Location of recipient
Goods Transportation Service including mail & courier	<ul style="list-style-type: none"> Supply to Registered Person - Location of such person Supply to any other person - Location where goods are handed over for their transportation

Particulars	<ul style="list-style-type: none"> Place of supply
Passenger Transportation Service	<ul style="list-style-type: none"> Supplied to Registered Person - Location of such person Supply to any other person - Location from where the passenger embarks on the conveyance
Services provided on board a conveyance	<ul style="list-style-type: none"> Location of first scheduled point of departure of that conveyance
Telecommunication services, including data transfer, broadcasting, DTH	<ul style="list-style-type: none"> Location where the telecommunication line, leased circuit or cable connection or dish antenna is installed For mobile connection for telecommunication and internet services: <ul style="list-style-type: none"> Post-paid basis - Location of billing address of the recipient Pre-paid basis through an agent – Location of selling agent or re-seller or distributor Pre-paid basis to final subscriber – Location where pre-payment is received or vouchers are sold Any other case – Location of recipient as per record of supplier
Banking & other financial services	<ul style="list-style-type: none"> Account linked services - Location of recipient Non account linked services - Location of supplier
Insurance Services	<ul style="list-style-type: none"> Supplied to Registered Person - Location of such person Supply to any other person - Location of the recipient of services on record of supplier

Input Tax Credit (ITC)

Cascading of Tax - Present Tax Structure

- Cascading Impact – Burden of Tax on Tax
- Non – availability of VAT credit against Service Tax / Excise liability and vice-versa
- Non – availability of CST credit against any liability



Availability of Cenvat Credit - GST

Credit Liability	Raj SGST	Raj CGST	Raj IGST	Maharashtra SGST	Maharashtra CGST	Maharashtra IGST
Raj SGST	a	X	a	X	X	X
Raj CGST	X	a	a	X	X	X
Raj IGST	a	a	a	a	a	a
Maharashtra SGST	X	X	X	a	X	a
Maharashtra CGST	X	X	X	X	a	a
Maharashtra IGST	a	a	a	a	a	a

Input Tax Credit**Time limit**

- Credit in respect of any invoice or debit note pertaining to a financial year cannot be taken after
 - Filing of return for the month of September following the end of financial year to which such invoice or debit note pertains, or;
 - Filing of the relevant annual return, whichever is earlier

Capital Goods

- Credit not admissible on such tax component of the cost of capital goods, for which depreciation has been claimed under the Income Tax Act, 1961 .
- In case of supply of capital goods on which input tax credit has been taken, payment is required to be made
 - for an amount equal to input tax credit reduced by percentage as may be specified, or;
 - tax on the transaction value of such capital goods, whichever is higher

Registration, Payment and Refund**Registration**

- State wise, Business vertical wise and Voluntary Registration options are available.
- The Concept of ISD continues.
- Single threshold limit for goods and services. i.e. Rs. 20 Lakhs for normal category and Rs. 10 Lakhs for Special category States & States specified under Article 279A(4)(g) of The Constitution
- Certain persons required to take compulsory registration. Such as Inter state supplier, Casual dealer, Person required to pay tax under RCM, Person paying TDS, Person acting agent, ISD, e-Commerce operator, Other persons to be notified by Government.

Payment

- Single threshold limit for goods and services. i.e. Rs. 20 Lakhs for normal category and Rs. 10 Lakhs for Northern Eastern State including Sikkim.
- Three modes of payment of tax under GST regime are proposed i.e. through internet banking / credit or debit card, Over the Counter payment (uptoRs. 10,000 per challan) and payments through NEFT/RTGS.
- The input tax credit as self-assessed in the return of a taxable person shall be credited to his electronic credit ledger to be maintained in the manner as may be prescribed.

Refund

- Refund claim is required to be filed within 2 years from relevant date.
- Refund order to be passed within 90 days from the date of receipt of application.
- 80% refund can be released provisionally and balance 20% after verification.
- For refund application < Rs. 5 Lakhs only declaration & proof for incidence of tax is required.

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A study on Factors Influencing Employee Job Satisfaction in Hotel Industry: A study with Reference to Hotels in Jaipur

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Introduction

Occupation fulfillment is by and large characterized as a worker's full of feeling response to an occupation, in view of contrasting genuine results and wanted results. It is by and large perceived as a multifaceted develops that incorporates representative sentiments about an assortment of both characteristic and outward factors. The activity fulfillment or job satisfaction of a worker is a subject that has gotten significant consideration by specialists and supervisors. The most essential data to have with respect to a representative in an association is an approved measure of his/her level of employment fulfillment (Akpofure, Rim. O. Israel, Imide, & Okokoyo, Ikhifa. (2006). It is the only controlling variable that decides the many other factors like employees productivity, retention rate , happiness and stability in an organization .It also gives a direction to how employees should be utilized so that apart from gaining effective results it can help in enhancing commitment, moral and motivation of employees(Diaz-Serrano, L., & Cabral. Vieira, J.A). (2005).

Dimensions of Job Satisfaction

There are three essential measurements to work fulfillment:

- Job fulfillment alludes to one's inclination towards one's activity. It must be surmised however not seen.
- Job-Satisfaction is regularly dictated by how well out-comes meet or surpasses desires. Fulfillment in one's activity implies expanded responsibility in the satisfaction of formal prerequisites. There is more noteworthy readiness to put individual vitality and time in work execution.

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- The terms work fulfillment and occupation mentalities are normally utilized conversely. Both allude to powerful introductions with respect to people towards their work parts which they are by and by possessing. Inspirational demeanors towards the activity are reasonably identical to work fulfillment and negative states of mind towards the activity show work disappointment.

Need of studying Job satisfaction in Hotel industry

Today hospitality industry is one of the quickest developing divisions in India. It is relied upon to develop at the rate of 8% in the vicinity of 2008 and 2018. Inn Industry in India has seen colossal blast lately. Lodging Industry is inseparably connected to the tourism business and the development in the Indian tourism industry has fuelled the development of Indian inn industry. The prospering economy and extended business openings in India have gone about as assistance for Indian Hotel industry. The passage of negligible exertion aircraft's and the related value wars have given private tourists a vast gathering of decisions. The 'Brain boggling India' objective campaign and the starting late impelled 'Atithi Devo Bhavah' (ADB) fight have similarly helped in the improvement of neighborhood and all inclusive tourism and along these lines the cabin business, Hotel Industry goliaths are surging India and assembling Joint Ventures to win their offer of pie in the race. Government has embraced 300 cabin wanders, about segment of which are in the luxury run. Sources expressed, the work requirements of the hotel business will increase from 7 million of each 2012 to 15 million by 2017. The degree of consistency of representatives in Indian Hospitality industry is to a great degree low, for the most part because of the representatives' disappointment with low pay and long working hours. The labor circumstance in Indian Hospitality industry is very genuine. As per Lalit.K.Panwar, the previous Vice administrator and Managing Director of ITDC Ltd, the industry requires 150,000 people for each year though supply is just 50,000 every year. This prompts the deficiency of 100,000 people for every annum. Which is intense issue.

Hypothesis

- There is no significant association between compensation structure and job satisfaction
- There is no significant association between T&D opportunity and job satisfaction

Research Objective

The key issues dealt in the study are the determinants of job satisfaction among employees in the relative order of their impact and the constraints which lead to job dissatisfaction thereby leading to following objectives of the study –

- To identify the impact of selected factors on job satisfaction. (Compensation policy, reward system, training and development opportunity, work environment, working conditions, supervision, communication, nature of job) factors that lead to retention and satisfaction of employees in hotel industry.

- To find out the most preferred element that leads to job satisfaction in the organization scenario of hotels in Jaipur.

Literature Review

The current paper throws light on the earlier researcher's contributions in order to have better understanding of the concept by exploring the findings and to identify the research gaps which will be able to provide scope for further research. An analysis of literature review is as follows:

- **Michael E. Mc Neff1 and Justin A. Irving (2017)** the management must value the employees as it has a strong effect on the culture of the organization. A valued employee will feel satisfied. The researchers found that the servant leadership practices of the owners are contributing to the job satisfaction of the employees.
- **Jnaneswar K.(2016)** Mr. K. Jnaneswar attempts to find out the level of quality of work life among the employees of public sector units in Kerala and also finds that male and female employees are experiencing the same level of Quality of work life. A significant difference was found between age group, experience and education and quality of work life
- **Toan Le Duc et al (2015)** The study suggested that improvement in the quality of work, leadership, a good co-worker relationship, training program, working condition and working environment play a significant role in improving the job satisfaction among the employees)
- **Md. Enamul Haque, Md. Sohel Rana& Md. Zainal Abedin (2015)** These study findings contribute to an understanding of ways by top management in attempts to attain a career fit between the needs of the employees and the needs of the organization.
- **M. Rajarajan, M. Vetrivel (2015)** This study provokes the people concerned to take some positive measures in order to improve them, the researcher will feel amply rewarded. Quality of work life will have direct and indirect relationship with the economic and social well-being of large portion of population which lies beyond the domain of Industry. This article highlights the various welfare measures and quality of work life among the workers towards SIPCOT industries -an analysis.
- **Devappa Renuka Swamy, T S Nanjundeswaraswamy (2015)** In general they identified seven Quality of Work Life variables to measure the QWL of employees namely, good working environment, job satisfaction, chance of growth, fair compensation, employees' motivation, and communication flow, flexible or suitable working time. Study revealed that QWL is not highly established as per the view of employees.

- **T S Nanjundeswaraswamy, Swamy D R (2015)** In the Study - they identified the link between organizational leadership and business ethics, thereby making contributions toward increasing the quality of organizational life which may have a positive influence on members of the organization and the wider community.

Research Methodology

(Sample of the Research, the Method of Data Collection and the Survey)

The present study is limited within hotels in Jaipur and managers and middle level employees were selected for study, since attrition is mostly seen at this level. The timeframe for data collection was 6 months. The data was collect and through random sampling. Employees aged between 25 to 55 were selected.

In total 180 questionnaire were distributed from which 168 were returned; from them 16 were incomplete leaving the figure to 152,for ease in calculation 150 as sample size was selected.

• Overall Research design	Exploratory and Descriptive research
• Sources of Data	Ñ Primary data Ñ Secondary data
• Sampling Method	Simple Random Sampling Method
• Sample size selected for research (relevant answers with research)	150 employee from Jaipur hotels
• Tools of Data Collection	Self- structured questionnaire, interviewed and observation

Sources of Data Collection

Data is collected from both sources –primary and secondary.Survey method (questionnaire was distributed) is used to collect primary data from selected hotels in JAIPUR. Secondary data is collected with the help of magazines, books, journals.

Data Analysis

The data is analyzed using SPSS, different statistical tools like chi-square test, ANOVA are been used.

Research Analysis and Interpretation

Hypothesis testing for showing association between different variables and job satisfaction

Hypothesis 1

Null Hypothesis: There is no significant association between compensation structure and job satisfaction

Alternate hypothesis: There is significant association between compensation structure and job satisfaction.

Table 1: Chi-square test showing association between compensation structure and job satisfaction Chi-Square Tests

	Value	Df	Asymp. Sig. (2- sided)
Pearson Chi-Square	12.000 ^a	9	.213
Likelihood Ratio	11.090	9	.270
Linear-by-Linear Association	2.074	1	.150
N of Valid Cases	4		

Symmetric Measures

	Value	Approx. Sig
Nominal by Nominal Phi	1.732	.213
Cramer's V	1.000	.213
N of Valid Cases	4	

Interpretation: Chi square test was used to find association between job satisfaction and compensation structure. From the table it is clear that there is a significant association between compensation structure and job satisfaction.

Hypothesis 2

Null Hypothesis: There is no significant association between training and development and job satisfaction

Alternate Hypothesis: There is significant association between training and development and job satisfaction.

Table 2: Chi-square test showing association between training and development and job satisfaction

	Value	Df	Asymp. Sig. (2- sided)
Pearson Chi-Square	12.000 ^a	9	.213
Likelihood Ratio	11.090	9	.270
Linear-by-Linear Association	1.802	1	.179
N of Valid Cases	4		

Symmetric Measures

	Value	Approx. Sig
Nominal by Nominal Phi	1.732	.213
Cramer's V	1.000	.213
N of Valid Cases	4	

Interpretation: Chi square test shows that there is a significant association between training and development function and job satisfaction.

Further, in order to determine if there is any variance between job satisfaction and between different job satisfaction segments ANOVA was used as a tool

$F\text{-ratio} = MS \text{ Between} / MS \text{ Within}$

$11401.50 \div 1996.89 = 5.71$

From the above it is clear that the calculated value is greater than the critical value or table value thus null hypothesis is rejected. Thus there is a significant association between intensity of different job satisfaction segments and job satisfaction

Table 3: ANOVA showing significance of association between job satisfaction segments and job satisfaction

Sources of variation	Sum of Squares	Degree of freedom	Mean square SS÷df	F – Ratio	F-critical value
Between samples	22803	2	11401.50	5.71	4.26(For2,9 d.f)
Within samples	17972	9	1996.89		
Total	40775	11			

Interpretation: There is a positive correlation between emotional or affective commitment and job satisfaction measures. The organization on basis of this dependency can design such strategies which can enhance the emotional commitment among employees thus resulting into high loyalty towards their work as well as organization leading to retention, satisfaction and commitment.

Limitation

There is no research work without any limitations. This research is also not an exception to the said law. There are some limitations of the study. Data was collected from only service sector and the majority of the respondents were supervisors or middle managers. The findings and conclusion of the study therefore, may not be applicable to other industries. Thus, generalizability of the results of the study is limited. Future research could avoid this limitation by collecting data from multiple sectors and industries which could allow for investigation of validity across different work contexts.

Secondly, data were collected at a single time point, which postponed the investigation of possibility of reverse connection between acceptable and individual outcomes. For instance, it is possible that organizational commitment can cause employees to alter their values towards better acceptable. However, there are theoretical reasons to believe that similarity in personal and organizational values can result in changes in attitude and behavior.

The present study depends on supervisory judgments for measures of task and appropriate performance. Although it is supposed that supervisory judgments are good measures of performance, there is always the possibility of biasness on the basis of emotional bond. Therefore, future research might address this issue by including both supervisors and peer grades employee in their studies or using more objective performance measures if available.

Findings

- In this research I discovered that all the chose factors to be specific pay structure, preparing and advancement, correspondence, nature of work, supervision, and full of feeling responsibility are related and influence work fulfillment.
- From the means and standard deviation of all the factors it is clear that employees are most satisfied with the type of communication channels practiced in the organization, it is a positive sign which shows that there is clarity in giving directions and instructions and also top to bottom and bottom to top is quite transparent which can further help in building good rapport and effective working.
- Independent chi-square values between job satisfaction and various selected variables shows that there is a significant association between various selected variables and job satisfaction.

Suggestion

- Service organizations were selected for this study because they seemed more contributing to person organization. Recruiters can make sure appropriate recruitment by tailor recruitment strategies such that only individuals, who share the fundamental characteristics of the organization such as values and goals, are attracted and selected.
- The values and goals of the organization can be made clear and relevant in recruitment advertisements or realistic job previews can be conducted, for instance, in campus presentations.
- By this way, candidates can have a prior knowledge about the valued characteristics or behaviors and evaluate the comparison between his/her values in responsible the attraction of the organization.

Conclusions

It is thus clear that in spite of sound communication channels, scope for training and development, satisfaction with type of supervision and nature of work allotted. The highest dissatisfaction is with compensation structure.

Thus management should take necessary actions in designing equitable and attractive pay packages and introduce some incentives and rewards in such a way so that employees may feel a motivation in working. Until and unless employees will feel a push to perform with good financial motivator the efforts made in retaining employees will not be possible. Although employees were satisfied with communication channel but industry still can do some improvisation in the channel for better performance of employee. Organization or employer must put their efforts to provide facilities to their employees so that they will not switch organization because

of lack facility availability. Organization should also hire some extra human work force so that working hours can reduce and employee can have some extra free time.

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