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Chairman’s Address

It is an immense honour and pleasure for all at Ashoka Education Foundation to welcome the researcher scholars, academicians and industry big-wigs at Two Day National Level Conference on “Role of Start-ups in Evolution and Development of Indian Industry” at our Ashoka Business School, Nashik on 23rd and 24th February, 2018

India has already marked its presence as one of the fastest growing economies of the world. It has been ranked among the top 10 attractive destinations for inbound investments. Since 1991, the regulatory environment in terms of foreign investment has been consistently eased to make it investor-friendly.

The Govt. of India is promoting Setting up start-ups and favourable policy is released to achieve substantial growth. Financing policy to give boost to activity through various schemes which simplifies the financing process and gives a faster mechanism to initiate start-ups. The Ease of Doing Business (EODB) is also achieved through waiving off red tape to improve ranking among the chosen 189 countries, now India’s ranking improved from 134 in 2015 on the World Bank’s Doing Business index.

Ashoka Education Foundation in order to enhance entrepreneurship amongst students and to help them setup start-ups have established Start-up cell through which various activities to boost enterprising spirit and innovation conducts various activities under the guidance of successful entrepreneurs. Start-up India, a flagship programme of our Hon. Prime Minister Shri. Narendra Modi is well endorsed at Ashoka with contribution in a very small way towards the growth and development of Indian Industry.

Ashoka Katariya
Chairman
Ashoka Education Foundation, Nashik
Start-ups signify the evolution of Gen-next India. An evolving India which is being built by young and emerging start-ups run by equally enthusiastic youth of the country. The main aim in choosing the theme for our two days National Conference – “Role of Start-ups in Evolution and Development of Indian Industry” is to not only look at it from the economic point of view; but to have a macro as well as a micro view at the eco-system in which they function.

Developing a start-up friendly eco-system becomes possible for the government when the industry – academia joins hands to build a sustainable and co-operative interface which promotes strong alliances to facilitate evolution of new and innovative businesses. A start-up friendly eco system will not only provide a smooth environment to existing start-ups, but motivate youth to take up entrepreneurship as a way of life. A single entrepreneur can generate employment for more youth and thus create a culture which is conducive to the growth of the country.

At Ashoka Education Foundation; we are committed to fostering a culture encouraging the creation of empowered entrepreneurs through application based education. To achieve this objective, we have evolved our own unique academic delivery which blends industry exposure in a big way through high level industry institute interaction with industry expert panel of eminent corporate personalities to ensure that students get ample opportunities to learn from experiences shared by them.

We welcome you to the National Conference hoping that you get to takeaway not only knowledge but also motivation to build our nation by creating entrepreneurial opportunities for yourself and others around you.

Dr. Rajendra R. Takale  
Conference Chairman & Director  
Ashoka Business School, Nashik
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ROAD MAP FOR PERFORMANCE MEASUREMENT THROUGH COMPETENCY EVALUATION

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ABSTRACT

Integrating competencies within the performance management process supports the provision of feedback to employees not only on “what” they have accomplished (i.e., performance goals), but also “how” the work was performed, using competencies for providing feedback. Assessing competencies as a part of performance management is an important means of assisting employees in understanding performance expectations and enhancing competencies. Use of these systems allows managers and supervisors to identify gaps, deploy remedial training, recruit staff and compensate current employees appropriately. Developing competency-based performance management systems typically involves creating comprehensive competency models for all jobs and assessing employees against those models during annual performance reviews. Employers may use these systems for all staff or restrict their use for only salaried employees. By identifying core competencies that align with the company’s mission, vision and goals, management can consistently and fairly rate employees who contribute to the bottom line. Therefore, it is necessary to create awareness about the importance of competency based performance management system. The research is based on secondary data which identifies the methods used for competency based performance evaluation and the steps used behind implementing competency based performance system.

KEYWORDS: Organizational Competency Method, Job Competency Method, Personal Competency Method,

INTRODUCTION

Successful organizations know that to win in today’s competitive marketplace they must attract, develop, and retain a talented and productive staff. Winning organizations get their competitive edge from a performance management system that communicates the organization’s vision and values, aligns individual and team performance goals with the organization’s strategic objectives, outlines career development paths for each team member, and provides ongoing feedback for staff development. To achieve this competitive advantage, company face various challenges such as defining the skills and behaviour required to complete a task successfully requires time, effort and coordination between multiple sources. Getting agreement on the relevancy of a particular
competency such as business acumen, communication or team management. Defining the process for assessing individuals against the model may also take time and conducting such reviews tends to be time-consuming.

This winning organization uses systems which allow managers and supervisors to identify gaps, deploy remedial training, recruit staff and compensate current employees appropriately. Developing such systems involves creating comprehensive models for all jobs and assessing employees against those models during annual performance reviews. Employers may use these systems for all staff or restrict their use for only salaried employees. This can be achieved by using competency-based performance system.

In competency-based performance system, company identifies core competencies that can be aligned with the company’s mission, vision and goals, using which management can consistently and fairly rate employees who contribute to the bottom line. Therefore, researcher attempted to study the importance of competency-based performance system which will help the company to bridge the gap between the required competency and actual competency. With a competency-based performance management system in place, you can better motivate staff, align training with company goals, clearly define roles and the skills needed to perform each job well, as well as optimize the hiring process.

DEFINITION

David Martone (2003) defined a competency-based performance-management system as a documented and well-structured model that considers the skills and behaviours for successful performance in the present and so also the future job roles. By making it transparent, it helps employees to understand the job expectations from their organizations. Also, it becomes the competency-based performance-management system and becomes the framework to align employees’ job performance with the organizational goals.

OBJECTIVE

- To study the importance of competency-based performance system.
- To find out the methods used for competency-based performance evaluation.
- To identify the steps behind implementing competency-based performance system.

IMPORTANCE OF COMPETENCY BASED PERFORMANCE SYSTEM

For high-performing organizations, a competency-based performance management system is an essential part of an overall competency management plan. Competency-based performance reviews have numerous benefits for employees and employers. They are comprehensive measurements that
assess overall job performance yet examine basic, fundamental work skills. They also foster open communication between a supervisor and employee because these types of reviews require employee introspection as well as supervisor observation and assessment. Improvement plans for competency-based reviews are effective because they often focus on total job performance, not just one specific area.

Incorporating competencies into performance management activities demonstrates that companies connect achievement to compensation, align employee work to strategic goals and objectives, and reinforce behaviour that leads to excellence. In addition to traditional business metrics, such as revenue and sales, employers who use competency-based performance management systems can quantify and qualify the work done by employees. For example, using comprehensive assessments, such as 360-degree reviews, employers gather extensive data about an employee’s work. This also allows company executives to more effectively manage resources and designate individuals to take over leadership positions. The following benefit was identified behind using competency based performance management system.

1. Supercharge your Training Programmes

By measuring competencies properly, you’ll be in the perfect position to pinpoint areas for improvement. At a glance, you can see exactly where an individual’s strengths and weaknesses lie, so that you can target all of their development efforts in the areas they need to improve on. And this doesn’t only work on an individual level! When looking over your workforce as a whole, you might notice that particular competencies are generally sub-standard on the whole. This will highlight the issues your company-wide training programmes need to address, and will make them much more effective!

2. Recognize Your Employees’ Strengths

Tracking competencies isn’t just about working out what’s going wrong. It’s also a perfect opportunity to unearth the real diamonds amongst your organization, and to give them a well-deserved pat on the back for the things they’re doing well! It probably even encourage them to work extra hard on improving their underwhelming decision making skills, so that they can earn recognition across the board!

3. Clarify What You Want from the Role

Think carefully about every job role to work out exactly which skills and behaviours it requires. But all of this hard work pays off, because it helps you to make clear exactly what is expected of the role. Every employee will be able to see what their role is expected to consist of, so they can make
sure that they’re on the right track. It helps to state the competencies looking for when post job advertisements, so that only the right people apply. It helps to focus the interview process around finding people with the perfect set of competencies and behaviours, ensuring that perfect person through the door!

4. Clear Picture of your Workforce’s Abilities

There are also other benefits to having a good understanding of exactly where every one of your employee’s strengths and weaknesses lie. For example, it can really help to boost internal mobility within your organization. Say, for example, that new project or position instead of starting the long process of hiring someone, company can look utilize existing employees who possess the perfect set of competencies for the role, and can move them across without any trouble.

5. Crunch the Numbers

It will help to identify new wealth of data to delve into! It compares highest performers with their competency scores, to see which competencies generally bring the most gain. Then can be focus on developing competencies across your workforce, and hiring in people who already possess them.

It’s also the perfect way to check that your idea of necessary competencies actually stacks up with reality. Competencies which are mapped out as being required for a role actually have no bearing on performance. Spotting this will give you the chance to re-think things and find competencies which will actually be useful.

COMPETENCY-BASED PERFORMANCE EVALUATION METHODS

Successful organizations may recruit, hire and retain good talent. Once the talent is on board, effective performance management processes must be in place to provide employees feedback on their performances and to ensure they are receiving the tools and support to be high achievers. Some performance evaluation methods provide feedback based on defined competencies and goals. These methods can include the use of organizational, job and personal competencies.

1. Organizational Competencies Method

Some organizations have core competencies -- skills possessed internally that make the organization competitive -- necessary to provide their products and services to the customer. Companies may develop these competencies based on benefit to the customer and the financial state of the organization. Some examples are communication skills, leadership, critical thinking and creativity. These competencies may be included in a performance evaluation process.

2. Job Competencies Method

Job competencies contain the necessary knowledge, skills and abilities to accomplish organizational
goals. Knowledge is what the employee knows about the job function through previous experience or education. Skills are required to perform the job function. Abilities are defined as what is necessary to perform the job. Some companies design their evaluation based on these three areas -- knowledge, skills and abilities -- referred to as KSAs.

3. Personal Competencies Method

Personal competencies are what we are born with. We may have a talent for playing the piano but never work as musicians. Some people recognize what they enjoy and are good at doing. They seek out work that pertains to those competencies. Some examples of personal competencies are creativity, good judgment and being numbers oriented or a good public speaker. Companies may use assessment tools to determine personal competencies. Because it takes both core competencies and job competencies to actually be a productive worker, competency-based performance reviews focus on three areas: core competencies, job competencies and the use of both to perform job assignments and duties. For example, a registered nurse who is proficient in starting an IV for medication but has poor communication skills is incapable of giving quality patient care since so much of healthcare depends on how well providers communicate with their patients. Quality patient care is more important than clinical expertise; healthcare providers must demonstrate their ability to put patients at ease through both verbal and nonverbal communication. Likewise, an administrative assistant who demonstrates excellent proficiency with software applications but has poor or nonexistent organizational skills cannot be effective in his job.

IMPLEMENTATION OF COMPETENCY BASED PERFORMANCE SYSTEM

Implementing a competency-based performance management system typically begins by analyzing the business environment and listing the job roles needed to achieve strategic goals. By identifying the skills and behavior required to perform these jobs, effective HR professionals develop competency models. They publish these models on intranet pages, distribute newsletters and run workshops to explain how these frameworks can be used by employees for career development. Then, employees create their development plans aligned with the company’s mission. When managers conduct performance reviews and enter data into the performance management system, they can evaluate each employee fairly and consistently. Many systems also permit employees to conduct a self-assessment.

Here are seven key components to optimizing your competency-based performance management plan.
1. Determine Goals
When it comes to performance management, determining goals should be step one. Having set goals at all levels allows everyone involved to have something to strive toward, measure and be accountable for. By planning out specific goals and setting expectations, you will motivate employees to work effectively, help management to communicate clearly and allow tasks to be completed in an efficient manner.

Whether you’re setting goals individually or at a team level, make sure they’re geared towards developing the core competencies of the company and supporting your organization’s mission, vision and values.

2. Communication
One of the most important elements of a performance management plan is communication. By clearly communicating what your plan is, what your goals are and why, you can get employees on board and motivated to participate.

Why. Make sure the purpose is communicated clearly, and often. If employees don’t see the point, they may not do their best to progress toward your goals.

What and When. It’s also important to set clear expectations. If you’re planning on setting deadlines for individuals or teams to complete training or to give feedback, let staff know that you’re expecting them to complete the activity at that time and it’s not just a suggestion.

How. Give staff clear steps toward any goals you have set. With a step-by-step guide, the process will be as effortless and possible. One great benefit of performance management is that the feedback gives HR better clarity when recruiting, which saves time and resources. This is why it’s so important to clearly define each job.

3. Define Job Types
Great employees want to excel in their positions–and understand what is needed to move up. Make it easier for them by outlining what skills are needed to perform to the best of their ability. By understanding job responsibilities and expectations, employees can be more confident in their position, as well as their future, within the company.

In addition to your current employees, it’s also important to plan for the subsequent workforce. With your organization’s core competencies in mind, define what job types you would like to hire for in the future. Complete the communication loop by speaking with HR about these decisions. This will help you hire the most competent people to fulfill needs within your company.
4. Identify Skill Gaps

Once you agree upon and outline the skills needed for each job type, you can better understand where skill gaps exist. Whether it’s through surveys, interviews, performance reviews, or coaching sessions, learning what your employees need to know in order to perform well in their position is invaluable.

Additionally, by identifying skill gaps you can begin to see a clearer picture of where there may be job-type holes in your workforce. There may be job types that you’ve never hired for previously that would be the perfect addition to your team.

5. Coaching and Development

After you’re able to identify your skill gaps, the next step is to nurture staff and bring them up-to-speed. Whether it’s by way of company-wide training days or simply management-to-team member weekly one-on-ones, the best way to encourage continued learning is by setting up a coaching development program. With a coaching and development plan, your organization can accomplish multiple goals: bridging skill gaps, vetting employees for future positions and putting them on track for a planned career trajectory.

6. Monitor, Document and Give Assessments

Three key elements of all successful evaluation programs are monitoring, documenting and assessments.

- Monitoring continued learning activities, enables you to understand where to make changes,
- Diligent documentation will make it easier to make data-backed decisions moving forward, and
- Assessments allow you and others to better understand what is working and what needs to be changed.

While some feel that conventional, annual assessments are tiresome, anxiety-inducing and many times, fruitless, it’s still important to have some kind of progress touch point in order to set up your workforce for success. Move away from monthly or annual evaluations and toward a process of continuous coaching and improvement. With actionable, constructive criticism, you can position your workforce to perform to the best of their ability.

For some organizations, creating a unique performance management system is in order. Depending on your organization, a performance management program may mean you’ll have frequent face-to-face evaluations or it could mean virtually zero. The more organized and planned out your program is, the less face time will be required. We’re experts at mapping out successful competency-based
performance management plans. For more information on developing a customized performance management plan, contact us.

With the data you gather through defining job types, evaluating skill gaps and the results of continued learning activities, you can put together the evaluation program that works for your company.

7. Revise and Recognize

With feedback from management and staff, it’s important to regularly revise your performance management plan. Be sure to:

- Tie all activities back to reaching company goals and company core competencies,
- Listen to management and staff feedback and make changes to the plan accordingly,
- Motivate staff by putting an emphasis on career trajectory,
- Give recognition and reward your workforce.

8. Stay Organized with Performance Management Software

The most comprehensive performance management plan in the world won’t be effective if everyone involved doesn’t have adequate access, can’t easily give feedback, and data can’t be collected and viewed by leadership. In order to keep everything organized across the organization, performance management software is a must.

While creating a competency-based performance management plan can sometimes feel like a balancing act, performance management software can help keep you organized and on track to meet your goals. Not only does performance management software help to identify, analyze and manage skills gaps within your workforce, it provides an overview of progress, an opportunity to compare continued learning techniques and the ability for leadership to analyze a large amount of data in a comprehensive way.

CONCLUSION

Supervisors and employees usually work together to develop performance improvement plans based on the results of competency-based reviews. A performance improvement plan dedicated to raising competency levels is a combined effort between supervisor and employee that begins with the employee acknowledging her deficiencies. A plan for improvement may consist of job skills training, mentoring, coaching or a combination of resources for building up core competencies, job competencies or both. For instance, the nurse who has difficulty using appropriate communication skills may need to complete training on effective communication techniques for healthcare providers. After completing her formal training, she may be assigned to work closely with another
registered nurse or clinical nurse leader to put her newly acquired communication skills to use under the guidance of a supervisor or team leader.

Successful companies align competencies defined in the performance management system with the company’s strategic objectives. For example, companies that want to improve customer satisfaction and loyalty may require employee competence in personal effectiveness competencies, such as communication, influencing and integrity. These skills involve speaking, writing and listening effectively to co-workers, partners and customers. Formally linking employee development to performance management systems ensures that knowledge transfer, succession planning and employee training needs get met as part of daily operations rather than remedial actions taken only when problems occur. Career development activities contribute to improved employee morale and retention. This tends to reduce absenteeism as well.

Taking into consideration all the competencies, companies use the competency performance evaluation methods to determine what is going well with performance, identifying the performance gaps and determining which employee development plans should be implemented. Job descriptions based on one or all three competency areas, clearly defined goals and expectations serve as a basis for continuous improvement and growth. The advantage in using competency-based performance evaluations is that they consider all the major competencies required for company growth and success.

REFERENCES
TO STUDY AN INVESTMENT PATTERN OF BUSINESS CLASS INVESTOR
IN DHULE CITY – A ROADMAP FOR A STARTUP

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ABSTRACT

As food with essential nutrients, exercise and sleep are imperative for healthy life, proper savings and investments are similarly necessary for a secured future of human life. Like a salaried person it is difficult to predict monthly income for a businessman. Entrepreneur’s business investment decision depends on the efficiency of her saving practice, in addition to the productivity, liquidity needs, and the borrowing capacity of the entrepreneurial firm. The research study is based on the micro financial approach in estimating the responses of the respondents’ i.e. businessmen or entrepreneurs in Dhule city in respect of the savings and investment habits. The objective of the study was to determine the relationship between the savings and investments. Basically study focus on factors responsible for taking investment decision by the businessmen, their existing investment & their risk taking capacity.

Key Words – Startup, Saving & Investments, risk taking capacity etc.

INTRODUCTION

Entrepreneurship is the lifeblood of economic development. Governments of various countries have set out different policies to promote entrepreneurship. Under the Ministry of Micro, Small and Medium Enterprises and joint collaboration between different Departments have initiated various schemes for Entrepreneurs in order to motivate and encourage young minds to innovative ideas, to Women Entrepreneurship, to promote self-employment schemes and programs for entrepreneurs especially, small, micro and medium business. An entrepreneur cannot avoid risk in a start-up and everyone knows that a large proportion of new businesses eventually fail. Entrepreneurs take calculated risks every day, since they take decisions every day. Each time they take a decision they are weighing up the significance of the options and (often intuitively) working out whether to go ahead.

In such kind of situation and business environment many of entrepreneurs face difficulties in taking saving and investment decision. As it is place in last of their list. Financial Planning is the process of determining ways to earn, save and spend money and the amount you need to earn,
invest and spend. By planning your finances, you manage your money such that you reach your life goals. Savings means sacrificing the current consumption in order to increase the living standard and fulfilling the daily requirements in future. As circulation of blood is necessary for the survival of the individual in the same way savings are also necessary for unpredictable future in order to meet the emergencies in life, While Investment is an economic activity of employment of funds with the expectation of receiving a stream of benefits in future.

IMPORTANCE OF SAVING

A. From investor’s point of view-
Savings provides the financial protection to the individual saver at the time of emergency. It is necessary to have saving plan because it will help in meeting financial goals like secure future, children education, meeting the demands of the family etc.

- Emergencies in future: The funds are necessary in order to meet the consequences in future like sudden accident, repairing of car, house construction, etc.
- Secure future: After retirement, savings are a source of funds with which the individuals could continue a decent and reasonable lifestyle when all the income streams stops.
- Sudden death: How can loved ones cope up with the financial problems that may result from the sudden death of any of the family members? Savings helps in coping up in this type of situation.
- Specific purpose or goal / satisfaction: This might be reason for savings like for e.g. for financing the children education, for the down payment for car etc.

IMPORTANCE OF INVESTMENT

Investment is the utilization of resources in order to increase income or production output in the future. An amount deposited into a bank or machinery that is purchased in anticipation of earning income in the long run is the both examples of investments.

- Financial Independence: First and the foremost thing is an investment gives you financial freedom. If we invest money from the beginning then we need not to worry about the future financial needs.
- Increases Wealth: Besides making you financially independent, investment makes you rich also. As you invest more and more money for a long time, it will definitely make you richer. In the present generation, it is of utmost importance to be rich as it gives more benefit in each and every aspect of your life.
- Fulfilling Personal Goals: If you have a desire for having a luxurious apartment and a luxurious car of your own, then it is obvious that these desires may be fulfilled by a planned investment
and savings. As you invest more, you tend to become richer. And as you become richer, you may find no difficulty in achieving your personal goal.

- Reduce Future Risk: If we do investment from the beginning then we can get money of investment in future and so that our future will become safe and our future risk also reduce.

1. DIFFERENT TYPES OF INVESTMENT AVENUES
   
i. **Equity:** Equity is an investment opportunity which is able to offer the highest possible returns but is very risky. Equity market is volatile. One can purchase and sell the share through BSE/NSE

   ii. **Mutual Funds:** Mutual funds offer moderate returns but are less risky compared to equity investments. They can offer a return between 12-30% annually in good times. May be even higher in good times and negative returns of 5-10% annually.

   iii. **Bonds:** These have very less risks so offers lower returns. The return from bonds ranges between 7-10% annually.

   iv. **Commodities:** These investments are made in commodities such as rice, wheat, metals. This is very tricky investment. Return from these investments varies between 10-35%. One should be able to understand the weather, crop cycle and market dynamics.

   v. **Bullion:** Bullion are part of commodities. One can invest in gold, silver and platinum. These fetch high returns but are also very volatile.

   vi. **Futures and Option:** These investments can offer 5-10% return even in a day. This market is also very tricky.

   vii. **Real Estate:** One can also invest in real estate. This investment offers attractive return. But the price fluctuation in bad times very high. And one needs lakhs of rupees to get started in this market.

   viii. **Govt. and RBI Bonds:** These offers fix rate of return over period of time.

   ix. **Company Bonds:** These are same as govt. bonds. Only difference is that these are more risky.

   x. **Insurance:** Insurance have become one of the most important investment avenues in India. Unit Linked Insurance Plans are very popular in India besides the traditional endowment policies.

   xi. **Provident Funds:** This one of the safest long term investment option. This is mainly for retirement purpose.

2. RESEARCH METHODOLOGY -
Research Problem –
Problem formulation is the first step in the research process. Problem formulation identified that for which research is to be carried out. So the research problem is to identify the investment pattern of Business Class investor in Dhule City

Objective of Study –
- To study socio economic condition of the Business Class investor in Dhule City
- To study existing investment pattern of Business Class investor in Dhule City
- To study risk taking capacity of Business Class investor in Dhule City

Methodology –
The study is based on data collection from a business owners in Main Market area of Dhule city i.e Agra Road and Parola Road on convenient sampling method. Data were collected from 50 respondents.

Hypothesis of study-
- There is no significant relationship between Annual Income and saving of a respondent.
- There is no significant relationship between Risk Taking Capability & selection of investment Avenue.

3. DATA INTERPRETATION, RESULT & DISCUSSION -
1. Socio Economic Analysis of Respondents-

<table>
<thead>
<tr>
<th>Table 01 – Socio Economic Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
</tr>
<tr>
<td>----</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
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<tr>
<td>1</td>
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<tr>
<td>2</td>
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<tr>
<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>
Following are the findings from above table:

- Out of the total respondents 72% are male members & rest of female.
- 90% of the respondents are married. It means they are somewhere above Accumulation Stage and near to Consolidation Phase.
- Majority of the respondent’s i.e 52% are under graduate. From the past studies it was come to know that educational qualification plays an important role in taking an investment decision. This factor is also related to awareness level of the respondent about various investment avenues.
- 38% & 34% respondents engage in doing business less than 5 years & 6-10 years respectively.

2. Regular annual Income & Additional Income other than regular income

Table No – 02 – Annual Income and Additional Income of Respondents

<table>
<thead>
<tr>
<th>Annual Income in Rs</th>
<th>Additional Income Other than Regular Income</th>
<th>Grand Total</th>
<th>%age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 250000</td>
<td>Yes 6</td>
<td>B. No 5</td>
<td>11</td>
</tr>
<tr>
<td>250001-500000</td>
<td>Yes 6</td>
<td>B. No 8</td>
<td>14</td>
</tr>
<tr>
<td>500001-1000000</td>
<td>Yes 12</td>
<td>B. No 5</td>
<td>17</td>
</tr>
<tr>
<td>Above 1000001</td>
<td>Yes 8</td>
<td>B. No 0</td>
<td>8</td>
</tr>
<tr>
<td>Grand Total (%age)</td>
<td>32 (64%)</td>
<td>18 (36%)</td>
<td>50</td>
</tr>
</tbody>
</table>
Cross tabulation taken between Annual Income and additional income earned by the respondents from the other source of income from different sources other than business. 34% of the respondents are earning annual income in the range of 500001-1000000 and 64% respondent having additional source of income other than business.

03. Monthly saving in Percentage -

<table>
<thead>
<tr>
<th>Row Labels</th>
<th>Below 2.5 Lakhs</th>
<th>2.5-5 Lakhs</th>
<th>5-10 Lakhs</th>
<th>Above 10 Lakhs</th>
<th>Grand Total</th>
<th>% age</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. 0-9%</td>
<td>9</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>B. 10-15%</td>
<td>2</td>
<td>6</td>
<td>11</td>
<td>1</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>C. 16-20%</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>D. 21-30%</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>E. 31-35%</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>F. Above 36%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Grand Total</td>
<td>11</td>
<td>14</td>
<td>17</td>
<td>8</td>
<td>50</td>
<td></td>
</tr>
</tbody>
</table>

(Source – Primary Data)

There is a close relationship Annual Income and Saving of a respondents. 34% respondents are earning Rs500001-1000000 annually. Respondents who are earning Below 250000 they are unable to save more than 16% of their total income. 30% & 40% of the total respondents are saving 0-9% & 10-15% respectively.

Ho - There is no significant relationship between Annual Income and saving of a respondent.

In order to analyze relation between Annual Income and percentage of saving of total income by the respondents, correlation test has been applied by using Data Tool Pack Analysis. Following is the outcome of test

<table>
<thead>
<tr>
<th></th>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Column 1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Column 2</td>
<td>0.557876</td>
<td>1</td>
</tr>
</tbody>
</table>

From above table it is prove that there is a positive correlation between Income and Saving. It means they are directly correlated hence null hypothesis is rejected. So there is a relationship between Annual Income and saving of a respondent.
04. Risk Taking Capability-

Selection of Investment Avenue and Investment strategy mainly depends on investors risk taking capability. It is very essential investor should understand and analyzing before taking any investment decisions. In the study 4 main questions were asked to understand risk appetite of respondents

➢ Investment Objective of respondents -Risk and return parameters of respondents
➢ Liquidity and -How respondent take decision in case of lump sum investment.

Overall outcome is that 33% respondents expect regular income from their investment, 50% of the respondents expects Safety of funds, returns are secondary only, for 74% respondents liquidity is most important in Investment and 60% of the respondents select the avenue in which having a moderate return without any risk.

H0 - There is no significant relationship between Risk Taking Capability & selection of investment Avenue.

In order to analyze relation between Annual Income and percentage of saving of total income by the respondents, correlation test has been applied by using Data Tool Pack Analysis. Following is the outcome of test

<table>
<thead>
<tr>
<th></th>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Column 1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Column 2</td>
<td>0.342131</td>
<td>1</td>
</tr>
</tbody>
</table>

From above table it is prove that there is a positive correlation between Risk Taking Capability & selection of investment Avenue. It means they are directly correlated hence null hypothesis is rejected.

4. SUGGESTIONS AND CONCLUSION

From this study it is suggested to new startup and entrepreneurs that Investment is a crucial decision for every person. As a various investment options are available in a market but every option is not suitable for everyone. Following are the few key suggestions for Investor who is refer this research in future

➢ Take help of financial advisor if investor not sure about selection of avenue
➢ As per age investor make changes in portfolio allocations
➢ Investor should check their Risk Bearing Capacity

From this study researcher conclude that Investor should Invest Early, Invest Wisely and Invest in right suitable avenue. This principle help to achieve every financial goal of an
investor with systematic growth without any financial crunch.

REFERENCES


3. Portfolio Management (2005) Published by ICFAI University, Hyderabad.


PHARMA SELLING- AN ARDUOUS PATH IN THE JOURNEY OF PHARMA MARKETING FOR PHARMA START UPS.

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Dhule (M..S)

Dr. Mrs. Chhaya Sukhdane  
Arts & Commerce College  
Dharangaon (M.S)

ABSTRACT

In today’s dynamic and rapidly changing environment, it is just not enough for budding entrepreneurs to be technically well versed but one of the prime prerequisites for entrepreneurs who are in the start up phase of their businesses needs to understand the expectations of the customers. There are so many hiccups in the initial phases of start ups. Government of Maharashtra has organized Magnetic Maharashtra where government intends to motivate new more than three hundred startup in Maharashtra. Moreover, its very much important, especially for those entrepreneurs who want to make their presence in the field of pharma selling to understand the problems faced by the sales representatives working in the field. This survey throws light on the problems faced by the pharma sales representatives who are working at Dhule, Jalgaon and Nandurbar headquarter. Its well known fact that the pharma sales representatives are the real interface between the doctors, chemists, wholesalers and pharma companies. This paper may serve as a path director to the new start ups in the pharmaceutical industries as they can understand the expectations of the customers as well as the problems faced by the field force while doing field work.

INTRODUCTION

In the era of globalization and liberalization, the scenario of pharma market has changed drastically, particularly after independence. The genesis of pharma market lies in the era of Ayurveda. Our ancestors used to treat ailments with the help of medicines of herbal origin. Allopathic medicines made their entry in India after the arrival of Britishers. Britishers use to import medicines from America and other countries for treating diseases and ailments. In order to understand the momentum of growth of pharma market in India, it is essential to have a look in the post independence era. In 1954, the then Government of India took initiative and the first government concern Hindustan Antibiotics Ltd was established and a few years latter another government undertaking pharma company ‘Indian Drug And Pharmaceuticals Ltd’ was incepted in 1961. These two companies mainly manufactured antibiotics. ‘Antibiotics are the drugs which either kills or prevent the growth of bacteria. Then industrialization gained impetus and government also
focused on the planned growth of pharma industry. Today, Indian pharma market is composed of various pharma companies which are mainly of multinational, national and regional companies. Precisely, multinational and national companies are more than 70% in the Indian market.

**ROLE OF A PHARMA SALES REPRESENTATIVE**- Pharma sales representative play an important role in progress of the company and hence he is expected to achieve the month wise and subsequently year wise sales target allotted to him. Moreover, company expects him to achieve product wise, value wise and unit wise budget/ target assigned to him. He performs the above mentioned four important tasks to achieve the sales target. He is a vital link of communication between pharma company and its potential customers i.e. doctors, whole-sellers & chemists i.e. retailers. Medical Representative has to identify the potential doctors who can recommend company’s products to the patients and the retailers who can stock it. Moreover, he has to introduce new products of the company to the potential doctors. Success of a new product which is to be launched depends upon the correct identification of doctors and chemists.

**OBJECTIVES OF RESEARCH PAPER** - Prominent objectives of the research paper are,

1. To study role of representatives in marketing of pharma products.
2. To understand the problems faced by pharma sales representatives while working in the field.

**RESEARCH METHODOLOGY** - This research paper is based on the field survey and secondary data collected from the relevant books related to the subject.

**RESEARCH DESIGN** - Before starting the actual research, it is important for an researcher to think of appropriate research design. It ensures smooth conduct of proposed research and more over it provides strong base for research work. The major factors which affect the research design are nature of the research problem, objectives of the research, the ability of the researcher and the availability of fund for the research work. In simple words research design means the process by which the proposed research shall progress. Research design is nothing but just framework within which the researcher plans his research. Research design includes selection of sample population, technique of sample selection, the way of collecting primary and secondary data and the systematic analysis of the collected information. An architect prepares a design of proposed construction may be a commercial building or a bungalow, research design is nothing but just like it. The proposed research is descriptive & analytical. The researcher intends to identify the problems which already exist and then analyze them. The research mainly demands the collection of primary data from the samples selected from the census of pharma sales representatives working at the headquarters of
Dhule, Jalgaon & Nandurbar. Proper analysis of collected data & its correct interpretation will help the researcher to fulfill the predetermined objectives of the research.

**SAMPLING DESIGN**- Sampling design is described in brief as follows,

**a. Type of Universe** – Universe means set of objects and in this research the universe for researcher is pharma sales representatives working for various types of local, national and multinational companies. This sample universe is finite because there is record of number of representatives working at these district headquarters at MSMRA office.

**b. Sampling Unit**- For this research, researcher has selected pharma sales representatives working at Dhule, Jalgaon and Nandurbar district. These representatives are working for different type of local, national and multinational pharmaceutical companies working till the date of field survey. The sampling unit contains pharma representatives belonging to different age group, gender and moreover, they have different number of experience.

**c. Sample Size** - The sampling design for this research is convenient simple random sampling. As there are 850 Pharma Sales Representatives working in geographical area under consideration who are the members of recognized Union MSMRA (Maharashtra State Medical & Sales Representatives’ Association) out of which 330 are in Dhule, in Jalgaon 474 & 46 in Nandurbar. The calculated sample size at 5% level of significance and 95 confidence interval is 265 So round figure 250 is considered to represent the sample population. Systematic random sampling technique shall be used for selecting the respondents for the research.

Break up of sample size 250 is according to the proportion of samples in the population.

1. Dhule- $250 \times \frac{330}{850} = 97.05 = 97$
2. Jalgaon - $250 \times \frac{474}{850} = 139$
3. Nandurbar - $250 \times \frac{46}{850} = 14.7 = 14$

**SAMPLING METHOD**- For the selection of samples there are various methods which are mentioned in the books of research methodology. The two major techniques of probability sampling and Non probability sampling. Probability sampling is very commonly referred as random sampling. Here every sample of the sample population gets an equal opportunity to get selected. Non probability sampling is also known as purposive or judgment or deliberate sampling. In such type of sampling, every sample of the population does not have an equal chance to get selected. For the accurate outcome of the research study, for a researcher, it is very much important to select proper sampling method. For this survey researcher had adopted convenient random sample
technique. Researcher has selected three headquarters i.e. Dhule, Jalgaon and Nandurbar headquarter where pharma sales representatives are working since so many years.

DATA COLLECTION:

a. **Primary Data**- For obtaining primary data for the research, the researcher has used questionnaire as a tool for data collection.

b. **Framing of Questionnaire**- Researcher has therefore taken care while preparing a questionnaire. Researcher prepared a structured questionnaire with the help of guide and other experienced pharma representatives.

c. **Secondary Data**- Secondary data for this research paper is collected from books and journals.

**Hypothesis**:

H0- The Pharma Sales Representatives from Dhule, Nandurbar and Jalgaon headquarters equally face health problems because of their nature of job.

<table>
<thead>
<tr>
<th>Q 32</th>
<th>Dhule</th>
<th>Nandurbar</th>
<th>Jalgaon</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>85</td>
<td>10</td>
<td>99</td>
<td>211</td>
</tr>
<tr>
<td>No</td>
<td>12</td>
<td>4</td>
<td>40</td>
<td>39</td>
</tr>
<tr>
<td>Total</td>
<td>97</td>
<td>14</td>
<td>139</td>
<td>250</td>
</tr>
</tbody>
</table>

The chi-square statistic is 9.1713. The p-value is .010197. The result is significant at p < .05.

It is true that the pharma sales representatives from Dhule, Nandurbar and Jalgaon Headquarters equally face Health Problems because of their nature of job. So, hypothesis 2 is accepted

**DATA ANALYSIS**: The collected data is tabulated systematically and analysed as follows.

Q1. Govt of India is planning to start generic shops. Do you think generic shops will be a threat to your job?

<table>
<thead>
<tr>
<th>Threat due to generic shops</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>135</td>
<td>54.0</td>
</tr>
<tr>
<td>No</td>
<td>75</td>
<td>30.0</td>
</tr>
<tr>
<td>Can’t say</td>
<td>40</td>
<td>16.0</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Interpretations- Government of India has decided to open stores of generic medicines for people. It is well known fact that the generic medicines are economical than the branded pharma products. From the above chart, it is easy for researcher to state that 54% of the pharma sales representatives believe that these generic shops will hamper their sale to the greater extent so these shops are threat, where as 30% of the selected sample population feel that these generic shops are not threat for their job. It means that larger chunk of the sample population do agree that government generic shops are major threat to their job. 16% population of selected sample population expressed that they can’t say whether generic shops are threat to their job or not. Researcher through this analysis can interpret that this threat is not baseless because through these generic shops people will get medicinal products at very economical rate and hence, doctors may give preference to these medicines which will have adverse impact on their sales.

Q 2. Do some of the doctors from your list expect or demand something extra from you?

<table>
<thead>
<tr>
<th>Demand from doctors</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>69</td>
<td>27.6</td>
</tr>
<tr>
<td>Sometimes</td>
<td>163</td>
<td>65.2</td>
</tr>
<tr>
<td>Never</td>
<td>18</td>
<td>7.2</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Interpretation- From the above pie chart, it is clear that 65% of the pharma sales representatives working at Dhule, Jalgaon and Nandurbar opined that sometimes doctors do demand something from them where as 28% of the representatives mentioned that doctors always demand something from them. Researcher from these figures interprets that majority of the doctors do have some expectations from the pharma sales representatives. Doctors prescribe pharma companies product for their patients and in return they have certain expectations from the companies and therefore, they demand from pharma sales representatives. It means doctors have become professional in their approach.

Q. 2 a. If always or sometimes, what do they demand?

<table>
<thead>
<tr>
<th>Type of demand</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>More samples</td>
<td>42</td>
<td>16.8</td>
</tr>
<tr>
<td>Personal gift</td>
<td>61</td>
<td>24.4</td>
</tr>
<tr>
<td>Commission</td>
<td>16</td>
<td>6.4</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>73</td>
<td>29.2</td>
</tr>
<tr>
<td>sponsorship for personal or family tour</td>
<td>40</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>232</td>
<td>92.8</td>
</tr>
</tbody>
</table>
Interpretation- In this survey, the researcher has tried to find out what doctors demand from the pharma sales representatives working at Dhule, Jalgaon and Nandurbar head quarter. In the research it has been found that more than 90% of the doctors demand something sometimes or other from the pharma sales representatives. 32% representatives said that doctors demand sponsorship for conferences where as 26 % pharma sales representatives mentioned that doctors demand personal gifts. This graph also reveals that 18% of the pharma sales representatives are of the opinion that doctors demand samples and 17% of representatives says that doctors demand personal or family tour. Only 7% pharma sales representatives working at Dhule, Jalgaon and Nandurbar opin that doctors demand commission for prescribing their products.

From these figures, It is easy for the researcher to interpret that pharma sales representatives have to face lot of expectations of doctors and from the different types of demands of doctors.

Q 3. How does doctor react if his expectation or demand is not fulfilled?

<table>
<thead>
<tr>
<th>Reaction of doctors</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stops prescribing products</td>
<td>99</td>
<td>39.6</td>
</tr>
<tr>
<td>Doesn’t stop prescribing the products</td>
<td>42</td>
<td>16.8</td>
</tr>
<tr>
<td>Drastically reduces prescription support to the companys products</td>
<td>104</td>
<td>41.6</td>
</tr>
<tr>
<td>Stops giving call to pharma sales representative</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100</td>
</tr>
</tbody>
</table>
Interpretation- From this chart it is very much clear that doctors do react in some way if their demands or expectations are not fulfilled. More than 39% doctors stop prescribing the products where as more than 41% pharma sales representatives working at Dhule, Jalgaon and Nandurbar expressed that doctors drastically reduce their prescription support if their demands are not fulfilled. Only 16.8% representatives of the population opined that doctors doesn’t stop their prescription support even if their demands are not fulfilled. Therefore, it is very clear that if doctors’ demands are not fulfilled, pharma sales representatives don’t get business for their companies.

Q.4. Do some of the chemists expect something from you?

<table>
<thead>
<tr>
<th>Demand</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>102</td>
<td>40.8</td>
</tr>
<tr>
<td>Sometimes</td>
<td>132</td>
<td>52.8</td>
</tr>
<tr>
<td>Never</td>
<td>16</td>
<td>6.4</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100</td>
</tr>
</tbody>
</table>
Interpretation- Pharma sales representatives have to meet pharma retailers i.e. chemists also who are selling medicines to the patients. Researcher tried to find out whether chemists also demand something from pharma sales representatives working at Dhule, Jalgaon and Nandurbar headquarter. In the survey, researcher found that 53% of the pharma sales representatives are of the opinion that chemists do ask for something from them whereas 41% of pharma sales representatives mentioned that chemists always demand something from them when they visit to chemists during their field work. Researcher can easily interpret from these numbers that like doctors, chemists also expect something form pharma sales representatives. Researcher interprets that majority of the chemists do believe that they give much business to the pharma companies by selling their products and hence, they also expect some benefit from pharma sales representatives.

Q 4a. Always or sometimes, then what do they preferably expect?

<table>
<thead>
<tr>
<th>Expectations</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samples</td>
<td>34</td>
<td>13.6</td>
</tr>
<tr>
<td>Personal gift</td>
<td>85</td>
<td>34</td>
</tr>
<tr>
<td>Extra cash discount</td>
<td>74</td>
<td>29.6</td>
</tr>
<tr>
<td>Extended credit limit</td>
<td>40</td>
<td>16</td>
</tr>
<tr>
<td>None of the above</td>
<td>1</td>
<td>0.4</td>
</tr>
<tr>
<td>Total</td>
<td>234</td>
<td>93.6</td>
</tr>
</tbody>
</table>

Interpretation- It has been found that more than 93% of the chemists demands or expects something from pharma sales representatives working at Dhule, Jalgaon and Nandurbar. 34%
pharma sales representatives out 234 expressed that chemists demand personal gifts from them, whereas 29.6% pharma sales representatives stated that chemists ask for extra cash discount. 16% pharma sales representatives mentioned that chemists demand extended credit limit. From these figures it is easy for the researcher to interpret that chemists doing business in the region of Dhule, Jalgaon and Nandurbar headquarter believe in give and take type of businesses.

Q4 b. How do your chemist react if his demand is not fulfilled?

<table>
<thead>
<tr>
<th>Reaction of chemist if demand is not filled</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substitute your product</td>
<td>137</td>
<td>57.2</td>
</tr>
<tr>
<td>Keep minimum stock of your product</td>
<td>64</td>
<td>27.2</td>
</tr>
<tr>
<td>Completely stops keeping stock of your company’s products</td>
<td>13</td>
<td>6.4</td>
</tr>
<tr>
<td>Still keeps supporting your products</td>
<td>12</td>
<td>5.6</td>
</tr>
<tr>
<td>They do not react in any way</td>
<td>8</td>
<td>3.6</td>
</tr>
<tr>
<td>Total</td>
<td>234</td>
<td>100</td>
</tr>
</tbody>
</table>

**Interpretation**. In this research, out of 234, 57.2% pharma sales representatives mentioned that chemist substitute their product. 27.2% representatives opined that chemists keep minimum stock of their products if their demands are not fulfilled. 6.4% of the pharma sales representatives stated that chemists completely stops keeping stock of their products. 5.6% population out of 234 pharma sales representatives said that chemist still keeps react in any way and 3.6% pharma sales representatives out of 234 pharma sales representatives mentioned that chemists do not react in any
way. So, from this data researcher has interpreted that if pharma sales representatives do not fulfill demands of chemists, they do react in such a way that it does have adverse impact on the business of the companies of pharma sales representatives working at Dhule, Jalgaon and Nandurbar.

Q5. Do you face health problems because of your job?

<table>
<thead>
<tr>
<th>Health problems</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>213</td>
<td>85.2</td>
</tr>
<tr>
<td>No</td>
<td>37</td>
<td>14.8</td>
</tr>
<tr>
<td>Total</td>
<td>250</td>
<td>100</td>
</tr>
</tbody>
</table>

**Health problems**

Interpretation- Job of pharma sales representatives involves lot of field work and they are always very much concerned about their monthly target. Researcher tried to find out how many pharma representatives face problem because of nature of job. Surprisingly, it was found that 85% pharma representatives out of 250 stated that they have health problem because of nature of job. This is also serious matter of concern.

**FINDINGS**- It is found that generic shops pose a major threat to the business of pharma companies as customers would prefer to buy medicines from generic shops as medicines are available at economical rate to the patients. Apart from this another important findings of the survey is that expectations of doctors and chemists have significantly increased and if their demands are not fulfilled, then they do not support the companies and companies suffers losses in their business and one more finding of the survey is that major chunk i.e more than 80% of pharma sales
representatives suffer from health problems because of nature of job which is a matter of serious concern.

CONCLUSION – Pharma sales representatives are live link between customers and company. They have to promote their products to doctors and retailers. Today pharma selling is not an easy task now a because of opening of new generic shops and doctors and chemists have become quiet professional. They don’t support to products of representatives if their demands are not fulfilled. So findings of this paper can help the budding entrepreneurs of pharma companies to understand the current market scenario and plan their marketing strategies to become successful in such scenario.

REFERENCES
SKILLFUL BLEND OF 7 P’S HELPING ORGANIC FOOD MARKETING START-UPS:
AN EMPIRICAL STUDY OF RETAILERS/TRADERS IN PUNE REGION

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Pune, India.

Dr.Kailas Kadu 2
Professor and Dean
Central Institute of Business Management Research and Development, Nagpur, India.

ABSTRACT
Today the market has become so dynamic as the trends, fashions change regularly. The business functions are also becoming complex. The marketing of business plays a key role for organization. The established businesses are playing vital role in Indian Industry. Now start-ups and new businesses are inducing new blood to the industry. Traditional marketing blend is not find enough for these businesses. Here authors reflected the need and role of new blend of 7Ps for market their products and services effectively.

Key Words- Marketing, New Businesses, Indian Industry etc.

INTRODUCTION
Health Consciousness is increasing importance of good food intake in daily life of peoples. People are expecting non polluted things in their life. Especially in food, they want good quality which will help them to maintain their health good. Because of this reason people are moving from non organic food to organic food. Organic food grown by without using chemicals, due so it is more reach in quality as compare with chemically grown food, stating it correct many researches also saying same. People are demanding more without chemically grown foods. Post recession specially form year 2010 things was trying to get on tracks, people was searching for new business options, same time organic food market in India was at his infant level. People were less capable to afford organic food products because of its cost. As health awareness was started increasing in India, due so many start ups enter in this organic food Industry to serve people in better way. It was informal hope to generate more employment through this. As we know, no business will be successful without skillful use of ‘Basics of management’ especially use of marketing tolls. As like Simple 7 P’s of marketing have helped many start-ups to grow faster.

LITERATURE OF REVIEW:
1. Handbook of organic and fair trade marketing- Edited by Simon Wright and Diane McCrea, Blackwell publishing.
2. Phillip Kotler –Marketing Management

BLEND OF 7 P’S :

Product, Price, Place, Promotion are 4 P’s of marketing known as ‘Marketing mix’. Later on 3 more P’s added to this as extended P’s - People, process and last one Packaging.

i. **Product**

“In marketing, a product is anything that can be offered to a market that might satisfy a want or need (1).” Organic food is the tangible product that satisfies the hunger of people. Organic food is having so importance in market that makes rich every product in this category. Organic products are grown under a system of agriculture without the use of chemical fertilizers and pesticides with an environmentally and socially responsible approach. This is a method of farming that works at grass root level preserving the reproductive and regenerative capacity of the soil, good plant nutrition, and sound soil management, produces nutritious food rich in vitality which has resistance to diseases(2). Seller are offering every category of organic food like grains, vegetables, fruits, poultry items, dairy items and many more. People are demanding more, now marketers are focusing on products core value to convince people, as what exactly they are offering to them. Marketing ‘core value of Product’ is helping marketer get more consumer. In research I found that marketers are able to convey the core value of, for what reason the products they are selling.

ii. **Price**

After product, pricing plays a key role in the marketing mix. Simplistically, price is the value measured in money term in the part of the transaction between two parties where the buyer has to give something up (the price) to gain something offered by the other party or the seller. Pricing is a complicated element, which needs to reflect supply and demand, the actual value of the object, and the perceived value of it in the mind of the consumer. A price that does not reflect these factors and is either too high or too low will lead to unsuccessful sales. This is why an organization’s pricing will change according to circumstances and time.(3) So, More marketer are focusing on pricing as explain above. Because due to high price product fall in wish category, what exactly I found in my survey. More people want to buy organic product but for most of the customer it is not much affordable. Please refer blow survey results.

iii. **Place**

The process of moving products from the producer to the intended user is called place. In other words, it is how your product is bought and where it is bought. This movement could be through a combination of intermediaries such as distributors, wholesalers and retailers. In addition, a newer
method is the internet which itself is a marketplace now. Through the use of the right place, a company can increase sales and maintain these over a longer period of time. In turn, this would mean a greater share of the market and increased revenues and profits. Correct placement is a vital activity that is focused on reaching the right target audience at the right time. It focuses on where the business is located, where the target market is placed, how best to connect these two, how to store goods in the interim and how to eventually transport them (4). Like other product demand for organic food products is not everywhere. It is bit difficult for the marketer to introduce products at rights place. In survey it is found exact same problem the marketer is facing. As consumers are still in scatter area.

iv. Promotion

Promotion includes all activities that involve communicating with the customer about the product and its benefits and features. Once a company has worked on the product and price elements, it is time to start a conversation with the consumer about the product. This includes raising awareness through different mediums to increase sales, as well as to create and foster brand loyalty. Information provided to the customer at this stage helps them in making purchase decisions regarding the product. Often, there is substantial cost associated with promotional activities. But since the result is often an increase in sales or customer loyalty, there is thought to be long term return on this investment (5). There are many ends that a company may try to reach through a promotion including but not limited to an increase in sales, acceptance of new products, brand equity creation and brand positioning, addressing competitor actions and rebranding. In a survey I found that due to cost, marketer are still using old methods of promotion which is low cost centric like word of mouth, posters and banners, leaflet distribution, new paper add, now days they are using mobile’s and internet for promotion in skill full manners like making What’s app, Telegram groups, creating Facebook page.

v. People

One of the essential elements of the marketing is people. This includes everyone who is involved in the product whether directly or indirectly. Not all of these people get in touch with the customers. But all these people have their own roles to play in the production, marketing, distribution, and delivery of the products and services to the customers. There are people down the line who are responsible for coming up with the products, from the managers down to the ordinary workers. Customers always want to be assured that they can talk to people who are willing and able to help them in case they have problems or concerns with the products they bought. This means that they
should be knowledgeable about the specifications of their products and services (6). At the same time, they should also be personable and have the genuine desire to serve. As marketers are attached with the consumers so closely they always trying to be more customer centric.

vi. Process

The process itself can be tailored to the needs of different individuals, experiencing a similar service at the same time. Processes include direct activities and indirect activities. Direct activities add value at the customer interface as the consumer experiences the service mostly after sales (7). As this market is at very niche level so it impacts more on sale of the products.

vii. Packaging

Marketers are focusing on the more attractive and environment-friendly packaging. Aiming to attract more customers. Flexible retail packaging is made of innovative materials like plastic, aluminum, and paper that are laminated, printed, and coated to maintain a durable structure and blank slate for creative designs and graphics. Marketers are working closely with packaging suppliers to select the very best size, shape, design, finish, and type of flexible retail packaging to best represent their product and reach their target customers (8). The package has to convey what this product is about and even a little bit of the expectation of the experience of the [product], so it's critical that the brands constantly look to use packaging in new and unique marketing ways (9).

3. RESEARCH METHODOLOGY

a. Need of Study:- To know 7 P’s as a tool retailers/traders are using in the market to take advantage for increase in sell of organic food products in fast pace growing Pune region market.

b. Objectives of the study:-

1. To study the scope for use of 7P’s by retailers in marketing.
2. To study the perception of retailers about 7P’s.

c. Research Design:- Primary data was collected from Pune region with help of questioner. Survey was conducted on the sample of 25 retailers/traders. For secondary data internet, published authorized data and record was reviewed.

4. FINDINGS:

*All numbers are in percentage.

1. Are you aware about the benefits of Organic Food Products?

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>100</td>
<td>0</td>
</tr>
</tbody>
</table>
2. Are you able to offer Organic food products at non organic food products price?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>60</td>
</tr>
</tbody>
</table>

3. Are you able to make available every products in organic food category?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>80</td>
</tr>
</tbody>
</table>

4. Are you doing promotions of your products?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

5. Are you satisfied with the way you serve consumer?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>60</td>
</tr>
</tbody>
</table>

6. Is consumer ask about more service the time of purchase?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>90</td>
<td>10</td>
</tr>
</tbody>
</table>

7. Are you offering organic products in attractive packaging?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>70</td>
</tr>
</tbody>
</table>

**5. CONCLUSION:**

As per time and situation marketers are using each and every ‘P’. Some marketer are not working so aggressively on some ‘P’ like, promotion, process, due to their limitation of funds, But most of them are mainly focusing on, how they can serve customer in best way. Even customers are also willing to help them by giving feedback about products and services. By observing all we get an idea, from year 2010 to till date reach and availability of organic food products has increase and people are more aware about the importance of it. This has happens due to more demands in the market about organic products which will helps to increase more start ups in coming days.

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START-UPS TRENDS IN BANKING SECTORS- SECURITY AND PRIVACY ISSUES IN M-BANKING: AN EMPIRICAL STUDY OF CUSTOMERS’ PERCEPTION IN NORTH MAHARASHTRA REGION.

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S.S.V.P.S. Science College,
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ABSTRACT
Mobile banking is a digital electronic system that provides most of the basic banking services available in day to day, traditional banking, but does so using a mobile communication device, usually a latest smart phone. In some cases, a well developed mobile banking system can actually provide (POS) point-of-sale ability similar to an ATM or credit card, except the purchaser buys by using their phone. Now days with the ease of mobile smart phones and their wide variety of functional applications today, it's not surprising the mobile banking is now coming into full vogue in everywhere. However, the concept and ability is not a new concept. Mobile banking is growing yet there are numbers of Security and Privacy issues in mobile banking system.

Key Words- M-banking, Security- Issues and Privacy- Issues

INTRODUCTION
As the new age of information technology system progress, organizations around the world are going through tremendous transformation efforts to handle with the constantly changing business scenario. Scattered and Volatile financial inclusions have all added to the pressure on organizations to come up with effective responses to live and become more succeed. Furthermore, easing of international trade barriers, economic liberalization, globalization, and deregulation have led to several challenges for organizations in developing economies country. Automatic Teller Machines (ATM), Automatic bill payment system kiosks, Via internet based payment services and phone based services, automated hotel check out, automated check-in for flights, automated food ordering system in restaurants, vending machines, Interactive voice response systems are examples of technology based service delivery channels. Amongst various service industries, now a day’s banks sector has been mostly influenced by the information technology.

LITERATURE REVIEW
Robin Kaushal “Impact Of e-banking on operational performance and service quality of sector in
India” (2012) – states that e-banking inoculated on operations of banking in a number of different ways. It has enabled the banks to handle the payments digitally.

1) Kumbhar, Vijay M “An empirical study on alternative banking and Its impact on customers satisfaction: a case study of Public and Private sector banks in Satara City” (2013) – The study states that alternative channels have several impacts on customer perception of service quality, brand perception, perceived value and overall satisfaction including loyalty.

2) Kharat R.B “A Review of M-Commerce Applications and security framework” (2013) – states that M-Commerce is an extended version of ecommerce which helps to have business quickly. The present paper study focuses the applications, benefits and major security challenges of M-Commerce.

3) Neeli P, Dr. Azeem B.A, Geetha Devi K.V “E-Banking Loyalty” (2012) – States that Service quality is an input of customer trust which becomes satisfaction and lead to loyalty as an output. But the research in the development of e-loyalty is scarce and partial.

4) Kuchara V “A study on customers’ perception towards internet Banking at Ahmadabad City” (2012) – states that Internet banking is a new delivery channel for banking systems in India. The objective of this paper is to find the perception of Internet banking users. The profiles may be used to target and attract potential customers to adopt Internet banking.

SECURITY AND PRIVACY ISSUES IN M-BANKING:

The technological innovation have introduced lots of new miracle benchmarks in banking sectors but after introducing technological innovation in every sectors it’s may get good things as well as introducing bad patches/things to society. Followings are some security and privacy issues facing in north Maharashtra region people in my study-

1) **Financial Data breach** - Some people may afraid about their data related to banking transaction may breach by hackers through m-banking online transaction and they become helpless.

2) **Proxy Identity/Identity theft** - People also afraid about that if they are make transaction on mobile and mobile sim may get activated by hackers on other mobile or hackers may activate their account by fake identity.
3) **Authentication are not sufficient**- People also face the issues like authentication they want to make m-banking apps more secure by service provider for safe transaction. Like introducing biometrics systems, multi-factor authentication etc.

4) **Malware and Viruses attack**- Some people also afraid about attack of malware or viruses by hackers to misleading customer about banking transaction on m-banking.

5) **Unwanted fake Calls, Messages and e-mail**- People also face the issues like unwanted fake calls, Messages and e-mail by hackers to misleading the customer and get their pin number, user-id and password.

**RESEARCH METHODOLOGY**

**Need of the study**- In the age of competition technological improvement has increase day by day and acquire the every space of product and services in the world. The basic reason behind the selection of this topic is to know security and privacy issues faced by mobile banking users among the education, Healthcare and Business segments person from Nasik, Dhule and Jalgaon districts of North Maharashtra region.

**Objectives of the Study**-

The specific objectives of this study are:

1. To study the security & privacy issues of using m-banking services.
2. To measure and compare the security and privacy concern of end-users.
3. To measure and compare the security and privacy satisfaction of end-users of selected region of north Maharashtra.

**Research design**- The primary data was collected from Nasik, Dhule and Jalgaon District of Maharashtra with help of questionnaire from following segments-

a) Education- Primary, Secondary, Higher Secondary and Higher Education.

b) Healthcare- Employed Doctors, Medical Officers, Lab in Charges and Nurses.

c) Business- Banking, Commodity Outlets, Transportation and Telecom.

For all three segments common questionnaires was produced for primary data collection. For collecting the secondary data internet, published authorized data and records will be reviewed. The survey was conducted on the sample of 450 customers—From Education sector-150, From Health Care sector-150 and From Business sector-150.

**ANALYSIS AND INTERPRETATION OF FINDINGS**

1. The usage of mobile banking is easier and secure than the traditional banking. This study table depicted that most of the education sectors employees are make transaction via online for small
amount for making mobile and Set box-Top Up, Bank amount transfer to their children away from them and specially paid monthly government bill by adding biller.

<table>
<thead>
<tr>
<th>No</th>
<th>Opinion</th>
<th>Education</th>
<th>Healthcare</th>
<th>Businessmen</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>96 (64%)</td>
<td>81 (54%)</td>
<td>92 (61.33%)</td>
</tr>
<tr>
<td>2</td>
<td>Strongly Disagree</td>
<td>8 (5.33%)</td>
<td>19 (12.66%)</td>
<td>12 (8%)</td>
</tr>
<tr>
<td>3</td>
<td>Agree</td>
<td>22 (14.67%)</td>
<td>18 (12%)</td>
<td>22 (14.67%)</td>
</tr>
<tr>
<td>4</td>
<td>Disagree</td>
<td>11 (7.33%)</td>
<td>8 (5.33%)</td>
<td>11 (7.33%)</td>
</tr>
<tr>
<td>5</td>
<td>Neutral</td>
<td>13 (8.67%)</td>
<td>24 (16%)</td>
<td>13 (8.67%)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>150 (100%)</td>
<td>150 (100%)</td>
<td>150 (100%)</td>
</tr>
</tbody>
</table>

2. My mobile banking provides security alerts via prompt responses if my transaction is not processed. This table depicted that the security alerts by service provider if transaction is not processed is being received to the all study segments people.

<table>
<thead>
<tr>
<th>No</th>
<th>Opinion</th>
<th>Education</th>
<th>Healthcare</th>
<th>Businessmen</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>90 (60%)</td>
<td>98 (65.33%)</td>
<td>87 (58%)</td>
</tr>
<tr>
<td>2</td>
<td>Strongly Disagree</td>
<td>16 (10.67%)</td>
<td>11 (7.33%)</td>
<td>8 (5.33%)</td>
</tr>
<tr>
<td>3</td>
<td>Agree</td>
<td>18 (12%)</td>
<td>12 (8%)</td>
<td>22 (14.67%)</td>
</tr>
<tr>
<td>4</td>
<td>Disagree</td>
<td>12 (8%)</td>
<td>22 (14.67%)</td>
<td>8 (5.33%)</td>
</tr>
<tr>
<td>5</td>
<td>Neutral</td>
<td>14 (9.33%)</td>
<td>7 (4.66%)</td>
<td>25 (16.67%)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>150 (100%)</td>
<td>150 (100%)</td>
<td>150 (100%)</td>
</tr>
</tbody>
</table>

3. The bank provides all communication media like SMS, email, toll free no. to communicate problems related to mobile banking for only customer’s security purposes. This table depicted that education sectors people are strongly agree about their banks provides all
communication media like SMS, e-mail, toll-free number to communicate their problems.

<table>
<thead>
<tr>
<th>No</th>
<th>Opinion</th>
<th>Education</th>
<th>Healthcare</th>
<th>Businessmen</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No.</td>
<td>No.</td>
<td>No.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percent</td>
<td>Percent</td>
<td>Percent</td>
</tr>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>110</td>
<td>95</td>
<td>111</td>
</tr>
<tr>
<td></td>
<td></td>
<td>73.333</td>
<td>63.333</td>
<td>74</td>
</tr>
<tr>
<td>2</td>
<td>Strongly Disagree</td>
<td>12</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5.3333</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>Agree</td>
<td>20</td>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13.333</td>
<td>13.333</td>
<td>12</td>
</tr>
<tr>
<td>4</td>
<td>Disagree</td>
<td>2</td>
<td>18</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.3333</td>
<td>13.333</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>Neutral</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4</td>
<td>12</td>
<td>8</td>
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<td></td>
<td>Total</td>
<td>150</td>
<td>150</td>
<td>150</td>
</tr>
</tbody>
</table>

4. Using services of mobile banking from my bank is usually a satisfying experience with safety measures. This table depicts that healthcare sector people strongly propounded that in the Notebandhi period most of the transaction on mobile banking are more satisfying.

<table>
<thead>
<tr>
<th>No</th>
<th>Opinion</th>
<th>Education</th>
<th>Healthcare</th>
<th>Businessmen</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td>No.</td>
<td>No.</td>
<td>No.</td>
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<tr>
<td></td>
<td></td>
<td>Percent</td>
<td>Percent</td>
<td>Percent</td>
</tr>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>74</td>
<td>88</td>
<td>65</td>
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<td></td>
<td></td>
<td>49.333</td>
<td>58.667</td>
<td>43.333</td>
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<tr>
<td>2</td>
<td>Strongly Disagree</td>
<td>18</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12</td>
<td>10</td>
<td>10</td>
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<tr>
<td>3</td>
<td>Agree</td>
<td>20</td>
<td>27</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13.333</td>
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<td></td>
<td>10.667</td>
<td>5.3333</td>
<td>11.333</td>
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<tr>
<td>5</td>
<td>Neutral</td>
<td>22</td>
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<td>31</td>
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<tr>
<td></td>
<td></td>
<td>14.667</td>
<td>8</td>
<td>20.667</td>
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<tr>
<td></td>
<td>Total</td>
<td>150</td>
<td>150</td>
<td>150</td>
</tr>
</tbody>
</table>

5. I intend to continue using the mobile banking in the future. This table depicts about using Mobile banking services in future-Mostly all segments people are likely to use in future this services.
Conclusion - Now a days in our country most of financial sectors and banks are investing huge amount in the infrastructure to adhere mobile and internet banking activities. However, adoption rate of m-banking services is very low in our country as compared to other developed countries. Different research studies showed that apart from other factors concern for securities and privacy factor are most important factor influencing the adoption of mobile banking in our country.

REFERENCES:
Journal Reviewed –
AN ANALYTICAL STUDY OF INVESTORS PERCEPTION TOWARDS MUTUAL FUND: A STUDY WITH SPECIAL REFERENCE TO TEACHING FACULTY IN NASHIK CITY

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ABSTRACT
As we all know that Mutual Funds are becoming very popular among one the most preferred Investment Option the Working professionals. The Indian mutual fund industry is growing rapidly and this is reflected in the increase in Assets under management (AUM) of various fund houses. For the Financial year 2016-17 the Inflows into equity related Mutual Funds rounded up to Rs 1.07 Lakh Crore for 2015-16 & Rs 93,767 crore for 2014-15 but it is found that most of the investors are not aware of the benefits of Investments in Mutual Funds. This paper makes an attempt to identify various factors affecting perception of investors regarding investment in Mutual funds with special reference to Teaching fraternity in Nasik City. The findings will help mutual fund companies to identify the areas required for improvement in order to create greater awareness among investors regarding investment in mutual funds.

Key Words-Mutual Funds, AUM,

INTRODUCTION
Mutual Funds have become a widely popular and effective way for investors to participate in financial markets in an easy, low-cost fashion, while muting risk characteristics by spreading the investment across different types of securities, also known as diversification. It can play a central role in an individual's investment strategy. They offer the potential for capital growth and income through investment performance, dividends and distributions under the guidance of a portfolio manager who makes investment decisions on behalf of mutual fund unit holders. Over the past decade, mutual funds have increasingly become the investor’s vehicle of choice for long-term investment. It becomes pertinent to study the performance of the mutual fund. The relation between risk-return determines the performance of a mutual fund scheme. As risk is commensurate with
return, therefore, providing maximum return on the investment made within the acceptable associated risk level helps in segregating the better performers from the laggards. Many asset management companies are working in India, so it is necessary to study the performance of it which may be useful for the investors to select the right mutual fund. A mutual fund is a common pool of money into which investors with common investment objectives place their contributions that are to be invested, in accordance with the stated objective of the scheme. The investment manager invests the money collected into assets that are defined by the stated objective of the scheme. For example, an Equity fund would invest in Equity and Equity related instruments and a Debt fund would invest in Bonds, Debentures, Gilts etc. The most important variable that decides whether you will meet your target or not is the nature of the actual investments. The first step in getting this right is to decide what kind of asset class you need to invest in. Asset class refers to debt or equity. This is the primary decision you will have to make

**Literature Review**

**Dr. Ravi Vyas,**

conducted study on mutual fund investor’s behavior and perception in Indore city It was found that mutual funds were not that much known to investors, still investor rely upon bank and post office deposits, most of the investor used to invest in mutual fund for not more than 3 years and they used to quit from The fund which was not giving desired results. Equity option and SIP mode of investment were on top priority in investors’ list. It was also found that maximum number of investors did not analyze risk in their investment and they were depending upon their broker and agent [Ravi Vyas , 5]

**Dr. Binod Kumar Singh**

In this paper, structure of mutual fund, operations of mutual fund, comparison between investment in mutual fund and bank and calculation of NAV etc. have been considered. In this paper, the impacts of various demographic factors on investors’ attitude towards mutual fund have been studied. For measuring various phenomena and analyzing the collected data effectively and efficiently for drawing sound conclusions, Chi-square ( ) test has been used and for analyzing the various factors responsible for investment in mutual funds, ranking was done on the basis of weighted scores and scoring was also done on the basis of scale. The study shows that most of respondents are still confused about the mutual funds and have not formed any attitude towards the mutual fund for investment purpose. It has been observed that most of the respondents having lack
of awareness about the various function of mutual funds. Moreover, as far as the demographic factors are concerned, gender, income and level of education have significantly influence the investors’ attitude towards mutual funds. On the other hand the other two demographic factors like age and occupation have not been found influencing the attitude of investors’ towards mutual funds. As far as the benefits provided by mutual funds are concerned, return potential and liquidity have been perceived to be most attractive by the investors’ followed by flexibility, transparency and affordability. Apart from the above, in India there is a lot of scope for the growth of mutual fund companies provided that the funds satisfy everybody’s needs and sharp improvements in service standards and disclosure [Binod Kumar Singh 6]

Prof Gauri Prabhu, Dr N.M. Vechalekar

Mutual Funds provide a platform for a common investor to participate in the Indian capital market with professional fund management irrespective of the amount invested. The Indian mutual fund industry is growing rapidly and this is reflected in the increase in Assets under management of various fund houses. Mutual fund investment is less risky than directly investing in stocks and is therefore a safer option for risk averse investors. Monthly Income Plan funds offer monthly returns and invest majorly in debt oriented instruments with little exposure to equity. However it has been observed that most of the investors are not aware of the benefits of investment in mutual funds. This is reflected from the study conducted in this research paper. This paper makes an attempt to identify various factors affecting perception of investors regarding investment in Mutual funds. The findings will help mutual fund companies to identify the areas required for improvement in order to create greater awareness among investors regarding investment in mutual funds [Gauri Prabhu & Vechalekar7]

Objectives of Study

1)To Study the Investment Pattern of Teaching Investor in Nasik City
2)To study the investor’s perception about mutual fund .
3)To examine the level of awareness of individual investor of mutual fund.

Research Methodology

Investor’s always try to earn higher returns keeping the risk & liquidity factor in Mind. Keeping the same objectives in mind the investors always looks for investment avenues from where he can earn higher return. Mutual funds offers comparatively higher better returns than the bank FDs, RD PPF. The risk element in Mutual Fund is comparatively to the less extent as compared to Stock
In this research paper, an attempt has been made to evaluate the perception of investors regarding mutual fund investment with special reference to teaching faculty in Nasik City. A survey was conducted in Nashik city during the period June 2017 to September 2017. A sample of 100 individual mutual fund investors were surveyed through a pre-tested questionnaire. The investors were selected on the basis of those who have made prior investment in mutual funds and have some knowledge about the basic terminologies involved with mutual funds. An attempt has been made to find out the perception of investors regarding mutual fund investment and to identify the factors considered to be important by the investors before investing in any mutual fund. The awareness level of investors regarding mutual fund is also studied.

Data Analysis

a) Age group of Investors

The data collected through the questionnaire is analyzed considering each factor and the analysis is presented below.

![Pie Chart](image-url)

It is seen from the above pie chart that most of the Investors who invest in mutual fund are of the age group 31-40 i.e 50%. And the customers who least invest in mutual funds is of the age group 51-60 i.e 5%.

b) Gender of Investor
From the above pie chart, it is seen that out of 100 respondents 55% are males and 45% are females. This indicates that male population invest more in mutual fund as compared to female population.

c) How did you Come to know about mutual fund:

Nearly 48% of the Investors comes to know about Mutual Funds from their Financial Advisor, whereas 30% of them from Advertisement & from peers & bank 10% & 12% respectively.

d) What is your Tenure of investment of Investors:
Nearly 60% of the Investors invest in Mutual Fund for 1 to 5 year. 9% for 1 to 2 year and 15% for 5 to 10 year and only 16% Investors invest for more than 10 years.

e) Which option do you prefer

The above graph shows that 56.67% Investors want their returns in form of growth in NAV of fund. 33.33% Investors prefer Dividend Payout option and very few of Investors prefer Dividend Re-investment option i.e 10%.

f) what is the Reasons for investing in mutual fund:
It is observed that 75% of the Investors Invest in Mutual because returns are good. While 10% of Investors Invest because they think Mutual funds have Low Risk. remaining 10% & 5% of the investors say they invest because of liquidity & company reputation.

g) Mode of Investment of respondent Investors

The above pie chart shows that 85% Investors invest through Systematic Investment Plan (SIP) and only 15% customers makes Lumpsum Investment

h) Channel through which investors purchase Mutual Fund:
It is observed that 75% of the Investors invest in Mutual funds through Brokers only. While 10% of invest directly through AMC . While 10% of them through Banks

i) Type of scheme prefer for investment

Most of the Investors prefer open ended scheme for investment i.e 90%. Because open ended scheme has no lock in period. And only 10% of the investors prefer close ended scheme.

Conclusion

We can infer from the analysis that the concept of Mutual Fund in the city of Nashik is still in its growing phase. In today’s time when market movements cannot be predicted, investors tend to go for SIP as it does help them take advantage of low market rates. Also it removes burden of investing large amount of money at one time. Customers are not properly educated about the mutual
fund. Most of the customers are satisfied with their current return from their investment. More than half of the respondents have wrong perception about the mutual funds. They feel mutual funds are very risky investment alternative

**References :**


FACTORS AFFECTING IN SUCCESS OF START UP FOR PASSENGER TRANSPORTATION SERVICE IN INDIA

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Dr. Pavitra Devidas Patil  
Research Guide,
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ABSTRACT

Transportation is the necessity of the developing or developed country. The transportation of the goods and people is necessary for the economic growth of the country. There are numbers of reasons to travel from one place to another; long or short distance for which transportation service is needed. People travel to visit their friends and relatives. Sometimes the entertainment or sport / game may be the reason to travel. Some people travel for adventure whereas leisure travel is now a day’s a trend to travel. Health may be the reason for which it may require to travel. To fulfill the need of business or satisfy the personal need it is necessary to travel. Hence, startup in the field of passengers’ transportation service is concern for the economic growth of the country.

Keywords: - Passengers Transportation, Start-up, Travel agency,

INTRODUCTION

In January 2016 Indian government rolled out Start-up policy. India is the third largest start-up ecosystem in the world. In the month of November 2016 AICTE came up with its own policy start-up for technical institute. In India there are nearly about 10,000 technical Institutes imparting technical knowledge to 80 lakh students. The start-up policy of AICTE introduced with the objective of strengthening the position of India in start-up market. Irrespective of these and so many others steps taken by the Indian government more than 75 % of start-up fails within few years and very less are able to cop-up with the competitive world market. Hence it seems very important and urgent to address the issue and find out the reasons/problems of start-up and provide some solution to enhance the success rate of start-up. With these intention the current paper is focused on to identify the factors which affects the Success of Start-up. The Issue under the study is addressed with the example of Passenger Transportation service.

Literature Review: - (Henry, 2017) Why Some Startups Succeed (and Why Most Fail) mentioned following parameters which lead to failure of start-up summarized as follows,

1. Lack of focus
2. Lack of motivation, commitment and passion
3. Too much pride, resulting in an unwillingness to see or listen
4. Taking advice from the wrong people
5. Lacking good mentorship
6. Lack of general and domain-specific business knowledge: finance, operations, and marketing
7. Raising too much money too soon

(Cohan, 2017) While sharing his experience while writing his book Hungry Start-Up Strategy (https://www.amazon.com/Hungry-Start-up-Strategy-Resources-Unlimited/dp/160994528X) is that great entrepreneurs are good at identifying and taking steps to minimize risk early. Has given seven common examples of such risks and how great entrepreneurs keep them in check.

1. Failure to find unsolved customer pain
2. Reluctance to get feedback on prototypes
3. No passion for the market
4. Lack of skills needed to win
5. Ignoring cash burn
6. Inability to raise capital
7. Weak team, poor leadership

(Dr.T.J.Kamalanabhan) While explaining Module -7 Skills Associated with Entrepreneurship the author had classified the entrepreneurship skills into following types/class

1. Technical Skills
2. Business Management Skills
3. Entrepreneurial Skills

The literature review divulges that the identification of factors causing failure of start-up is very important to address hence it is very appropriate to address such important issue with the help of research paper titled “Factors affecting in Success of Start up for Passenger Transportation service in India”

Research Design: - The research is descriptive in nature as it studies the current system available for passengers’ transportation service in India. The topic under study is studied with the help of Private Transportation service provided by various Travel agencies in Nasik city.

Objectives: - The basic objective of this paper is to identify the Factors affecting in Success of Start up for Passenger Transportation service in India.

Sampling: - The sampling for the study is purely convenient sampling.
Research Instrument: - The Predesigned standard questionnaire method is used to collect the opinions and perceptions of passengers’ transportation service providers. The research instrument was included Psychological factors, Economical factors, Social factors, Technical factors, etc. The instrument also considered about skills required and some personal characteristics to record the importance, perception, experience of passengers transportation service providers about the success of passengers transportation service provided by the travel agency.

Analysis and Data Interpretation:-

Chart-1.0

(Source: - Compiled by Author)

Chart 1.0 depicts the ranking of the parameters contributing in success of start-up considered by the 70 entrepreneur. Series S1, S2, S3 are the rank 1, 2, and 3 respectively considered accordingly the importance of the parameters for the success of start-up.

Further elaboration of the chart 1.0 is given accordingly the series or rank output in the following charts 1.1, 1.2, 1.3, respectively.
Chart 1.1

Rank-1

- Innovation: 27%
- Communication: 23%
- Planning: 19%
- Decision-making: 14%
- Risk-seeking: 10%
- Interpersonal relations: 7%

Chart 1.2

Rank-2

- Innovation: 24%
- Communication: 21%
- Planning: 17%
- Decision-making: 16%
- Risk-seeking: 12%
- Interpersonal relations: 10%
The most contributing factor is Innovation considered by entrepreneurs. Where 27% entrepreneurs rank it first and the second rank is given by 24% entrepreneurs and 23% entrepreneurs consider it as at Third rank among rest of the parameters.

The second contributing parameters is Communication given as first preference by 23% entrepreneurs, 21% considered it for second rank and third rank is given by 18% entrepreneurs. Accordingly Planning is the third most contributing parameters followed by decision making ability of the entrepreneurs.

Risk-Seeking is the Fifth contributing parameters. Whereas Inter personal relations is the least contributing parameters considered by the respondent.

**Conclusions:** - The above information in literature review and data depicted in above charts helps to conclude that there are various parameters contributing in the success or failure of start-up. The parameters can be classified or grouped in to various class or groups according the importance for the business. Above data is considered for the business of passengers’ transportation service. Where Innovation is the most contributing parameters whereas the Inter personal relations is the least contributing parameters among the six parameters considered for the study purpose.
Implications of the study: - The study is very much important and beneficial for the various stakeholders of the passengers’ transportation service. Also it has various implications for each stake holders mentioned below:-

1. Implications for Passengers:-
   a. The first and most important implications of this study to the passengers is that they will get the improved and innovative service which will create more value(benefits) as compare to the cost paid by them.
   b. At the same time it will help to make their journey more happy, comfortable and safe with the help of some innovative idea of new start-up

2. Implications for Travel Agency:-
   a. The main implication for the travel agency is that the study will help to understand the skill set required for the innovative business idea.
   b. It will helpful for planning their investment in passengers’ transportation service.
   c. Proper investment in innovative business idea will leads to maximum profitability to the travel agency.

3. Implications for Government:-The study has certain implications to government
   a. The basic implication to the government is that it will helpful to generate more tax from the travel agency as well as passengers availing the improved transportation service.
   b. Another implication is that increased revenue generated will helpful to invest in development of infrastructure.
   c. The developed infrastructure will helpful to increase the numbers of benefiters which indirectly leads to generate more revenue for

4. Implications for society:-
   a. The important implication for the society is that they will get knowledge about the skill set required for passenger transport service.
   b. Another implication that it will helpful to enhance the Numbers of new-start-up for the passengers’ transportation service for the society.

References

INNOVATIVE PRACTICES IN ENTERTAINMENT INDUSTRY WITH SPECIAL REFERENCE TO AMENITIES AND FACILITIES PROVIDED BY CINEMA HALLS

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ABSTRACT
Making innovations, creating goodwill is the part of business organizations. Cinema hall provides various amenities and facilities to the viewers like clean and hygienic atmosphere, quality picture and sound system, 3d cinema, e-booking, refreshments supply near the seat, escalators and many more. This paper is focused on the perception of the viewer's towards facilities and amenities provided by multiplex and Cineplex of Pune ‘Cineplex’ having lot of problems to provide better facilities and amenities to the viewers as like ‘multiplex’ due to the reason multiplex increasing day by day in Pune.

INTRODUCTION
Today every organization provides various facilities to their customers and customer satisfaction is one of the main aim of every business concern other than maximization of profits. Making innovations, creating goodwill is the part of business organizations.

Now a day entertainment industry is one of the largest industry in the world. There are many forms of entertainment ex cinema, T.V, theatre, sports, puppets, cartoons and many more. The research paper mainly focused on the perception of the viewer’s towards facilities and amenities provided by cinema hall.

Young generation is using various technologies for their day to day transactions for ex; Android cell phone, tab, aps, computers, Internet, hike, what’s app and many more.

The entertainment and Media industry generally tends to grow faster when the economy is expanding. The Indian economy has been growing at a fast clip over the last few years and the income levels too have been experiencing a high growth rate. There are ample entertainments media available for the customers. Thousands of people are watching pirated CD’s, and DVD’s. There is a facility to see a ‘new movie on a mobile phone through online internet media. Instead of that, viewers still attracting towards cinema hall, consumer spending is also on the rise, due to a
sustained increase in disposable incomes. All these factors have given an impetus to the ‘cinema’ industry and are likely to contribute to the growth of this industry in the future.

**Literature Review**: - In Indian Cinema Business Lumir brothers introduced motion pictures in the year 1895 and they achieved success on 7th July 1896, which were the first motion pictures in India. In India, the first permanent cinema theatre started in Calcutta called ‘Alaphistan’. It was built by Shri. Jamshedji Phramadji in the year 1907. At that time ‘Kirloskar Natya Graha’ and now known as ‘Vasant Talkies’ was in the cinema and drama business. Marathi cinema refers to films produced in Marathi language in the state of Maharashtra, India. Marathi cinema is one of the oldest industries in Indian cinema.

On 3rd May, 1913 the first Indian silent film ‘Raja Harishandra’ was exhibited. In India, the first film was released in ‘Aryan Talkies’ Pune on 19th September 1917. The father of film production in India was Dadasaheb Phalke. He produced a silent film ‘Lanka Dahan’ in 1917. The first Marathi talkie film, Ayodhyecha Raja was released in 1932 by Prabhat Film Company, just one after “Alam-Ara the first talkie film. Today the Marathi cinema industry is based in Mumbai, Maharashtra, but it sprouted and grew first from Kolhapur and then Pune.

**Pune**, under the leadership of Shri. Gangadhar Pathak in 1915 ‘Aryan’ theatre was founded in the Pune city.

**Marathi film industry**: - The history of Marathi film is one of oldest in the regional films in India. The birth of Marathi talkie took place in 1932 when the Prabhat film company released the film ‘Ayodhyecha Raja’. This was just one year after the release of the first Indian talkie ‘Alam-Ara’ produced in Hindi by a Bombay producer, Ardeshr Irani. Since then, the Marathi film industry along with the Indian film industry

Literature review as it is being explained will be a comprehensive summary on topic under discussion which is used to integrate and analyze the scholarly research pertaining to the topic in an organized scheme of work.

With these objectives and theoretical understandings the researcher wishes to take the effort in creating this literature review as an integral part of this paper to integrate the existing data available on the research topic under purview, and to understand the nuances of the topic together with the various sub topics which are interlinked with it by trying to understand a complete meaning from the existing literature available regarding them.

The major objectives of a literature review are as follows:
To exhibit and describe the existing research which had been conducted by previous researches in the existing topic of study

To evaluate the content of the existing research work and infer the meaning out of it

To identify if there are controversies, if any, existing in available literature

**Rationale of the study:**

In the year 2001 first multiplex had started with lot of services and facilities. After 2005-2015 multiplex culture has been increased in India and Abroad. In 2001 ‘City pride’ in Pune and ‘PVR cinema’ in New Delhi were the first multiplex in India. While Multiplex culture has been increasing tremendously, at the same time ‘single screens’ were facing lot of problems due to their lack of facilities and services. Hence, researcher has decided to study the amenities and facilities provided by cinema halls in Pune.

**Objectives of the study:**

1. To know the growth of cinema halls in Pune.
2. To understand amenities and facilities provided by cinema halls.

**Research Design**

- The research is designed in multiple ways in order to arrive at a conclusion and find out the appropriateness of the design based upon the objectives of the study.
- In this study the research is based upon finding out the different reasons and influencing factors responsible for the present status of the problems and issues faced by the cinematograph exhibition business.
- Study is also focused on understanding the inputs of the stakeholders in the business and trying to establish a causal relationship between multiple factors which has lead in to their understanding of various factors about the cinematograph exhibition business.
- This paper majorly is developed on the basis of exploratory research which is aimed about finding out the thinking and feeling of respondents regarding the present status of cinematograph exhibition business in Pune city.

**Method used for Data collection: Survey Method**

- Some of the different methods of data collection are surveys, interviews and observations. The different methods can be used in an exploratory research can be used in singular or using multiple combinations based upon the research questions.
- What is imperative is that whichever method is used it has be used in accordance with the requirements of the study. It has been understood from previous researches that in any kind
of research when the population of the respondents is huge and the research includes opinions, beliefs and attitudes of the respondents, the best way to conduct the research is to use a survey coupled with a questionnaire.

Scope of the Study
The scope of the study is limited to all the cinema theatre consumers, cinema theatre employees and cinema theatre owners/managers in Pune city.

The basic functions of a Movie theatre:
- To entertain the audience through the innovative story, the melodramatic scenes, the acting and the music
- To enlighten the audience through the thoughts shown in the form of a story plot
- To inspire the audience through the fantasies and imaginations which are part of the movie
- To mystify the audience through the magical touch of the creators of movies.
- To heal the audience by making them forget their surroundings for the time they are engaged with the movie experience.

India on an average has a single screen for every 96300 residents which by far very less compared to US where there is a screen for every 7800 residents and even less than China which is not a film centric society but still boasts of one screen per every 45000 residents

As of 2013 there are nearly 12,000 single screen and 1200 Multiplex screen. On an average there every Multiplex has 4 Screen which comes to approximately 400 Multiplex Theatres across the country. There would be approximately 30 employees working in every Theatre which comes to approximately more than 48,000 Employees working in Theatre.

By substituting this result in the formula we can arrive at the sample size of employees.

<table>
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<th>Determine Sample Size</th>
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<tr>
<td>Confidence Level:</td>
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<td>Confidence Interval:</td>
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<tr>
<td>Population:</td>
</tr>
<tr>
<td>Sample size needed:</td>
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</table>
Due to the restriction of the time and access we have restricted the confidence interval to 9% so that the minimum sample size required would be minimum.

The minimum sample size required in this is 118.

We have considered the sample size of employees as 132 as a safer side.

**Hypothesis:**

1. There is a significant difference in the amenities and facilities provided by cinema halls.

**Limitations:**

1. ‘Scarcity of Time’ is one of the important limitations of the research paper
2. ‘Geographical area’ is the limitation.

**Findings and Discussion:**

1. It can be seen that, 42.2 and 26.7 percent viewers were agree and strongly agree that, multiplex have been capturing the business of Cineplex.
2. Majority of the viewers were fully agree that, as compared to Cineplex, multiplex is the best option to view Marathi films
3. Most of the viewers were accepted the perception that, as compared to Cineplex, multiplexes charging more ticket rates to the viewers.
4. It is indicated that, 44.4 and 24.4% viewers are fully agree that in the prime show time in multiplex, Marathi movies have not shown.
5. The cinema viewers have been accepted strongly the perception that, the numbers of shows for Marathi movies are limited in multiplex
6. Majority of the viewers in favour of the perception regarding the facilities offering by Multiplex is better than Cineplex.
7. Most of the viewers were fully agree that, they can book the ticket for Marathi Cinema in Multiplex theatres through internet.
8. Many viewers has been accepted the perception that Multiplex has providing better parking facilities other than Cineplex
9. Majority of the viewers are agree and strongly agree that, as compare to Cineplex Multiplex have providing quality refreshments to the viewers
10. There have been mixed responses given by the viewers that, 24.4% viewers were Neutral & 33.3 & 24.4% viewers were fully agree that, Multiplex are providing variety of refreshments other than Cineplex.
11. Majority of the viewers agreed that, the cost of refreshment is more in Multiplex than single screen Cinema hall.
12. There were mixed responses regarding cleanliness of washrooms in Multiplex & Cineplex 22.2% viewers were kept Neutral, 51.1% & 13.3% viewers were agree that, washrooms are more hygienic in Multiplex than Cineplex.
13. Most of the viewers have been accepted the perception that, Multiplex is cleaner than Cineplex & 20% viewers were Neutral with the statement.
14. Maximum viewers are ready to accept the perception that, Multiplex has given quality seats other than Cineplex.
15. Many viewers were in favour of the perception that, the Multiplex is better ventilated other than single screen Cinema hall in Pune

Suggestions:

(A) Suggestions for single screen Cinema hall.
1. Cineplex should be implementing various technologies to increase their business.
2. Cineplex should provide online ticket booking facility to the viewers.
3. It is the responsibility of single screen Cinema hall to provide better facilities & amenities to the viewers like hygienic washrooms, cafeteria, quality refreshments cleanliness in the theatre, and many more.
4. Cineplex should observe renovation to change their architecture to install new ambience, recliner seats, and services to the viewers.

(B) Suggestions for Multiplex theatre
1. Multiplex should charge reasonable ticket rate to the viewers in case of slack season or in a working hours show timings.
2. Multiplex should release more Marathi films in a prime show time for the upliftment of Marathi culture in Pune.
3. Multiplex should install new technologies in their theatre like 6D, 7D, 8D & 9D also. Its increase the high standard of living of the audiences.
4. Also the prices charged at the food and beverage counter are way above the MRP. So it should be taken as ‘MRP’ printed on the product.

Conclusion:
Multiplex theatres are providing different types of facilities and amenities to their customers. Like e-booking, Air conditioning, hygienic, washrooms, cleanliness around the theatre, sound and
picture quality, refreshment supply near seat, lavish building, and colors of interiors, cafeteria, and many more. Obviously a viewer has been attracted towards those cinema halls that are providing such amenities and facilities to them. Thus, multiplex culture is increasing than single screen cinema hall due to the facilities and amenities provided to the viewers.

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IMPACT OF ONLINE SHOPPING ON CONSUMER BEHAVIOR
WITH REFERENCE TO INDIAN CUSTOMERS

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ABSTRACT
The growing users of internet provide a potential prospect for online shopping. In today’s era of internet generation, the popularity of online shopping has increased rapidly. Internet trade has become quicker and easier for both the buyer and seller who get benefited by this technology. If the e-marketers understand the key factors affecting the behavior of consumer and its relationship then they can define and develop their marketing strategies to convert their potential customers into loyal customers and retaining their existing customers for long term benefits. The paper highlights the importance of e-commerce and factors affecting consumer behavior while shopping online. Taking into the consideration companies have started conveying, communicating and disseminating the information to sell the products, to receive feedback and also to conduct the various surveys regarding the satisfaction and dissatisfaction of the customers. Internet have not only became the platform to purchase the products but also to compare prices, product features and mainly the after sales service facilities they will receive once they purchase the product from a particular e-marketing website.

Keywords: online shopping, e-marketers, e-commerce, m-commerce.

INTRODUCTION
Consumer behavior is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions. Consumer behavior towards online shopping is a field of interest for both scholars and professionals because internet has greatly influenced the preferences and buying pattern of customer. Today internet has changed the way consumers buy and shop the goods and services and has rapidly evolved into a global phenomenon. Looking towards this scenario many companies have started using Internet as a medium to sell and purchase the product and services with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. Companies also use the Internet to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with
customers. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities they will receive if they purchase the product from a particular store. Many experts are optimistic about the prospect of online business. In addition to the tremendous potential of the e-commerce market, the Internet provides a unique opportunity for companies to more efficiently reach existing and potential customers. It has been more than a decade since business-to-consumer e-commerce has evolved. Scholars and practitioners of electronic commerce constantly strive to gain an improved insight into consumer behavior in cyberspace. Factors considered while shopping online by customers are security and safety, privacy, trust and worthiness, payment mode and after sales services.

**Online Shopping and E-Commerce in India:**

The rampant growth in last two decades for e-commerce has raised the internet activities and mobile phone penetration which made the revolutionary changes in the way we communicate and do business. E-commerce is relatively a peculiar concept. It is, at present, heavily inclining on the internet and mobile phone revolution to fundamentally alter the way businesses reach their customers. It is expected a vast growth led by increased customers-led purchases in electronics and durables, electronic and accessories, besides traditional products such as audio-visual and books. Internet's easy access, simplicity features, and convenience have become the key factors for customers going online. As per industry body Assocham. “India’s e-commerce market was worth about USD 3.8 billion in 2009, it went up to USD 17 billion in 2014 and to USD 23 billion in 2015 and is expected to touch whopping USD 38 billion mark by 2016.”. Increased mobile and internet seepage, increased acceptance of online payments demographics has provided the e-commerce and e-marketers in India the unique opportunity for companies to connect with their customers.

There would be over a five to seven fold increase in revenue generated through e-commerce as compared to last year with all branded apparel, accessories, jewellery, gifts, footwear are available at a cheaper rates and delivered at the doorstep. The buying trends during 2016 has witnessed a significant upward movement due to aggressive online discounts, rising fuel price and wider and abundant choice have hit the e-commerce industry in 2016. It has given space for mobile commerce i.e. m-commerce a stable and secure supplement to the e-commerce industry. Shopping online has become the game changer through smart phones and the giant larders of e-commerce believe that it will contribute up to 75% of their total revenues.
<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Internet users World wide</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Asia</td>
<td>42.06%</td>
</tr>
<tr>
<td>02</td>
<td>Europe</td>
<td>24.1%</td>
</tr>
<tr>
<td>03</td>
<td>North America</td>
<td>14.06%</td>
</tr>
<tr>
<td>04</td>
<td>Lat Am / Caribb</td>
<td>10.03%</td>
</tr>
<tr>
<td>05</td>
<td>Africa</td>
<td>3.9%</td>
</tr>
<tr>
<td>06</td>
<td>Middle East</td>
<td>3.3%</td>
</tr>
<tr>
<td>07</td>
<td>Oceania / Australia</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

World Wide Internet Users by World Region.

Source: Internet world Stats- www.internetworldstats.com/stats.htm

It was found online shopping customers mostly focuses on the few contributing aspects with drive their online purchase. These aspects are hostile in nature which can either drive the purchase or drag them away from purchase. Mainly Perceived Privacy, Perceived Security, Perceived Risk, Trust & Worthiness and Payment modes are the driving forces for online shopping customers.

**Review of Literature:**

(Dr. Rita, January-June 2016)- Dr. Rita in her paper studied the online shopping and how the consumer behavior changes while shopping online. It also focuses on what are the motivating factors for customers to shop online and how these are perceived by the e-marketers.

(Maindargi)- Maindargi in his paper studied the how is the online shopping trend in India and what is the impact of online shopping on the customers.

(Ms. Dipti Jain)- Ms. Dipti Jain in her paper studied consumer behavior towards online shopping with respect the Delhi. It was found that occupation of the independent of purchase habit of customers in online shopping may vary from each other.

(Rahim, 2012)- It was studied how the trust and worthiness plays the role of driving factors for the customer while online shopping. Further they focused on the perceived risk, perceived privacy and perceived security as an aspect considered by the customers while they are doing their online shopping.

**Research Methodology:**

This research paper is based on secondary data. The data was collected through research papers, Journals, and websites. The research is Descriptive research.

**Factors considered by customers while shopping online:**
1. Perceived Privacy:
Privacy can be seen as a boundary control process where an individual defines with whom he will communicate and what type of communication (and how much) will occur. Boundary control enables the particular individual to achieve the desired level of contact with others, at a particular time and according to stated conditions. Two types of factors have an impact on the process of boundary control: a) situational factors and b) personal factors. Situational factors encompass social and physical elements. Social elements refer to the existence of others with whom the individual can communicate others’ characteristics, and willingness to communicate. Physical elements refer to physical barriers, location and distance. Personal factors are related to individuals’ characteristics, like their need for privacy.

2. Perceived Security:
Perceived online security is defined as online users’ perception of how they are protected from risks related to security. Online users are increasingly finding themselves exposed to security risks during their online activities. Security risk has increased the manipulation of the information and/or networks or various other types of fraud and misuse. Two main factors concerning perceived security in e-commerce can be distinguished: a) perceived operational factor and b) perceived policy-related factor.

3. Perceived Risk:
Perceived risk and perceived benefits of online shopping were found to be considerably associated with the amount and regularity of online buys made. Loss of social connections in on the internet shopping was associated with reduced online spending. The results of the research recommend that Internet marketing Web sites should include features that boost client support and decrease recognized risk. The outcome of another research indicates that recognized comfort of the e-shop has the best effect on trust, followed by recognized popularity of the shop network.
Consumer’s perceived risk is actually lower down using the embrace institutional believes in. Meaning that certain method to decrease consumer-perceived risk would be to create, promote, as well as improve institutional believe in using the participation of economic as well as interpersonal organizations within the capability associated with guarantors within the swap procedure. The key elements keeping the trust and worthiness of customers are the benefits of the website, branding, product or services that company offers and there quality to their customers. If the e-marketers wants to target females means they are offering female based gender product so the web merchants should devise a strategy that can reduce the risk even though all those women tend to be skilled online users.

![Graph showing number of online users in millions](image)

4. **Payments:**
An e-commerce payment system facilitates the acceptance of electronic payment for online transactions. Also known as a sample of electronic data interchange (EDI), e-commerce payment system has become increasingly popular due to the widespread use of the internet-based shopping and banking. Over the years, credit cards have become one of the most trusted forms of payments for e-commerce transactions. Beside card-based payments, alternative payments methods have emerged and sometime even claimed market leadership. Wallets like PayPal and Alipay are playing major roles in eco-system.
<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Global Sites</th>
<th>% Active Reach</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Google</td>
<td>81.78%</td>
</tr>
<tr>
<td>02</td>
<td>MSN/Windows Live/Bing</td>
<td>61.82%</td>
</tr>
<tr>
<td>03</td>
<td>Facebook</td>
<td>54.48%</td>
</tr>
<tr>
<td>04</td>
<td>Yahoo!</td>
<td>52.91%</td>
</tr>
<tr>
<td>05</td>
<td>Microsoft</td>
<td>48.42%</td>
</tr>
<tr>
<td>06</td>
<td>YouTube</td>
<td>46.58%</td>
</tr>
<tr>
<td>07</td>
<td>Wikipedia</td>
<td>34.93%</td>
</tr>
<tr>
<td>08</td>
<td>AOL Media Networks</td>
<td>27.16%</td>
</tr>
<tr>
<td>09</td>
<td>eBay</td>
<td>26.47%</td>
</tr>
<tr>
<td>10</td>
<td>Apple</td>
<td>26.11%</td>
</tr>
</tbody>
</table>

Source: The Nielson Company, April 2010

Users using top 10 websites for online shopping.

Conclusion:
Internet and e-commerce has become the most active online shopping medium for the customers. More than 75% of increased in the online shopping in the last year, 2016 has been recorded. E-marketers through online internet services have strengthen the relationship with customers by providing convenience shopping style with ease in other driving forces. E-marketers found there are various aspects which need to be focused on for increasing the sales activity for online customers. Privacy, security, trust and payment safety are the main concerns of customers for online shopping.

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ROLE OF START-UPS IN DEVELOPMENT OF INDIAN ECONOMY

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ABSTRACT
Government of India has been taking several steps to build an environment which is suitable for startups, since small businesses can play a very important role to develop and boost Indian economy in the future. In the Union Budget of 2015, government has established a process or a mechanism known as Self Employment and Talent Utilization (SETU) to support all the aspects of startups right from their seed financing stage to their growth stage. Government is also setting up ‘innovation labs’ at various places which are similar to that of ‘incubation centers’ in large national and foreign universities. It is also anticipated that government may roll out a Rs. 2000 crore fund to provide seed capital to startups related to IT and biotechnology. With the gen-next cool trend to start working on new and innovative ideas, India is all set to outperform all other nations on the world stage in the years to come. Setting up of small businesses by these young entrepreneurs is definitely going to boost the Indian economy in the near future.

Key words: Economic development, employment generation, Start-ups

INTRODUCTION
For better and strong economy Startup India is a much appreciated, much needed and an innovative initiative of the Government of India for encouraging people for startup in India and thus to invite them in country’s main economy stream in order to form. The vision behind Startup India is to drive sustainable economic growth and accelerate employment opportunities. India is a home to almost 3100 startups starting per year standing just behind the US, UK, and Israel according to the NASSCOM report of 2015. If the growth continues in the same pace then it is expected that Indian tech startups will generate almost 2.5 lakh jobs in the next five years. India is also said to enjoy demographic dividend and it is anticipated that by 2020 India will be a home to 112 million working population falling in the age bracket of 20-24 years as compared to that of 94 million workers of China. This demographic dividend will definitely boost the startup culture in the country.

Review of the Literature:
According to an Article in “A Study on the Contribution of Start-Ups In The Economic
Start-ups have been the important concept developed over the last few years for the Indian Markets. Start-ups are set to play a big role in the growth of economy as boosters and the huge number of employment subject. In the recent years, different countries are taking different initiatives to link up their businesses with the Indian start-ups in almost all sectors including defense. Such joint venture can attract the huge foreign fund which can boost the country’s growth. Start-ups are also the centers of innovation and are a great way to enhance employment creation in the economy. The objective of the study is to examine the contribution of start-ups to economic growth by way of employment generation and impact on GDP and to identify the government initiatives for the development of start-ups. As per the report, India is amongst the five largest start-up communities of the world, and the youngest of all. The year 2015 ended with the number of start-ups reaching 4,200.

According to an Article in “Economic Entrepreneurship, Startups and Their Effects on Local Development: The Case of Sweden”, by Hans Westlund, Amy Rader Olsson, and Johan P. Larsson. This study has focused on the effect of startups on key development goals such as employment and population growth. They find considerable evidence that startups affect employment growth positively at municipality level, and some evidence that population also is affected. Analyzing the data by municipal type and by branch reveals some important differences in the ways in which startups affect municipal development.

Objectives of the study
1. To examine the present successful start-ups and their contribution to economic growth by way of employment generation.
2. To identify various government initiatives for the development of start-ups.

Research Methodology
The study is based on the secondary data which has been collected through newspapers, websites govt reports, magazines, books, research papers etc.
Startups are set to play a big role in the growth of economy as boosters and the huge number of employment subject to better handholding by Government campaigns to facilitating startups through the market regulator Securities and Exchange Board of India (SEBI) has also relaxed some rules to facilitate the flow of funds from the market to the startups.

**India is amongst the top five countries in the world in terms of startups.**
Benefits to startups by Indian Government

The Start-up India campaign is a good example of how the government can help foster growth of India’s start-up community. Established by the Indian government, Start-up India includes a series of initiatives designed to encourage accelerated start-up formation and development. As part of the program, the government is offering financial incentives for start-ups, including 100 percent tax exemption for three years, and has allocated Rs 500 crore to support funding for specifically targeted groups, such as women entrepreneurs. Additionally, the Indian government has announced a capital gains tax exemption for start-ups, as well as an 80 percent rebate for start-ups filing patents.

1. **Simple process:**
   Government of India has launched a mobile app and a website for easy registration for startups. Anyone interested in setting up a startup can fill up a simple form on the website and upload certain documents. The entire process is completely online.

2. **Reduction in cost:**
   The government also provides lists of facilitators of patents and trademarks. They will provide high quality Intellectual Property Right Services including fast examination of patents at lower fees. The government will bear all facilitator fees and the startup will bear only the statutory fees. They will enjoy 80% reduction in cost of filing patents.

3. **Easy access to Funds :**
   A **10,000 crore rupees fund** is set-up by government to provide funds to the startups as venture capital. The government is also giving guarantee to the lenders to encourage banks and other financial institutions for providing venture capital.

4. **Tax holiday for 3 Years :**
   Startups will be exempted from income tax for 3 years provided they get a certification from Inter-Ministerial Board (IMB).

5. **Apply for tenders:**
   Startups can apply for government tenders. They are exempted from the “prior experience/turnover” criteria applicable for normal companies answering to government tenders.

6. **R&D facilities:**
   Seven new Research Parks will be set up to provide facilities to startups in the R&D sector.

7. **No time-consuming compliances:**
Various compliances have been simplified for startups to save time and money. Startups shall be allowed to self-certify compliance (through the Startup mobile app) with 9 labour and 3 environment laws (for list of white industries which are eligible under self-compliance.

8. **Tax saving for investors:**
   People investing their capital gains in the venture funds setup by government will get exemption from capital gains. This will help startups to attract more investors.

9. **Choose your investor:**
   After this plan, the startups will have an option to choose between the VCs, giving them the liberty to choose their investors.

10. **Easy exit:**
   In case of exit – A startup can close its business within 90 days from the date of application of winding up

Some of the Indian successful startups which helps to boost the economy and employment generation.

1. **Ola Cabs:**
   Founded in December 2010 by IIT Bombay graduates Bhavish Aggrawal and Ankit Bhati. It is the most popular mobile app for transportation. As of 2017, the company has expanded to a network of more than 600,000 vehicles across 110 cities. In January 2018, Ola flourished its arm to first overseas market in Australia and has aims to run service in Sydney, Melbourne and Perth.

2. **Flipcart:**
   *Flipkart* is an electronic commerce company headquartered in Bengaluru, India. It was *founded* in October 2007 by *Sachin Bansal* and *Binny Bansal*. Flipcart is India’s leading e-commerce marketplace offering over 30 million products cross 70+categories including Books, Lifestyle and consumer electronics. Flipcart is now top five global billion dollar startup club with a valuation of dollar 11 billion; according to the wall street journal and Dow Jones venture source report.

3. **Paytm:**
   *Vijay Shekhar Sharma* is an Indian entrepreneur and founder of mobile payments company, Paytm. Sharma is India’s youngest billionaire. Paytm is an Indian ecommerce and electronic payment company. Paytm is the India’s largest mobile payment service platform and also received license from RBI to start India’s first payment bank called “Paytm Banks Limited”. It has over 150 million wallets and 75 million Android based app download.
4. Zomato
Zomato is an Indian restaurant search and discovery service founded by Deepinder Goyal and Pankaj Chaddah. It currently operates in 23 countries, including Australia and United States. It provides information and reviews on restaurants, including images of menus where the restaurant does not have its own website. Over 4 million Zomato users come to the website every month to search places for dining out, home delivery, catching up or nightlife.

5. Shopclues:
Shop Clues is an online marketplace owned by Clues Network Pvt. Ltd. It was established in July 2011 in Silicon Valley by Sanjay Sethi, Sandeep Aggarwal and Radhika Aggarwal. Valued at USD 1.1 billion, ShopClues has Tiger Global, Helion Ventures, and Nexus Venture Partners as major investors. Shopclues is India’s first and the largest managed marketplace having more than 100 million monthly visitors on its website and also 5 corer listed products and more than 500000 merchants.

6. Makemy Trip:
MakeMyTrip was founded by Deep Kalra, an alumnus of IIM-A. Makemy Trip is an Indian online travel company provides online travel services. The company has been recognized as one of India’s best travel portals. The company operates 65 retail stores across 50 cities in India and also have International office in New york city and Sydney. It was launched in the US market in 2000 to cater to the overseas Indian community for their US-to-India travel needs. On 13 August 2010, MakeMyTrip was listed on the NASDAQ and went public.

7. Freshtohome
Shan Kadavil, who founded online fish and meat delivery service Fresh To Home in Bengaluru in March 2016, Freshtohome is an online marketplace for fresh fish and livestock produce, FreshtoHome sources meats and fish directly from livestock farmers and fishermen. It has been doubling sales every three months, and is looking to expand to 20 cities in 2017. It has more than 80,000 customers in Kochi, Thiruvananthapuram, Bengaluru, Mysuru, and Delhi.

8. ID foods
P C Musthafa, Samsudeen T K, Abdul Nazer, Jafar T K & Noushad T are the founders of ID foods. Bengalurians consume 1 crore idlis a day. In that fact P C Musthafa sees a daily opportunity of Rs 3 crore (at Rs 3 an idli). That's what pushed the IIM-B graduate to start iD Fresh Foods with four of his cousins in 2006, delivering homemade batter in Bengaluru. Today, its idli/dosa batter is
available in 14 cities, and iD's revenues crossed Rs 100 crore last year. In 2017 ID foods cross revenue of Rs. 200 crore

9. **Freshmenu:**
Rashmi Daga, *founder* and CEO of *Fresh Menu*. The food-tech sector has really faced fire in the past two years, but one of the few startups to emerge unscathed is FreshMenu, which cooks and delivers food from its own kitchens in Bengaluru, Mumbai, New Delhi and Gurugram. Founder Rashmi Dagga, an IIM-A alumnus who set up the company in 2014, says the company registered 3x growth in the number of orders in 2016. Freshmen is backed by Zodius Capital and LightSpeed Ventures. In 2017, the company plans to increase its product catalogue as well as expand to Hyderabad and Pune.

10. **Myra**
Anirudh Coontoor *is the founder of Myra.* Is a unique solution of technology and operations that makes buying medicines fast and efficient. Bangalore, Karnataka, India. Categories. Health Care. *Founded* Date. 2014. *Founders.* Bengaluru-based Myra is an online pharmacy that delivers medicines at home in an hour. The startup, which does 1,000 transactions a day, has managed a customer retention rate of 75%. Founded 12 months ago, the company has over 10,000 customers in Bengaluru and is backed by angel investors including Pranay Chulet of Quikr, Pankaj Gupta from Twitter and Prashant Malik from LimeRoad. Around 8% of Myra's clientele orders every day with hardly any money spent on marketing.

These startups not only created new industries and came up with more revolutionary technology over time, but also created a stream of millionaires in the city. When these startups went public, they became engines of creation not just for themselves, but for their employees and their shareholders.

**Conclusion:**
Considering the importance of role that the Indian startups are all set to play in the growth of Indian economy, the amount of income and the huge number of jobs that can be created by facilitating startups, even the market regulator Securities and Exchange Board of India (SEBI) has also relaxed some rules to facilitate the flow of funds from the market to the startups. Hence, taking into consideration all the above developments, it can be concluded that indigenous startups will not only make the lives of the people easier through their affordable and convenient services but will also act as a major booster for the development and the progress of the Indian economy. When these startups grew, they directly impacted growth of their cities as well. Employment opportunities for
youth increased and new employment patterns came into picture. Demand and employment opportunities for engineers saw a steep rise. Local youth had new opportunities to pursue, and experienced talent started moving to these cities in pursuit of a challenging and high-growth career. Apart from delivering value to their customers, startups have a direct impact on the cities they make their homes.

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A STUDY ON THE IMPACT OF EMOTIONAL INTELLIGENCE ON LEADERSHIP STYLE IN THE EDUCATIONAL INSTITUTES OF PUNE.

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ABSTRACT

The paper aims to study the Impact of Emotional Intelligence on Leadership Style in the Educational Institutes in Pune. It tries to seek the question whether Emotional Intelligence has its effect on different Leadership Styles being practiced in Educational Institutes. Emotional intelligence has become increasingly popular as a measure for identifying effective leaders and also for developing leadership skills. There is little empirical research that provides evidence to support the influence of emotional intelligence on leadership styles. Effective leaders were identified as those who displayed a Delegative, Democratic Leadership Style and Autocratic leadership Style as measured by the Questionnaire. In particular, Emotional Intelligence may account for how effective leaders monitor and respond to subordinates and make them feel at work.

Keywords: Emotional Intelligence, Leadership Style - Delegative, Autocratic & Democratic, Educational Institutes, Academic Heads

INTRODUCTION

Emotions are involved in everything people do, every action, decision and judgement. Emotionally intelligent people recognize this and use their thinking to manage their emotions rather than being managed by them. In the course of last two decades, Emotional Intelligence (EI) concept has become a very important indicator of a person’s knowledge, skills and abilities in workplace, school and personal life. EI plays a significant role in the job performance, motivation, decision making, successful management and leadership. Everyone experiences and relates their feelings and emotions in day to day life. Emotions have valuable information about relationships, behavior and every aspect of the human life around us. The most recent research shows that emotions are constructive and do contribute to enhance performance and better decision making both at job and in private life. Emotional Intelligence may provide the guidance that is needed for understanding the leadership practices practiced by several Educational Institutes in Pune. If one is able to
understand the importance of Emotional Intelligence and its impact on Leadership Effectiveness, Academic Heads may be able to experience greater influence and professional satisfaction.

Model showing Impact of Emotional Intelligence on Leadership Style,

Effective Leadership is central to an organization’s success. Several studies have shown the positive effects of Leadership development on a variety of organizational variables such as followers’ satisfaction, commitment, and performance. According to Sathye, leadership in academic institutions is more diverse and complex than leadership in other public and private sectors. Such difference emanates from the fact that leadership in academic institutions is concerned with maximizing such stakeholders’ values as students, staff, government, and the public at large. This implies that leaders in academic leaders have to be more competent and effective in order to satisfy these diverse stakeholders at the same time. The approaches to facilitate effective leadership can be differentiated into leader and leadership development through purposeful investment in human capital that typically emphasizes individual-based knowledge, skills, and abilities. The outcomes result into the development of informed citizens, creative professionals, people who can work with
diversity. Effective leadership in higher education institutions entails; leadership in teaching, leadership in research, strategic networking and vision, transformational and collaborative leadership, fair and efficient management, development and recognition of performance, and interpersonal skills.

I. LITERATURE REVIEW

IQ and Emotional Intelligence are not opposing competencies, but rather separate once. We all make intellect and emotional acuity; people with high IQ but low Emotional Intelligence (or low IQ and high emotional intelligence) are, despite the stereotypes, relatively rare. Indeed, there is slight correlation between IQ and some aspects of emotional intelligence—though small enough to make clear these are largely independent entity. (Goleman, Emotional Intelligence Why it can matter more than IQ, 2013)

Doctor’s managing own and others emotion abilities increase the communication skills and reduce the inconvenience to the patient, charge reasonable for the treatment and focus on the overall satisfaction of patience. The doctors’ who utilizes the positive and negative emotions can facilitate better thoughts to understand patients’ emotions and even put more efforts in talking in a motivating way during critical situations of patients.

The physicians with higher level of emotional intelligence can face common challenges arise in a healthcare environment and ensure overall positive healthcare experience for patience. (Bharamanaikar & Kadadi, 2017)

In the current competitive world that a person should be emotionally intelligent as it is believed that Emotional Intelligence plays important role in a person’s life than intelligent quotient, which was a traditional concept. The concept of Emotional Intelligence gained a lot of attention because of its benefits. The key idea of high emotional intelligence in a person results in the success in work place, adjustment and quick adaption to new environment, improved leadership, motivating and decision making abilities, maintaining good personal relationships and ability to manage stress levels that creates economic and societal values. (Jasti & Vallabhaneni, 2015)

The leadership style and the effectiveness of interactions between leaders and their subordinates were important determinants of team success in any hierarchical organization. Dependent on the way in which leaders exercised their authority, they identified two major leadership styles: an autocratic and a democratic style. (Lakshmi, 2015)
The Book named Human Drama Inc. Emotional Intelligence in the Workplace by Neeta Mohan depicts new insights of managing emotional intelligence at the workplace. According to the author, employees can make their organization a better place to work if they know how to manage their “emotional intelligence” with shrewdness and exhibit controlled behavior. The author in this book defined emotional intelligence as a combination of two word – “emotions” & “intelligence” and emphasizes that national, organizational, and professional cultures have an influence on the way emotions are perceived, interpreted, and also acted upon in an organization by an employee. (Sharma, 2017)

The complexities of relationships that contribute to a leader’s effectiveness. Studies have been conducted on partnership, followership, empowerment, teams, networks, and the role of context. (Datta, Kumari, Akhilesh, & Nagendra, 2017)

The concept of emotional intelligence is recognized to be an important element in organisations today. This concept includes vision creation, goal accomplishments, ambition, self-awareness, character and skills in tuning into others’ emotions through the ability to establish relationship and bonds. Researchers have argued that Emotional Intelligence provides the bedrock for competencies that are strong predictor of job performance (Dhani & Sharma, 2017)

Models of Emotional Intelligence:

1. Ability Model
This model was developed by Peter Salovey of Yale University and John Mayer of University of New Hampshire.

- Perceiving emotions : understanding nonverbal signs such as other peoples body language or facial expressions.
- Reasoning with Emotions : using emotions to promote thinking and cognitive activity.
- Understanding Emotions : Interpreting emotions of others around you, being able to recognize people display emotions of anger when they might not be angry at you but rather the situation
- Managing Emotions : regulating emotions, responding appropriately and consistently

2. Mixed Model
This model was developed by David Goleman. Goleman model uses "The Five Components" to efficiently describe emotional intelligence.

- Self-Awareness - (confidence, recognition of feelings)
- Self-Regulation - (self-control, trustworthiness, adaptability)
• Motivation - (drive, commitment, initiative, optimism)
• Empathy - (understanding others feelings, diversity, political awareness)
• Social Skills - (leadership, conflict management, communication skills)

1. Trait Model
This model was developed by Konstantin Vasily Petrides. He defined the trait model as "a constellation of emotional self-perceptions located at the lower levels of personality."
• Ones understanding and perception of their emotions
• The use of personality framework to investigate trait emotional intelligence.(http://theimportanceofemotionalintelligence.weebly.com/)

III. OBJECTIVES
1) To determine the relationship between Emotional Intelligence of Academic Heads and their Leadership Style as perceived by Academic Subordinates.
2) To study the impact of Emotional Intelligence on Leadership Style on Academic Heads.

IV. HYPOTHESIS
H₁: There is a significant relationship between Emotional Intelligence and Leadership Style
H₂: There is a significant impact of Emotional Intelligence on Leadership Style.

V. RESEARCH METHODOLOGY
1. Quantitative Research: For this study, the researcher used SPSS for computing numerical data.
2. Research Design
Descriptive Research: The researcher adopted descriptive research design for the study because, Descriptive research studies are those studies which are concerned with describing the characteristics of particular individual or of a group. Hence the researcher is trying to find out what is the impact of emotional intelligence on the leadership style.
3. Sampling Design: Snowball sampling technique was used for this research.
4. Sample Unit: Sample unit for this research study consists of Academic heads who are Leading in different department especially management sciences department.
5. Sample Size: Sample size of this research study consisted of 30 Academic Heads who were engaged in different departments and in different programs in different Higher Educational Institutions of Pune.
6. Data Collection Method(s): In this research study both primary and secondary data collection methods were used for this study. The primary data was collected by floating 50 questionnaires.
among different academic heads out of which 30 were received. The secondary data was collected by using internet and from research articles in different journals.

7. **Data Analysis Technique(s):** The data analysis techniques used for the research were Correlation and Regression Tests in SPSS.

VI. **DATA ANALYSIS**

**H₁:** There is a significant relationship between Emotional Intelligence and Leadership Style

**Correlations**

### Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
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<td>30</td>
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<tr>
<td>IEI</td>
<td>4.0978</td>
<td>.19864</td>
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### Correlations

<table>
<thead>
<tr>
<th></th>
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<th>IEI</th>
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<tbody>
<tr>
<td>LSA</td>
<td>Pearson Correlation</td>
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<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
</tr>
<tr>
<td></td>
<td>Sum of Squares and</td>
<td>1.889</td>
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<td>Covariance</td>
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<td>30</td>
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<tr>
<td>IEI</td>
<td>Pearson Correlation</td>
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</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.001</td>
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<td></td>
<td>Cross-products</td>
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<td>Covariance</td>
<td>.030</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>30</td>
</tr>
</tbody>
</table>

**.** Correlation is significant at the 0.01 level (2-tailed).

**Statistical Interpretation:**

The correlation is undertaken between the respondents. It was hypothesized that a relationship
between emotional intelligence and leadership style. The above result shows that, there exists a significant relationship between Emotional Intelligence and Leadership Style (r=.594).

**H1**: Holds True

**H2**: There is a significant impact of Emotional Intelligence on Leadership Style.

**Regression**

<table>
<thead>
<tr>
<th>Model</th>
<th>Variables Entered</th>
<th>Variables Removed</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>IEI(^b)</td>
<td></td>
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</tr>
</tbody>
</table>

a. Dependent Variable: LSA

b. All requested variables entered.

**Model Summary\(^b\)**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
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<tbody>
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<td>1</td>
<td>.594(^a)</td>
<td>.353</td>
<td>.330</td>
<td>.20895</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), IEI

b. Dependent Variable: LSA

**ANOVA\(^a\)**

<table>
<thead>
<tr>
<th>Model</th>
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<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>.666</td>
<td>1</td>
<td>.666</td>
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<tr>
<td></td>
<td>Residual</td>
<td>1.222</td>
<td>28</td>
<td>.044</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1.889</td>
<td>29</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: LSA

b. Predictors: (Constant), IEI

**Coefficients\(^a\)**
### Statistical Interpretation:

The $\beta$ values indicate the relative influence of the entered variables that is impact of emotional intelligence has the greatest influence on Leadership Style ($\beta = .594$) & The ($p = .001 < 0.05$) hence this proven a significant impact of Emotional Intelligence on Leadership Style.

### VII. DISCUSSION

**Based on the Findings of Descriptive Research, The researcher has interpreted the following,**

- Respondents are practicing Delegative Leadership Style.
- Academic Heads involve their subordinates in the decision making process. Everyone is with treated with consideration.
- Respondents promote friendly & co-operative climate within the organization.
- Respondents are able to mentor, give timely coaching, offer assignments that’s challenges and grow a person’s skills.
- Respondents are able to recognise the emotions and pattern of behavior impacting others.

### VIII. CONCLUSION

From the study, it can be concluded that the study imply that emotional intelligence have direct impact on Leadership Style. This research study revealed that Emotional Intelligence contributes openly by the means of self-awareness, self-management, self-motivation, empathy and social skills. The results of the present study show that there is a significant relationship between emotional intelligence and Leadership Style in higher educational institutions of Pune.

Emotional intelligence contributes to constructive thinking that facilitates problem solving also facilitate the generation of creative ideas for solving conflicts and disagreements; it can also ensure cooperation and trust within the institution.
When leaders know and control their emotions, they are better able to address the problems in a more flexible way to consider alternative scenarios and to avoid the effects of rigidity in decision making. Academic Heads can inoculate their employees a note of enthusiasm, excitement and optimism, and an atmosphere of cooperation, through which they may subsequently develop positive interpersonal relationships with them.

**IX. SCOPE FOR FURTHER RESEARCH**

**Government Sector**
Employee working in government sector also required coaching on emotional intelligence to enhance their capacity for emotional intelligence competencies so as to carry out various jobs effectively and efficiently.

**Political Leader**
Political leaders are suppose to deal with multiple influences that is expections of public, party members & also to face criticism, negativity from opposition parties.

**Health Care**
Physicians with high emotional intelligence competencies create better relationships with their patients. Emotional intelligence enhances the physicians ability to understand the need of the patients in healing them.

**Corporates**
Corporate Leaders, Industrialists and people working in corporate sector directly deal with people all day everyday, emotional intelligence helps in satisfying and retaining customers & employee.

**Sports**
The ability to control emotions and create peak performance highly depends upon the emotional intelligence of performer.

**REFERENCES**


EMPOWERING WOMEN ENTREPRENEURS: A UNIQUE INITIATIVE BY
THE GOVERNMENT OF MAHARASHTRA

Prof. Devangi R Deore
Associate Prof., K. R. Sapkal College of Management Studies

ABSTRACT
Although over the last few decades, India has witnessed a noteworthy rise in the number of women entrepreneurs in business yet the entrepreneurial world in the country is still dominated by men. There is ample evidence to suggest that besides cultural constraints, the access to formal sources of credit is one of the major factors stifling the growth of women entrepreneurship in India. While banks do not deliberately exclude women, there is something lacking in the system. Even the urban women with a zeal for entrepreneurship are not able to achieve their goals due to absence of required finances. It therefore becomes imperative that any vision of India's financial system in the coming years takes this financial gap as a matter of concern. Developing and monitoring focused financial services designed in accordance with the needs of women entrepreneurs and making them aware of such services through literacy programs not only meets the objective of financial inclusion but also adds to the overall socio-economic development of the country. This paper throws light on a women – centric industrial policy launched by the Government of Maharashtra in December 2017 which is one of the first such progressive move by any state.

Key words: Women Entrepreneurs, state policy for women entrepreneurs

Background
Many women in India have attained prominent or leadership positions, rising to the highest echelons in every walk of life as entrepreneurs, industrialists, civil servants, police officers, airline pilots, scientists, engineers. Yet women must overcome additional barriers to have equitable access to the labour market, to access control over economic resources and entrepreneurial opportunities. The Entrepreneurship Development Process for Women in India is increasingly being recognized as an important untapped source of economic growth since women entrepreneurs create new employment opportunities and avenues for women’s economic independence.

Women entrepreneurship in India : A Fact sheet
The Micro, Small and Medium Enterprises (MSME) sector in particular, which plays a central role in the economic and social development of the country and is described as an “engine of growth” is attracting increasing policy attention. According to the MSME Annual Report 2011-12, the MSMEs account for 45 per cent of India’s manufacturing output and 40 per cent of India’s total export. From a gender perspective, the MSME sector is also gaining prominence as in the broad context of
economic downturn; one cannot afford to overlook women’s contributions and the potential and challenges they face at different stages of the process. Despite scarce sex-disaggregated data on women’s participation in the MSME sector, it is recognized that a huge number of women in India are engaged in the MSME sector, the majority of them in the unorganized sector. In the area of women’s entrepreneurship, and although government policies and promotion strategies have been giving new opportunities to women, few have come forward. According to the same MSME Annual Report 2011-12, only 13.72 per cent of enterprises in the registered MSME sector were enterprises managed by women, representing about 2.15 lakh (or 215,000 enterprises across the country). It is primarily since the last two decades that attempts to design programmes to promote women entrepreneurs as a part of national development plans have begun to be taken notice of by women.

Although data on women labour force, literacy, health aspects etc., are being generated regularly though regular Censuses and Surveys but data on women entrepreneurship at national level is rather scanty. Therefore, during Sixth Economic Census, questions related to women entrepreneurship in proprietary ownership were added. IAs per the All India Report of the Sixth Economic census published in 2016 by Central Statistics Office, Govt. of India, The total number of establishments owned by women entrepreneurs was 8,050,819 out of which 5,243,044 constituting about 65.12 % of the total establishments were located in rural areas and the remaining 2,807,775 (34.88%) were located in urban areas.

The details of five top states in terms of percentage share in total number of women owned establishments in the country are: i) Tamil Nadu (13.51%) ii) Kerala (11.35%), iii) Andhra Pradesh (10.56%), iv) West Bengal (10.33%) and v) Maharashtra (8.25 %). The number of women establishments involved in agricultural activities was 2,761,767 constituting 34.3 % of the total number of establishments owned by women.

Almost 79% of the women establishments were self-financed. The second important source i.e. donation or transfer from other agencies contributed 14.65%. The next important sources were Assistance from Government and Borrowing from financial institutions with contributions of 3.4% and 1.1 % respectively.

Though financial inclusion has been a major policy objective of India's financial system since 2004 and number of financial institutions provide support to women entrepreneurs for their innovative and imaginative scheme of activities aimed at skill development, yet according to FICCI estimate, only 26 per cent women in India have a bank account and credit issued to women accounts for only 7.3 per cent of the total credit in the Indian financial system. These miniscule numbers suggest a
crying need for a further push to our financial inclusion agenda. While efforts to enhance MSMEs through priority sector lending targets and Credit Guarantee Schemes have been undertaken; women entrepreneurs get excluded from mainstream financing efforts. They are often referred to as the ‘missing middle’. These sets of women enterprises have financial needs that are greater than a SHG, but are not profitable enough for a commercial banker. While banks do not deliberately exclude women, something in the system is not working. A Goldman Sachs Global Investment Research Report that looked at loan rejection rates for small and medium enterprises (SMEs) fund that rejection rates for women-owned SME's in India were almost double than those owned by men. It is a much higher rate than other countries in the world, so something; somewhere isn't working and needs to be fixed. India has a huge pool of human resource in the form of non-working women which can contribute to economic growth if capital is arranged and hand-holding for starting a business is done. Banks can definitely ensure the first one and contribute substantially to the second one. Financial Inclusion has the potential to bring in many unbanked poor women into the formal banking system, channelize their savings, and stoke their entrepreneurial ambitions by making them available adequate credit thereby giving a fillip to the economy. While it is true that banks cannot survive by pursuing only the agenda of inclusion and need to target the right group to be commercially viable, but India's experience in the field of micro finance clearly indicates that women entrepreneurs is the right group for the banks to target. Results of a study using a global dataset covering 350 micro finance institutions (MFIs) in 70 countries including India indicate that more women clients is associated with lower portfolio-at-risk, lower write-offs, and lower credit-loss provisions, citrus paribus. Hence, it is rightly said by the Managing Director, World Bank that “Investing in women entrepreneurs is smart economics”.

With this background, The Maharashtra government, in what it claims is the first such progressive move by any state, plans to launch a separate industries policy to encourage women entrepreneurs. The state industries department has almost finalized the draft policy, which will be tabled before the state cabinet shortly. This paper aims to throw light on the new policy and analyze why the state government was driven to launch a women-centric policy.

**Review of literature**

In the Indian context, a study by Charumathi (1991) established that banks and financial institutions historically viewed women entrepreneurship as more doubtful prepositions than men entrepreneurship.
Pal (1997) in a study on women entrepreneurship and financial sector in India found that the lack of affordable credit from the formal financial sector was the most critical constraint for women entrepreneurship. It showed that women faced obstacles even to open a bank account to increase their saving which might help them to finance their own expansion or to provide security for a future loan.

Similarly, a study by Kaur and Bawa (1992) based on primary data, showed that 54 per cent of women entrepreneurs had started their business with their own personal savings and some financial assistance from their spouse, 23 per cent received finances from their parents, 13 per cent from relatives and friends and only 10 per cent from government agency and nationalized banks.

Rao, K (2004) conducted a primary survey in Rajkot of 25 entrepreneurs from lower middle class showed that most of the women entrepreneurs in all groups had arranged their own funds, borrowing from friends or relatives but did not approach any financial institution.

A study by Vatharkar (2012) examined the problems faced by women entrepreneurs in Pune district at various levels in their journey as entrepreneurs. The study found that women entrepreneurs faced various problems at start-up and operating stage such as role conflict, lack of motivation, lack of finance, discriminating treatment, understanding government rules and regulations.

Similarly, a research study based on primary data by Dr. D.D.Arora & Subhash Chandra (2013) tried to examine the financial obstacles faced by women entrepreneurs during start-up stage and running up of their enterprise. A survey of 189 enterprises from urban and rural areas of three divisions, (Ambala, Rohtak, and Gurgaon) of Haryana State was conducted. The results of the study showed that 39.2 percent of sample women entrepreneurs faced the problem in obtaining start-up capital and accepted it as a major obstacle. Activity wise this problem is felt more in manufacturing and trading sectors. While many women entrepreneurs felt that financial institutions showed reluctance in granting credit facilities to them, inadequate dissemination of information about financial schemes for women entrepreneurs was also a major problem. According to the study, support for starting an enterprise came essentially from informal sources, with a very small proportion of women getting help from Government schemes and programmes. Governments all over the world today are promoting the agenda of inclusive growth by announcing various policies and programmes aimed at left out sections particularly women. There are studies which show that in many third world countries women entrepreneurial activities are getting a great flip by various flagship schemes and programmes sponsored by World Bank and International Financial
Institutions. In the Indian context, there are some studies which show encouraging trends in the area of institutional credit for women enterprises.

A research study by Bindiya (2001) undertaken on “Women and Agriculture” found that the government was promoting women entrepreneurship by providing financial assistance in the form of term loans, interest, subsidy, unsecured loans and concession in the form of subsidies in the capital, self employment loan etc. It found that the Regional Rural Banks are playing an important role in empowerment of rural women through various credit schemes for entrepreneurship development.

A study by Mohanty (2004) revealed that various self-employment and income generating schemes such as IRDP, SEEUY, PMRY, SSI, KVI and DWCRA implemented in Orissa have made significant contribution towards economic empowerment and self-employment of women and development of women entrepreneurship.

**Industrial policy for Women Entrepreneurs: A special Policy by the Government of Maharashtra**

In a bid to boost the investment in Maharashtra, the state government came up with a new policy for women empowerment. The State cabinet gave a nod to bring a special policy for the women entrepreneurs in December, 2017.

The Maharashtra will be the first state in the country which will have a separate policy for women entrepreneurs. The purpose behind this policy is to avail benefit of the industrial friendly atmosphere to women entrepreneurs.

The policy is aimed at creating more women entrepreneurs. While Maharashtra is India’s most industrialized state, it has a poor women participation rate of 9 per cent in the MSME sector. The corresponding national average is around 13.8 per cent.

The policy will also ensure the promotion of the entrepreneurs in the state as well as provide new opportunity to them. According to an official of the industries department, the participation of the women entrepreneurs will be increased from nine percent to 20 percent through new policy.

Similarly, 15,000 to 20,000 women entrepreneurs will invest 2,000 crores in next five years which would create new one lakh employments in the state. The Cabinet has approved Rs 15.21 crore for the current fiscal year to implement the special policy. The provision for Rs 648.11 crore will be made for next five years.
According to the policy, a woman entrepreneur is one who finances 100% of a project and hires at least 50% women employees. The definition has been made clear to restrict unscrupulous persons from taking advantage of it.

The policy further states that a woman entrepreneur would get a financial assistance from Rs 15 lakh up to Rs 1 crore in proportion of 15 per cent to 35 per cent of the capital investment of the project at a subsidized rate of interest of upto 5 per cent. The disbursement of the loan period will be in 5 years with same amount or installment, once the actual production from the industrial unit get starts.

At the same time, the projects will get electricity at subsidized rate of Rs 1-2 per unit instead of Rs 7-8 per unit charges for industries.

The policy states that a few stalls or some areas in malls, commercial complexes or market yards will be kept reserved only for women.

Also, land will be reserved for women industrialists in Maharashtra Industrial Development Corporation (MIDC) area across the state.

As per the policy, to make a market for women entrepreneurs, spaces will be kept reserved to display the products in various public places, malls, railway stations, bus stations, airports, movie theatres, foot over bridges, sub-way or commercial complexes.

For existing women-run enterprises, the fresh perks would come in addition to those already offered under the universal package of incentives. But with the state’s finance managers cautioning about
the possibility of other entrepreneurs misusing the policy for added benefits, the government has decided to limit the new perks only to units or businesses exclusively established and run by women. There is another mandatory clause that 50 per cent of the employees in such units must be women for availing the benefits.

In line with the government’s overall industrial policy, the policy for women also aims at giving a push to investments in industrially backward belts. Women setting up enterprises in Naxal-infested districts in Vidarbha would be entitled to a capital grant equal to 35 per cent of the unit’s capital cost, or up to Rs 1 crore. Those setting up units in other backward districts in Marathwada and Vidarbha will be offered a 25 per cent capital grant, or up to Rs 50 lakh. While no incentives are offered for units in developed industrial belts such as the Mumbai Metropolitan Region and Pune, the state has made an exception for women enterprises, who would be entitled to 15 per cent capital grant or Rs 20 lakh. While units already availing benefits under various central, state, and PSU-run schemes would also be eligible for the benefit, the government has capped the overall capital grant that could be availed to 50 per cent.

The government has further said it would bear 50 per cent of the cost these enterprises spend on their share of the employees provident fund and similar labour welfare initiatives. Financial assistance of up to Rs 1 crore will be offered for branding initiatives over these five years, while grants up to Rs 10 lakh would be provided towards cost of participating in various exhibitions to promote products.

The government has also designed an incentive scheme for promoting women-run incubation centres, while proposing a dedicated skill development institute for women. It has said it would offer up to 90 per cent grants for industrial clusters catering exclusively to women-run enterprises. Besides, the Women and Child Development department will set up a venture capital of Rs 50 crore for financing women entrepreneurs.

Conclusion

In order to encourage the spirit of women entrepreneurs and help the gender benefit from the state’s business ecosystem, the Government of Maharashtra has announced this special policy. It is first state government in India to announce an exclusive policy for women-led businesses. However, despite many schemes and programmes initiated by banks and government institutions for women entrepreneurs the financial help has reached few. There is a wide gap between policies and implementation. In practice the schemes are only providing minor concessions to women and the terms and conditions for availing the benefits are rigid. Experience in the microfinance sector
confirms women’s strong repayment records as women-owned SME portfolios have lower Non-Performing Loans than those of men-owned SMEs.

Each market is unique and women entrepreneurs’ demands are not general but specific, hence they need customized solutions. This unique initiative by the Government of Maharashtra is the right step in having an inclusive development in the state.

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ROLE OF START-UPS IN ECONOMIC UPLIFTMENT OF THE SOCIETY: A STUDY OF INDUSTRIAL BACKGROUND OF PARBHANI DISTRICT (MAHARASHTRA)

Dr. Vijaykumar Wawle
Associate Professor in Economics
Gokhale Education Society’s HPT Arts and RYK Science College, Nashik
(S.P. Pune University, Pune)

ABSTRACT
This research paper has focused on the start-ups in economic development evolution of Parbhani industry, industrial sector at a glance of Parbhani district, existing status of industrial areas in the district Parbhani, year wise trend of units registered, details of existing micro & small enterprises and artisan units in the district, medium/large scale industries and potentials areas for service industry.

INTRODUCTION
Parbhani, earlier also known as “Prabhavatnagar”, is one of the eight districts in the Marathwada region of Maharashtra State. The entire Marathwada region was a part of the erstwhile Nizam State, which became a part of the present Maharashtra state since 1960. It is bounded on the north by Hingoli district, on the east by Nanded district, on the South by Latur and on the West by Beed and Jalna districts. Parbhani district covers an area of about 6250.58 sq. kms. The district is divided into 9 administrative sub-units (tehils) - Parbhani, Gangakhed, Sonpeth, Pathri, Manwath, Palam, Selu, Jintur, and Purna. The hills on the northeast form part of the Ajanta Hill ranges which passes through Jintur Tehsil. The hills on the southern side are the Balaghat Hill ranges. The district is at an average height of 357 m from the mean sea level.

The Ministry of Minority Affairs (GOI) has identified 90 minority concentrated backward districts using eight indicators of socio-economic development and amenities based on the 2011 Census data. The aim of this exercise is to improve all these indicators and bring it to the all India level, through a Multi-Sector Development Plan (MSDP) under the Twelfth Five Year Plan. Since it is expected that there would be changes in these indicators after 2011; a baseline survey has been conducted to formulate the multi-sectoral development plan with the latest deficits and priorities. Parbhani is one of the minority-concentrated districts of India.
District Industries Centre is responsible for promoting industrial development and employment generation through Industries. Besides DIC, Other agencies like Br.MSME- DI, Aurangabad, NSIC Aurangabad, MIDC, MSSIDC, KVIB, MCED, and MITCON are working hand in hand for the development of this District. The State, from time to time implementing industrial policies with objective of creating a level - playing field for free and fair competition & robust industrial growth across the region. Special emphasis has been laid on the development of adequate & quality infrastructure in districts. Development of industrial corridors, Textile parks, Food Parks and Cluster development in near future will create excellent infrastructure and investment opportunities in the district which in future may help flourishing economy

**Findings and Result Discussion**

**Existing Status of Industrial Areas in the District Parbhani**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of Indl. Area</th>
<th>Land Acquired (In hectare)</th>
<th>Land developed (In hectare)</th>
<th>Prevaling Rate per Sqm</th>
<th>No of Plots</th>
<th>No of Allotted Plots</th>
<th>No of Vacant Plots</th>
<th>No of units in production</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Parbhani</td>
<td>95.74</td>
<td>95.74</td>
<td>185</td>
<td>174</td>
<td>171</td>
<td>03</td>
<td>133</td>
</tr>
<tr>
<td>2</td>
<td>Jintur</td>
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<td>89.44</td>
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<td>168</td>
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<tr>
<td>3</td>
<td>Gangakhed</td>
<td>15.37</td>
<td>15.37</td>
<td>30</td>
<td>38</td>
<td>29</td>
<td>09</td>
<td>14</td>
</tr>
</tbody>
</table>

**Source -Institute Industrial Profile of MSME-Development Parbhani District Report 2016**

Above table shows that Parbhani district has 169 units in production in industrial area. In this area it has 410 plots. 321 plots are allotted and 89 plots are vacant. It means most of the plots are allotted but vacant plots are essential to use for production.
Industries at a Glance
Table No. 1.2

<table>
<thead>
<tr>
<th>Sr</th>
<th>Head</th>
<th>Unit</th>
<th>Particulars</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Registered Industrial Unit</td>
<td>No</td>
<td>814</td>
</tr>
<tr>
<td>2</td>
<td>Total Industrial Unit</td>
<td>No</td>
<td>814</td>
</tr>
<tr>
<td>3</td>
<td>Registered Medium &amp; Large Units</td>
<td>No</td>
<td>07</td>
</tr>
<tr>
<td>4</td>
<td>Estimated Avg. No. of Daily Worker Employed in</td>
<td>No</td>
<td>10133</td>
</tr>
<tr>
<td>5</td>
<td>Employment in Large &amp; Medium Industries</td>
<td>No</td>
<td>2139</td>
</tr>
<tr>
<td>6</td>
<td>No. of Industrial Area</td>
<td>No</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>Turnover of Small Scale Industries</td>
<td>No</td>
<td>57229</td>
</tr>
<tr>
<td>8</td>
<td>Turnover of Medium &amp; Large Scale Industries</td>
<td>In lacs</td>
<td>Not available</td>
</tr>
</tbody>
</table>

Source -Institute Industrial Profile of MSME-Development Parbhani District Report 2016

The table reveals that 07 medium and large units are registered and total 814 industrial units are registered. Only 2139 workers are working in Employment in Large & Medium Industries. It means in Parbhani district very few people are engaged in industrial sector that is the indicator of backwardness.

Year wise Trend of Units Registered
Table No. 1.3

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Registered</th>
<th>Employment</th>
<th>Invests (Rs. In lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>15</td>
<td>453</td>
<td>163.90</td>
</tr>
<tr>
<td>2000-2001</td>
<td>07</td>
<td>73</td>
<td>30.88</td>
</tr>
<tr>
<td>2001-2002</td>
<td>38</td>
<td>374</td>
<td>383.69</td>
</tr>
<tr>
<td>2002-2003</td>
<td>16</td>
<td>100</td>
<td>64.76</td>
</tr>
<tr>
<td>2003-2004</td>
<td>34</td>
<td>224</td>
<td>151.44</td>
</tr>
<tr>
<td>2004-2005</td>
<td>24</td>
<td>315</td>
<td>277.16</td>
</tr>
<tr>
<td>2005-2006</td>
<td>32</td>
<td>290</td>
<td>283.24</td>
</tr>
<tr>
<td>2006-2007</td>
<td>35</td>
<td>489</td>
<td>2695</td>
</tr>
<tr>
<td>2007-2008</td>
<td>50</td>
<td>558</td>
<td>3850</td>
</tr>
<tr>
<td>2008-2009</td>
<td>58</td>
<td>538</td>
<td>4466</td>
</tr>
<tr>
<td>2009-2010</td>
<td>34</td>
<td>500</td>
<td>2618</td>
</tr>
<tr>
<td>2010-2011</td>
<td>45</td>
<td>528</td>
<td>6465</td>
</tr>
<tr>
<td>2015-2016</td>
<td>58</td>
<td>573</td>
<td>4486</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>446</strong></td>
<td><strong>5014</strong></td>
<td><strong>25935.07</strong></td>
</tr>
</tbody>
</table>

Source -Institute Industrial Profile of MSME-Development Parbhani District Report 2016

The table reveals that 1999 -2016 in these twelve years only 446 units are registered. Only 5014 workers have achieved employment opportunities in industries. It means in study area very few people are engaged in industrial sector these twelve years.
Details of Existing Micro & Small Enterprises And Artisan Units In the District

Table No. 1.4

<table>
<thead>
<tr>
<th>NIC Code</th>
<th>Type of Industry</th>
<th>Number of</th>
<th>Investment (Rs. Lakh)</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Agro based</td>
<td>183</td>
<td>3624</td>
<td>1600</td>
</tr>
<tr>
<td>22</td>
<td>Soda Water</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>23</td>
<td>Cotton Textile</td>
<td>32</td>
<td>2060</td>
<td>637</td>
</tr>
<tr>
<td>24</td>
<td>Woolen, Silk &amp; Artificial Thread</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>25</td>
<td>Jute &amp; Jute based</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>26</td>
<td>Readymade Garments &amp;</td>
<td>4</td>
<td>21</td>
<td>34</td>
</tr>
<tr>
<td>27</td>
<td>Wood/ Wooden based Furniture</td>
<td>9</td>
<td>205</td>
<td>171</td>
</tr>
<tr>
<td>28</td>
<td>Paper &amp; Paper Products</td>
<td>5</td>
<td>49</td>
<td>51</td>
</tr>
<tr>
<td>29</td>
<td>Leather Based</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>30</td>
<td>Rubber Plastic &amp; petro based</td>
<td>16</td>
<td>698</td>
<td>196</td>
</tr>
<tr>
<td>31</td>
<td>Chemical/ Chemical based</td>
<td>19</td>
<td>118</td>
<td>113</td>
</tr>
<tr>
<td>32</td>
<td>Mineral Based</td>
<td>7</td>
<td>149</td>
<td>76</td>
</tr>
<tr>
<td>33</td>
<td>Metal Based (Steel Fab)</td>
<td>102</td>
<td>1580</td>
<td>774</td>
</tr>
<tr>
<td>35</td>
<td>Engineering Units</td>
<td>4</td>
<td>27</td>
<td>41</td>
</tr>
<tr>
<td>36</td>
<td>Electrical Machinery and</td>
<td>39</td>
<td>454</td>
<td>217</td>
</tr>
<tr>
<td>38</td>
<td>Repairing &amp; Servicing</td>
<td>5</td>
<td>32</td>
<td>44</td>
</tr>
<tr>
<td>39</td>
<td>Others</td>
<td>389</td>
<td>5870</td>
<td>6179</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>814</strong></td>
<td><strong>14887</strong></td>
<td><strong>10133</strong></td>
</tr>
</tbody>
</table>

Source - Institute Industrial Profile of MSME-Development Parbhani District Report 2016

The table reveals that 183 units are in agro base industries and 1600 workers are engaged in agro base industries. It clears that in study area large numbers of people are engaged in agro base industries.

Medium/Large Scale Industries

Table No. 1.5

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Name of the Unit</th>
<th>Location of the Unit</th>
<th>Product</th>
<th>Investment (Rs.)</th>
<th>Employment (Nos.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ratnaprabha Sugar Ltd., Devendra Tal</td>
<td></td>
<td>Sugar</td>
<td>27.08</td>
<td>534</td>
</tr>
<tr>
<td>2.</td>
<td>Narshinha SSK Ltd., Lohagaon</td>
<td></td>
<td>Sugar</td>
<td>42.11</td>
<td>482</td>
</tr>
<tr>
<td>3.</td>
<td>Dr. Babasaheb</td>
<td>Pethshivani</td>
<td>Cotto</td>
<td>29.05</td>
<td>128</td>
</tr>
</tbody>
</table>
4. Yogeshwari Sugar Mill | Laxmi Zagar, Limb, | Sugar | 21.54 | 454
5. Etc Spinnners Pvt.Ltd., | B-2, MIIDC, | Cotton yarn | 27.34 | 315
6. Gangakhed Sugar Energy | Gangakhed Parbhani | Sugar | 170.75 | 190
7. Marathwada State Cotton Co- on Growers | Kundi, Tal Sail | Pressing unit | 5.73 | 36

**Source -Institute Industrial Profile of MSME-Development**
**Parbhani District Report 2016**

### Potentials areas for service industry

<table>
<thead>
<tr>
<th>No.</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tours and travel booking</td>
</tr>
<tr>
<td>2</td>
<td>Interior decorations/Carpentry services</td>
</tr>
<tr>
<td>3</td>
<td>Fabricators</td>
</tr>
<tr>
<td>4</td>
<td>Agricultural implements</td>
</tr>
<tr>
<td>5</td>
<td>Mobile repairing</td>
</tr>
<tr>
<td>6</td>
<td>Beauty parlors</td>
</tr>
<tr>
<td>7</td>
<td>Functions halls/event management/catering services</td>
</tr>
<tr>
<td>8</td>
<td>Automobile repairing/servicing units.</td>
</tr>
<tr>
<td>9</td>
<td>Hotel &amp; Restaurant</td>
</tr>
<tr>
<td>10</td>
<td>ISD/STD Booths/Internet cafe.</td>
</tr>
<tr>
<td>11</td>
<td>Laundry &amp; Dry cleaning</td>
</tr>
<tr>
<td>12</td>
<td>Multi Channel cable TV with Dish Antenna</td>
</tr>
<tr>
<td>13</td>
<td>Repairing &amp; Servicing of TV / Fridge / A. C. etc.</td>
</tr>
<tr>
<td>14</td>
<td>Servicing of agriculture farm equipment e.g. Tractor, Pump, Rig Boring machines, etc.</td>
</tr>
<tr>
<td>15</td>
<td>Tailoring/ fashion designing</td>
</tr>
<tr>
<td>16</td>
<td>Xerox, Fax, Typing Cyber Café etc.</td>
</tr>
<tr>
<td>Sr. No.</td>
<td>District</td>
</tr>
<tr>
<td>--------</td>
<td>------------</td>
</tr>
<tr>
<td>1</td>
<td>Parbhani</td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Institute Industrial Profile of MSME-Development

**Parbhani District Report 2011-12**
Conclusions:-

1. Parbhani district has 169 units in production in industrial area. In this area it has 410 plots. 321 plots are allotted and 89 plots are vacant. It means most of the plots are allotted but vacant plots are essential to use for production.

2. 07 medium and large units are registered and total 814 industrial units are registered. Only 2139 workers are working in Employment in Large & Medium Industries. It means in Parbhani district very few people are engaged in industrial sector that is the indicator of backwardness.

3. 1999 -2012 in these twelve years only 446 units are registered. Only 5014 workers have achieved employment opportunities in industries. It means in study area very few people are engaged in industrial sector these twelve years.

4. 183 units are in agro base industries and 1600 workers are engaged in agro base industries. It clears that in study area large numbers of people are engaged in agro base industries.

5. Lack of awareness of Govt. Schemes pertaining to NMCP schemes.

6. There is no mega project at present working in the district.

7. No major exportable items being manufactured in the district.

8. Prominent Industrial Sectors in Parbhani District Maximum growth trend is recorded in the field of agro based units Cotton pressing, ginning and Oil mills.

9. In an around Parbhani district Oil mill/Ginning mill, cotton seed oil mills are working as the cotton is produced more in the region. There is a possibility of developing vendors to supply the various items related to Oil mills/Ginning and cotton seed oil mills in the district.

10. Maximum No. of units are engaged in repairs and maintenance of Oil mill/Dal mills, Automobile (Garages for two, three & four wheelers, Tractors etc.) domestics Electricals and Electronics appliances. Rewinding of Elect. Motor & Pumps.

11. Agriculture, forestry and fishing are the dominant activities wherein 76.46 per cent of the people are engaged. More than one-tenth of people are engaged in construction related activities. A very small proportion of the people are engaged in manufacturing, trade, hotel and restaurants, mining and quarrying, transport and communication, finance, real estate and business, and public administration, education, health and other sectors.

Recommendations

1. They need loan at the lower rate of interest and easy credit flow. Financial sector and government should be provide loan to them in low rate of interest.
2. Government should be given lower income tax rates for MSMEs. 10% lower side when compared with the corporate sector.

3. High concentration of population in the child and youthful age groups, calls for rigorous educational and manpower planning and opening of more technical and vocational institutions as well as creation of more and more self-employment opportunities in agro and horticulture-based and tourism sector given the stagnant public sector and shrinking private industrial sector due to recession.

4. The educational attainment, particularly among youth and that too among females, is modest and needs improvement. Poor educational attainment hampers their future labour market prospects. Thus, there is an urgent need to increase the participation of population, particularly youth, in higher and technical education. This would also require imparting short duration job oriented courses in technical institutions to the rural youth, besides providing free-ships and scholarships to needy youth from disadvantaged groups and minorities.

5. The government scheme of MSME needs to be implemented in a big way so that these poor may have an opportunity to get assured employment of 100 man-days per household per annum. Besides, the self-employment scheme of needs to be implemented more in the district, so that the poor s may earn a sustainable living, besides it may also empower them economically.

6. The lower proportion of the workers engaged in modern sector of employment is mainly due to lack of infrastructure for industrial development. A large proportion of the population of the district is driving their livelihoods from agriculture and allied activities, which is responsible for their poverty and deprivation. There is lack of required trained and skilled manpower in the district, which needs to be attended on priority by opening more industrial training institutes and other technical institutes, which could facilitate local trained and skilled manpower in getting employment in industrial sector.

References

1. Census- 2011
2. Statistical survey of Parbhani district
THE IMPACT OF CREDIT RISK ON RETURN IN NATIONAL BANK OF YEMEN

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&
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**Associate Professor, J. E. S. College, Jalna.

ABSTRACT

The objective of this study is to know the impact of credit risk on a return of National Bank of Yemen. Banks face a range of risks that affect their profitability in achieving the return. The Bank's management is therefore focused on identifying, measuring, monitoring and responding to the risks, which they are exposed to reduce their impact on profitability. The results of the study were obtained through the financial analysis of the return and credit risk expressed by the classified loans and provision for doubtful debts. The study concluded that there is a direct correlation between return and credit risk. We find that the return increased in the National Bank of Yemen, which led to higher risks. Based on the findings, the study gives some recommendations to achieve the return with the lowest risk. A number of recommendations were suggested, such as the use of financial analysis indicators to predict early potential customers' failure and also to analyze the credit risk objectively through credit management to constantly reassess the collateral and follow up Loans to ensure that they are linked to the purpose for which they were granted. The composition of an independent committee with a high degree of efficiency to track bad debts. To Separate the Bank's activities from each other in terms of return to know the size of the return realized for each type of activities and to meet the return of the risks faced by this activity and to ensure that the size of the return commensurate with the degree of risk. To increase the ratio of loans granted to priority projects that serve the economic development and not to focus credit in treasury bills because diversification in credit also provides security in relation to the process of depositing and withdrawing funds.

INTRODUCTION

Banks play an important role in financing economic and social development plans as a key and important tool for pooling and mobilizing savings and channeling them towards investment projects to drive economic progress forward. Credit facilities are the main focus of this financing for various economic activities. Bank credit is one of the riskiest operations, especially in the contemporary world. These risks have grown and changed in light of the developments in banking, the growing use of new financial instruments that have helped to create huge technological advances. Today,
banks are facing the challenges of competition, which have become global in nature and have resulted from a host of changes on the international scene. Such as the liberalization of international trade in financial services, the full trend towards information technology and the trend towards a market economy. Where the economic soundness and effectiveness of a country's monetary policy depends on the integrity of the financial system and specifically the integrity of the banking sector. The primary objective of the banks originated to employ their financial resources efficiently in order to achieve high profits to cover all operational and administrative costs as well as the consequent benefits that must be paid to depositors and shareholders. This financing must be carefully considered so that it does not result in a risk of any loss to the Bank. The developments of the banking sector significantly and competition in the provision of banking increased the risk of credit and impact on return. Hence the importance of studying and monitoring the level of banking risks and finding processes to hedge and control the negative effects. This is what the researcher will try to study the results of the analysis financial ratios of the financial statements of the National Bank of Yemen.

1. Statement of the Problem:
   Traditional banks face many risks that limit their ability to perform their banking mission in achieving economic development. These risks also pose a major obstacle for conventional banks to earn profits with minimal risk. Hence the problem of research can be formulated in the following questions:
   - What are the credit risks in conventional banks?
   - What is the impact of credit risk on the return of the National Bank of Yemen?

2. Objectives of the study:
   - To highlighting the returns of Yemeni banks and their impact on the risks inherent in them.
   - To avoid the risks associated with the use of funds in commercial banks to increase the return.
   - To study of the impact of the return on credit risk at the National Bank.
   - To know credit risk and develop appropriate solutions to reduce these risks.

3. Society and Study Sample:
   The study consists of all commercial banks operating in the Republic of Yemen
   **The study sample:** National Bank of Yemen
   It was founded in 1969, and the bank is (100%) owned by the government. It operates in 28 branches and the headquartered is in Aden.
4. Risk in Banking

Defines risk in banks as a potential loss that may occur due to some antagonistic events such as economic downturns, adverse changes in fiscal and trade policy, unfavorable movements in interest rates or foreign exchange rates, or declining equity prices.(Ghosh .2012). Interpret risk in banking as undesirable impacts on returns due to various distinct sources of uncertainties. Moreover, both have incorporated the limitation that the banking risks depend on the real world situations, also mainly comprising of amalgamation of situations in the external environment.(Bessis & Schroek 2002)

Finally, the term risk in banking can be summarised by keeping in view all the above definitions as a probability of any event or threat which has the potential to disturb the core earnings capacity of a bank, or to increase the volatility of earnings and cash flows caused by external or internal exposures. Bank risks can be divided into financial risks, operational risks and other risks that will focus on credit risk.

Credit risk

There is no loan or credit facility without risk and the collateral provided the risk that associated with loans. Banks should always be cautious that a debtor can not meet its obligation such as (risk of a debtor defaulting on its contractual obligations with the bank, credit concentration risk or failure of the bank to determine asset quality). The consequent lack of sufficient provisions to avoid exposure of depositor funds to unforeseen losses. Credit risk includes items within the balance sheet such as loans and advances to customers, other banks, bonds and off-balance sheet items (letters of guarantee, documentary credits, and others) (Bou abdali, 2001).

Definition of Credit Risk

This risk is one of the most premier and the most important types of banking risk (Colquitt, 2007). Credit risk refers to the likelihood in which a contractual counterparty does not meet its obligations due to decline in repay ability or unwillingness to comply with the contract (Ammann, 2001). Therefore, credit risk emerges when a bank is failed to recover the lending money from a borrower, counterparty, or an obligatory (Hempel & Simonson.1999). Credit risk is a threat that the bank may not be able to collect the principal or interest on loans and securities as promised. Generally, loans and advances are the biggest and the most obvious cause of credit risk in the majority of banks (Dhakan, 2006). Banks eliminate the credit risk through effective risk management that contains a comprehensive credit risk analysis based on scanning and monitoring of the most trustworthy loan applications, the degree of collateral, diversification of the loan
portfolio, accurate loan pricing depending upon the borrowers’ repay ability and intentions (Greuning and Bratanovic, 2009).

Analysis of financial statements

Indicators of the development of the activity of the National Bank of Yemen

Table (1) shows the development of the National Bank of Yemen (2008-2015)

<table>
<thead>
<tr>
<th>Item / year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>524.1</td>
<td>519.7</td>
<td>489.7</td>
<td>488.6</td>
<td>593.1</td>
<td>648.6</td>
<td>689.1</td>
<td>826.1</td>
<td></td>
</tr>
<tr>
<td>Asset growth</td>
<td>-</td>
<td></td>
<td>%0.8</td>
<td>%5.8</td>
<td>%0.2</td>
<td>%21.4</td>
<td>%9.4</td>
<td>%6.3</td>
<td>%19.9</td>
</tr>
<tr>
<td>Deposits</td>
<td>439.8</td>
<td>442.7</td>
<td>400.8</td>
<td>403.5</td>
<td>495.9</td>
<td>560.1</td>
<td>603.8</td>
<td>743.3</td>
<td></td>
</tr>
<tr>
<td>Deposits growth</td>
<td>%9.0</td>
<td>%0.6</td>
<td>%9.5</td>
<td>%0.7</td>
<td>%22.9</td>
<td>12.9</td>
<td>%7.8</td>
<td>%23.1</td>
<td>8.4%</td>
</tr>
<tr>
<td>Equity</td>
<td>56</td>
<td>60</td>
<td>67</td>
<td>67</td>
<td>78</td>
<td>74</td>
<td>71</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>Equity growth</td>
<td>-</td>
<td>%6.2</td>
<td>%12.0</td>
<td>%0.2</td>
<td>%17.9</td>
<td>%5.7</td>
<td>%3.8</td>
<td>%6.9</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Source: Compiled From Annual reports, National Bank of Yemen

Evolution of the size of assets:

Table (1) shows that the assets of the National Bank increased from $ 524.1 million in 2008 to $ 826.1 million in 2015. The previous table shows that the growth in assets was negative during the period from 2009 to 2011, and then rise to 19.9% in 2015. It is noticed that the bank's assets have improved significantly during the period 2012-2015, with the average annual growth rate of 7.1% during the study period.

Figure (1) Development of the assets of the National Bank of Yemen. In which it noticed that the rate of growth of assets ratio increased the proportion of assets during the study period, especially during the period 2012-2015 as illustrated in Figure.
Evolution of the size of deposits

The table (1) shows that the deposits of the National Bank increased from $439.8 million in 2008 to $743.3 million in 2015. The previous table shows that deposit growth was low during the period from 2009 to 2011, after which it started to improve during 2012 reaching 22.9%. Then dropped to 7.3% in 2014, and then rise to 23.1% in 2015. It is noticed that the Bank's deposits grew better during the period 2012-2015, with an average annual growth rate of 8.4% during the study period. Figure (2) the growth in the deposits of the National Bank of Yemen, In which it noticed that the rate of growth of deposit ratio to increase the proportion of deposits during the study period, especially during the period from 2012 to 2015 as shown in Figure.

Evolution of the volume of ownership rights

The table (1) shows that the property rights of the National Bank increased from $56 million in 2008 to $66 million in 2015. The previous table shows that the growth of property rights was high during 2009-2010 and then decreased in 2011 and then increased during 2012, Then declined in the last three years.
It is noticed that the bank's property rights decreased during the period 2012-2015, indicating a weak capital to meet risky assets. The average annual growth rate was 2.8% during the study period.

Figure (3) shows the growth in property rights in the National Bank of Yemen, indicating a decrease in the percentage of equity during the period of study, especially during the period 2012-2015 as shown in Figure.

![Figure (3)](image)

Source: Compiled From data of table (1)

5. Bank returns

The main objective of the Bank to maximize the wealth of owners and achieve this objective depends on several factors including the Bank's ability to achieve profits, where the variable will be measured in the following ratios:

**Table (2) shows the ratio of return / total assets of the Bank for the period 2008 - 2015**

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Return</td>
<td>7.7</td>
<td>7.1</td>
<td>11.7</td>
<td>10.3</td>
<td>12.2</td>
<td>0.1</td>
<td>4.2</td>
<td>4.8</td>
</tr>
<tr>
<td>Assets</td>
<td>524</td>
<td>520</td>
<td>490</td>
<td>489</td>
<td>593</td>
<td>649</td>
<td>689</td>
<td>826</td>
</tr>
<tr>
<td>Return / Assets</td>
<td>1.5%</td>
<td>1.4%</td>
<td>2.4%</td>
<td>2.1%</td>
<td>2.1%</td>
<td>0.0%</td>
<td>0.6%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.32%</td>
</tr>
</tbody>
</table>

Source: Compiled From Annual reports, National Bank of Yemen

The table(2) shows that the National Bank's income increased from $ 7.7 million in 2008 to $ 12.2 million in 2012 and then decreased to $ 4.8 million in 2015. The previous table shows that the return on assets was high during the period from 2008 to 2012, and then decreased during the period 2012 to 2015. It is noticed the average annual rate of 1.32% during the study period. As a
result, the Bank's profitability is good during the period 2008-2012 due to the increase in the interest rate on treasury bills at the Central Bank of Yemen. Which represents the bulk of the Bank's revenues. The Bank's profits decreased during the period 2013-2015 due to the decreased investment in treasury bonds, as a result of the economic and political crisis in Yemen.

Table (3) shows the Bank's return / total equity for the period 2008-2015

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</thead>
<tbody>
<tr>
<td>Return</td>
<td>7.7</td>
<td>7.1</td>
<td>11.7</td>
<td>10.3</td>
<td>12.2</td>
<td>0.1</td>
<td>4.2</td>
<td>4.8</td>
</tr>
<tr>
<td>Equity</td>
<td>56.1</td>
<td>59.5</td>
<td>66.7</td>
<td>66.5</td>
<td>78.4</td>
<td>73.9</td>
<td>71.1</td>
<td>66.2</td>
</tr>
<tr>
<td>Return / Equity</td>
<td>13.7%</td>
<td>11.9%</td>
<td>17.5%</td>
<td>15.5%</td>
<td>15.5%</td>
<td>0.2%</td>
<td>5.9%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10.9%</td>
</tr>
</tbody>
</table>

Source: Compiled From Annual reports, National Bank of Yemen

Table (3) shows a high return the Bank to total equity from 13.5% in 2008 to 17.5% in 2010, and then decreased the return to 7.3% in 2015, where the table shows that the return to equity was high during the period from 2008 to 2012, reflects the concentration in income sources, which expose the bank to the risk of large concentration of sources of profits, which necessitates the bank to diversify sources of profit, where the decline in the period 2012 to 2015, the average annual rate of 10.9% during the study period. As a result, the return on equity is good during the study period.

6. Credit risk

The independent variable will be measured in the following proportions:

Table (4) shows loans classified / total direct loans of the Bank for the period 2008-2015

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</tr>
</thead>
<tbody>
<tr>
<td>Classified loans</td>
<td>23.2</td>
<td>24.9</td>
<td>28.8</td>
<td>26.0</td>
<td>17.3</td>
<td>16.9</td>
<td>16.6</td>
<td>24.9</td>
</tr>
<tr>
<td>Total loans</td>
<td>53.9</td>
<td>62.7</td>
<td>57.3</td>
<td>52.1</td>
<td>61.1</td>
<td>71.1</td>
<td>72.8</td>
<td>58.1</td>
</tr>
<tr>
<td>Loans classified / total loans</td>
<td>%43</td>
<td>%40</td>
<td>%50</td>
<td>%50</td>
<td>%28</td>
<td>%24</td>
<td>%23</td>
<td>%43</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>37.6%</td>
</tr>
</tbody>
</table>

Source: Compiled From Annual reports, National Bank of Yemen
Table (4) shows the evolution of classified loans to total loans, rising from 43% in 2008 to 50% in 2011. Credit risk declined in 2012 and continued to decline in 2014 and then rise to 43% in 2015. The annual average for the study period was 37.6%. This is a high ratio that increases the bank's risk.

Table (5) shows the provision for doubtful debts / total loans classified for the period 2008-2015.

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for doubtful debts</td>
<td>17.4</td>
<td>21.2</td>
<td>21.1</td>
<td>19.1</td>
<td>14.9</td>
<td>14.6</td>
<td>14.1</td>
<td>18.5</td>
</tr>
<tr>
<td>Total loans classified</td>
<td>23.2</td>
<td>24.9</td>
<td>28.8</td>
<td>52.1</td>
<td>61.1</td>
<td>71.1</td>
<td>72.8</td>
<td>58.1</td>
</tr>
<tr>
<td>Provision for doubtful debts / total loans classified</td>
<td>%75</td>
<td>%85</td>
<td>%73</td>
<td>%37</td>
<td>%24</td>
<td>%21</td>
<td>%19</td>
<td>%32</td>
</tr>
<tr>
<td>Average</td>
<td>45.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled From Annual reports, National Bank of Yemen

Table (5) shows the evolution of provision for doubtful debts to total loans classified. The Bank's provision has been reached 85% in 2009 and then decline this indicator until it reached 32% in 2015. The average annual rate during the period was 45.8%. The above table shows the increase in the volume of loans classified, which necessitates an increase in the provision for doubtful debts, which means hedging the bank's management to face the possibility of non-repayment of the loan or default.

It is concluded that provision for doubtful debts decreased significantly during the period of study, this indicates a weak risk management in the bank to collect borrowing money from others.

7. Findings of the study

The findings of the study are as follows:

- The growth of the bank's assets grew negatively during the period from 2009 to 2011, and then it grew positively from 2012 and growth will continue to 2015, with an annual growth rate of 7.1%.
• The Bank's deposit growth was low during the period from 2009 to 2011 and then started to rise in 2012, indicating an improvement in the volume of deposits in the Bank. The annual average was 8.4% during the study period.

• The growth in property rights in the bank was low during the study period, and the annual average was 2.8%.

• The profitability of the bank was good during the period from 2008 to 2012 and then profitability declined during 2013-2015 due to the decrease in investment in treasury bills as a result of the economic and political crisis in Yemen. The average return on equity was 10.9% during the study period.

• The development of loans classified in the bank, where the average annual rate of 37.6% during the period of study, this ratio is high and therefore presents the bank to risk. It is noticed that of the rise in loans classified must raise the provision for doubtful debts, which leads to the management of the bank in order to face the possibility of non-payment of the loan. It is concluded that the provision for doubtful debts declined significantly during the period of study. This indicates the weakness of the Bank's risk management to collect borrowing money from others.

• To conclude that there is a direct relationship between the return and the credit risk, whenever the return is high the credit risk will be high too, and whenever the return is low the credit risk will be low too.

8. Recommendations of the study

Through the findings of the study and the conclusions, we noticed that there are some recommendations could be made as follows:

• To increase the ratio of granted loans in priority projects that serve the economy, development and does not focus on credit in treasury bills because diversification in credit also provides security in relation to the process of depositing and withdrawing funds.

• Credit management in the bank should prevent the transfer of credit to impaired debt or reduce its percentage through field monitoring of the client's business and the examination of the financial reports that are submitted by the client. The financial analysis indicators should be used to predict early potential customers' defaults, and so also to take an objective analysis of credit risk through credit management to continuously reassess the collateral and follow-up loans after grants to ensure that the
loan is linked to the purpose for which the loan was granted. The composition of an independent committee with a high degree of efficiency to track bad debts.

- To separate the Bank’s activities from each other in terms of return to know the size of the return realized for each type of activities and to meet the return of the risks faced by this activity and to ensure that the size of the return commensurate with the degree of risk.
- Credit management in the bank should balance the return and credit risk in order to achieve an acceptable return.

References

FACTORS AFFECTING THE INDEPENDENCE OF THE EXTERNAL AUDITOR IN CONDUCT OF PROFESSIONAL AUDIT

1- Dr. U.Y. Memon
Assistant Professor
Sir Sayyed College Aurangabad

2- Ahmed A. Al Ahdal
Research Scholar, DR. Babasaheb Ambedkar Marathwada University Aurangabad

ABSTRACT
This paper aimed to identify the factors affecting the independence of the external auditor. The researcher used the analytical descriptive method, The paper also identified the most important factors affecting the independence of the External Auditor in: The conflict of interest between the beneficiaries of the audit profession and the consequent temptations of the auditor to adopt a specific opinion, fear of not continuing the contract with the client, and the extent of the auditor's compliance with the rules on professional conduct, the rules relating to the relationship between the auditor and his clients, between the auditors and the colleagues, the interests of relatives, the penalties imposed on the practitioners, the expansion of the audit services. The Organizational pressures of the audit firm and the threat to auditor independence as a result of the fear of losing the advantages of this function. In order to limit the factors influencing the independence of the external auditor ,The researcher suggested: Establishing procedures and policies by managing the audit firm, documenting and communicating it appropriately to ensure that the audit team performs its duties independently, regardless of organizational pressure, giving auditors incentives to increase their independence and immunity against temptations, rotation audit firm.

Keyword: Independence in fact; Independence in appearance; Conflict of interest.

INTRODUCTION
In recent years, the financial failures of companies have had a significant effect on the positions of regulators in the capital markets to reformulate the role of auditing and the types of services provided by the audit profession, to study ethical standards in the auditing profession and the rules of auditors' independence in maintaining the confidence of users of financial statements in financial markets. This confidence is based on the credibility of the auditor's opinion and belief in the integrity, independence and objectivity of the auditors and the quality of their outputs. It is the information disclosed by the administration that drives the demand for the audit profession in order to verify those disclosures and to indicate the difference in those disclosures. Investors assume that
the management will seek to maximize its interest in selecting accounting methods that improve its image, which generates a distortion in the financial statements and damages shareholders. Therefore, the conflict of interest results from the different interests of interested parties in the financial statements, where each party will seek to maximize its interest by trying to show the financial statements and the subsequent opinion of the auditor to achieve the highest benefit to him, and this requires us to stand on the concept of independence external auditor and pressures to auditors. There are three main parties interest in auditing services. The external auditor, the audited entity, and the users of the auditor's report. These users may have certain expectations that differ from those of the audit function, leading to confusion, misunderstanding and loss of confidence in the audit function on which the community relies. In making their decisions towards a particular enterprise. The expectations gap between of the parties interested in the auditing profession creates pressure on the audit profession because of the difference that users of the financial statements need and what the auditor can or should provide. Therefore, the independence of the auditor to deal with the needs of the parties interested in the audit services is an important justification in the case suites against the audit firm in addition to the partiality to one of the parties harm the reputation of the auditor and audit profession.

The increased competition in recent years has made it difficult for auditors to act professionally. Competition sometimes leads the audit firm to pay attention to retaining clients and paying attention to an appropriate level of profit rather than providing a high level audit service to users. The audit process is: to express an impartial technical opinion about the validity and fairness of the financial statements of an entity by a qualified and independent person. The aim of the neutral auditor to auditing the financial statements is to express an opinion on the fairness of the financial position, operating results and cash flows according to generally accepted accounting principles. However, there is a risk that the audit firm may be at risk, even with a proper audit, such as economic or managerial problems that result in corporate bankruptcy, therefore, it is necessary to maintain the independence of the auditor at the highest professional level to be the evidence on which the auditor to face those risks.

**Literature Review:**

Alan, F.Todd. (2001). Study entitled 'The Impact of Commitment and Moral reasoning on Auditors responses to Social Influence Pressure'. This paper reports the results of an experiment examining whether social influence pressure within the accounting firm affect auditors willingness to ratification on financial statement that are materially misstated, and Organizational commitment,
professional commitment and moral development were evaluated as three factors that could influence individual responses to social influence pressures. The researcher chose 171 accountants from international accounting firms, the researcher chose to pressure compliance with the chiefs and to pressure compliance the influence of colleagues in the profession as factors that affect the independence and moral thinking of the auditor. The results indicate that compliance with pressure significantly increases the auditor's willingness to endorse financial reports that actually contain misinformation. Results also support speculation about organizational commitment and have no social impact on professional commitment and professional and moral development.

Yves & Roy. (2006), Study entitled ‘An Examination of the Ethical Commitment of Professional’ Accountants to Auditor Independence. This study aimed to exploring the relationship between the context of work and the ethics of the profession. It focused on the study of audit-related phenomena to develop a better understanding of the ways in which professional work is practiced to legitimize professional practice in the eyes of the beneficiaries of the audit profession. The researcher followed the analytical descriptive method and collected the data through a questionnaire designed for the purpose of study. The researcher reached the following:

Reports of the older auditor were more committed to independence, We find that commitment to one’s client does not necessarily result in a loss of commitment to the core professional value of independence, the commitment of auditors working in large international audit offices to independence is less than that of legal auditors in small audit office, the study also concluded that changes in the context of work contributed to a weakening of the ethical obligation among professional accountants, and suggested further research to determine the relationship between the client and commitment to independence.

Bobbie & Quinton. (2011) Study entitled ‘The effects of audit firm rotation on perceived auditor independence and audit quality’. The study aimed to understanding the awareness of loan officers of auditor independence and auditing quality under three default scenarios as a result of the rotation of the accounting firm. The researcher followed the descriptive analytical approach, he developed a questionnaire for the purpose of measuring the hypotheses of the study, based on 212 responses it turns out that: loan officers believe that independence increases if the company follows the rotation policy of the audit firm, findings also indicate that neither the presence of a rotation policy nor the length of the auditor tenure within rotation much influences the loan officers’ perceptions of audit quality. Badir & Abeer. (2013), Study entitled ‘Compliance Auditors the Rules of Professional Conduct based on International Accounting Standard’. The study aimed to determining the extent to
which the auditors in Jordan adhere to the rules of professional conduct in order to formulate proposals that help them comply with the rules of professional conduct, which were classified in the rules relating to the relationship between the auditor and his clients and the rules concerning the relationship between the auditor and his colleagues, the researcher classified it to:

Rules of professional conduct, Rules relating to the relationship between auditors and their clients, Rules relating to the relationship of references to colleagues. The researcher used the descriptive approach by relying on the preliminary data, where he prepared a questionnaire to measure the validity of the hypotheses of the study.

The researcher concluded that the auditors in Jordan often abide by the rules of professional conduct issued by the Jordanian Association of Certified Public Accountants, the study sample also unanimously supported the fact that professional rules of conduct are the most important means of encouraging auditors to adhere to professional conduct.

Hasen. (2017), Study entitled 'Factors Affecting the Independence of the External Auditor within the Auditing Profession'. The aim of this study is to explore the factors affecting the independence of the auditor to help them avoid the negative effects of these factors on independence and clarify the independence literature of the external auditor, the researcher used the inductive approach, the historical approach and the descriptive approach to determine the factors affecting the independence of the auditor, the study concluded:

The standards of auditing and professional behavior are the most influential factors on the independence of auditor, and integrity and honesty and truthfulness are the most important qualities that must be the auditor.

Methodology:
The researcher will use qualitative non-quantitative descriptive analytical methodology based on secondary sources of studies and books.

Data Collection:
Conflicting the interests of the Company's management and the rest of the parties benefiting from the financial statements requires the presence of a third party who stands neutral and shows the validity and fairness of the financial statements. A conflict of interest is a situation where some parties (whether individuals or companies) have interests that conflict with other parties, This conflict may increase the pressure on the auditor to adopt the point of view of one of the parties away from good practice, but based on the issue of governance and interest.
The value of the auditing is based primarily on auditor independence, which is the main reason that users of accounting information wish to rely on the auditor because they expect that the auditor will give them opinion on financial reports based on an unbiased view when performing audit tests, evaluating results and issuing the report.

The economic importance of the auditor's quality of work stems from the fact that the decisions taken based on the auditor's opinion in the financial statements usually result in financial implications. Therefore, decisions based on the auditor's opinion, which is committed to the independence of the audit process, will result in decisions that have positive returns on the decision maker.

Decisions that have financial implications and are based on the opinion of an auditor whose procedures in the auditing process are not committed to independence lead to erroneous decisions that result in waste of resources, and independence must be related to objectivity as it is a relevant features needed by the auditor. In essence, independence means that the auditor has no relationship with the client, and objectivity means that the auditor can search the data presented by the client and auditing it without preconceptions or partiality.

The concern that the auditor may conceal information of relative importance remains an obsession for investors, and therefore the auditor must maintain his reputation and profession reputation by pursuing an independence that leads to the disclosure of information that is of interest to investors and do not hide it deliberately.

It is not only necessary for the auditor to maintain independence from exercising his responsibilities, and it is essential for users of financial statements to trust this independence. If the auditor adopts the defense of the client towards the other parties, it undermines the independence and weakens the confidence of these users.

Independence is the essence of the contract between the auditor and the client, since without independence, justice cannot be granted to the beneficiaries of the financial statements. Therefore, some parties may not benefit from the work of the auditor who did not commit to independence as a result of the bias of the auditor, and therefore the auditor must be independent to achieve fair benefit for all parties interested in the auditing work.

The importance of the independence of the auditors is linked to the attempt of the audit profession in recent years to restructure itself by expanding the types of services it provides. This expansion of services has raised questions about whether the audit profession can maintain its independence and provide audit clients with an increasing range of services.
Independence Defined AS: Independence in fact: is defined as ‘the absence of mental bias in the conduct of an audit’, This occurs when the auditor is able to maintain an unbiased trend when performing the audit.

Independence in appearance: Is the ability of the auditor to maintain an unbiased view in the eyes of others, and occurs through other interpretations of the auditor's independence, the auditor's ability to maintain an unbiased view in the eyes of others, occurs through other interpretations of the auditor's independence.

Audit Committee:
Is a selected number of members of the Board of Directors whose responsibilities include assisting auditors to be independent from the company's management, and in some financial markets, the company's audit committee has been amended to be independent members, they are usually formed in a large companies, and their presence usually requires in listed companies in financial markets.

The Audit Committee carries out several matters; to determine the audit firm to be contracted with, determine the scope of services contracted with the audit firm, the audit on accounting principles.

The establishment of a committee in companies concerned with maintaining the independence of the auditor and facilitating its work provides an important indication of the importance of the auditor's independence and the value of the auditing profession.

Some laws also imposed a year abstinence of auditing before a team member could work with the client in certain managerial positions such as: chief executive, chief financial officer, chief accounting officer, Even if the audit member working on the Board of Directors of a non-profit organization, This is a infringe of independence unless the member acts as an honorary member and does not perform any administrative or financial functions.

Related financial interests:

- Former Practitioner: Explanations of the professional conduct code of the previous partner or shareholder allow the establishment of relationships with the clients of the establishment that there is no impact on the audit firm or affect on it.

- Regular lending procedures: It is prohibited to hold loans between an audited entity or one of its members with a audit client except in cases where there is no impact on the loan, Such as loans linked to deposit guarantees at the same financial institution audited by the audit entity, Or loans to an insignificant auditing partner, as part of what was previously agreed
before the review process between the client and the audit entity, and after that agreement it is not permitted to hold any loans between the audit team and the clients.

- Financial Interests for Relatives: The financial interests of relatives are treated as if they were the financial interests of the member himself, for example, there may be financial interests or investments from relatives in the client's firm, and such interests may occur if a relative of the audit member serves in an administrative or financial position at the client.

- Independence and unpaid fees: The independence is adversely affected if the audit service bill is not paid for more than one year from the audit report, and is considered a loan from the auditor.

- Owning stocks: The rules of professional conduct prohibit auditors who work in the field of public accounting from owning shares or any direct or indirect investments by clients who audit them. The relative importance of the indirect ownership situation, such as having a junior accountant in the audit firm, has very few shares in the client's establishment.

The responsibilities of the auditor may contradict the demands of the internal or external parties of the audit firm. Therefore, there may be a risk of pressure from a supervisor, manager or partner. In addition, there may be family or personal relations that lead to pressure on the auditors.

**Independence and Reputation of the Auditor:**

The auditor's fear of continued contract with the client may harm the independence of the auditor and the reputation of the audit firm. It is self-evident to know that the reputation of the accounting firm and the quality of its performance are the real motivation to increase the profit of the audit firm and not to retain a clients that harms the reputation of the audit firm and leads to distortion of the ethical standards and independence of the audit team.

**Auditor Independence and Non-Audit Services:**

There are some Commissions and opinions that emphasize the independence of auditors, which prevents them from practicing non-audit services because they affect the auditor's independence. Such practices include: designing financial information systems, implementing assessment services, perform the functions of the internal auditor, the management of the tasks or the human resources, the auditor acts with the client as an intermediary, agent or adviser for investment or banking services, providing legal services, any other services related to the organization of the client. Those opinions that support the auditor's non-submission of non-audit services to the clients are based on the fact that such acts harm the auditor's independence, Exemption from the principle of
Independence may be acceptable to some extent when an entity is authorized to audit transactions that are not related to the validity and fairness of the financial statements. Exemption from impartiality when the audit entity prepares the tax declaration is justified.

**Quality of Audit and Auditor Independence:**

DeAngelo defined the quality of the audit as a function of the possibility that the auditor might discover accidental or intentional errors contained in the financial statements. One of the requirements of this quality is that the auditor is independent enough to report them. The auditor's independence is defined as: his ability to detect errors and breaches in the accounting system, to withstand client pressure, That the existence of an economic interest in their clients make their desire less to report violations, and do not do enough to detect errors, and therefore the procedures followed in the review process is evidence of independence in the case of cases raised by investors.

**Conclusion:**

The reason for the willingness of various parties to rely on auditors' reports on the fairness of the financial statements is to their expectations that these reports provide an unbiased view, and since accounting has not reached a purely scientific level, so that when certain methods reach certain results and should not be deviated from auditor On the use of these methods, but there are many ways related to the opinion and view of the accountant, From here stems importance of the independence of the auditor as it gives an opinion that the methods used are the most equitable way to give a real picture of the establishment, and should focus on the objectivity in measuring the fairness and validity of financial statements. The bias of an interested party in the presentation of the financial statements may cause heavy losses to investors as a result of decisions taken based on the auditor's biased opinion, as well as the distortion of the auditor's image and the undermining of confidence in the service performed by the audit profession. One of the most important factors affecting the independence of the auditor is the conflict of interest that produces pressures and temptations to give up the auditor from the independence, as some parties interested in financial reports seek to maximize their interest by presenting financial statements to achieve the benefit at the expense of other parties, And thus the effect of the auditor's opinion being biased against one party against the other, the fear of not continuing the contract with the client, the extent of mandatory rules relating to the rules of professional conduct and rules related between the auditor and his clients and the rules relating to auditors and colleagues, The interests of relatives also constitute a significant moral pressure on the auditor, and the penalties imposed on the practitioners of the auditing profession constitute an important deterrent to the auditor abandoning independence.
The expansion of the quality of the services provided by the auditing profession, in addition, the organizational pressures of the audit firm pose a threat to the auditor as a result of his fear of losing the advantages of this function.

In order to limit those factors that affect auditor independence, the application of international standards must be enforced. Develop policies and procedures by managing the audit firm, documenting and communicating them appropriately to ensure that the audit team performs its duties professionally and independently away from regulatory pressures. Adopting the ethical principles of AICPA, giving auditors incentives that increase their independence and immunity against temptations directed at them by a party interested in financial reporting, rotate the audit firm.

In conclusion, it is possible to understand the independence of the auditor, but it is difficult to make it so that morality is the first driver of the auditor to commit to independence. When available, the auditor will use appropriate methods and means to achieve fairness in disclosing the validity and fairness of financial reports.

Reference:
THE IMPORTANCE OF STRATEGIC PLANNING IN EDUCATIONAL MANAGEMENT

* Nezar Mohammed Al-Samhi
Research scholar, Dr. B. A. M. University, Aurangabad.

&

** Dr. Vilas G. Dapke,
Research Guide & Assistant Professor,
Shri A. B. College of Arts, Commerce & Science Aurangabad

ABSTRACT

The purpose of this paper is to study the importance of strategic planning in educational management. In this era, we face many complexities and factors affecting various activities. This requires that strategic planning to be considered as a way out of these complexities and problems so that the planning of the educational process based on the starting points determined by the environment surrounding various areas and adopted the objectives of the plan and how to extend and dealing. It is understood that the planning itself needs planning to be properly reflected and serves the interests of the planner in achieving its objectives. This new reality and the important challenges facing education and its institutions require the need for flexible and continuous strategic planning that helps in the development of its strategic uses.

INTRODUCTION

Strategic planning intervenes at the beginning of everything, but its image is evident in the major departments in order to lead development processes that benefit the state and individuals. It is clear that the strategic planning of continuing education as an important source of development is one of the most important priorities for any successful and effective educational management, considering that the strategic planning of continuing education is the Foundation stone of any development that is intended to progress and cope with developments and changes. And to face the challenge and difficulties that may it be faced.

Therefore, strategic planning is considered one of the most important methods and tools to deal with the most important features of today's world, this changing world, with scientific and technological developments and modern technology, especially in the field of communications and information, in addition to the global economy based on knowledge. This requires an educational system that achieves excellence, excellence and quality through the optimal investment of human resources, opportunities and knowledge as a national strategic asset, enhancing the ability to
research and learn, and ensuring the contribution of individuals to building a renewed knowledge-based economy that contributes to achieving sustainable development and raising the standard of living of all citizens, As a safe way to face challenges and difficulties. The educational message should be concerned with the development and management of an educational system that focuses on excellence and mastery, and the investment of highly skilled and competent human resources that enable them to adapt flexibly to the demands of the times, compete vigorously and contribute to development of the national economy based on science and knowledge.

- **Concept of planning**

Planning is a set of preliminary mental processes based on the scientific approach and social research and its tools aimed at achieving certain goals with the aim of raising the economic, social or cultural level or all these levels to achieve the happiness of the individual and the growth of society.

Planning is that the person sets goals and steps to implement these goals within a certain period of time may be long or short, while in the management is planning to set goals for the institution or the company, and the development of ways to walk them in order to implement these objectives, with the existence of management and control to ensure the implementation of these goals in the period. And for planning success, most goals must be implemented with the least possible loss. Also, it is an activity applied by all individuals in most public affairs and depends on preparing a mental plan before turning it into a real plan.

Planning is the formal process of making decisions for the future of individuals and organizations. Planning involves dealing with aims and objectives, selecting to correct strategies and program to achieve the aims, determining and allocating the resources required and ensuring that plans are communicated to all concerned. Plans are statement of things to be done and the sequence and timing in which they should be done in order to achieve a given end. (Aggarwal, Y. P., Thakur, R. S., & Book, A. G. 2003).

**Concept of strategic planning**

Strategic planning is defined as long-term planning, built according to rational and scientific methods that benefit from the available resources to achieve its goals and objectives. It is also a set of procedural and operational plans that will ultimately be in place. Strategic planning, in general, is related to the broad outlines of the development process in different areas: political, economic, social, cultural or development as a major strategic plan for the government. The managerial
process of developing and maintaining a viable link between the organization’s objectives and resources and its environmental opportunities.

The strategic planning approach is supposed to rectify managerial tools to help an organization improve its performance by ensuring that the members of the organization are working towards the same goals and by continuously adjusting the direction of the organization to the changing environment on the basis of results obtained. Strategic planning is not just a cold technical undertaking that spells out future objectives to be reached and actions to be taken. It requires a global sense of purpose and direction capable of guiding implementers in making everyday choices about what actions should be taken in order to produce the expected results.

Concept and practice of strategic planning have been embraced worldwide and across sectors because of its perceived contribution to organizational effectiveness. Today organizations from both the private and public sectors have taken the practice of strategic planning seriously as a tool that can be utilized to fast track their performances. Strategic planning is arguably important ingredient in the conduct of strategic management. (Arasa, R., & K’Obonyo, P. 2012).

The strategic planning reflects the study of reality in all its dimensions and manifestations, strengths and weaknesses, challenges and opportunities, and the drawing of visions and future goals accordingly, and then develops practical programs to help move to the desired future. The strategic thinking is based on deep reflection on the future and determining the direction that leads the institution to take advantage of opportunities and meet the challenges and future variables. And leads strategic thinking institution to devise strategies and draw the appropriate steps that turn the vision into reality, achieving a better situation leads to raising the efficiency of internal and external. Strategic thinking is about drawing the future picture of the institution and knowing what it should be in the future, and the need for development and improvement. It is essential in this sense. It is strategic thinking that moves the enterprise from reality to reality as an integral part of the fundamentals of work, and not just an exercise practiced by the institution or experiences passing through it.

Strategic planning is the process of developing and maintaining consistency between the organization’s objectives and resources and its changing opportunities (Robson, 1994). Strategic planning is a management tool, used to help the organization to focus its energy, to ensure that the members of the organization are working towards the same goals, to assess and adjust the organization’s direction in response to a changing environment. Auka, D. O., & Langat, J. C. (2016)
• Educational planning

Education planning is defined as a connected and continuous process involving social research methods, principles, methods of education, management, economics and finance. Its purpose is to provide students with adequate education with clear objectives and at specific stages, and to enable everyone to have an educational opportunity to develop their abilities To contribute effectively to the progress of the country in the social, cultural, economic and other fields.

Planning can be defined as a practice aimed at preparing the education system to address the future and to achieve the medium and long-term goals set by policy-makers. In order to fulfill this function effectively, educational planners need to have an understanding of the concepts which are defining and shaping their area of work. At the same time, they have to be aware of the context, challenges, and constraints that arise when carrying out the operational activities of educational planning. Therefore, there is wide convergence on the fundamental definition of educational planning and the main dimensions or stages that it includes. However, it is important to recognize that over time there have been changes in the prevailing concept of educational planning as well as in the tasks, actors, and processes that are shaping its practice. Educational planning is more than a technical exercise. It is also an organized social process involving a variety of actors.(Module 1)

Educational planning seeks to achieve the objectives set out in the plan and since these goals vary in their areas, it is imperative for us to diversify the objectives of planning based on its objectives. As our focus here on educational planning in particular, it is worth noting that education is the backbone of the development process The development of an integrated system of processes that touch and concern the community with all angles and pillars, which vary from political, social, cultural and economic and this corresponds to the objectives of educational planning in each part because it ultimately contributes to Form a significant form in the formulation, development and perhaps change.

• Strategic Planning for Continuing Education

Education institutions are a major source of development, stability and economic growth throughout the world. Education has a special role in developing countries to keep abreast of recent developments and to reduce the gap between the producing countries of science and technology and consuming countries. Education also plays a role in rehabilitating its institutions and supporting other institutions to catch up with countries that produce knowledge and make use of it for the well-being of their peoples and other nations, and another role in communicating and interacting with society, developing it, and spreading and disseminating knowledge. The importance of the role of
education as one of the priorities of all countries as it helps to accelerate the increase of development and the provision of financial and human resources that qualify them to jump to the ranks of developed countries. This acceleration in development requires the need for qualified cadres capable of creativity and innovation in order to deal with problems and obstacles that may be directed and Develop appropriate scientific solutions.

Understanding that the strategic planning process is a continuous cycle of planning, implementing and assessing, Continuing Education uses a structured process to regularly evaluate existing program offerings and to examine new offerings. The process, used by a number of peer continuing education programs to assess their offerings looks at the overall alignment of each program offering to the university mission while weighing the return on investment generated by the program. Following this process, priority is given to programs that will support and advance the university mission while understanding the overall need for self-funded units to generate the resources needed to support those efforts.

- **Strategic planning and the characteristics of successful educational management**

Strategic planning in the field of educational administration is the purposes or goals that the Department wants to reach in the future and comes within the limits of vision so that the translation in a more detailed and specifically The achievement of the objectives and access to specific outcomes and outputs are what the Department is committed to its plans and good planning requires to be The number of targets is limited as the real goals are a commitment to certain results that can be measured in terms of time, cost, quality, quality, and quantity. Since the goals are divided into two types: general objectives: this is what the administration aims to achieve in the long run without going into precise details about the procedures that will be followed to achieve them without being tied to a certain time. And detailed objectives: goals derived from the general goals and the most precise detail and measurability. The detailed goals are usually linked to specific numbers and ratios. The detailed objectives are combined in achieving the general objectives. Each general goal can follow a set of other detailed objectives.

According to the (Gwang-Chol, C. 2006) In the context of national education development, the term of strategic planning is increasingly referred to. First, one may wish to plan and carry out all the activities deemed needed, but without achieving the ultimate goals. Furthermore, more resources do not necessarily stand for the best results. The way one uses these resources can lead to a different level of benefits. It has become more and more difficult to plan everything one would wish to do. One ought to make choices, often tough ones, through a balanced decision-making,
trade-offs across the system and consensus building process. As a way of strategic management, education systems should be analyzed and thought out in terms of relevance, efficiency, effectiveness, impact, and sustainability: for example, one will wonder whether the inputs to the education system is relevant for addressing the needs, to what extent the processes (utilization of resources) are efficiently driven and how well the anticipated outputs are effectively produced. Outcomes should be weighed in terms of their impact and sustainability”.

Conclusion

Through many studies and educational research, it was found that the efficiency of the educational institution depends on the nature of the performance of the elements of the educational system inside and outside the institution. Therefore, improving the efficiency of performance depends primarily on improving and developing the performance of the elements of this system and its development in the light of the regulations and legislation regulating it. The educational administration in the educational institution is one of the elements of the educational system, which is aware of the implementation of educational policies in all its objectives and directions, but the most important elements on which the success of the educational and educational process. In spite of its importance and role in the educational institution, its share of studies and research was very limited compared to what other educators in the educational institution, such as teaching and learning strategies, evaluation methods, curriculum development, teacher training, etc. Despite the serious attempts of some school leaders to play the role required of them, it is not clear to all of us that the educational institutions are facing many of the ongoing and evolving challenges, both internal and external, from the new knowledge channels and sophisticated contention of the school in its functions, individuals Workers are not motivated to work for their sense of deprivation towards the institution, which demands them in return for more and more tender, In addition to the need for an educational leader in the head of the school and called for finding good work teams to ensure the achievement of the institution's goals and running for the better. This article was prepared in order to contribute to arming the educational leader represented by the educational staff with the skills of strategic planning and strategic thinking in order to improve the educational process through the management of strategy to achieve the desired goals in quantity and quality.

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ACCOUNTING INFORMATION AND ITS ROLE IN DECISION MAKING

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ABSTRACT
The current study aims to study the role of accounting information in decision-making. It suggests some recommendations that could improve the quality and effectiveness of decisions. The major source of data for this research is secondary data through journals, periodicals, books, manuals, Internet and other relevant literature concerning with study. The findings of this study showed that accounting information is relevant to decision making. The results can be a summarized as follows: Firstly, the survival and success of business organizations depend on the ability of their senior managers to make strategic decisions in a timely manner. Secondly, Accounting information is an important part of the work of management and depends on management in decision-making thirdly, the lack of adequate accounting information in a timely manner leads to failure in many administrative tasks. Finally, the degree of quality in the accounting information available to decision-makers has a significant impact on the quality of the decision made. The higher the quality of information is the better decision the decision maker chooses.

Keywords: Accounting Information, Decision Making.

INTRODUCTION:
“Information has become an important component of production that has an important role in determining the efficiency and proficiency of the enterprise. The organizations have; therefore, designed and built information systems to control the huge amount of information that is necessary to manage the establishment. The accounting information systems are among the most important and oldest information systems in the establishment. It is one of the main sources of information” (Mohammed Musa Faraj Allah, 2011P.3)

Accounting information is the business language because it is the basic tool that performs the registration, reporting and evaluation of economic events, whether profit or loss, and the evaluation of transactions affecting commercial enterprises. It also processes organization-related documents from payrolls, capital expenditures, costs and other commitments. Moreover, accounting also provides financial information about the organization's work to investors, managers and decision-
Accounting information also has a significant impact on decision-making. Any decision maker cannot take and rationalize decisions without accurate financial information. Decision-making needs information that must also be available in a timely manner because timing is an important element in the success of such a process.

With providing appropriate accounting information, the picture becomes very clear to decision-makers and can estimate the expected future prospective.

Decision-making is an integral part of our daily lives and is one of the key functions of management. Effective and accurate accounting information plays a pivotal role in administrative decision-making.

- **OBJECTIVES OF THE STUDY:**
  - To study the role of accounting information in decision making
  - To suggest some recommendations that could improve the quality and effectiveness of decisions

- **RESEARCH METHODOLOGY:**
  The researcher used data that is collected through Journals, Periodicals, Books, Manuals, Internet and other relevant literature concerning with study.

- **LITERATURE REVIEW**
  Kidane, F. (2012)
  This paper entitled on “Decision Making and the Role of Management Accounting Function—a Review of Empirical Literature” The study aimed to study the types of administrative decisions and the role of the administrative accountant in the decision-making process in the business organization. The researcher relied on the secondary sources of books, magazines published and unpublished, and related web sites, and other studies related to the subject of the study. The researcher indicated that the role of the accountant is varied and decisive and may affect the decisions that will be made by the decision-makers. The study also reached the important topic is that the accountant in the business organization has a big role in supporting the needs of information management.

  This study conducted in Bangladesh's in 2014 under the title “Role of Accounting Information in Strategic Decision Making in Manufacturing Industries in Bangladesh“ The aim of this study
was to try to understand the role of accounting information in strategic decision making in Bangladesh's manufacturing industries. Data was collected through direct interviews and through a questionnaire distributed to managers and senior officials in the manufacturing industry in Bangladesh. (SPSS) program was used to analyze the data collected. One of the main findings of this study is that accounting information plays an effective and decisive role in administrative decisions and organizational performance. This study showed that accounting information plays a vital role in effective strategic decision making in the field of manufacturing, human resources, investments and marketing issues.

• **The concept of accounting information**

Accounting information is one of the main pillars of the integrated accounting system for any business organization. The accounting information represents a set of classified and organized facts that are linked to each other. It has a significant impact on either the behavior of individuals or different departments or its economic value increases according to the benefit they achieve for its users.

Accounting information is also a set of data that is prepared, processed and presented in an organized and good manner to assist in the decision making process. It has a vital role in reducing the uncertainty because it is a key factor to reach the financial stability that all business organizations aim at. The value of this information is higher than its cost.

• **Importance of Accounting Information:**

The need for accounting information arose because of the uncertainty of any economic activity and the fear of making decisions without knowing the success of these decisions. Hence, the need to provide this accounting information which helps decision-makers and management to carry out key tasks such as planning, monitoring and evaluation efficiently and proficiently. The lack of this accounting information leads to failure in many administrative tasks and leads to the failure of economic projects.

"The importance of accounting information has increased at the present time; several factors have led to this increase, summarized below

1. **Growth in the size of the company:** leads to the need to produce information continuously.

2. **Increasing communication channels in the company that** requires the provision of information in a vertical and horizontal manner.

3. **Multiple objectives of the economic unit:** it requires the provision of information to serve different objectives.
4. **Impact on the external environment**: The Company is affected by the environment and affects it, this relationship has increased because of the large changes in the environment, and this requires a lot of information"(Judge, Abu Zeltah, 2010)

- **The Concept of Decision-Making**
  The process of decision-making is the main objective that institutions aim to achieve through the various administrative processes, which leads reaching an appropriate decision to develop the institution or to solve the problem faced by the institution. This stage takes this scientific several means, particularly: brainstorming, in which proposals and ideas are presented randomly without discussion. After this stage, the participants begin to analyze these proposals by clarifying their strengths and weaknesses, and then finding the most appropriate proposal and making amendments until reaching the most appropriate decision that an institution can do with its highest level of quality and efficiency.

- **The role of accounting information in the decision making process**
  The main objective of good accounting information is to try to maximize profitability and reduce losses. Accounting information plays a vital role in the decision making process .Administrative decisions are based on the accounting information provided by the administrative accountant. The accountant analyzes the financial statements and prepares the reports, which are presented to the management to make the appropriate decision. The effectiveness of the decision depends greatly on the quality and validity of the accounting information provided to the decision makers. If the information is not appropriate and correct, naturally, wrong decisions are issued. On the other hand, the better the quality of the information, the more effective and qualified the decision are taken by management.

  Accounting information, like any other information, is to increase knowledge and reduces the risk of uncertainty among decision makers.

  Therefore, it is possible to say that very few enterprises or organizations can continue or survive without relying on information, especially accounting. This explains the increasing demand for this accounting information in recent years. An important factor that has contributed to this increase is the low cost of using computers. Thus, the current managers have become more widely using accounting information and guided by their decisions than his past counterpart, especially the administrative accounting information which has special importance in serving the requirements of management. Therefore, it can be relied heavily on administrative decisions and rationalization.
Conclusions

Overall, the results of this study indicate that accounting information is relevant to decision making. The other results were as follows: First, the survival and success of business organizations depend on the ability of their senior managers to make strategic decisions in a timely manner. Secondly, Accounting information is an important part of the work of management and depends on management in decision-making. Third, the lack of adequate accounting information in a timely manner leads to failure in many administrative tasks. Finally, the degree of quality in the accounting information available to decision makers has a significant impact on the quality of the decision made. The higher quality of information is the better decision the decision maker chooses.

Recommendations

Based on the results of this study, it is recommended that:

1- Business organizations should consult a professional accountant before commencing business in order to provide a financial system for the company based on a legal basis
2- Keep records of past events to take advantage of future projects
3- Providing timely accounting information
4- Training accountants to qualify them to perform their duties fully

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SMALL AND MEDIUMENTERPRISES UNDER THE SAUDI ARABIA

“VISION 2030” : ISSUES & CHALLENGES

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ABSTRACT

Saudi Vision 2030 is a historical and ambitious roadmap envisaged for the overall economic development of the Kingdom of Saudi Arabia. The current research is endeavored to study the specific impact of Vision 2030 on Small and Medium scale Enterprises (SMEs) operating in the country. The primary aim of the study is to identify and analyse the various benefits of the policy proposed vis-à-vis SMEs and simultaneously gauge upon the challenges associated with the same. An empirical review was conducted to achieve the predetermined aim. The analysis revealed various challenges confronted by SMEs such as lack of access to funds, lack of infrastructure facilities, lack of skilled labour, absence of management expertise and inadequate marketing facilities. Furthermore, various policy initiatives as per Vision 2030 were identified such as extension of credit facilities, launching of SME authority exclusive for SME development, setting up of business incubators and introducing business friendly regulations. These initiatives help businesses in Saudi Arabia operate smoothly and more efficiently in the long run.

Key Words: Saudi Arabia, Vision 2030, SMEs, ICT, development

INTRODUCTION

Saudi Arabia, known as Kingdom of Saudi Arabia (KSA), one of the biggest economies in the Middle East, is an oil based economy with stringent government control over economic activities. Following recent global economic slowdown and breakdown of commodity prices, the present government in the country felt an inevitable urge to transform the economy into a vibrant society with less reliance on oil and more emphasis on structural reforms. Thus, the cabinet of Saudi Arabia in April, 2016 unanimously launched a high spirited framework of programs and reforms reflecting long term goals and expectations through their program ‘Saudi Arabia’s Vision 2030’. It is conceptualised on three broad foundational pillars: the country’s status in the Islamic and Arab world, making Saudi Arabia an international investment reservoir so as to stimulate the economy via diversification of resources, and optimally utilising the competitive location of the country in transforming into global destination through fostering connectivity across Asia, Africa and Europe (Saudi Gazzate 2016).
Primarily, Vision 2030 initiative sets out detailed plans for establishing a society that is ambitious, vibrant and thriving by the year 2030 (Foutouh & Sen 2016). In a dynamic environment, the government and business enterprises work together so as to promote stimulus to economic growth and development. In connection with these development plans, it is widely accepted that Small and Medium Enterprises (SMEs) play a pivotal role in economic development as they put substantial input to national employment and GDP. In highly developed countries, SMEs account for nearly 62% of national employment and 64% of national income, while in developing countries they account for approximately 45% of employment and up to 33% of national income (International Finance Corporation 2013). Similarly, the role of SMEs in Saudi Arabia cannot be overlooked in contemporary economic scenario. As per the Small Medium Enterprises report by Jeddah Chamber (2016), SMEs comprise of almost 90% of total business enterprises out of which 85% are sole proprietorship concerns. Nearly 47% of the SMEs are engaged in commercial and hospitality, 27% in industry and rest in social services and miscellaneous. Moreover, as of 2015, SMEs catered to 60% of the national employment and contributed 20% of GDP of Saudi Arabia (Saudi Gazette 2016). Administering the perpetual contribution of SMEs towards the country’s economy, the concentration of Vision 2030 towards the betterment of SMEs is studied in this research. In order to realise the specific targets of Vision 2030 towards SMEs, the government further launched National Transformation Program 2020 so as to address various challenges faced by government bodies in economic development by the year 2020. The program was launched across twenty four ministries.
with special focus on SMEs, controlled by the Ministry of Commerce and Investment. The major goals of National Transformation Program 2020 towards the development of SMEs are: increasing the culture of entrepreneurship by setting the target to establish 1,04,000 SME units by 2020 and increasing the contribution of SMEs to non-oil GDP from current 33% to 35% by 2020. Besides, other objectives laid by NTP 2020 are: giving boost to productive families, development of skills of young generation and encouraging entrepreneurship (National Transformation Program 2016). Thus, National Transformation Program is an establishment of foundational institutional capacity needed to achieve the goals of Saudi Vision 2030 so that the long term objectives can be linked to interim targets for the year 2020. The following graph presents key statistics pertaining to challenges to SMEs development in Saudi Arabia:

**Figure 2: Challenges Faced by SMEs in Saudi Arabia in Percentage**

<table>
<thead>
<tr>
<th>Challenges to SMEs</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information related</td>
<td>32%</td>
</tr>
<tr>
<td>Managerial</td>
<td>33%</td>
</tr>
<tr>
<td>Technical</td>
<td>41%</td>
</tr>
<tr>
<td>Workforce related</td>
<td>44%</td>
</tr>
<tr>
<td>Marketing</td>
<td>53%</td>
</tr>
<tr>
<td>Finance</td>
<td>59%</td>
</tr>
<tr>
<td>Bureaucracy</td>
<td>65%</td>
</tr>
</tbody>
</table>

*Source: A report of Jeddah Chamber on Small–Medium Enterprises In Saudi Arabia*

The above diagram depicts the key challenges faced by SMEs in Saudi Arabia. It is clearly observed that the most severe obstacle being faced is **bureaucracy** which indicates the loopholes in administrative procedures in starting up the business. It suggests that the Kingdom undergoes rigorous business regulations which dampen the entrepreneurial spirit and create unnecessary regulations. The next key challenge is that of **finance**. There is scarcity of venture capitalist and angel investors. Furthermore, only 5% of the total credit is being extended to SMEs by the financial institutions. Besides, most SMEs have unaudited financials which again weakens their overall performance and mismanagement of resources (Saudi Gazzate 2016). Apart from that, other challenges are related to lack of **marketing facilities**, **social media** and **poor logistics support**. Lack
of 

managerial expertise  is another impediment in the development of SMEs. Lastly, there is lack of awareness and general information about these enterprises which prevent them from getting government schematic help and leave them vulnerable to risks and closures (Small and Medium Enterprises in Saudia Arabia Report 2016)

Figure 3: SMEs’ sector-wise distribution in Saudi Arabia

Source: A report of Jeddah Chamber on Small–Medium Enterprises In Saudi Arabia

The above graph depicts the percentage distribution of different sectors in small and medium enterprises. The largest share is that of commercial and hotel sector accounting to 47% of the total distribution. The other key sectors are construction and industry with cumulative share of 39%. Besides, all in all there are 1.97 million SMEs operating in Saudi Arabia for the year 2016, out of which 90% have registered businesses. About 60% of total employment in Saudi Arabia is captured by SMEs and 85% of total SMEs run on single proprietor basis. Indeed, these SMSs have succeeded in contributing 33% of the share in country’s GDP (Small and Medium Enterprises in Saudia Arabia Report 2016). This research seeks to gauge the benefits accrued to SMEs (Small and Medium Enterprises) of Saudi Arabia under the initiative Vision 2030.

The goals and targets of Vision 2030 and its policies and provisions

Saudi Arabia Vision 2030 has been put forward to increase the prosperity of economy, as highlighted in previous sections. With respect to its overall motives, the figure 3 below represents the multiple goals and targets to achieve overall economic progress.

Figure 4: Goals and Targets of Vision 2030

With these predetermined objectives, various policies have been formulated to achieve the above mentioned goals. These include improving the visa application procedures, providing financial support towards building a national cultural and entertainment programme with extensive network of social and cultural labs. Further in the field of education, Vision 2030 emphasises on the establishment of a contemporary academic coursework with high standards in literacy, numeric ability, skills and values. In the domain of skill development, the policy undertakes launching of National Labour Gateway (TAQAT) so as to link the curriculum with job market, establishment of Job Creation and Anti –Unemployment Commission so to increase the opportunities for everyone. Besides, the policy aims for the promotion of investment and trading in the stock market and launching the promising opportunities such as localising renewable and industrial equipment, investing in digital economy, exploration of kingdoms of natural resources, and finally empowering the relations among government, citizens and private entities (Saudi Gazzate 2016).

Issues and challenges of the Vision 2030 initiative

Although Saudi Vision 2030 portrays a robust policy framework, it is inflicted with certain challenges. Ibrahim (2016) projects challenges such as transformational problems, converting vision into reality. This is one of the key challenge that has been faced since a while and would increase as the proposed ambitions of the policy are too high such as increasing the GDP
contribution of SMEs from 20% to 35% which would put undue pressure on government expenditure. Besides, the kingdom lacks skilled labour and infrastructural facilities which will dampen the motivation of young entrepreneurs and increased probability of failure of business incubators. Furthermore, lack of evaluation of policy measures and absence of statistical and economic data will fail to give the empirical evidence of policy impact and misjudge the operational stage. Along with these issues, the ongoing political tension and conflicts in the Middle East has further dampened the entrepreneurial spirit owing to greater market risks and fluctuations. The unpredictable capital market and restricted credit flows have lowered the investment by the potential entrepreneurs. Homsy (2016) also suggested various challenges in realising the Vision 2030 such as: falling oil prices due to sluggish global demand, rising fiscal deficit, increased national unemployment due over reliance on foreign workforce.

The likely impact of the challenges on the SMEs

Vision 2030 has framed various strategies for the development of SMEs like supporting SMEs’ entrepreneurship, investment in new industries with focus on privatization, setting up of an SME Authority so as to encourage entrepreneurs, enabling micro finance, providing access to marketing opportunities through digital platforms and enhance funding upto 20% of overall funding by the financial institutions entirely for SMEs by 2030 (Saudi Gazzate 2016). However the challenges identified above are likely to impact SMEs considerably, and pose issues getting the optimum results.

Khashan (2017) identified five main challenges associated with SMEs towards achievement of Vision 2030 goals. Firstly, the lack of competitive labour-intensive manufacturing industries would lead to underutilization of resources. Overdependence on foreign workforce would result in outflow of funds from the country. Thirdly, huge investment on the part of the government is required to upgrade the quality of education in the country. Lack of infrastructure facilities and lack of competitiveness in all the industries except oil and its forward linkages create blockages in the path of SMEs. Fifth, lack of attractiveness towards private investment owing to low wages and oversaturated petro chemical industry enable limited growth opportunities for SMEs (Khashan 2017) Helayyil et al (2016) identified another major challenge, i.e. majority of the SMEs in Saudi Arabia lag behind their larger counterparts in terms of ICT owing to its treatment as solely expenditure based rather than transformational based investments which prevent them from being modernized and innovative (Helayyil et al. 2016).
Discussion

A study conducted by Alamutairi & Altameem (2016) identified key barriers faced by modern day SMEs in Saudi Arabia such as: technical barriers, lack of management support, organisational barriers, lack of motivating social climate and financial constraints. Though the research study provided insight into SMEs challenges and also managed to highlight financial inadequacy but the study was restricted to impact of electronic commerce and related challenges and thus failed to present the challenges in light of other issues such as those of fund raising, skill, capacity building, marketing impediments and other infrastructural loopholes. Besides, the study did not provide quantitative testimonial to impact of challenges on SMEs and thus lack verification.

In the view of filling the identified gap, research study by Helayyil et al. (2016) on “Saudi Arabia Vision 2030: Envisioning a Technology-Led Transformation-IDC’S Initial View” while expressing major flaw like lack of incorporation of ICT concluded that development of national communication and technological infrastructure in Saudi Vision 2030 would help the SME in establishment of effective business models, innovate operational techniques, better management practices and boost in productivity. Besides, other challenges observed by SMEs in Saudi Arabia are: lack of access to funds, lack of skilled labour, limited credit facility of 5% of total credit issued to SMEs from financial institutions, lack of appropriate technology, bureaucratic delays and administrative loopholes in starting business, lack of managerial skill and social impediments (Hanware, 2016).

Nevertheless, SMEs in Saudi Arabia face various challenges but Saudi Vision 2030 initiatives vis-à-vis development of SMEs have full potential to plug-in the loopholes and drive growth process. The robust policy framework of Saudi Vision 2030 has captured all the potential engines of economic growth in the kingdom from education to health, from culture to industries from privatization to FDI and from technology to SME and so on. In a research study by Jadwa Investment (2016) on Saudi Vision 2030 suggested that the ambitious policy puts ample importance on SMEs by recognizing it as an important big push for growth and employment generation.

Conclusion

The current research shed light on the various aspects of the ambitious policy of Saudi Arabia’s Vision 2030 and its impact on SMEs. The research identified and analysed the impact of the program on SMEs with reference to the benefits and challenges associated. The extensive literature review and empirical review revealed various challenges accrued to SMEs out of the policy
framework. The key challenges observed were: lack of skilled labour, low wages, lack of digitisation and poor technological infrastructure, restrained financial resources, lack of policy evaluation and non-availability of economic data. Nevertheless, the policy looks forward to achieve its aims by 2030 and thus the future scenario of SMEs rests on wait and watch theory. In order to counter the challenges, the government should devise policies with special focus on employment linkages with the demand of SMEs, counselling potential entrepreneurs, extend credit facilities like collateral free loans and subsidised loans, extending expertise help via hiring consultants and most importantly propagate Vision 2030 initiatives with better technological awareness.

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EFFECTIVENESS AND PERFORMANCE OF INTERNAL AUDIT WITHIN CORPORATE GOVERNANCE AS AN INTERNAL CONTROL MECHANISM

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ABSTRACT
This paper discusses the effectiveness and performance of internal audit under corporate governance as a control mechanism to reduce financial and administrative corruption, where such as the emergence of the concept of corporate governance, which emerged as a result the corruption that has spread in some of the major institutions in the world and the collapse of the great institutions like Enron energy (ENRON), and World Com (WORD COM) communications, the first brick to expand the role of internal audit Where it has moved from being a tool that is limited to accounting auditing to ensure the registration of financial operations and recording of errors, if any, to expand the scope of its work to be used as a tool to examine and evaluate the effectiveness of control methods and supply management information, and thus became an information and communication tool Between the various administrative levels and senior management and thus the review has become a major role as a mechanism to control all operations carried out in the company and at all levels, which led to a sharp reduction of corruption Financial and administrative aspects.

INTRODUCTION
Based on the importance of corporate governance and the need to transfer it into practice, internal auditing is one of the pillars of this application. The role of internal audit in companies should lead to directing operations towards success by examining and evaluating financial, administrative and operational activities. And provide information to the management at all levels to help in the implementation of these strategies correctly, also activate the role of internal audit in the view of this strategy and give them the possibility of auditing the implementation and the achievement of the objectives required of them, As well as identify the risks facing the company and follow-up how to treat them, and provide mechanisms to activate the performance of internal audit in light of the requirements of corporate governance to reduce financial and administrative corruption

First: what is corporate governance?
Corporate governance refers to the microeconomic level, such as corporations and institutions, while good governance refers to governance at the macro level of the state, which exercises economic, political and social aspects
1- The nature and concept of corporate governance: Governance is a idea and term widely used in the early 1990 by international organizations as a methodology for achieving community development in developing countries due to lack of government departments to achieve this effectively.

1-1- The nature of governance:
After the United States of America issued the term "privatization" for most of the world, a new US term started is called "Corporate Governance", Where the Bank and the International Monetary Fund have begun to measure the extent to which companies adhere to this term in international markets, The term "corporate governance" was used by US economists, particularly by American economist Ronald Coase in an article published in 1937 title "The Nature of the Company", and its concept goes to the management of the economic company, He explained that an economic company can maintain its competitiveness if its internal management patterns allow it to reduce transaction costs, Governance in the contemporary sense Is closer to administration than to authority, What can be observed about corporate governance is that it has been used as a discipline for organization and development in social and economic conditions characterized by separation of ownership from management and resulting conflicts of interest, This new term focuses on several points for corporate management and the economy in general, the most important of which is the transparency of the financial statements, accounting operations, budgets and transactions of the company in order to prevent corruption that leads to depletion of the company's resources and the competitiveness, And contributed to the it's spread the corruption that has spread in some of the major institutions in the world and the collapse of the great institutions in America like Enron (INRON) energy, and World Com (WORD COM) communications, Although this term appeared in the report and recommendations of international institutions for more than 19 years, financial collapses such as the financial crisis of Southeast Asia for 1997 gave it the utmost importance and became one of the most important indicators of the health of the economic environment and investment, The index is based on positive factors that made it necessary in the markets and the most important disclosure and transparency, The separation of ownership and management, and the adoption of clear accounting rules and explicit in the preparation of the financial statements of the company, which are all requirements for stock exchanges and emerging markets.

1-2- The emergence of the concept of corporate governance:
The concept of corporate governance emerged after the emergence of the theory of the Agency and its conflicts of interest between the management of the company and shareholders and stakeholders
in general, which led to increased interest in finding laws and rules governing the relationship between parties in companies. In 1976, Jenson and Meckling paid attention to the concept of corporate governance highlights its importance in reducing or minimizing problems that might arise from the separation of ownership and management. In 1987, the American Institute of Certified Public Accountants (AICPA) formed the Committee of Sponsoring Organization (COSO) known as the Treadway Commission.

1-3 The concept of corporate governance:

The Institute of Internal Auditors (IIA) defined corporate governance in (Tone at the Top) as: "Processes which through the procedures used by stakeholder representatives to provide oversight of corporate risk management and control and to emphasize the adequacy of controls to achieve objectives and maintain the value of the company through the performance of governance."

The Organization for Economic Cooperation and Development (OECD) defined the concept of corporate governance in 1998 as: "The system that directs and adjusts the business of the company, Where it describes and distributes rights and duties among different parties in companies, Such as the Board of Directors, Management, Shareholders and Stakeholders, and establishes the rules and procedures necessary to make decisions regarding the Company's affairs, It also sets the objectives and strategies needed to achieve them and the basis for follow-up to evaluate and monitor performance.", Through the above we can define corporate governance as: A process through which rules are established and good practices are regulated to control the management of the Company in a manner that preserves the shareholders' equity, ensures the appropriate level of transparency and disclosure, and monitors the relationship between the Board of Directors and stakeholders.

The concept of corporate governance helps to eliminate conflicts, harmonize and balance the interests of various groups interested in the company internally and externally, and reduce control over management and broad powers of other categories, particularly shareholders and other stakeholders.

Corporate governance, through its rules and regulations, seeks to achieve a set of objectives, the most important of which can be summarized as follows:

1- Take into consideration the interests and rights of shareholders and protecting them, and protecting the rights of the holders of documents and documents related to the effectiveness of companies.

2- Protecting the rights and interests of employees in all categories and achieving transparency in all businesses of companies.
3- Achieve and ensure justice for all stakeholders and clients with companies and secure the right of accountability to the owners of rights to manage companies.

4- Limit the exploitation of power in the non-public interest and abide by the provisions of laws and legislation in force.

5- Develop savings and encourage their flow to develop productive investments to maximize profits away from monopolies.

6- Ensuring performance audit of all operations, including financial performance, through external review committees independent of executive management.

In view of the increasing interest in the concept of corporate governance, many international institutions have been keen to study this concept, analyze it and develop specific principles for application. We will mention here the principles issued by the (OECD) and the Bank for International Settlements (BIS) represented by the Basel Committee. These principles are intended to assist the Organization for Economic Co-operation and Development (OECD) and the Governments of non-OECD countries in their efforts to assess and improve the legal and regulatory framework for corporate governance in their countries and to provide guidance and proposals to securities markets, investors, companies and other parties that have Role in the development of corporate governance.

**Availability of an effective corporate governance framework:** The corporate governance structure should improve the transparency and efficiency of markets, comply with the provisions of the law and clearly define the division of responsibilities between the various bodies responsible for supervision, oversight and law enforcement.

**Save the rights of all shareholders:** Including the transfer of ownership of the shares: the selection of directors, participation in the profits of the company, review of the financial statements and the right of shareholders to participate in the general assembly meetings.

**Equitable treatment of shareholders:** The framework for the exercise of corporate management powers should ensure equal treatment for all shareholders, including small shareholders and foreign shareholders. All shareholders should have access to real compensation in case of violation of their rights, that anyone who violates these rights, manipulates them or impairs their exercise is held accountable.

**The role of stakeholders in corporate governance:** The framework of corporate governance practices should include recognition of the rights of stakeholders as defined by law, and should encourage inter-firm cooperation with stakeholders in wealth creation, employment and
sustainability of projects based on sound financial fundamentals as follows: The exercise of corporate governance powers should ensure respect for the rights of stakeholders protected by law. When the law protects the rights of stakeholders, they should receive compensation in case of violation of their rights. The management practices framework should provide mechanisms for engaging stakeholders to improve performance levels. When stakeholders participate in the exercise of management authorities, they must ensure that they have relevant information.

**Disclosure and transparency:** The corporate governance framework should ensure timely, accurate and timely disclosure of all matters related to the establishment of the company, financial position, performance, ownership and control of the company.

**Principles of the Bank for International Settlements**

In view of the sensitivity of banks role in the economy as a whole, banking governance principles have been developed. The Basel Committee issued a report on strengthening banking governance in 1999 and issued a revised version of it 2005 and an updated version of Enhancing corporate governance for banking, organization in February 2006. The principles of governance in banks include the following:

1-Board members must be fully qualified to their positions and be fully aware of the governance and ability to manage the business of the Bank,

2-The Board of Directors must approve the Bank's strategic objectives and monitor the values and standards of work.

3-The Board of Directors should set clear limits on responsibilities and accountability to itself, senior management, managers and employees.

4-The Board of Directors must ensure that the principles and concepts of executive management are consistent with the policies followed.

5-The Board of Directors must recognize the auditor's independence and internal control functions.

6-The Board of Directors should ensure that the remuneration policies and wages are consistent with the Bank's culture, objectives and strategy in the long term.

7-Transparency is necessary for effective and sound governance. According to the Basel Committee on Transparency in Banks, it is difficult for shareholders, stakeholders and other market participants to monitor properly and effectively the performance of management in the absence of transparency.

8-Board members and senior management must understand the structure of the Bank's operations and the legislative environment through which it operates.
Second: The development of Internal Audit under Corporate Governance.

The rapid development of the profession of internal auditing has already begun since the Second World War, and this profession was concerned only with financial and accounting issues, but now the internal audit profession has begun to address all the operational activities of companies and their evaluation. This development led the audit profession to be interested in other broad services related to advisory and assurance services, particularly after the emergence of corporate governance which emerged after the scandals and financial collapse of global economic units, Internal auditing has become a necessity for scientific bodies at present. Scientific reports in all countries of the world have recommended that the role of internal auditing in companies should be taken into account, as a result of the requirements of registration in many international stock exchanges. And the need to establish a special section of internal audit in companies that want to register their shares in those stock exchanges, In late 2003, the Securities Exchange Committee (SEC) approved a list of corporate governance controls that included a request for an internal audit of the New York Economic Unit (NYSE) Security Exchange to improve the level of corporate governance in these companies.

Internal audit has emerged for nearly three decades and is therefore modern in comparison to external audit, and has been widely accepted in developed countries, the internal audit was initially restricted to accounting auditing to ensure that financial operations were recorded correctly and if errors were recorded, However, with the development of the projects it became necessary to develop the internal audit and expand its scope of work so as to be used as a tool to examine and evaluate the effectiveness of the control methods and provide the Department with information, it has thus become an information and communication tool between different administrative levels and senior management,

Objective Confirmation Service:

An objective examination of the evidence to provide an independent assessment of the effectiveness and adequacy of risk management, control and management systems, such as financial operations, performance, compliance with policies, regulations and information system security.

- Advisory services:

Consulting processes that are provided to organizational units within or outside the company. The nature of the scope of such operations is determined by agreement with those companies. The aim is to add value to the unit and improve its operations, such as advice, process design. This development has led to an evolution in the internal audit objectives which has increased the value of
the company and improved its operations and management involvement in strategic planning and providing information that helps to implement the strategy; Risk management; evaluation of control effectiveness; and evaluation of the effectiveness of corporate governance processes.

**Development of internal audit standards under corporate governance**

Internal audit activities are carried out in different cultural, legal and economic environments and are carried out within companies with different objectives, sizes and organizational structures, and through different people. All of these differences may affect the exercise of internal audit activities; internal audit standards should be subject to a continuous process of evaluation and development to control the work of the internal auditor. The general framework of the internal audit standards established by the Institute of Internal Auditors (IIA) established in 1978 and amended in 1993 of the five general standards, it has been classified into five groups and includes a sub-standard. As part of the response to the global financial crises and developments in the global economy of corporate governance as a treatment, evolution of the role of internal audit, this was achieved through the development of internal audit standards in the light of corporate governance requirements. To achieve this, the Institute of Internal Auditors issued new standards in 2003 and became effective as of 2004, in two groups:

1- **Standards of Attributes "Trail Standards"**:  
A set of four major standards issued by the Institute of Internal Auditors, which address the characteristics of companies and individuals performing internal audit activities, including objectives, powers and responsibilities, (Internal audit document), independence and objectivity, proficiency, professional care, quality control and improvement programs, as follows:

- **Standard No. 1000**: is intended for the responsibilities of internal auditors and for the purpose of the powers granted to them and for its inclusion in the internal audit regulations adopted by the highest authority of the company;
- **Standard No. 1100**: Independence of internal and objective audit activities in the performance of these activities and the opinion of the final auditors.
- **Standard 1200**: Efficiency in the Internal Auditor's performance of internal audit activities and the professional attention in their implementation.
- **Standard 1300**: Quality of internal audit and its subjection to assessments and improvements.

2- **Performance Standards "**:  
Seven standards issued by the Institute of Internal Auditors describe internal audit activities and
establish qualitative standards for measure performance, Internal audit activities included the annual plan, nature of work, task planning, task execution, results delivery, monitoring and follow-up of completion phases, and acceptance of risk management. Performance standards and attribute standards apply to internal audit services in general, While the standards of implementation apply the standards of qualities and performance standards to specific types and situations such as compliance tests, fraud testing, fraud and self-evaluation of the control.

- **Standard 2000**: Management of the internal audit activity, which is the responsibility of the audit manager of the audit department of the company, and should be characterized, by efficient and effective management to enable the internal audit to create additional value for the company.

- **Standard 2100**: The nature of internal audit work. Internal audit activity should assess and contribute to improved risk management, control and corporate governance.

- **Standard No. 2200**: Task planning, which addresses the most important considerations that the auditor should take when planning the audit function in terms of goal setting and scope of the process.

- **Standard No 2300**: Performance of the task of work. Internal auditors should identify, analyze, evaluate and record sufficient information to achieve their mission objectives.

- **Standard No 2400**: Delivery of results; the internal auditor should communicate the results of the audit work in the appropriate time and manner.

- **Standard No 2500 Follow-up progress**: this task is directed at the internal audit manager, who should be keen to establish a system of work and be responsible for maintaining, monitoring and reporting the results to management.

- **Standard No 2600: Management’s Acceptance of Risk**: as the assessment and improvement of risk management becomes an internal audit activity under Standard 2120, the manager of the company's audit department should ascertain the level of risk acceptable to management.

Standard 2130, which is derived from Standard No. 2100 of Group 2, concerns corporate governance, and indicates that internal audit activity should contribute to corporate operations by contributing to the assessment and improvement of corporate governance processes by:

- To verify the establishment of values and objectives so that the administrations are ready and able to disclosure that their activities, actions and decisions are in accordance with the agreed objectives.
Monitoring the process of achieving the objectives through: Evaluating the quality of the performing performance, making the appropriate recommendations, raising the efficiency of the production, verifying the preservation of the values of the company.

Conclusion

The concept of corporate governance emerged result the collapses and corruption scandals that infected major American companies like Enron energy (INRON), and World Com (WORD COM) communications, leading towards enhanced internal and external audit function before corporate boards of directors. The emergence of this concept (corporate governance) has led to the development of internal audit, after that established within the company, its services were limited to screening and evaluation in order to help the company members to fulfill their responsibilities effectively, it has evolved and become focused on objective and advisory services. In order to increase the value of the company and work towards achieving its objectives, and evaluate the effectiveness of risk management, control and corporate governance, The role of internal audit has evolved as a result of the change in the new business environment created after the emergence of corporate governance, Where risk management attention is increased by emphasizing that the company's risks are effectively managed and the improvements it makes in the field of risk management, Increasing credibility and fairness and improving employee behavior, thereby reducing the risk of administrative and financial corruption by increasing accountability.

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IMPACT OF GOVERNANCE INDICATORS AND BANK SPECIFIC VARIABLES ON FINANCIAL PERFORMANCE PUBLIC BANKS IN INDIA

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In this study, we analyze the impact of bank specificas internal variables and governance indicatorsas external variables on financial performance of public banks in India. The study has used a sample of 21 Indian Public banks during the period 2010 -2015. Three research methods have been used for data analysis namely, descriptive analysis, correlation and Panel Least Squares (multiple regression model). The empirical results show some of the banks are having a very low performance compared to the others. The findings of regression model reveal high significant impact of bank-specific variables (Bank's Size, Gearing Ratio, Deposits, and Investment in debt instruments) on the financial performance of public Banks in India. Furthermore, the study reveals that all the external variables (government effectiveness, Voice and Accountability and Regulatory Quality) have high significant and positive impact on financial performance of public banks in India.

Key words: Governance indicators, Public banks, financial performance, India

INTRODUCTION

The banking industry, being a crucial constituent of financial system is the lifeline of Indian economy. It plays a vital role in the success /failure on an economy. Public Banks in India are one of the oldest financial intermediaries in the financial system in India. The essential role of a bank is to connect investors or depositors, with individuals wanting a loan, or businesses wanting to grow (DR. M. Dhanabhakyam & M. Kavitha, 2012). Research confirms that countries with a well-developed banking system grow faster than those with a weaker one (Kumar & Anjum, 2014). The Indian banking sector witnessed major changes in their structure because of revolution in information systems.

Public sector banks are the ones in which the government has a major holding. They are divided into two groups i.e. Nationalized Banks and State Bank of India and its associates. Among them, there are 19 nationalized banks and 8 State Bank of India associates. Public Sector Banks dominate 75% of deposits and 71% of advances in the banking industry. Public Sector Banks dominate commercial banking India. These can be further classified into: 1) State Bank of India 2) Nationalized banks 3) Regional Rural Banks (Chaudhary & Sharma, 2011).
The structure of this paper is organized as follows: section one an introduction about banking sector in India. Section two the literature review. Section three gives the study methodology. Section four presents the findings and discussions of findings. Fifth section draws the conclusion.

**Literature Review**

In this section, financial performance is usually expressed as a function of internal and external variables. The internal variables are empirically explored and most of the previous studies have stated that such as [Berger et al., (1987); Bourke, (1989); Molyneux and Thornton, (1992); Bikker and Hu, (2002); Molyneux and Thornton, (1992)]. The mixed results in prior literature caused a vague understanding of the impact of internal variables on financial performance of banking sectors.

Other studies such as Martin & Hesse, (2010) studied the impact of external variables, governance on banks stability by using the governance indicator that was compiled by Kaufmann et al. (2005). They average the 6 governance indicators of regulatory quality, voice and accountability, government effectiveness, political stability, rule of law, and control of corruption in these years 2004, 2002, 2000, 1998, and 1996 into a single index. The governance indicator captures cross-country differences in institutional developments that have an effect on financial performance in banking sectors.

(Dr. M. Dhanabhakyam & M. Kavitha, 2012) studied the financial performance of the selected public sector banks with the different norms, (ratio analysis, correlation and regression). They selected six Public Sector Banks. The results of the study of the selected public sector banks have performed well on the sources of growth rate and financial efficiency during the study period. The old private sector banks and new private sector banks play a vital role in marketing of new type of deposits and advances schemes.

Mahalakshmi Krishnan (2012) studied trends and growth opportunities of Indian banks. The data were collected from various secondary published sources and research studies. The study show a strong positive correlation between Indian Banks ‘Business Growth and the GDP. The Big Banks of USA and Europe buckled under crisis but India could withstand the crisis mainly on the strength of its banking industry. The paper also finds that in Retail Banking development shows in Urban-centric and in rural area the concept is beyond the thinking of people. So attempt is made to strengthen the Indian Banking system.

Kapoor Reetu & R.C. Dangwal (2012) examined the factors Affecting Bank Profitability. They concluded that the evaluation of banks in terms of profitability, spread seems to be affect the profitability of banks more for all bank groups. Paper also suggest that banks should not only...
augment their interest income but also try to maximize their ancillary and fee based income. Banks should keep a check on exorbitant expectations for unproductive purpose. (DR.M.Dhanabhakyam & M.Kavitha, 2012) analyzed the financial performance of public sector banks in India during the period 1999-2000 to 2008-09. This period covers the old financial products period and new financial products period. Specifically, the paper examines the impact of new financial products on financial performance of public sector banks in India. The empirical results show that impact of new financial product on public sector banks has intensified. The financial performance of public sector banks is greater in new financial products than the old financial products period.

Khrawish (2011) identified the determinants of commercial banks performance in Jordan for the period of 2000-2010. The study found significant and positive relationship between ROA and bank size, total liabilities to total equity, total equity to total assets and net interest margin. The results showed negative relationship between ROA and annual growth in GDP and inflation rate of the commercial banks. The study concluded that internal factors are the major performance determinants of Jordanian banks in comparison to external factors. (Tabash, Yahya, & Akhtar, 2017) examines the financial performance of banking sector in the United Arab Emirates (UAE). The results showed that there is no significant difference between Islamic banks and conventional banks in terms of profitability (ROA) while there is a significant difference between Islamic and conventional banks in terms of liquidity, operation efficiency, capital adequacy, and financial risk. Further, the results indicated that the Islamic banks have higher operating efficiency, bank size and more liquidity than their counterparts of UAE. (Yahya et al., 2017) investigated the impact of political instability (one of the governance indicators), macroeconomic and bank- specific factors on the profitability of Islamic banks in Yemen. The study reveals that assets size (LogA), assets management, liquidity and deposits have a significant and positive impact on ROA. The found also, that Political instability have positive and significant impact on financial performance of Yemeni banks.

In the Middle East, Bashir (2003) examined the internal variables and economic environment impact on the performance of Islamic banks. He found that there is significant and positive relationship between capital adequacy and financial performance of Islamic banks. The researcher also concluded from the study, foreigners owned Islamic banks have ability to attain higher profit ratio then the banks locally owned. He also conclude that there is positive impact and significant relationship of inflation on the profitability of Middle East Islamic banks.
Objectives of the Study
The main objectives of the study are: -
1) To assess the impact of bank specific variables on the financial performance of Indian public banks.
2) To assess the impact of governance indicators on the financial performance of Indian public banks.

4. Hypothesis of the Study:
On the basis of above mentioned objectives two main hypotheses and seven sub hypotheses have been formulated as follows: -

**H0: There is no significant impact of bank specific variables on the financial performance of public banks in India.**
Sub H01: There is no significant impact of bank size on the financial performance of public banks in Indian.
Sub H02: There is no significant impact of deposits on the financial performance of public banks in Indian.
Sub H03: There is no significant impact of Gearing Ratio on the financial performance of public banks in Indian.
Sub H04: There is no significant impact of Investment in debt instruments to total assets on the financial performance of public banks in Indian.

**H0 There is no impact of governance indicators on the financial performance of public banks in Indian.**
Sub H01: There is no significant impact of government effectiveness on the financial performance of public banks in Indian.
Sub H02: There is no significant impact of Voice and Accountability on the financial performance of public banks in Indian.
Sub H03: There is no significant impact of Regulatory Quality on the financial performance of public banks in Indian.

5. Methodology
5.1. Study sample
The study sample consisted of all listed Public banks in Mumbai stock market for 8 years during the period (2009-2016). Table 3.1 shows the sample of the study.
Banks name

<table>
<thead>
<tr>
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<th>Banks name</th>
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<th>Banks name</th>
<th></th>
<th>Banks name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Allahabad Bank</td>
<td>8</td>
<td>Corporation Bank</td>
<td>15</td>
<td>Punjab National Bank</td>
</tr>
<tr>
<td>2</td>
<td>Andhra Bank</td>
<td>9</td>
<td>Dena Bank</td>
<td>16</td>
<td>State Bank Of India</td>
</tr>
<tr>
<td>3</td>
<td>Bank Of Baroda</td>
<td>10</td>
<td>I D B I Bank Ltd.</td>
<td>17</td>
<td>Syndicate Bank</td>
</tr>
<tr>
<td>4</td>
<td>Bank Of India</td>
<td>11</td>
<td>Indian Bank</td>
<td>18</td>
<td>Uco Bank</td>
</tr>
<tr>
<td>5</td>
<td>Bank Of Maharashtra</td>
<td>12</td>
<td>Indian Overseas Bank</td>
<td>19</td>
<td>Union Bank Of India</td>
</tr>
<tr>
<td>6</td>
<td>Canara Bank</td>
<td>13</td>
<td>Oriental Bank Of Commerce</td>
<td>20</td>
<td>United Bank Of India</td>
</tr>
<tr>
<td>7</td>
<td>Central Bank Of India</td>
<td>14</td>
<td>Punjab &amp; Sind Bank</td>
<td>21</td>
<td>Vijaya Bank</td>
</tr>
</tbody>
</table>

5.2. Data Collection
The study is mainly based on secondary data. The data for this study is collected from Presque database the annual reports, website of Mumbai stock market and governance indicators are collected from the World Wide Bank database.

5.3. Data Analysis Methods
The quantitative method is utilized in this study. All financial ratio, hypotheses test and statistical tests are done using E-views software version 8.0.

5.4. Model Specification
In this study, a model is developed to identify the relationship between the financial performance of Public banks in India as dependent variables (ROA and independent variables categorized into internal factors [bank size logarithm of total assets (LogA), deposits (DT), Gearing Ratio (DE) and investment in debt instruments to total assets (IA)] and governance indicators as external factors [Government Effectiveness (GE), Regulatory Quality (RQ) and Voice and Accountability (VA)], the used model consists of \( N = 1,...,n \), observed at each of \( T \) time periods, \( T = 1,...,t \). In the dataset, the total observation is \( n \times t \). The basic framework for the data is defined as per the following regression model (Brooks 2008):

\[
\text{ROA}_{nt} = \beta_0 + \beta_1 \text{LogA} + \beta_2 \text{DT} + \beta_3 \text{DE} + \beta_4 \text{IA} + \beta_5 \text{GE} + \beta_6 \text{RQ} + \beta_7 \text{VA} + \varepsilon
\]

Fig.1: Model of the study
5.5. Variable Measurement

Return on assets (ROA) is the largely pertained ratio used to measure financial performance (Sufian & Habibullah, 2009; Naceur & Goaied, 2001; Kosmidou, 2008; Williams, 2003; Siddiqui, 2008; Berger, 1995). The annual financial statements of the Public banks were studied by using Return on Assets as a dependent variable and independent variables are categorized as bank-specific (internal) namely Bank's Size, Gearing Ratio, Deposits, and Investment in debt instruments and governance indicators (external) namely Government Effectiveness, Regulatory Quality and Voice and Accountability for Eight years period. The details of these variables along with their symbols, and proxies are reported as under in Table 3.1

Table 3.1: Variables, their Proxies and Symbols.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Measure</th>
<th>Nota</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent variables</strong></td>
<td>Profitability (Return on Assets)</td>
<td>Net profit/total assets</td>
</tr>
<tr>
<td><strong>Independent Internal</strong></td>
<td>Asset size</td>
<td>Natural logarithm of total assets</td>
</tr>
<tr>
<td></td>
<td>Gearing Ratio</td>
<td>Debt/ equity</td>
</tr>
<tr>
<td></td>
<td>Deposits</td>
<td>Deposits/total assets</td>
</tr>
</tbody>
</table>
6. Data Analysis and Results

Three research methods have been used for the purpose of data analysis namely, descriptive analysis, correlation and Panel Least Squares (multiple regression model).

6.1. Descriptive Statistics Analysis

Descriptive Statistics (including mean, standard deviation, minimum and maximum) are used to compare and analyses the performance of public banks in India.

<table>
<thead>
<tr>
<th>Variables</th>
<th>ROA</th>
<th>SIZE</th>
<th>VA</th>
<th>RQ</th>
<th>IA</th>
<th>GE</th>
<th>DE</th>
<th>DA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>0.369464</td>
<td>6.365893</td>
<td>0.428415</td>
<td>-0.39239</td>
<td>0.237034</td>
<td>-0.04224</td>
<td>1.406429</td>
<td>0.848694</td>
</tr>
<tr>
<td>Median</td>
<td>0.53</td>
<td>6.35</td>
<td>0.430307</td>
<td>-0.38505</td>
<td>0.2379</td>
<td>-0.00323</td>
<td>1.36</td>
<td>0.86</td>
</tr>
<tr>
<td>Maximum</td>
<td>1.48</td>
<td>7.43</td>
<td>0.460685</td>
<td>-0.30652</td>
<td>0.3338</td>
<td>0.100246</td>
<td>5.82</td>
<td>0.9064</td>
</tr>
<tr>
<td>Minimum</td>
<td>-1.69</td>
<td>5.75</td>
<td>0.399454</td>
<td>-0.47278</td>
<td>0.1491</td>
<td>-0.20565</td>
<td>0.2</td>
<td>0.7035</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>0.670955</td>
<td>0.320957</td>
<td>0.018103</td>
<td>0.061226</td>
<td>0.02959</td>
<td>0.115326</td>
<td>0.738594</td>
<td>0.041369</td>
</tr>
</tbody>
</table>

In Table 2, it can be noticed that the difference between the maximum and the minimum values of the ROA are high for the entire sample, which indicates that some of the banks are having a very low performance compared to the others. However, the mean value of the governance indicators as the following (VA) 0.42, (RQ) -0.39 and GE -0.04 show low result, and standard deviations for them are very low.

6.2. Multicollinearity Test

<table>
<thead>
<tr>
<th>Variables</th>
<th>SIZE</th>
<th>VA</th>
<th>RQ</th>
<th>IA</th>
<th>GE</th>
<th>DE</th>
<th>DA</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIZE</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VA</td>
<td>-0.253</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RQ</td>
<td>-0.113</td>
<td>0.485</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IA</td>
<td>-0.484</td>
<td>0.049</td>
<td>0.128</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GE</td>
<td>-0.032</td>
<td>0.353</td>
<td>0.838</td>
<td>0.102</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In Table 4.2, the results of the Correlation tests specify the absence of multicollinearity problem among the variables. Thus it can be said that all of the explanatory variables are free from the interdependency of explanatory variables. The Pearson Correlation Coefficients is reported.

### 6.3. Multiple Regression Analysis

Dependent Variable: ROA  
Method: Panel Least Squares  
Date: 01/29/18   Time: 08:47  
Sample: 2009 2016  
Periods included: 8  
Cross-sections included: 21  
Total panel (balanced) observations: 168

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIZE</td>
<td>-0.640049</td>
<td>0.180981</td>
<td>-3.53656</td>
<td>0.0005</td>
</tr>
<tr>
<td>VA</td>
<td>12.88314</td>
<td>2.584243</td>
<td>4.985267</td>
<td>0</td>
</tr>
<tr>
<td>RQ</td>
<td>4.835794</td>
<td>1.258174</td>
<td>3.843502</td>
<td>0.0002</td>
</tr>
<tr>
<td>IA</td>
<td>-8.00071</td>
<td>1.52865</td>
<td>-5.23384</td>
<td>0</td>
</tr>
<tr>
<td>GE</td>
<td>-4.402342</td>
<td>0.625049</td>
<td>-7.043196</td>
<td>0</td>
</tr>
<tr>
<td>DE</td>
<td>-0.269884</td>
<td>0.088729</td>
<td>-3.041686</td>
<td>0.0028</td>
</tr>
<tr>
<td>DA</td>
<td>-5.185867</td>
<td>1.848604</td>
<td>-2.805288</td>
<td>0.0057</td>
</tr>
<tr>
<td>C</td>
<td>7.31341</td>
<td>3.12831</td>
<td>2.337815</td>
<td>0.0206</td>
</tr>
</tbody>
</table>

R-squared 0.46404  
Adjusted R-squared 0.440592  
F-statistic 19.79  
Prob(F-statistic) 0

The results of regression analysis show that R-square is 46.4% and Adjusted R-square is 44% of return on assets (ROA) are explained by the variations in the independent variables.
The Results also show that bank-specific (internal) namely Bank's Size, Gearing Ratio, Deposits, and Investment in debt instruments are negatively related with Return on Assets (ROA) While the other variables (Regulatory Quality and Voice and Accountability) are positively related with dependent variable, Return On Assets (ROA) 
The P value of the bank-specific variables in the Model are less than 1%, that means there are high significant impact of bank-specific variables (Bank's Size, Gearing Ratio, Deposits, and Investment in debt instruments) on the financial performance of public Banks in India and this constant with (PARVIZ AHANGI, 2013; Yahya et al., 2017) 
The P value of the governance indicators variables in the Model are less than 1%, that means there are high significant impact of governance indicators (external) (Government Effectiveness, Regulatory Quality and Voice and Accountability) on the financial performance of public Banks in India and this constant with (Yahya et al., 2017) 

7. Conclusion

The main aim of this study is to analyze the impact of a group of bank specific variables as internal variables and three of governance indicators as external variables on financial performance of public banks in India. The study has used a sample of 21 Indian Public banks all the listed public banks in Mumbai stock market for eight years during the period from 2010 to 2015. Three research methods have been used for the purpose of data analysis namely, descriptive analysis, correlation and Panel Least Squares (multiple regression model). The empirical results of descriptive analysis shows some of the banks are having a very low performance compared to the others. The findings of regression model reveal high significant impact of bank-specific variables (Bank's Size, Gearing Ratio, Deposits, and Investment in debt instruments) on the financial performance of public Banks in India

The study Also, reveals that all the external variables (government effectiveness, Voice and Accountability and Regulatory Quality have high significant and positive impact on financial performance of public banks in India.

References:


MICROFINANCE IN YEMEN “CHALLENGES AND OPPORTUNITIES

1. Prof. W. K. Sarwade,
Dean and Director, Department Of Management Science

2. Wahib A. Al-barakani
Research Scholar,
Dr. Babasaheb Ambedkar Marathwada University, Aurangabad.

ABSTRACT
This paper aims to identify the challenges and opportunities facing microfinance and development in Yemen. The study adopts descriptive analytical methodology. The paper is based mainly on secondary data collected from the records of the Social Fund for Development, the Yemen Microfinance Network, the Government of Yemen. Websites, official reports and other relevant sources. The study covers the period from 1997 to 2015 and the area for study was Yemen.

The results of the study showed that the institutions and programs specialized in financing small projects in Yemen provide financial services like no other attracts many Arab experiences. However, these financial resources are still insufficient to meet the financing needs of existing production projects, as well as to encourage the establishment of new institutions. The reason may be attributed to their weak financial capabilities compared to the financial needs of society, especially during the ongoing civil war. Yemen, such as high interest rates, improper management, qualified, lack of professional skills, financial literacy, and required guarantees.

However, despite the difficulties and challenges facing the microfinance industry in Yemen, many studies have revealed that there is a potential promising market in Yemen. It is believed that about 3% of the total market has been penetrated and left more than 2 million potential customers not served. Yemen can develop its own sustainable microfinance model that takes into account the difficult local characteristics of Yemen.

Key Words:- Microfinance; Challenges; Opportunities; Yemen.

INTRODUCTION
Yemen is facing a number of political and economic problems. It is considered one of the poorest Arab countries suffering from high levels of poverty and infrastructure, which has exacerbated the situation there, especially after the recent political crises in the Arab region. In the end, the poverty rate also increased from 42% in 2009 to 54.5% in 2012 (World Bank, 2014) In addition, Yemen ranked 154th out of 187 countries in human development resources with an index of 0.500 (Human Development, 2013). For youth unemployment, the unemployment rate has risen from 14% in 2011 to almost 60%. As for the rise in products and services, food prices rose by 23% at the end of 2011.
(World Bank, 2012). About 74% of the Yemeni population lives in scattered rural areas, often mountainous, making it extremely difficult to provide basic social services including (46 per cent of the population) are in high demand for education and health services, access to clean drinking water and employment opportunities, and human development indicators show low enrollment rates, high child malnutrition rates (46 per cent) And the death of her mother (366 per 100,000) and illiteracy (56 There are also significant gender disparities, with significant gaps in women's access to economic, social and political opportunities; Yemen ranks 155 out of 156 countries in the UNDP Gender Development Index (Borguri Dina, Jennings Mary, 2008).

In an effort to alleviate poverty and unemployment in the country, among other development efforts, the Yemeni government has focused more on developing the microfinance industry in Yemen to see the popularity of microfinance widely used as a potential tool to address poverty in many developed and developing countries. However, although there is no internal exposure in this sector, the Yemeni government is willing to take advantage of microfinance capabilities to challenge double poverty and unemployment.

Until recently, microfinance is still new and has not yet achieved stability and full growth. This is due in particular to the continuing high levels of poverty and unemployment in the country, as well as the lack of local and international government resources that may support this type of project. This clearly demonstrates the need to examine the various challenges facing the process of developing the microfinance industry in Yemen.

**Methodology:**

Follow the descriptive approach in analyzing the secondary quantitative data obtained.

The Problem Statement:

Despite the initial results that show a positive impact of microfinance on the livelihoods of low-income people in Yemen, this type of industry remains infantile with many difficulties and challenges hindering progress in achieving the goal with 2 million people not served by. The industry also seems to have a promising market and future opportunities for microfinance. This study is therefore an attempt to investigate in depth the following questions:

What are the challenges and difficulties facing microfinance in Yemen? What are the future opportunities for improving microfinance in Yemen?

The objectives of the study:

A historical study of microfinance practices from a development perspective in Yemen.
To describe the challenges and difficulties facing the microfinance industry in Yemen, and identify most of the challenges and opportunities facing microfinance in Yemen.

Propose some strategies to meet specific challenges and provide appropriate opportunities to achieve the desired goal.

**Data collection:-**

The study is based on secondary data collected from various records such as the Social Fund for Development, the Consultative Group to Assist the Poor, the World Bank, the International Finance Corporation, the Yemen Microfinance Network, the Small and Microenterprise Development Unit, the Central Bank of Yemen and the Government of Yemen. Other official. The study is being conducted in Yemen covering the period 1997-2015.

**Figure1: Total Active number of clients Borrowers (1998-2015)**

![Figure1](source)

**Figure2: Total Active number of savers (1998-2015)**

![Figure2](source)
Figure 3: Total No. of loans (1998-2015)

Source: Previous SFD Yearly Report

Figure 4: Total Loan amounts million (1998-2015)

Source: Previous SFD Yearly Report
1- Table No. 1 showing the current landscape in Yemen December 2015

<table>
<thead>
<tr>
<th>Program</th>
<th>Active number of clients Borrowers</th>
<th>Savers</th>
<th>Outstanding loan portfolio Million YR</th>
<th>PA R (%)</th>
<th>Cumulative Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Wome n (%)</td>
<td>Total</td>
<td></td>
<td></td>
<td>No. of loans</td>
</tr>
<tr>
<td>1 Al-Amal Microfinance</td>
<td>37,671</td>
<td>3,9</td>
<td>122,377</td>
<td>2,414</td>
<td>136,647</td>
</tr>
<tr>
<td>2 National MF Foundation</td>
<td>11,568</td>
<td>5,8</td>
<td>25,295</td>
<td>467</td>
<td>109,409</td>
</tr>
<tr>
<td>3 Aden MF foundation</td>
<td>13,515</td>
<td>7,3</td>
<td>10,774</td>
<td>833</td>
<td>52,402</td>
</tr>
<tr>
<td>4 MF Development program</td>
<td>6,843</td>
<td>3,0</td>
<td>3,010</td>
<td>369</td>
<td>79,727</td>
</tr>
<tr>
<td>5 Altadhamon Bank</td>
<td>3,873</td>
<td>3,0</td>
<td>0</td>
<td>430</td>
<td>38,640</td>
</tr>
<tr>
<td>6 Alkuraim Islamic Microfinance</td>
<td>3,686</td>
<td>4</td>
<td>341,075</td>
<td>780</td>
<td>17,850</td>
</tr>
<tr>
<td>7 Sana’a MF –Azal</td>
<td>3,909</td>
<td>6,5</td>
<td>2,55</td>
<td>320</td>
<td>47,879</td>
</tr>
<tr>
<td>8 Hadhramaut Microfinance</td>
<td>6,945</td>
<td>2,9</td>
<td>4,50</td>
<td>746</td>
<td>43,984</td>
</tr>
<tr>
<td>9 Aletehad Microfinance</td>
<td>3,562</td>
<td>100</td>
<td>0</td>
<td>289</td>
<td>50,330</td>
</tr>
<tr>
<td>10 Al-Awa’el MF Company</td>
<td>1,546</td>
<td>7,9</td>
<td>0</td>
<td>93</td>
<td>81,945</td>
</tr>
<tr>
<td>11 Other activities &amp; IGP s</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>107,641</td>
</tr>
<tr>
<td>Total</td>
<td>93,118</td>
<td>509,590</td>
<td>6,741</td>
<td>766,454</td>
<td>87,448</td>
</tr>
</tbody>
</table>

**Source:** Social Fund for Development (SFD) 2015 annual report

Table 1 shows the total number of poor borrowers in Yemen reached 93,118 and 509,590 savers as per the latest report published by the social fund for development in December 2015. Similarly the total amount of the microfinance portfolio is (Yemeni Riyal) YR 6,741 billion. Likewise the cumulative number of loans is 766,454 Loans with cumulative mount of YR 87,448 billion. The report further notes that Al-Amal Microfinance Bank is the most active one among all other operators in the market with 37,671 active borrowers 39% of them are women and 61% men. The
total savers are 122,377. Finally the table shows that the Al-awael MF Company, Aden MF foundation and Aletehad Microfinance program have the highest portfolio at risk scoring 100%.

Literature Review / Previous Studies

Microfinance is generally defined as providing a wide range of financial services such as credit, insurance, savings, deposits and payment services for poor and low-income households excluded from traditional financial services because of lack of guarantees (Johnson & Rogali, 1997; Ledgerwood, 1999; Littlefield, Murdoch and Hashmi, 2003; Robinson, 2001)

The definition of the microfinance concept varies according to the purpose of the scheme, the type of offer and products and from the perspective of microfinance users. The term is often used narrowly to refer to loans and other services from providers who define themselves as MFIs. These institutions tend to use new methods developed over the past 30 years to provide very small loans to non-wage borrowers with little or no collateral.

Many MFIs provide social mediation services such as group formation, self-confidence development, and training on financial literacy and management among group members. Thus, the definition of microfinance often involves financial intermediation and social mediation. Microfinance is not just banking, it is a development tool.

The main microfinance operators in Yemen.

There are about 19 players in the market, offering various microfinance products and services, and vary from banks to institutions for programs, companies and others.

In early 2011, Yemen was hardest hit by unrest and sweeping protests as part of the Arab Spring, which dealt a severe blow to the microfinance sector in Yemen. The number of active customers decreased significantly (by more than 20%) in six months. The microfinance sector has been affected by military conflicts as many customers have fled their places of residence. Many other clients' projects have been affected by the severe lack of basic services, the withdrawal of many clients from the labor market, and individuals have saved their savings to meet their consumption needs. In addition, many institutions have ceased to provide new loans, given the high risk, while other institutions have looted or destroyed their sub-offices. MFIs suffered significant losses due to increased operating costs and a significant reduction in the number of savings (up to 30%).

EMP responded promptly to the events and, by the end of February 2011, set up a contingency plan to address the crisis in Yemen. It was not only published and shared with all institutions operating in Yemen and the Arab world. (AMP, ANO Report, 2013)
Qais Ali al-Iryani (February 2002)
That microfinance has reached only a few poor people; some factors hampering the progress of microfinance in Yemen have exposed the market, such as lack of experience and economic instability, cultural barriers, dispersed populations and insufficient infrastructure. The study requires the Government of Yemen, donors, intermediaries and clients to work together to develop a practical model for delivering sustainable microfinance services. In assessing the impact of the Social Fund for Development (2003, 2006 and 2009) it was revealed that microfinance has increased people's income, improved living standards, empowered women and created more jobs for local communities. IFC (2007) Another study revealed a huge microfinance market in Yemen. The success of microfinance is entirely dependent on customer education, loan facilitation and finally training and consulting for clients. The Social Fund for Development (2008), which conducted a market study on women, reported that most women working in microfinance work on a very small scale of activities, mostly from home-based enterprises. Overseas employment is limited. This is due to some factors that limit the mobility of Yemeni women. In a study conducted by the Social Fund for Development (SFD), the Social Fund for Development (2009) showed that the impact of microfinance on income generation was 50% and the repayment rate was 96%.

100%. (Grameen-Jamil), a professional microfinance institution reported on its official website, Grameen-Jameel.com/yemen/ that only 3% of the microfinance market in Yemen has been compromised by MFIs that left about 2 million customers. It is probable that (2011) 90% of the funding will be provided by foreign donors and 10% by the Yemeni government. Shami and others (2013) proposed a conceptual framework in the role of Malaysian microfinance and Yemen in the well-being of the poor and provided guidelines on how to improve the sustainability and expansion of microfinance institutions. In another concrete paper on the Arab region, the World Bank (2013) reported that Yemen is lagging behind in other areas.

(Zamzami, 2005) A study entitled "Microfinance Industry in Yemen", aims to introduce the microfinance industry in Yemen. The study highlighted the development of Yemen's microfinance industry and the barriers and difficulties facing the industry such as the lack of institutions capable of sustainable management programs, the absence of private financial institutions in rural areas and the lack of training and development in the microfinance industry. The study recommends the importance of enacting legislation on the regulation of microfinance institutions in Yemen and the importance of training in microfinance due to lack of specialized
professionals in Yemen and the need for financial resources to cover all of Yemen. Dina Borjorge Mary Jennings, (June 2008) Gender Study of Microfinance: A Market Study of Business Diaries (2007-2011), the National Plan for the Development of Women (2006-2011), and the Gender Mainstreaming Strategy for IFAD (2007), which was commissioned by the Fund with the support of the German Development Bank For the first time in Yemen the preferences and perceptions of clients regarding microfinance and their responsiveness to their needs. The report aims to provide the SFD and its partner funding institutions with information that can be used to improve and expand their operations, grow their client base and have a stronger impact on poverty; their findings also provide valuable insights to banks and other financial institutions.

MOHAMMED AL LAEE "The impact of the current situation on the microfinance sector in Yemen and the mechanism for dealing with the situation" In early 2011, Yemen was gripped by unrest and massive protests in the framework of the so-called revolutions of the Arab Spring, which had a significant impact on the work of financial institutions The smaller the number of active clients by more than 20% and the hit the microfinance sector as a result of the armed conflict. Many customers displaced from their places of residence and many customers affected by their projects due to the severe shortage of basic services and the withdrawal of a large number of customers from the labor market and the dispersion of the savings of individuals to meet the needs of individual consumers, as well as the closure and reduction of some institutions, and new loans were disbursed due to high risk, MFIs suffered significant losses due to higher operating costs and the number of savings by 30.

Ali Saleh Al-shebami, Microfinance In Yemen"Challenges And Opportunities (dec,2014) This paper aims to identify the challenges and the opportunities facing Microfinance in Yemen. The paper is mainly based on the secondary data collected from the records of the Social Fund for Development, Yemen Microfinance Network, Government of Yemen, Microfinance books, websites, official reports and other sources related to the research subject. The said study covered the period from 1997 to 2013 and the region for the study was Yemen. The result of the study reported that there are multiple factors affecting the development of microfinance in Yemen, such as high interest rate, improper management, shortage in the qualified staff, unavailability of professional skills, financial literacy, religious perception, demanded collaterals. However, despite the difficulties and challenges facing Microfinance industry in Yemen, many studies revealed that there is potential promising market in Yemen. It is believed that about 3% of the total market has been penetrated and left more than 2 million potential clients un-served.
Eissa. H. AboHulaika, Microfinance in Yemen:“Challenges and Opportunities” (6, 2016): This paper aims to identify the challenges and opportunities of Microfinance in Yemen. The paper is mainly based on the secondary data collected from the records of the Social Fund for Development, Yemen Microfinance Network, Microfinance Magazine, Consultant Group to Assist the Poor, MFIs websites, etc. The study covered the period from 1997 to 2015. The result of the study reported that there are several factors affecting the development of microfinance in Yemen, such as Lack of Experience and Weak Intermediaries, Under Developed Infrastructure, Cultural Barriers and Attitude, Clients Incapacity, high interest rate, improper management, and unavailability of professional skills, financial literacy, and religious perception. With innovation and experimentation, Yemen could develop its own model for sustainable microfinance that takes into account the difficult local specifics of Yemen.

**Conclusion:**

The microfinance industry in Yemen is growing very slowly. Although it has progressed and has shown positive results on job creation and poverty reduction, there is also a need to design an insurance-related product to protect the vulnerabilities of small businesses. The concept of microfinance in Yemen began in 1997, with only 13 financial players operating in the market. These operators provide different types of microfinance products and services. The total number of customers was 99,726 active borrowers and 253,292 active savings. The total value of the portfolio was SAR 9,590 billion as at 31 December 2013, which is considered to be inadequate management, lack of marketing and education management, financial literacy, high interest rates, side orders, product shortages and innovation, market instability, cultural barriers, Exchange rate fluctuations, and many other factors are the main reasons for the delay in the advance of the microfinance industry in addition to the low level of loans, especially at the entry level, is often the main point of customer dissatisfaction. Most women considered that the first loans were not enough to start a business, and were cited as the reason why many women did not participate in or leave the program. Most MFIs have not increased their initial loan volumes for several years and are keeping pace with inflation. The shrinking value of the loan appears to be more acute in the current context of rising food prices. Moreover, it must be assumed that loans have small effects on poverty. Women have repeatedly stated that they need larger loans if they are to grow faster. Most MFIs report that they offer a mix of productive, service, seasonal and consumer loans using murabaha and cash transactions (ie, Islamic or conventional loans).
The microfinance sector has been affected by military conflicts as many customers have fled their places of residence, and many other clients' projects have been severely affected by the severe lack of basic services, the withdrawal of many clients from the labor market, and individuals saving their savings to meet their consumption needs. In addition, many institutions have ceased to provide new loans, given the high risk, while other institutions have looted or destroyed their sub-offices. MFIs suffered significant losses due to increased operating costs and a significant reduction in the number of savings (up to 30%).

These factors have required the Yemeni government to take immediate action in this sector so that it can be improved in view of the potentially huge potential market in Yemen. It should review the experience of other countries and develop a sustainable microfinance model to take into account the difficult local characteristics of Yemen to suit the needs of the country. This is a real opportunity for the Government of Yemen to use microfinance as a development tool that can help improve the living conditions of people in Yemen.

References:


ABSTRACT

A startup is a young, dynamic company built on technology and innovation wherein the founders attempt to capitalize on developing a product or service for which they believe there is a demand. A new campaign named as Startup India, Standup India was announced by the Prime Minister Narendra Modi during his speech on Independence Day 2015. This is an effective scheme launched on 16th of January 2016 by the Modi government to help youths of the country. This has resulted into the emergence of a number of home grown Unicorns across the country. One of the major contributors leading to this development has been the mega funding that has been ploughed into most of these Unicorns between the period 2007 and 2015. Even the aspiring Unicorns have had a decent run during this period, where managing to find investors is usually considered a tough task. In the past decade, we have seen the rebirth of the startup ecosystem with a more sustainable business model in the form of Angel Network/Venture Capital. This is now taking strong root in the technology related areas and we are now seeing the results of this in cities such as Bengaluru, Gurgaon, Pune, Hyderabad and Mumbai. We believe that India’s economic future lies in encouraging startups which will bring dynamism, new thinking and create jobs to the Indian economy.

Keywords: Startup, Unicorn, Startup Challenges, Technology.

INTRODUCTION

A startup company (startup or start-up) is an entrepreneurial venture which is typically a newly emerged, rapidly-growing business that aims to meet a market need by developing or offering an innovative and extraordinary product, process or service. A startup is usually a company such as a small business, a partnership or an organization deliberately designed to rapidly develop a commercially viable business model. More often than not, startup companies deploy technologies, such as Internet, e-commerce, computers, telecommunications, A.I., or robotics to make a niche for them in the market. These companies are generally involved in the design and implementation of the innovative and out of the box processes of the development, validation and research for target markets. While start-ups do not only operate in technology realms, the term became internationally widespread during the dot-com bubble in the late 1990s, when a great number of Internet-based companies mushroomed. Start-ups have high rates of failure, but the minority of successes include companies that have become large and influential. Startups usually need to form partnerships with other firms to enable their business model to operate. Co-founders are people involved in the initial
launch of startup companies. Anyone can be a co-founder, and an existing company can also be a co-founder, but frequently co-founders are entrepreneurs, engineers, hackers, web developers, web designers and others involved in the ground level of a new, often high-tech, venture.

According to an Infosys Co-founder, a startup is defined as a business\(^2\)

- Within the first three years of its existence
- Employing 50 people or less
- Revenue of INR 5 cr. or less

The exact definition of "startup" is widely debated and discussed. However at their core, most definitions are similar to what the U.S. Small Business Administration describes as a "business that is typically technology driven and oriented and has high growth potential". The reference to "growth potential" may mean growth in revenues, number of employees, or both, or to the scaling up of a business to offer its goods or services to a wider or larger market.

**Objective of the Study:**
1. To study in detail about the Startups in India.
2. To study the growth of Startups in India.
3. To identify the challenges faced by Startups in India.

**Research Methodology:**

This Research work undertaken systematically to increase the stock of knowledge. The first objective of this paper is fulfilled by the analysis of history of Startups. The data and information has been collected primarily from journals, articles, websites or newspaper etc.

**Overview of Startups in India:**

This is an initiative by the Indian PM to give opportunities to the youths to become industrialists and entrepreneurs which need the establishment of a startup network. Startups means youths of the country will be supported through finance from banks to strengthen those startups better so that they can create more employment in India. This initiative is the necessity to lead India in right direction. This has resulted into the emergence of a number of home grown Unicorns across the country.

India is amongst the top five countries in the world in terms of startups. US ranks number one on the list with 83,000+ startups. There are approximately 10000 startups in India.

<table>
<thead>
<tr>
<th>Table 1.1 Non Technology Based Startups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
</tr>
<tr>
<td>Engineering</td>
</tr>
</tbody>
</table>
Construction 13%
Agri Products 11%
Textile 8%
Printing & Packaging 8%
Transport & Logistics 6%
Outsourcing & Support 5%
Others 32%

Source: NASSCOM Startup India report 2015

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-commerce</td>
<td>33%</td>
</tr>
<tr>
<td>B2B</td>
<td>24%</td>
</tr>
<tr>
<td>Consumer internet</td>
<td>12%</td>
</tr>
<tr>
<td>Mobile apps</td>
<td>10%</td>
</tr>
<tr>
<td>SaaS</td>
<td>8%</td>
</tr>
<tr>
<td>other</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: NASSCOM Startup India report 2015

In the Technology based startups, maximum concentration is in E-Commerce sector (33%) followed by B2B sector (24%), Consumer Internet (12%) and other sectors comprise 13%.

In the Non Technology based startups, maximum concentration is on other sector (32%) followed by Engineering sector (17%).

Unicorn is a startup company valued at over $1 billion. The term was coined in 2013 by venture capitalist Aileen Lee, choosing the mythical animal to represent the statistical rarity of such successful ventures. In addition, the government’s Startup India initiative provides a slew of benefits to Indian startups, which includes an 80% rebate on patent filing. Application fees for startups to file patents has been reduced to just $25. The Indian government has introduced mechanisms for speedy processing of patent applications, and it’s now possible to acquire a patent in India within a year of its filing. Unlike earlier, the Indian Patent Office is processing foreign filing permits quickly, with which Indian startups can now file patents overseas.

**Unicorn:**
Unicorn—a start-up valued at $1 billion or more—has become a buzzword among venture capital and private equity investors. Some 177 companies across the world have won the tag. Only in
August 2016 did India get its 10th unicorn when Hike Ltd, which runs the messaging app Hike Messenger, raised $175 million, largely from Chinese Internet giant Tencent Holdings Ltd and Foxconn Technology Group of Taiwan, at a valuation of $1.4 billion. Here is a look at the Indian unicorns, their valuation and the year they made it to the list.\(^4\) In finance, a unicorn is a privately held startup company with a current valuation of US$1 billion or more. Currently there are 222 Startup Companies in world valued at $775 Billion.

Top 10 Unicorn StartUp companies in India that made to World List of Start-Ups Top 222)\(^5\)

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Company</th>
<th>Valuation</th>
<th>Type of Business Model Of StartUp</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>FlipKart</td>
<td>$16 Billion</td>
<td>e-Commerce</td>
</tr>
<tr>
<td>2.</td>
<td>Snap Deal</td>
<td>$ 7 Billion</td>
<td>e-Commerce</td>
</tr>
<tr>
<td>3.</td>
<td>Ola</td>
<td>$ 5 Billion</td>
<td>On-Demand</td>
</tr>
<tr>
<td>4.</td>
<td>PayTm</td>
<td>$ 4.83 Billion</td>
<td>Fin-Tech</td>
</tr>
<tr>
<td>5.</td>
<td>Quikr</td>
<td>$ 1.5 Billion</td>
<td>Internet Service/Market Place</td>
</tr>
<tr>
<td>6.</td>
<td>Mu Sigma</td>
<td>$ 1.5 Billion</td>
<td>Big Data</td>
</tr>
<tr>
<td>7.</td>
<td>Hike</td>
<td>$ 1.4 Billion</td>
<td>Social</td>
</tr>
<tr>
<td>8.</td>
<td>Shop Clues</td>
<td>$ 1.1 Billion</td>
<td>e-Commerce</td>
</tr>
<tr>
<td>9.</td>
<td>In-Mobi</td>
<td>$ 1 Billion</td>
<td>Ad-Tech</td>
</tr>
<tr>
<td>10.</td>
<td>Zomato Media</td>
<td>$ 1 Billion</td>
<td>Social On Demand</td>
</tr>
</tbody>
</table>

Source: CB Insights, Crunchbase

India is home to 10 unicorns—startups valued at over $1 billion. And, studies indicate that the country’s rapidly growing startup ecosystem could produce at least 50 more in the future. However, such massive valuations don’t imply profitability. Of the 10, only two Indian unicorns are currently profitable: Data analytics firm Mu Sigma has made annual profits for three years while InMobi, an advertising technology platform, posted profits in the fourth quarter of 2016. The rest are still struggling. Online sellers like Snapdeal and Flipkart have been bleeding due to the massive discounts they dole out to woo and retain customers. Advertising and marketing costs, too, are eating into revenues. Only Mu Sigma and InMobi made profits.

However, what is more interesting is that till now the e-commerce or marketplace start-ups have been the most successful in entering into the unicorn club. There are currently 56 start-up unicorns from the e-commerce or marketplace sector. It is closely followed by the internet software and services start-ups with 41 unicorns.
The fintech start-ups have been seeing a surge of late. Currently, there are 25 unicorns in the fintech sector.

The hardware sector has 16 start-ups that made it to becoming unicorns. Big data start-ups are at the same number. There are 13 unicorns from the healthcare sector and 12 unicorns from the social sector. So far in 2017, there have been 42 companies added to the global unicorn club E-commerce start-ups globally still hold the lead in 'unicorn' race Startups are finding it harder to break into the 'unicorn' club.6

A study carried out by SAGE, UK based accounting firm reported that most unicorns are produced by Universities in US and India. The first position was bagged by US-based Stanford University for having churned out 51 unicorn founders and the second position went to Harvard University with 37 unicorn founders. The third rank was occupied by University of California with 18 unicorn founders, which was followed by IIT for fourth rank with 12 billion-dollar founders.7

In Agri Space Big Basket has become only Unicorn Company with cash rich position.

India’s largest e-grocer BigBasket.com, has raised $50 million Series C funding in a round that values the company at $1 billion. The round was led by Bessemer Venture Partners, a Silicon Valley-based VC, which has been working on it since late last year. The Series C includes new investors Helion Venture Partners and Ascent Capital, and existing investor, Zodius Capital, according to CrunchBase. This funding makes BigBasket.com India’s highest valued vertical player in the segment.8

Stages of the Startup Lifecycle:
1. Identification of Need of New Application (Idea Generation)
2. Securing the Idea (with filing a Design and Utility Patent, Both)
3. Devising a Business Model to suit the Needs.
4. Challenges in Scaling the Business Model to generate sales to the potential expectations of Investors in Business.
5. Challenge of Retaining the Original Team.
6. Challenges to get new customers and retain customers.

Startup Challenges:
Startups take time, effort, and energy to grow into profitable and sustainable businesses. Funding is a major concern for startups and small businesses as availability of finance is a very crucial factor. Credit today is tight, in fact very tight in the light of demonetization and it is not clear precisely when it will become more readily available. Moreover, there is a growing trend of smaller initial
investments in early stage startups rather than big investments in bigger startups. Some of the important challenges faced by Indian startups:

1. **Tackling Rising Costs:**
   One of the most significant factors that keep startups from filing patents is cost. Filing a patent in India involves a pre-filing cost priced between $920 and $1530 (Rs.56k-Rs.92k), a first-action cost of up to $2300 followed by a patent maintenance cost of another $2300 (app.Rs.3Lakh). The collective fee of filing a patent can be a burden on several early-stage startups so private IP firms are helping startups manage these costs.

2. **Startups Seize Patent Filing Opportunities:**
   While anyone can file a patent, it is recommended to seek the help of IP law firms, which conduct patentability analysis to verify the authenticity of an idea and suggest amendments in patent documents. Based on findings by the Indian Patent Office, the process of filing patents in India has improved of late. Applications went up by 10% last year compared to the year before, and growth has been credited to the improvement of online services, availability of IP specialists across the country as well as the incentives provided for startups under the government’s Startup India initiative.

Swapna Sundar, CEO of IP Dome Strategy Advisors, says, “An increasing number of product startups in India are embracing the need for filing patents at an early stage of product development, which is very sensible. The Indian government’s Startup India initiative is creating awareness towards minimizing legal risk against IP infringement.”

3. **Protected Ideas Lead To High Investor Confidence**
   The eagerness to file patents has also led to improved investor confidence. Having seen both the sides of the ecosystem, Sateesh Andra, an entrepreneur-turned-venture capitalist with Endiya Partners believes that patent filing is an integral part of the overall product strategy as benefits outweigh the timelines and costs involved. The owner of multiple patents himself, Andra says, "As startups go global, how quickly you go to the market is paramount. Entrepreneurs must be aggressive in their market outreach plan as patent filing not only increases the credibility when they scale but also bolsters investor support."

As awareness around patent filings and quality of legal assistance improves, startups can now push the boundaries of innovation and creativity in India, establishing new benchmarks in the fast-growing ecosystem.
4. Adding new customers and retention of Customers.
The acquisition of customers for IT Startups is becoming more and more difficult task as number of IT Startups is growing. Many e-retailers are offering discounts for using particular bank’s credit/debit card; however customers are hoping to get cashbacks on deals in festive season.
"Cashback is the reigning king of Indian ecommerce marketing," says Saurabh Vashishtha, vice-president, business, Paytm.
Even Tata and Mahindra have taken a chance to e-tail their cars online. Tata Motors launched up to 100 per cent cashback offers on its range of cars including Safari Storme, Bolt, GenX Nano and Indigo. Mahindra & Mahindra too has been running a cashback scheme for its two-wheelers.

Conclusion:
India becoming next big startup destination. Indian Startups have become more conscious in filing patents. Number of patents filed has shown growth (4 Times as compared to 14).
India has the second highest number of unicorn start-ups in the world. India currently has 10 unicorn start-up firms. India has only 2 IT Start Ups Unicorns MuSigma and InMobi. Less than 2% startups reach the coveted 'unicorn' status. IT Startups (e-commerce sites) have started offering Cashbacks to get new customers and retain existing customers. Even TATA and Mahindra and Mahindra tried to promote their fledgling products online. It will be interesting to do data mining and A.I. for identifying repeat buyers and retain them for longer period of time. Thus adding value to the bottom line.

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GROWTH STRATEGIES OF INDIAN PHARMACEUTICAL COMPANIES

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Nashik, India                                 Department of Commerce, VSS
VSS College, Jalna, India

INTRODUCTION

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value. It accounts for 20% of global volume and it accounts for 1.4% of global value. It is said that at a growth rate of over 15% between 2015-2020, Indian pharmaceutical industry is set out perform the global pharmaceutical industry growing at 5%. By 2020 Indian pharmaceutical markets are set to grow to USD 55 billion to emerge as 6th largest market in absolute terms. Pharmaceutical exports stood at USD 16.4 billion in 2016-17 and are expected to grow at 30% to reach USD 20 billion. [1] Despite of the excellent picture the pharmaceuticals industry in India has to face some prominent problems which include; compliance issues and good manufacturing practices; highly fragmented industry leading to volatility, instability and uncertainty; low margins due to price control; lower inputs on R&D; stringent and unfavourable IPR; market practices and regulations etc.

With their tremendous strengths and growing markets the pharmaceutical industries are set to grow rapidly by overcoming certain issues while grabbing some opportunities. As such the pharmaceutical companies will have to think of certain strategic alternatives. These strategies will be helpful to them for achieving their objectives. The following sections will discuss different strategic alternatives which the companies are adopting.

1. Various Strategic Alternatives

a. Mergers & Acquisition

In a highly fragmented industry pharmaceuticals are looking for consolidation, they are opting for mergers and acquisitions (M&A) to gain economies of scale in R&D, expanding product range to build a strong portfolio, gaining access to approved facilities outside India, accessing distribution channels and building new markets, increasing pressure by government and other stakeholders for reducing prices etc.[2] Two of the largest acquisitions so far this year were Piramal Enterprises' buyout of Mallinckrodt's certain drugs for $171 million and Aurobindo Pharma's acquisition of Portuguese firm Generis Farmaceutica $142.5 million, Lupind acquisition of Symbiomix
Therapeutics at $150 Millions, Torrent-Unichem deal at 3600 Cr. Etc. In the year 2017 there were only 29 M&A deals as compared to 54 deals in year 2016.[3] High valuations are considered to be major road blocks for M&A. Additionally experts say that such high value deals will give rise to diseconomies of scale in R&D due to managing overheads of decentralised research.

b. In and out Licensing

Licensing is simply the transfer of rights to a third party (Licensee) to use the Intellectual Property Rights owned by the (Licensor) on defined terms and condition for fixed period of time. It includes manufacturing and/or marketing rights in select geography. For a Licensor (who gives) it becomes Out- Licensing and to a Licensee (who takes) it becomes In – Licensing. Indian generic players traditionally out license drug molecule to a larger pharmaceutical company who pays the generic player a fixed amount for molecule and royalty on future sales, if the drug passes the regulatory hurdles to commercialisation. The benefit to the Licensor is that they get considerable amount as onetime payment which they can invest in future R&D. The Licensee has a benefit of not investing in highly risky business of new drug development. In-licensing provides some exclusivity and unique value proposition to Indian pharmaceuticals that face pricing pressure and competition in the local market for branded generics. Indian companies mostly in-license drugs in therapeutic areas of oncology, diabetes, respiratory, dermatology, ophthalmology, neurology and cardiovascular diseases. Geographically most in-licensing deals are for India and the US and few for Europe, Japan and emerging markets of Latin America and Africa. While in-licensed products usually form a small part of the revenue of pharmaceutical companies, they are gaining significance from a strategy point of view. [4]

Glenmark has out licensed Oglemilast, a drug that was potentially indicated for chronic obstructive pulmonary disorder (COPD) and asthma with USA based Forest Laboratories at $ 190 million And Japan based Tejin Pharma Ltd. at $ 53 million along with ongoing royalty revenue in millions. Glenmark out licensed with Merck, for Melgliptin, an anti diabetes target for $ 31 million. Unfortunately Merck phased out focus from Diabetes segment and withdrew the agreement forcing Glenmark to develop the product on its own. Similarly Glenmark out licenced a pain treatment molecule to Eli Lilly for $ 45 million But its clinical trials were stalled.

In a case of In-licensing, Glenmark has a collaborative agreement with Napo Pharmaceuticals for molecule Crofelemer in 140 Countries. Similarly, Glenmark has entered into a licensing deal with Sanofi-Aventis for pain relief molecule and Par Pharmaceutical to market Ezetimibe tablets.
It is very clear from the above examples that Glenmark’s business model involve inlicensing and outlicensing with other companies. And despite of suffering from its few deals Glenmark is looking forward for this strategy to make mark on global levels. [5]

c. Research & Development Focus

It is argued that as the Big Pharmaceutical companies get bigger, they become more bureaucratic and innovation gets subdued. One reason may be that they focus on too many disease areas. Therefore, the companies can always overcome this by developing offerings in one or few therapeutic areas rather than many. Alternatively the companies can shift their research focus to targets rather than therapeutic areas. That means a company developing therapeutics which affects multiple medical conditions. For example G-protein coupled receptors (GPCRs).

Indian pharmaceutical companies have stared focusing on research and in terms of their research budget have matched their global peers. Besides building the traditional generic product these companies are now investing in R&D of complex generic and speciality products. They are also focusing on differentiated products and bio similar. [5] India on the other hand is among the countries with lowest investment in scientific research. The countries rate of innovation in healthcare sector is very low. New medicines, devices, diagnostics, patient aids and monitoring tools are mostly imported. They are introduced in India several years after they are available to patients in the developed world. But with growing economy, country’s epidemiological profile with cardiovascular, diabetes and other chronic diseases it is set to become power house for pharmaceutical R&D and manufacturing. Because of improvement in standard of living the life expectancy of the Indians has increased which has given rise to different type of pharmaceutical products e.g. Biocons orally administered insulin product. A PwC 2016 report has highlighted four pillars unlocking India’s potential leadership in pharmaceutical innovations which included human resources, finances, infrastructure, and legal and regulatory framework. Each of these pillars needs a concerted focus and a long-term commitment from industry as well as the government. [11]

d. Alliance

After initially focusing on acquisitions the Indian Pharmaceutical companies are focusing on alliances to expand globally. The reason for increasing in alliance between Indian and innovator multinational companies is the win – win outcome for both. The multinationals have established distribution channels Indian companies prefer to go for this inorganic route rather than developing markets organically. Dr Reddy’s and Merck Serono alliance for bio similar in insulin and oncology, Sun Pharma and Merck alliance for branded generics in emerging markets, Abbott and
Cadila healthcare for branded generics are few of the examples. Even though this strategy seems to be attractive, thing have not turned as anticipated in some cases. Pfizer-Biocon insulin market alliance was shattered when Pfizer decided to opt out of insulin market. Napo-Glenmark alliance was also terminated by Napo alleging breach of contractual terms due to delay in regulatory filings. This is the reason many companies go solo while other are opting for mix strategy for different markets. [7]

e. Bio & Diagnostic focus

The biotechnology industry in India comprises of bio pharmaceuticals, bio services, bio agriculture, bio industry and bio informatics. It is expected to grow at 30 percent per annum to reach USD 1.89 billion by 2025. The bio pharmaceuticals include vaccines, therapeutics and diagnostics and is the largest sub sector contributing over 60% of the total revenue. India has a well developed scientific base with large number of researcher and scientists, it is one out of six of the most bio diverse countries on earth, it is having long coastline with wealth of marine organisms for research. Additionally the regulatory climate is relatively liberal for conducting stem cell research; cell engineering and cell based therapeutic research. Many Indian companies like Cipla, Biocon etc. are rushing to develop bio similar as off patent versions. These generic or off-patent versions of ordinary drugs are often 90-95% less expensive than the originals. Bharat Biotech has developed innovative H1N1 influenza, anti Malaria and Rotavirus vaccines under joint development with Ranbaxy. [8]

Even though sophisticated treatments are available many patients are not diagnosed in timely manner or they are not diagnosed at all. Better diagnosis will lead to increasing treatments by physicians and thereby increase in revenue of pharmaceutical companies. Therefore the big pharmaceutical companies should channelize marketing effort to better diagnostic testing.

1. Conclusion

The pharmaceutical companies in India are facing number of challenges like competition from multinationals, stringent regulatory climate globally, inadequacy of investment in R&D etc. Despite of all these constraints it can be said that pharmaceuticals will continue their robust growth. Because of their strengths and the upcoming opportunities. On the strategy canvas it can be said that typically the Indian pharmaceutical companies opt for two main types of strategies i.e. going ahead on its own (Organic growth) and M&A or Alliance with others (Inorganic growth). Considering the discussion on various strategic options it can be concluded that most Innovative Company will be the one which will outperform the market.
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ROLE OF RAJASTHAN GOVERNMENT IN BOOSTING START-UPS

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ABSTRACT
Rajasthan government boosting the startups through the istart and stupreneurs programme. It develops the information technology infrastructure in state to ease the business and also conducting different programmes and workshops to motivate the entrepreneurs, incubators and investors. ‘Digisthan of India’ is a government initiative to providing digital services to the state.
Keywords - Digisthan, istart, stupreneurs, entrepreneurship

INTRODUCTION
startup India is a government of India flagship initiative to build startups and foster innovation. Through this verge, the government plans to enable startup ventures to boost entrepreneurship and economic growth, employment across India. Startup India is about creating prosperity in India. Many enterprising people who dream of starting their own business lack the resources to do so. Startup India will help boost entrepreneurship and economic development.

Rajasthan is famous for the birth place of some of the successful businessman and large industrial houses of India and the world. Rajasthan faces some serious challenges in areas like water availability, sterile land and agriculture, rural healthcare, food processing, potential food supply chains. To solve these issues would need the development of low cost and inland & technology-enabled solutions.

Rajasthan formulated the startup policy 2015 to solve the problems. Rajasthan start-up policy 2015(highlights)-

- 50 incubators/incubator-like organizations to be established.
- 500 innovative start-ups to be supported and incubated.
- 100,000 sq ft of incubation space to be developed/ facilitated.
- Angel and venture capital of Rs. 500cr to be mobilized for start-ups.
- Start-ups to get sustenance allowance of Rs. 10000/month for a year.
- Start-up will get marketing assistance of Rs.10 lakh at launch stage.
- State will help key institutes to set up incubators and accelerators.
Objective of this Study:-
To study in detail about role of Rajasthan government in boosting start-ups.

Rajasthan government startup boosting initiatives:-

1. I-START

start-up India is a verge of the government of India 2015. The motive behind this programme is nascency in IT and services. I-start Rajasthan is a flagship verge by the government of Rajasthan earmarked to foster innovation, create jobs, facilitate investment. The program goals to foster innovation and entrepreneurship. It would further aid in the economic growth and development of the state through this pane. The state government designs to make an environment where there would be an innate reach to intellect exchange and funding.

Services Provided:-

- A one-stop solution for startups, incubators and VCs for ease of doing business and accessing all benefits and offers by government of Rajasthan.
- Help startups to be discovered by relevant stakeholders.
- Help you connect with investors, accelerators and incubators.
- Programs to help startups improve their chances of success.
- Helping investors, accelerators and incubators discover curated, high potential startups.
- Content, workshops and resources to help entrepreneurs.

Rajasthan Stack

Rajasthan government takes a verge to develop Rajasthan as “Digisthan of India”. Rajasthan stack is a set of APIs which assist the governments, startups, developers and business to make use of the peerless digital infrastructure to settle the issues/problems that state of Rajasthan is currently facing. It provides 4 unique technological layers-

- Paperless layer- the digital inscription follow any individual’s digital recognition and hence it repels the need of any paper usage or storage.
- Presence-less layers- digital biometric recognition allow the residents to avail any services from anywhere in the state.
- Cashless layers- single user interfaces which financial transactions without worrying about cash availability.
- Consent layer- it allows the individual’s data to flow securely and freely to democratize the data market.
Benefits of these layers

- Citizens- a step to bring all the state residents into smooth and formal economy.
- Software ecosystem-stimulate individuals to work for a sake the sake of abolishing financial healthcare and education.
- Government- to bring a change in delivery government services ensures transparency efficiency and case of gamut.

API and Products for Rajasthan Stack:-

i) RAJ e-sign  ii)Bhamashah yojna iii)Raj payment platform  iv)SMCDH

Start up scorecard, skill building fundraising and assistance programme:-

3 key components to help start ups increase their chances of success and getting funded

- a detailed scorecard and appraisal report for startups
- one month boot-camp for select startups to aid refine their product, strategy business plans and investor erect soffit
- Investor connect- show care of curated startups to investors accelerators and incubators.

Benefits of Scorecard

Start ups that score above 60/ percent will be invited to join the Rajasthan startup aid programme in which they will get -

[1] A two days workshop to get a sharper understanding of different a business
[2] Weekly review with i-start team to estimate head way on the watershed set, and the appraisal report indicators. based on the appraisal report a detailed action plan will be solved out for each startup on what they expect to get renovate their juncture of success and guidance on how they can achieve it.

2. STUPRENEURS:-

Stupreneurs is state level impact and innovation challenge program to make Rajasthan a source of innovation and startups to positive by impact our economy. An ecosystem based approach where mentors; business leaders and other professional support and mentor such startups. Startup oasis is a Jaipur based incubation centre that is developing an ecosystem in Rajasthan to motivate and hold up students, aspirant entrepreneurs and startups to solve steadfast problems, develop breakthrough innovations and create world class enterprises. Startup oasis has been set-up at the joint verge of RIIICO (Rajasthan state industrial development and investment corporation Ltd.) and the centre for innovation, incubation and entrepreneurship (CIIE) at IIM Ahmadabad.

The whole program works on three thinks-
1. Co-write- write a business plan which solves the local community problem.
2. Connect- connect with right stakeholder may accelerate the growth of enterprise.
3. Create- create viable product which may gauge able to other geography.

**Why Strupreneurs:**

Rajasthan comes under low income states of India.

1. Sustainable growth- to address the issues of sustainable growth, it needs multiple scalable innovations and impact enterprises
2. create value chain- through stupreneurs , a value chain can be indite which sets to from outset of ideas to impact millions of people who are living out of sustainable ecosystem of living.

**Impact Startups-**

Some of the disruptive startups which are being supported by startups oasis

<table>
<thead>
<tr>
<th>Startups</th>
<th>sector</th>
<th>brief profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Camel organics</td>
<td>Organic agriculture</td>
<td>Training farmers in mp to grow high income generating organic medicinal herbs.</td>
</tr>
<tr>
<td>2 Krimanshi technologies</td>
<td>Cattle feed</td>
<td>Using biotech innovative cattle feed and distributing through unconventional channels like- NGO’S</td>
</tr>
<tr>
<td>3 Khadigi</td>
<td>khadi</td>
<td>Enabling digital printing on traditional khadi.</td>
</tr>
<tr>
<td>4 Mera paper</td>
<td>ICT</td>
<td>He helping news paper and their home delivery small vendors (like milkman) to manage their business and enable digital payments.</td>
</tr>
<tr>
<td>5 KBSS</td>
<td>Skill training</td>
<td>Standardizing heritage building skills and linking trained labour with demand from hospitality sector.</td>
</tr>
<tr>
<td>6 Jaipur Belt</td>
<td>Health care</td>
<td>Low cost spine support device for manual labour with therapeutic features.</td>
</tr>
</tbody>
</table>

**Work Process**

1. student boot camp
2. mentoring workshop
3. divisional competition
4. state level competition –a)incubation b) funding
7 divisional and one state level competition to short list the 21 social innovation and enterprises from Rajasthan. By this initiative outreach more than 50000 students and mentoring above 1000 students, it is pitching higher than 100 students.

**Conclusion**

This study investigates that government of Rajasthan is taking initiative to boost the start-ups in Rajasthan. It boosts its IT infrastructure to help the businessman, entrepreneurs and citizens to access also information by one click. It would help to increase the economic growth of state and will generate the employment. It will also change the mindset of youth who run towards the government jobs.

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ROLE OF FOOD PROCESSING START UP IN ECONOMIC DEVELOPMENT OF INDIA ESPECIALLY WITH REFERENCE TO 2007 TO 2015

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ABSTRACT

To increase the employment in India is one of the important aspect in India. Start up in India is very important in the view of employment generation. The role of startup not only important for employment generation but also it plays vital role in economic development, enhance export contribution, make country self sufficient so that independent development can be possible. Role of state government as well as central government is very important in promoting start up in India. Starting the business unit is very important aspect which has various obstacles like financial strength to start the new business, marketing problems, market opportunities, product development and various others.

Through this study researcher would like to focus on the role of start up in food processing units in India.

Key words: start up, food processing Units, Government, employment opportunities, entrepreneurship etc.

INTRODUCTION

Once you have decided to start a business, an important consideration to look into is the various government guidelines for setting up a factory, seeking permits from various departments (including electricity, water, environment, etc) and filing registrations along with necessary fee, necessary taxation, etc. Access to finance needs to be enlarged through alternative sources of capital such as private equity, venture capital and angel funds. This is crucial for facilitating the growth of knowledge based enterprises which have high potential in Indian context.
India is the world’s 2nd largest producer of fruits & vegetables. The government of India is expecting the processing in this sector to grow by 25 per cent of the total produce by 2025. In 2015-2016, the total production in horticulture (fruits & vegetables) is estimated at 282.5 million tonnes. India is the largest producer of buffalo meat (1.61 MT meat is exported in the Financial year 2015-16) & the 2nd largest producer of goat meat (0.912 MT in 2016). India is also the 2nd largest egg producer (82.9 billion) as of FY16 & 3rd largest producer of broiler meat (4.2 million tonnes in 2016).

Through this study researcher would like to enlighten the focus on contribution of start up in food processing sector. India is agriculture based economy so that there is huge potential for development in this sector.

Review of Literature:
Surendra P. Singh et al (2012) is explained that Major constraints for the growth of the Indian food processing industry include the absence of adequate infrastructure, particularly rural road connectivity, inadequacy of information and marketing linkages, lack of electricity supply, and the absence of cold chain systems. The cold chain capacity caters to less than 10 percent of the produce and within that facilities are so rudimentary that over 80 percent are only capable of handling potatoes. Maintaining the standards of quality is another major constraint and there are two aspects to it. First, there is poor infrastructure for storing raw food materials. The two main types of storages – the warehouses and the cold storages, lag in storage standards. The pests infest the grains sometimes due to lack of monitoring, proper use of pesticides and proper ventilation. Similarly, the power outages result in suboptimal function of the cold-storages and the quality of food material in the cold storages becomes questionable.

Harminder Singh and Manpreet kaur has explained that The SEBI announced a new set of listing norms for startups, including e-Commerce ventures, planning to raise funding from listing on stock exchanges. These new norms will provide relaxations in disclosure related requirements, takeover and Alternative Investment Fund regulations for IT, data analytics, intellectual property, biotechnology or nano-technology companies.

Grant Thorton has revealed from his study that From an overall viewing, India comes across as a thriving under-penetrated consumer driven market with a scope for exponential growth. Internet penetration and its increasing importance will drive most of the businesses. On account of the consumer demographics, with China being out of bounds, India offers the largest pie of investment opportunity that the world is eyeing.
India has declared 2010-20 as the Decade of Innovation. The Government has stressed the need to vocalize a policy to synergies science, technology and innovation and has also established the National Innovation Council (NiC). India is the 4th largest ecosystem in the World for Starts-Ups, after the US, the UK and Israel with a rapidly evolving ecosystem, driven by an extremely young, diverse and inclusive entrepreneurial landscape.

Anoop Kumar Singh (2014) from his study revealed that As per the government estimations, food processing sector has provided a direct employment to about 14 million people and indirect employment to about 35 million people. The share of Food Processing Sector is recorded as around 14% of the GDP in manufacturing items, which accounts for Rs. 23 Lakhs Crore approximately. Moreover nearly 70% of this production is prosessed by the unorganized sector while in terms of the value its share is only 50% of the total value of processed items. This slow growth of the Food Processing Industry has been recorded in the country because of many bottlenecks in the form of inadequate and improper infrastructural facilities, like cold chain, packing, grading and standardization centers.

I. Objectives of the study:

1. To study the performance of the food processing units from 2010-15.
2. To study the role of food processing units in employment generations.
3. To study the contribution of food processing units in export and Import of India.

II. Research Methodology

a. Sources of Data Collection:

For this research work researcher had collected data through secondary sources. These sources are as follows:

Secondary sources :

a. Websites
b. Journals
c. Books

b. Types of Research Design : for this research study researcher is used exploratory research design.

c. Scope of the study: Through this research topic researcher wanted to study the role of food processing unit in employment generation, export from the country and various other effects on the economy. Researcher also wants to study the contribution of various food processing
components which are playing a vital role in economic development through the processing units.

d. **Limitation of the study:**
   1. Researcher has studied the different aspects of food processing units by using secondary data hence there is lack of the primary data.
   2. Duration of the study is limited.
   3. The study was restricted from 2007-2015.

**V. Data Analysis & Interpretations**

**Employment in Food Processing Industry**

Table No-1

<table>
<thead>
<tr>
<th>Sector</th>
<th>Food Processing*</th>
<th>Overall</th>
<th>(%) Share of</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sector</td>
<td>Industry</td>
<td>FP sector</td>
</tr>
<tr>
<td><strong>Registered# (2013-14)</strong></td>
<td>17.41 lakh</td>
<td>135.38 lakh</td>
<td>12.8</td>
</tr>
<tr>
<td><strong>Un-incorporated@ (2010-11)</strong></td>
<td>47.92 lakh</td>
<td>348.88 lakh</td>
<td>13.72</td>
</tr>
</tbody>
</table>

(Source : Secondary Data)

Graph No-1

**Employment in Food Processing Industry**
Analysis and Interpretations: In the above table and graph contribution of food processing units is shown. According to 2013-14 reports register units is having 12.8% while un-incorporated units is having 13.72% share.

Table No-2

Number of persons engaged in registered food processing units during 2009-10 to 2013-14

<table>
<thead>
<tr>
<th>Year</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>AAGR*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons (in lakh)</td>
<td>16.06</td>
<td>16.62</td>
<td>17.77</td>
<td>16.89</td>
<td>17.41</td>
<td>-</td>
</tr>
<tr>
<td>Growth (%)</td>
<td>2.71</td>
<td>3.46</td>
<td>6.92</td>
<td>-4.94</td>
<td>3.08</td>
<td>2.25</td>
</tr>
</tbody>
</table>

Graph No-2

Analysis and Interpretations: In the above table and graph persons engaged in registered food processing’s units is shown. In 2013-14 around 17.41 lakh people are engaged in food processing units while it has shown 3.08% growth.
### Table No-3

**Estimated Number of Registered Food Processing units from 2007-08 to 2014-15: Industry wise**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1010</td>
<td>Meat</td>
<td>77</td>
<td>90</td>
<td>85</td>
<td>115</td>
<td>146</td>
<td>140</td>
<td>148</td>
<td>170</td>
</tr>
<tr>
<td>2</td>
<td>1020</td>
<td>Fish, crustaceans and molluses and production thereof</td>
<td>340</td>
<td>352</td>
<td>359</td>
<td>436</td>
<td>390</td>
<td>462</td>
<td>466</td>
<td>427</td>
</tr>
<tr>
<td>3</td>
<td>1030</td>
<td>Fruits and Vegetables</td>
<td>735</td>
<td>709</td>
<td>832</td>
<td>1,052</td>
<td>1,078</td>
<td>1,110</td>
<td>1,101</td>
<td>1,133</td>
</tr>
<tr>
<td>4</td>
<td>1040</td>
<td>Vegetable &amp; animal oils and fats</td>
<td>2,515</td>
<td>2,429</td>
<td>2,421</td>
<td>3,307</td>
<td>3,394</td>
<td>3,312</td>
<td>3,300</td>
<td>3,240</td>
</tr>
<tr>
<td>5</td>
<td>1050</td>
<td>Dairy Products</td>
<td>1,096</td>
<td>1,100</td>
<td>1,112</td>
<td>1,493</td>
<td>1,653</td>
<td>1,695</td>
<td>1,753</td>
<td>1,783</td>
</tr>
<tr>
<td>6</td>
<td>1061</td>
<td>Grain Mill products</td>
<td>12,807</td>
<td>13,464</td>
<td>13,397</td>
<td>17,792</td>
<td>18,244</td>
<td>18,131</td>
<td>18,272</td>
<td>18,953</td>
</tr>
<tr>
<td>7</td>
<td>1062</td>
<td>Starches &amp; Starch products</td>
<td>442</td>
<td>589</td>
<td>670</td>
<td>757</td>
<td>766</td>
<td>723</td>
<td>744</td>
<td>699</td>
</tr>
<tr>
<td>8</td>
<td>1071</td>
<td>Bakery products</td>
<td>955</td>
<td>993</td>
<td>1,056</td>
<td>1,450</td>
<td>1,399</td>
<td>1,519</td>
<td>1,498</td>
<td>1,613</td>
</tr>
<tr>
<td>9</td>
<td>1072</td>
<td>Sugar</td>
<td>778</td>
<td>733</td>
<td>744</td>
<td>895</td>
<td>906</td>
<td>859</td>
<td>791</td>
<td>763</td>
</tr>
<tr>
<td>10</td>
<td>1073</td>
<td>Cocca, chocolate and Sugar confectionery</td>
<td>404</td>
<td>456</td>
<td>466</td>
<td>509</td>
<td>560</td>
<td>539</td>
<td>505</td>
<td>594</td>
</tr>
<tr>
<td>11</td>
<td>1074</td>
<td>Macoroni, Noodles, Couscous &amp; Similer farinaccous</td>
<td>73</td>
<td>61</td>
<td>51</td>
<td>83</td>
<td>75</td>
<td>129</td>
<td>105</td>
<td>91</td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>1075</td>
<td>Prepared meals &amp; dishes</td>
<td>-</td>
<td>45</td>
<td>139</td>
<td>343</td>
<td>416</td>
<td>352</td>
<td>298</td>
<td>277</td>
</tr>
<tr>
<td>13</td>
<td>1079</td>
<td>Food Products N.E.C.</td>
<td>4,091</td>
<td>4,290</td>
<td>4,225</td>
<td>5,114</td>
<td>5,101</td>
<td>5,251</td>
<td>5,546</td>
<td>5,765</td>
</tr>
<tr>
<td>14</td>
<td>1080</td>
<td>Prepared Animal feeds</td>
<td>555</td>
<td>547</td>
<td>606</td>
<td>677</td>
<td>755</td>
<td>873</td>
<td>820</td>
<td>881</td>
</tr>
<tr>
<td>15</td>
<td>1101</td>
<td>Distilling, rectifying &amp; blending of Sprits</td>
<td>280</td>
<td>291</td>
<td>296</td>
<td>325</td>
<td>378</td>
<td>365</td>
<td>369</td>
<td>395</td>
</tr>
<tr>
<td>16</td>
<td>1102</td>
<td>Manufacture of Wines</td>
<td>64</td>
<td>79</td>
<td>69</td>
<td>74</td>
<td>77</td>
<td>78</td>
<td>71</td>
<td>74</td>
</tr>
<tr>
<td>17</td>
<td>1103</td>
<td>Manufacture of malt liquors and Malt</td>
<td>120</td>
<td>96</td>
<td>117</td>
<td>154</td>
<td>141</td>
<td>154</td>
<td>143</td>
<td>153</td>
</tr>
<tr>
<td>18</td>
<td>1104</td>
<td>Production of mineral water &amp; other bottled waters, Soft drinks</td>
<td>887</td>
<td>896</td>
<td>834</td>
<td>1,264</td>
<td>1,401</td>
<td>1,483</td>
<td>1,520</td>
<td>1,597</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>26,219</td>
<td>27,220</td>
<td>27,479</td>
<td>35,838</td>
<td>36,881</td>
<td>37,175</td>
<td>37,450</td>
<td>38,608</td>
</tr>
</tbody>
</table>

*Source: Annual Survey of Industries (ASI), MOSPI*  

Graph No-3
Analysis and Interpretations: In the above table and graph estimated number of registered food processing’s units are shown. In 2007-08 around 26219 units were functioning and in 2014-15 around 38608 units were functioning. Hence it is cleared that start up units in food processing units are increasing every year.

Table No-4

State wise performance of food processing Units.

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>State</th>
<th>Factories (no.)</th>
<th>Share of fixed</th>
<th>FC Per (Total Persons)</th>
<th>Share of factory capital</th>
<th>Employment (no.)</th>
<th>Share of Employment per Crore of FC</th>
<th>Output</th>
<th>Input</th>
<th>Share of GVA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A &amp; N Islands</td>
<td>60.00%</td>
<td>0.67</td>
<td>116</td>
<td>0.01%</td>
<td>29.00</td>
<td>10.06</td>
<td>12.41</td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Andhra Pradesh</td>
<td>58335.97%</td>
<td>1.97</td>
<td>152848</td>
<td>8.62%</td>
<td>13.33</td>
<td>72093.41</td>
<td>65069.05</td>
<td>7.66%</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Arunachal Pradesh</td>
<td>280.03%</td>
<td>1.72</td>
<td>1375</td>
<td>0.08%</td>
<td>28.53</td>
<td>225.60</td>
<td>190.07</td>
<td>0.04%</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Assam</td>
<td>13172.46%</td>
<td>3.59</td>
<td>87970</td>
<td>4.96%</td>
<td>18.62</td>
<td>13959.98</td>
<td>11349.95</td>
<td>2.85%</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Bihar</td>
<td>8382.16%</td>
<td>4.95</td>
<td>35881</td>
<td>2.02%</td>
<td>8.65</td>
<td>12512.51</td>
<td>11088.15</td>
<td>1.55%</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Chandigarh</td>
<td>190.01%</td>
<td>1.23</td>
<td>903</td>
<td>0.05%</td>
<td>38.67</td>
<td>290.37</td>
<td>258.06</td>
<td>0.04%</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Chhattisgarh</td>
<td>11410.84%</td>
<td>1.42</td>
<td>25427</td>
<td>1.43%</td>
<td>15.74</td>
<td>11132.53</td>
<td>10195.83</td>
<td>1.02%</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Dadra &amp; Nagar Haveli</td>
<td>60.01%</td>
<td>3.07</td>
<td>295</td>
<td>0.02%</td>
<td>16.04</td>
<td>40.52</td>
<td>25.44</td>
<td>0.02%</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Daman &amp; Diu</td>
<td>430.09%</td>
<td>4.17</td>
<td>2820</td>
<td>0.16%</td>
<td>15.74</td>
<td>1087.17</td>
<td>861.35</td>
<td>0.25%</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Delhi</td>
<td>1650.57%</td>
<td>6.58</td>
<td>13735</td>
<td>0.77%</td>
<td>12.64</td>
<td>22287.88</td>
<td>21170.32</td>
<td>1.22%</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Goa</td>
<td>880.60%</td>
<td>13.09</td>
<td>7299</td>
<td>0.41%</td>
<td>6.34</td>
<td>3186.81</td>
<td>2107.07</td>
<td>1.18%</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Gujarat</td>
<td>20016.91%</td>
<td>6.63</td>
<td>97624</td>
<td>5.51%</td>
<td>7.36</td>
<td>88939.80</td>
<td>83404.55</td>
<td>6.04%</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Harayana</td>
<td>8814.00%</td>
<td>8.71</td>
<td>49518</td>
<td>2.79%</td>
<td>6.45</td>
<td>46441.74</td>
<td>45240.53</td>
<td>1.31%</td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>No. of Units</td>
<td>Percentage</td>
<td>Units</td>
<td>Share in India</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>1661</td>
<td>1.18%</td>
<td>11919</td>
<td>0.67%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jammu and Kashmir</td>
<td>1620</td>
<td>2.42%</td>
<td>7501</td>
<td>0.42%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jharkhand</td>
<td>219</td>
<td>0.33%</td>
<td>6470</td>
<td>0.36%</td>
<td></td>
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</tr>
<tr>
<td>Karnataka</td>
<td>2084</td>
<td>9.55%</td>
<td>113143</td>
<td>6.38%</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Kerala</td>
<td>1525</td>
<td>1.87%</td>
<td>153853</td>
<td>8.68%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maharastra</td>
<td>8163</td>
<td>8.49%</td>
<td>45977</td>
<td>2.59%</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Manikpur</td>
<td>2310</td>
<td>6.44%</td>
<td>536</td>
<td>0.03%</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Meghalaya</td>
<td>190</td>
<td>6.31%</td>
<td>267</td>
<td>0.02%</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Nagaland</td>
<td>200</td>
<td>1.86%</td>
<td>1998</td>
<td>0.11%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Odisha</td>
<td>969</td>
<td>9.38%</td>
<td>27225</td>
<td>1.54%</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Puducherry</td>
<td>650</td>
<td>3.91%</td>
<td>5023</td>
<td>0.28%</td>
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</tr>
<tr>
<td>Punjab</td>
<td>28403</td>
<td>2.44%</td>
<td>106618</td>
<td>6.01%</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Rajastan</td>
<td>8572</td>
<td>6.31%</td>
<td>39641</td>
<td>2.24%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Uttar Pradesh</td>
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<td>Total</td>
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**Analysis and Interpretations**: In the above table no-4 state-wise performance of food processing units are shown. It is observed that in 38603 units are functioning in India. Around 3010 food processing units are functioning in Maharashtra which contributes 21.38% of share in India.
### Table No-5

**India's Export of Food Products**

*(Values in US $ Million)*

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### Aarhat Multidisciplinary International Education Research Journal (AMIERJ)

A Peer Reviewed Multidisciplinary Journal

UGC Approved Journal No 48178, 48818

Impact Factor 5.18

ISSN 2278-5655

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<td>EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS.</td>
<td>2461.69</td>
<td>8283.42</td>
<td>4022.31</td>
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<td>2152.93</td>
<td>2062.9</td>
<td>7267.08</td>
<td>3051.09</td>
<td>3035.7</td>
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India's Total Food Export:

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India's Total Food Export in the above table no-5:

- In 2012-13: 35898.06 Us million dollar was the total contribution.
- In 2015-16: 31035.83 Us million dollar.

Analysis and Interpretations: In the above table no-5 total contributions of food processing units in export is shown. In 2012-13 35898.06 Us million dollar was the total contribution while in 2015-16 it was 31035.83 Us million dollar.

### India's Import of Food Products

(Values in US $ Million)

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<td>67.41</td>
<td>44.62</td>
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<td>212.96</td>
<td>229.67</td>
<td>33.92</td>
<td></td>
</tr>
<tr>
<td>15.19</td>
<td>PASTRYCOOKS PRODUCTS.</td>
<td>39.57</td>
<td>44.52</td>
<td>65.38</td>
<td>59.23</td>
<td>55.83</td>
<td>10.05</td>
<td></td>
</tr>
<tr>
<td>15.19</td>
<td>PREPARATIONS OF VEGETABLES, FRUIT, NUTS OR OTHER</td>
<td>39.57</td>
<td>44.52</td>
<td>65.38</td>
<td>59.23</td>
<td>55.83</td>
<td>10.05</td>
<td></td>
</tr>
<tr>
<td>16.20</td>
<td>PARTS OF PLANTS.</td>
<td>77.96</td>
<td>76.11</td>
<td>75.07</td>
<td>78.45</td>
<td>81.94</td>
<td>18.63</td>
<td></td>
</tr>
<tr>
<td>17.21</td>
<td>MISCELLANEOUS EDIBLE PREPARATIONS</td>
<td>122.16</td>
<td>115.38</td>
<td>124.53</td>
<td>137.37</td>
<td>149.17</td>
<td>32.43</td>
<td></td>
</tr>
<tr>
<td>17.21</td>
<td></td>
<td>122.16</td>
<td>115.38</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17.21</td>
<td></td>
<td>115.38</td>
<td>122.16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18.22</td>
<td>BEVERAGES, SPIRITS AND VINEGAR</td>
<td>325.02</td>
<td>428.12</td>
<td>541.59</td>
<td>559.58</td>
<td>674.42</td>
<td>143.76</td>
<td></td>
</tr>
<tr>
<td>19.23</td>
<td>PREPARED ANIMAL FODER.</td>
<td>307.97</td>
<td>288.06</td>
<td>331.54</td>
<td>382.28</td>
<td>494.55</td>
<td>103.27</td>
<td></td>
</tr>
<tr>
<td>India's Total Food Import</td>
<td>18780.98</td>
<td>16464.7</td>
<td>19690.7</td>
<td>321399.54</td>
<td>23921.9</td>
<td>14083.19</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Analysis and Interpretations:** The table no-5 total contributions of food processing units in India's Total Food Import is shown. In 2012-13 18780.98 Us million dollar was the total contribution while in 2015-16 it was 23921.91 Us million dollar.
VI. Findings of the Study

Through the study it is observed that food processing units are playing an important role in economic development of the India. Food processing units include different types of agricultural based products. These products include vegetables, cereals, fruits etc. It is observed that the role of government is very important in the start up of agro processing in employment generation i.e. 9.24 crore employment opportunities were created in the food processing units. Food processing start up are increasing every year. In 2007-08 around 26219 units were functioning and in 2014-15 around 38608 units were functioning. Hence it is cleared that start up units in food processing units are increasing every year.

VII. Suggestion and Conclusion of the study:

Food Processing Industry is one of the major employment intensive segments constituting 11.69 per cent of employment generated in all Registered Factory sector in 2013-14 followed by Textile and Wearing Apparel sector. According to the latest Annual Survey of Industries (ASI) for 2013-14, the total number of persons engaged in registered food processing sector was 17.41 lakhs. During the last 5 years ending 2013-14, employment in registered food processing sector has been increasing at an Average Annual Growth Rate of 2.25 per cent. Unregistered food processing sector supports employment to 47.9 lakh workers as per the NSSO 67th Round, 2010-11.

Various types of startup are playing a vital role in creating employment in the country. Through this researcher paper researcher has studied the impact of agro processing start up in economic development of the country. The contribution of food processing start up in the export is good but it can increase if the various kinds of effort are taken for the promotion and development of food processing units. Export is one of the important sources to increase foreign currency. Import of the food products is also very high from India hence if standardization, research and development can increase the momentum of growth of food processing industries from India. India is well known as agriculture based country hence role of the food processing start up is very important for economic development of the country.

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EMPLOYMENT GENERATION THROUGH START-UPS AND CHALLENGE OF
EMPLOYABILITY AMONG THE INDIAN YOUTH

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ABSTRACT
The campaign of Start-ups has gained pace today. Many new business ideas and modules are being
made commercialised as professional business firms. Government and other major players are also
showing interest in providing seed funding to these start-up ideas. Though these ideas are at
emerging stage but they can play vital role in developing Indian industry in time to come. The aim
of government is not only to give boost to the industry set ups but to generate the employment to the
idle hands of the youth waiting for jobs. The start-ups will definitely generate significant number of
employment in coming future but the big challenge in front of them will be same as industries are
facing today i.e. the employability among the youth in job market. This paper focuses on the
employment generated by the start-ups in India and challenge of employability before them.

Key Words - Employment Market, Self Employment, Indian Industry, Employability, Start-up etc.

INTRODUCTION-
The major thrust behind Start-up India campaigning was to generate employment in the country.
The idea behind it was not only to give boost to the industry but also to give jobs to the young
generation. Government wants to share the focus of Start-up Campaigns from Innovation only with
employment generation. The Employment Generation has included in the guiding principles of
Start-ups. Due to which companies want to take advantages under Start-up India must have to
declare that how much they are contributing in giving employments to the hands of Indian Youth.
As per senior officials in Start-up India Campaign, there is need to change the definition of start-ups
beyond innovation only. For providing tax benefits to the start-ups officials are now scrutinizing the
applications on the basis of number of Job Creation through those start-up business ideas.
As per the NASSCOM reports, start-ups are expected to generate 2,50,000 jobs up to 2020 getting boost from recent 80,000. The initiative has not taken grip till mid of 2017 as only 10 start-ups out of 798 have cleared the eligibility for availing tax benefits under the scheme. The Department of Industrial Policy and Promotion (DIPP) has made the decision to relax norms to make start-up ideas eligible for getting Start-up India benefits. DIPP has also sought to increase the maximum age for classifying a biotechnology or a medical devices firm as a startup to 8-10 years from the current five years (RuchikaChitravanshi, Economic Times-May 15 2017).

1. OBJECTIVES OF RESEARCH PAPER-

The basic objective behind this paper is to analyse the employment scenario on the factual ground in regards with the Start-ups. The number of start-ups is taking boost which ultimately generate employment but at what proportions and what kind of challenges they have to face to get those required intellectuals from the existing job market? In line with this the authors pursue the following objectives in this paper-

i. To portray the employment generation scenario with the campaign of Start-ups in the country

ii. To put forward the major challenge of employability in front of Start-up businesses on the factual ground
iii. To recommend some measures (existing/new) to dilute the severity of the challenge of unemployability among the Indian youth

NATURE OF STUDY-

This study is basically a desk research which is based on the facts and data which is already made available through government surveys, government and some private agencies. This study is descriptive in nature which has basic objective to portray the existing scenario related to employment generation and challenge of employability faced by these start-ups in searching good quality intellectuals. On some parts it becomes analytical where it leads to find the causes of unemployability and how severe challenge it is for the start-ups.

THE PARADIGM SHIFT-

The Start-up India is not only promoted for starting new businesses, but the shift to create employments was also considered. The entrepreneurship culture is to be developed among the youth. Also instead of getting the jobs as a career, attitude to be the job creator should be developed among the youth. The selection of the 8 major sectors by Labour Ministry was based on the employment generation capacity only. Also the government has relaxed some norms and tried to give boost to each of the following sectors which helped to create more jobs in these sectors. The changes in employment generation were observed in 4 surveys. Those changes are portrayed through the following table-

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Industry/ Group</th>
<th>Changes in employment during Mar, 14 over Dec, 13</th>
<th>June, 14 over Mar, 14</th>
<th>Sept, 14 over June, 14</th>
<th>Dec, 14 over Sept, 14</th>
<th>Dec, 14 over Dec, 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Textiles including Apparel</td>
<td>-56</td>
<td>69</td>
<td>49</td>
<td>79</td>
<td>141</td>
</tr>
<tr>
<td>2</td>
<td>Leather</td>
<td>3</td>
<td>7</td>
<td>-18</td>
<td>1</td>
<td>-7</td>
</tr>
<tr>
<td>3</td>
<td>Metals</td>
<td>0</td>
<td>47</td>
<td>47</td>
<td>-20</td>
<td>74</td>
</tr>
<tr>
<td>4</td>
<td>Automobiles</td>
<td>19</td>
<td>1</td>
<td>28</td>
<td>-23</td>
<td>25</td>
</tr>
<tr>
<td>5</td>
<td>Gems &amp; Jewellery</td>
<td>1</td>
<td>7</td>
<td>8</td>
<td>-5</td>
<td>11</td>
</tr>
<tr>
<td>6</td>
<td>Transport</td>
<td>-3</td>
<td>0</td>
<td>-7</td>
<td>-1</td>
<td>-11</td>
</tr>
<tr>
<td>7</td>
<td>IT/BPO</td>
<td>-4</td>
<td>51</td>
<td>57</td>
<td>89</td>
<td>193</td>
</tr>
<tr>
<td>8</td>
<td>Handloom/ Powerloom</td>
<td>4</td>
<td>0</td>
<td>-6</td>
<td>-3</td>
<td>-5</td>
</tr>
<tr>
<td>Overall</td>
<td></td>
<td>-36</td>
<td>182</td>
<td>158</td>
<td>117</td>
<td>421</td>
</tr>
</tbody>
</table>
Employment during four months (figures in thousands)

(Source-http://trak.in/tags/business/2015/06/06/india-new-jobs-creation-increase-employment/)

Till date the start-ups have been successful in e-commerce, and other IT based applications of service sector. The startups in manufacturing sector are yet to take off in a big way (SunitaSanghi & A. Sirja, LaghuUdyogSamachar). Up to Nov 2015 the over 800 start-up ideas were initiated and got initial funding by the big organizations but most of them were related to IT and Applications not in manufacturing. To give the boost to employment manufacturing sector should be induced. The new paradigm shift in campaigns will also increase the number of manufacturing start-ups. The MUDRA Fund, India Aspiration Fund and Electronics Development Fund can cumulatively boost the growth of businesses in the manufacturing as well which ultimately can rise the number of employment opportunities. Because of new paradigm shift in the foreign business and trade policy, India has become major marketplace for industries. Results of these efforts set India from the 71st in 2014 to 40th rank in 2017 among 144 countries.

EMPLOYABILITY A MAJOR CHALLENGE-

This campaign is started in support of Make in India movement to generate the employment for the youth of the nation. A special ministry for Entrepreneurship was also formed by the government in the year of 2014. The Skill India campaign was also launched for solving the problem related to employability among the youth. Because the scenario is still contradictory that there are opportunities for the youth but there is scarcity of the employable youth in our country. The millions of graduates and postgraduates are there but very few of them are employable. As per the survey of Aspiring Minds 2012, only 21% engineers are employable and the picture is worsening in upcoming years. Through the ministry of entrepreneurship government aims to train and impart the required skills among 12lakh youngsters entering into the job market every year. The campaigns like Start-up India may raise the growth of the industry and opportunities of employment but the major issue of employability has to be solved on priority which is biggest challenge for government, big industries, education institutes and organizations working in this regards. Rather than doing jobs the self-employment through start-up can lead youth to create the employment. This process would be fast tracked by the flagship programmes well supported by the Skill India Mission which would facilitate availability of right skilled manpower as entrepreneurs complains about skill mismatch (SunitaSanghi & A. Sirja, LaghuUdyogSamachar).

Today start-ups are not having the issues to get the funds. But their major challenge is to get enough employable people. The start-ups are hitting an unforeseen bump ever. As per the article by
Less than 4% of engineers who graduated in 2015 have the skills to be employable in a technology start-up, according to a survey done on employability of engineers.

The start-ups want youth which is job ready as it is not affordable for them to give them training from financial and time perspective. They want people who are ready with skills. The skills found to be crucial for start-ups are work management skills, technology skills, problem solving skills, prioritization skills, learning and adaptability skills and communication skills where most of the candidates do not fit. As per the NASSCOM, IT companies are facing the problem of un-employability among youth but the problem is severe for the start-ups. Start-ups want people who can start work from day one. They can’t afford to expend on training costs and developing skills require for their growth. It should be ready to cook food for them. “The well-funded start-ups are getting the talent but for the bootstrapped start-ups, it’s even more important to get talented employees, and it is harder,” said by Sangeeta Gupta, Senior Vice-President at NASSCOM.

MEASURES TO INCREASE EMPLOYABILITY-

The damage is done, now remedial measures are being sought by government, companies and other major stakeholders of the society to raise employability among youth. Government is taking cautious steps in this regard. By giving relaxation in taxes and financial compliances government is inviting big players in the field of skill development to raise the employability of the youth in country. As Finance Minister announces exempt of service tax on the services provided under Deen Dayal Upadhyay Grameen Kaushalya Yojana and services provided by Assessing Bodies empanelled by Ministry of Skill Development & Entrepreneurship (Business Standard-March 1
Also government motivating big organizations in developing skills among youth by accepting their efforts as CSR and ISR which is mandatory as to share 2% of their profits for society. Companies like Infosys through Project Genesis, TCS through DISQ and many others are taking initiatives to make youth employable. The start-up India, stand-up India has gaining the pace now. The campaigning to encourage youth for self-employment through start-ups has shown the results. India has become the youngest start-up nation in the world.

Fig.3. India as youngest country for start-ups

(Source-https://www.weforum.org/agenda/2016/10/india-startup-boom-in-charts)

The female contribution is showing 9% but there is 50% rise in previous numbers of 2014. In line of this, the isolated start-up may not be able to provide employability and stability in career but the sound ecosystem can satisfy the need. Also by considering the increasing job switching rate in youth, corporate are taking cautious steps and look for people with more employability and adaptability. To make young generation aware about their declining employability or rather we say, changing expectations of employers and to equip them with such skills is one of the effective measure to overcome these challenges. The seniors or previous generation in employment market tells younger one about what they don’t have but it is now time to tell them what they have and where they can reach by developing it as per the situation.

CONCLUSION-
Through this paper authors have tried to describe the real time scenario of Employment Generation by means of start-ups in a country. The paradigm shift in the concept of Start-ups from innovation to employment generation is also discussed by the authors. Also the severity of challenge start-ups
has to face in near future i.e. Employability among the youth is discussed thoroughly. Just to put the problems forward should not be the purpose of any research. Through this paper along with the portraying the challenges authors have tried to recommend some effective measures to get out of this status quo. At last the cautious and synergic efforts must be taken by government, education establishments like universities & institutes, employers, educators, parents and youth too in this regard. This paper is just an attempt to put real time scenario of employment market in reference with the start-up firms which has widened scope in each and every field today.

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