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Shodh Gyaan

Knowledge Through Research

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Centre for Research Studies, Birla Institute of Management Technology

Shodh Gyaan
Knowledge Through Research

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Authors can send their research paper, article, case study, management thought, book reviews related to management area through email to the editor at shodhgyaan@bimtech.ac.in.

Guidelines regarding length of various types of documents:

Type	Maximum Length (in words)
Research paper/ article	5000
Management Thought	1500
Case Study	5000
Book Review	1000

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The Editorial

Dear Readers,

Warm Greetings!

We are extremely delighted to bring you yet another exciting Shodh Gyaan issue of Volume 5 for July 2018 on diverse fields of management studies.

This issue consists of research papers, articles, Management Thought, “Jagadish Seth Best Thesis Award Series” and "Research Workshop Series". The Jagadish Seth Best Thesis Award Series, gives the executive summary of the award wining thesis by the research scholars of Birla Institute of management Technology. The Research Workshop Series consists of a summary report on the workshops and conferences organised by Centre for Research Studies, BIMTECH.

The article by marketing industry professional, Monica Sharma on “Scale of Demonetisation Effort in 2016” deals with the finance innovation by Prime Minister of India Narender Modi in 2016 to wash out the black money. The article covers demonetisation effect different sectors of India, various economist’s view, before and after effects of demonetisation on Black Money, Counterfeit Money and Terror Financing activities. The article by Satender Rana, a CSR professional (Corporate Social Responsibility) on “Sufficiency Economy and Sustainable Development” explains the concept of Sufficiency Economy (SE) which was introduced by Late BhumibolAduljadej, King of Thailand. This article reveals interesting facts, socio-economic and political aspects of Sufficiency Economy in relation to Sustainable Development theories under Buddhist Economic concepts for promoting peaceful life.

The article by management students Nikita, Nimisha and professor Masilamani explores the impact of Goods and Service Tax (GST) on Automobile Industry, specifically the two and four wheelers in India. This covers various dimensions of automobile industry which are effected by GST. The paper by researcher Surbhi on "Challenges of Urbanisation - Focus on Rurbanisation" details on the renowned topic of Economics “Urbanisation”. Urbanisation is the pathway for a nation to mark a significant global presence amongst other nations. This research paper emphasis on challenges of urbanisation and throws light on the concept termed “Rurbanisation” . It is very important to have a strong foundation for long lasting and safe construction, similarly, as recommended in this paper, rural development is necessary for building strong, safe and sound nation. GST was another initiative by Prime Minister of India in 2017 after Demonetisation. The article by Divya Sharma, professor in management is on “Goods and Service Tax“, which explains the concept of GST, its nitty-grittyand how does this concept fit in a democratic country like India.

The "Jagadish Seth Best Thesis Award Series" section contains the summary of "Working of Monetary Policy: A Case Study of RBI from 1991-2015" thesis of Amrendra Pandey, under the guidance of Dr. Jagdish Shettigar. He was awarded this best thesis award by honorable Vice President of India, Venkaiah Naidu during the 2018 convocation of BIMTECH. The Management Thought is written by Surbhi Cheema on interacting with Mr. Lalit Bohra, Chief General Manager of North Central Region, CONCOR. He is an Electrical engineer from Indian Institutes of Technology, Bombay with more than 20 years work experience in Indian Railway traffic service.

The last two articles are the reports on the "Content Analytics Workshop" and "1st Academic Advisory Meet 2018"from Research Workshop Series. The workshop and advisory meet was organized by Centre for Research Studies, BIMTECH at greater Noida campus on 27th & 28th January and 28th April, 2018 respectively. The workshop facilitator was Prof. Srinath Jagannathan from Indian Institute of Management, Indore. The advisory meet was preceded by 14 eminent professors of renowned institutes, who shared there views and suggestion on Executive/Fellow Program in Management.

We assure that we will continuously strive to get the contemporary and interesting issues to you for a worthwhile reading experience. Please do share your feedback about the quality of the papers in this issue. The Editorial team would be happy and obliged to receive your valuable suggestions.

Hope you get a good reading experience!

Arpitha Reddy P
Editor

Surbhi Cheema
Associate Editor

The Dean's Desk

Publishing Your Research in Academic Journal

Every doctoral student is asked to publish before she becomes eligible to submit her thesis for evaluation. I have observed some students interested in writing papers while majority of them find it challenging to do accomplished writing during their research. Writing research papers and publishing them can be real fun if you have done systematic and deep literature review, your data sources are authentic, collection of the data is systematic and their analysis is scientific. Even after doing this, students get stuck up in analysis of the data and the interpretation of the result arrived at. Presuming that you have used the right tools and techniques, have done realistic interpretation of the results and your discussion are in depth to either support or negate the present understanding on the topic, your paper still may not be accepted for publication in good journals throwing you into a dismay.

Every journal has an editor and the editorial board. The editor, in publication parlance is called the "gatekeeper." Your first task is to pass the gate for which the concurrence of the gate keeper is needed. The first thing that the students need to do is to check whether her research fits into the ongoing conversation in the journal as every journal deals with a particular theme(s). She has to convince the editors that her (their) research is aligned to the needs and the scope of the journal. The next is to ensure that the research is topical, rigorous and makes a significant contribution to the ongoing conversation in the field. If the gatekeeper (editor) finds you (your paper) measuring up to his criteria, you will be allowed entry into the first gate. However, you are still far from the destination of publication.

The editor either promptly rejects the paper if it is not meeting criteria of the journal or passes on the manuscript to experts in the field, known as reviewers. In such a case, the editor intimates you that you have passed the first hurdle and that your paper is under review. You are still not near publication, everything, however, depends on the review report. The review process is blinded; neither you know who are the reviewers nor the reviewers know who is (are) the author(s). Though editors try their best to get reviewers who are experts in your field of research and conversant with the methodology used in the research, it is difficult for them to get reviewers best suited for your paper. I have myself faced a situation when my paper was rejected in a 'C'class journal but was accepted in 'A' class journal. Such situations are, however, few and far between. Having said this, I always advise my doctoral students to aim for publication in higher ranked journal conveying that if the paper passes through the editor and is rejected at review stage, generally they get very valuable inputs from the reviewers. Even if the editor finally rejects the paper, you not only get the reason for rejection but also the suggestionsas to which journal will be appropriate for the manuscript. The rejection at either stage, I consider, to be a step forward in publication. Remember, even the paper from Einstein was rejected!

As a researcher desirous to publish, you need to appreciate that editors of journals have the dual responsibility; bringing out publication in time as well as ensuring that only the papers which are most interesting, rigorous and aligned with the conversation in the journal are processed for publication. Editors of ranked journals are generally appointed for 3-year contract with a provision to renew for further two terms whereas their academic career may cover a period of thirty to forty years. They are conscious that their career as well as reputation partially depends on their job performance as the editor. Thus, they continuously struggle to find an optimum solution between quality and quantity. You may be lucky, at times, when your manuscript reaches the editor when (S)he does not have sufficient manuscripts in the pipeline. On the contrary, a good paper may be rejected if the editor has too many papers in the pipeline at that point of time. By this statement, in no way, I mean that you can time your paper for publication. Your paper has to be recent, relevant, rigorous and aligned with the theme of the journal. Remember that the editors need to work hard for continuously improving the journal's ranking. This, in turn, requires them to pick up only quality manuscripts from among many submitted. Your submission need to make important contribution to the ongoing conversation on the subject and is attractive to the peers to do follow-up research studies.

Let us now come to the reviewers. In every field of knowledge, there is continuous inflow of new participants from sister disciplines. Doctoral programs, too, these days promote interdisciplinary research. Editors find it really difficult to find willing and value adding reviewers, more so, when thepapers to be reviewed are inter disciplinary or belong to emerging fields of knowledge. The expertise needed from the reviewers is ever changing; the change is so rapid that reviewers need to educate themselves to review the manuscript and meet the expectations of the journal. As the number and variety of paper submissions are increasing day by day, more and more reviewers with expertise in varied fields are needed. The corollary from this situation is that more and more paper will berejected both at editor's desk as well as at the desk of the reviewer. As a person aspiring to publish, you should understand that the reviewers have multifarious jobs including teaching, her own research, partnering in some projects and contributing to institution building. She has hardly any time for review, thus, she gets easily turned off if the paper is not interesting. As the review process is blinded, neither the reviewer knows you nor do you know the reviewer. The communication between you is only through the editor and your paper is the generator of the communication. Be that as it may, you need a positive comment on your paper from the reviewers to proceed further towards publication.

Unlike law courts, where the defendant is always considered to be innocent till the guilt is proved, the submitted papers are always looked with contempt till all the comments of the reviewers are addressed or answered to their satisfaction. This may be because the reviewers can easily justify a rejection which requires far lesser time compared to providing detailed comments and suggestions for improving the manuscript. Obviously, no reviewer is interested in wasting time on a manuscript that is confusing and poorly written. Generally, editors as the gatekeepers of the journal, are expected to weed out such weak manuscripts. Those which sneak through editor's desk, however, get rejected at reviewer's desk. Notwithstanding, I feel that such papers need to have reviewer's attention as the editor may be interested in publishing that in view of it being in line with the broad objectives of the journal. Be that as it may, the good quality manuscripts seldom get rejected despite reviewer's biases.They, however, have to undergo many revisions. Despite my different view regarding theory, methods, and manuscript structure, I seldom reject manuscripts passed on to me by the editor. Instead, I try to give my best to improve the paper by giving suggestions to the author (s) for improvement. Authors, when communicated by the editor about reviewer's report should realize that reviewers have spent their precious time in highlighting the flaws, contradictions and missing links. In addition, they may bringsome new ideas.

I feel that the reviewers fall under three categories; those in hurry, those in leisure and those who are in the editorial board havingan obligation to review at least a predetermined number of manuscripts. Those in hurry find some loophole in the script and reject it summarily and you get editor's response about rejection quite early. Those in leisure put the manuscript in the wait list. They attend to it only after getting several reminders from the editor. At last, they glance through the manuscript and give their decision based on their own bias rather than the basing it on the promise made in the manuscript and the delivery made; the decision being either minor or major review.Such reviewers of the journal understand the dilemma of the editor in terms of quality and quantity and therefore give valuable suggestions to improve the manuscript. If you get a decision of "revise and resubmit", it is better to get on the job of revising and improving the paper rather than arguing with the reviewer. The problem arises when two or three reviewers, that good journals have, are of different view on the manuscript and give contrary suggestions for revision. In one case, I got into a difficult situation when the two reviewers held strongly opposite view; each fortifying her/his comments and suggestions for improvement quoting leading articles besides her/his own. First, I was at my wit's end. It took some time to cool down. Thereafter, I consulted some of my colleagues and pointed this out this contradiction to the editor. He sent the manuscript to the third reviewer and based on the comments and suggestion from the third reviewer, I was asked to address the issues raised by the first and the third reviewer. In the case of yet another manuscript, my colleague got into a vicious circle, finally dropping the submitted manuscript as he continuously got a revise and resubmit decisions; even the editor did not help. Such situation arises when reviewers are strong headed and do not understand their role; they, instead of making a recommendation, which is their role, start taking a decision which is the role of the editor.

Doctoral students should understand and appreciate the picture painted above. These are the back end issues behindthescene that authors face; in some cases severely and in the others lightly. Therefore, not only conception, design, and execution of theresearch that brings new knowledge on the subject or negates exiting knowledge is necessary, but convincing the editor and reviewers is equally important. Sometimes, in a research conference, the editor her/himself may approach you to submit manuscript. You should jump on such opportunity and prepare your manuscript to the journals requirements. Even prior editorials, provide you the clue to fit your script to the journal without compromising on your research. However, you should understand that a research paper is not a detective novel. You need not attempt to arouse interest by hiding important issues till the end. Your abstract itself must bring out the importance of the issue you are dealing with, its importance, methodology followed, outcome of the research, contribution made and the future avenues for research on the issue raised. Understand clearly that it is your responsibility to make the editor and reviewers understand upfront the contributions you are trying to make. I would recommend you to be very thoughtful in writing your manuscript; write and rewrite till each sentence makes a sense so as to develop interest in the editorsto read till the end in a single sitting. They should be convinced that the promise made in the introduction of the manuscript has been met and the manuscript meets all the requirements and the standards set by the journal. The requirements of the journal are updated from time to time. Therefore always consult the latest issue of the journal for guidance.

So, get ready and start writing your manuscript for publication.

A. Sahay
Dean Research

Scale of Demonetization Effort in 2016

Monika Sharma*

Abstract

Prime Minister Mr. NarendraModi declared 86% of the value of Indian currencywhich accounts for Rs 14 lakh crore or $217 billion invalid as part of the demonetization plan.

Rs 500 notes amount to Rs 7.85 lakh crore (approx. $120 billion), while Rs 1,000 adds up to Rs 6.33 lakh crore ($97 billion), according to Reserve Bank of India dataFigure0-1.

Figure0-1 shows the count of all the denominations in circulation from 1977-present.

Govt. expected that even if 50% of the around 14 lakh crores of old notes are legitimate, the remaining 50% or around Rs 7 lakh crores of unaccounted money will see around 60 to 80 % thereof or approx. Rs 5 lakh crores coming to the government in the form of extinguished RBI liability and taxes and penalties. This Rs 5 lakh crores is enough to take care of India's entire fiscal deficit for one year or more.

OBJECTIVES OF DEMONETIZATION 2016

The large flow of cash in the system led to all sorts of illegal activities. And eradication of these became the objectives of Demonetization 2016. The objectives are broken down in detail below:

Black money

Black money is money which is earned through any illegal activity controlled by country regulations. Black money proceeds are usually received in cash from underground economic activity and unaccounted money which arises out of tax evasion. Recipients of black money must hide it &spend it only in the underground economy or attempt to give it the appearance of legitimacy through money laundering.

Possible sources of black money include drug trafficking, weapons trading, terrorism, prostitution, child trafficking, selling counterfeit or stolen goods and selling pirated versions of copyrighted items such as software and musical recordings.

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Black money in India before Demonetization

Everyone is aware that there is black money in the system but no one is sure that how much black money exists in the market. Though there has been timely reports on black money held within India:

June 5, 2016 Ambit capital research published "It said the size of the India's black economy expanded rapidly over the 1970s and 1980s, but since then it had been contracting at a gradual pace. It is about 20 per cent of the country's GDP which is over 30lakh crore. This amount is larger than the stated GDP of emerging markets like Thailand and Argentina".

Nov.30, 2016 Quint reported that India's Nominal GDP (estimate): Rs 15,17,81,00 crore out of which Black Economy contributes to 25 percent of GDP which is Rs 37,94,530 crore and 10% of black economy is in cash i.e.Rs 3,79,450 crore.

Black money in India after demonetization

As per the calculations done by Economic Times in their report dated Jan 14, 2017 96.5% of the banned currency has been returned back and this was calculatedbased on RBI's figures of how much of the banned notes are back.

On November 8, according to reply given in RajyaSabha on December 2 by the Minister of State for Finance, Arjun Ram Meghwal, there were 17,165 million pieces of Rs 500 notes and 6,858 million pieces of Rs 1,000 notes in circulation. That amounts to a total of Rs 15.44 lakh crore in value.

Finance Minister, ArunJaitley, had said that in value terms this was 86 per cent of the total currencies in circulation, which would amount to Rs 17.95 lakh crore (Rs 17.97 lakh crore on November 4, according to RBI).

From November 10 onwards, banned currency notes were deposited in the banks till December 30 and new currency notes started gradually being issued by the RBI in denomination ranging from Rs 10 upwards, including the new Rs 500 and Rs 2000 notes.

On November 18, according to RBI's statement on reserve money, there were 14.27 lakh crore in circulation, including Rs 2.51 lakh crore (14 per cent) of smaller denomination notes which had not been banned, new currency notes and banned currency notes. We do not know the exact break-up, as RBI or the government did not give it.

The first time the RBI spoke of a break-up of new notes was on December 7 during the monetary policy press conference. Deputy Governor R. Gandhi said that a total of Rs 4 lakh crore in new notes had been circulated till December 6, out of which 19.1 billion notes (which amounts to Rs 1.06 lakh crore) were in small denominations of up to Rs 100 and the rest (Rs 2.94 lakh crore) were in high denominations of Rs 500 and Rs 2,000.

The December 9 figures (the first after the RBI press conference figures) given in reserve money statement showed that Rs 9.81 lakh crore in value terms were in circulation. This includes Rs 2.51 lakh crore of small denominations already in circulation on November 8, Rs 1.06 lakh crore of new small denomination currencies and Rs 2.94 lakh crore in high denomination notes (Rs 500 and Rs 2,000) -- a total of Rs 6.51 crore.

That means that, on December 9, only Rs 3.29 lakh crore (Rs 9.61 minus Rs 6.51 crore) of the banned high denomination notes remained to be returned.

In other words, a total of Rs 12.14 lakh crore of old notes out of Rs 15.44 lakh crore had been returned. This is similar to the figure for December 10 -- Rs 12.44 lakh crore -- given by the RBI's Gandhi to the media on December 13.

On December 19, the RBI again gave a figure of new notes circulated. It said 20.4 billion small denominations (up to Rs 100) and 2.2 billion of high denominations (Rs 500 and Rs 2,000) had been circulated. This is equivalent to a total of Rs 5.93 lakh crore.
Now let's see how this measures up with the January 6 figures of currency in circulation of Rs 8.98 lakh crore.

Even if we assume that no new notes were circulated after December 19 -- not really a possibility -- the new small and high denominations notes added to the existing small denomination notes (Rs 2.51 lakh crore + Rs 5.93 lakh crore) makes this amount go up to Rs 8.44 lakh crore.

In other words, only Rs 54,000 crore of banned notes remained to be returned (Rs 8.98 lakh crore minus Rs 8.44 lakh crore). Hence, according to RBI's figures, Rs 14.90 lakh crore or 96.5 per cent of the original amount is back.

But the figures may go haywire if substantial new currency has been added since December 19 -- a distinct possibility.
Is that the reason why RBI is still not announcing the final count?

The common sense metric to measure black money identified as a result of the demonetisation process is the net of the total value of notes of 500 and 1000 in the Indian economy which is about 15 lakh crores and the value of notes of 500 and 1000 deposited back into the banks due to the demonetisation process. From the calculation mentioned above we see that most of the demonetised money has come back which goes to show that many people have converted their black money to white through money laundering via Jan dhan accounts and other means. Hindustan Times report on Dec10, 2016 regarding 100 crore being deposited into 40 fake accounts after Nov. 8 is a proof that these practises are taking place. Not only this, even bank officials were also colluding with hawala operators to convert old currencies for a commission ranging from 15 % to 30 % as mentioned by Intelligence bureau.

The higher denomination notes of 2000 which was introduced makes it easier to hoard and transact in black money hence aids rather than inhibits the production of black money in the future.

The various means which people used to convert black money to white are:

1. **Commission:** What exactly happened was holders of un-declarable cash were willing to offer 30-40% commission or even more as the deadline approaches to offload the cash. Intermediaries organized large numbers of individuals who can take smaller "explainable" amounts of cash to the banks for deposit.
2. **Farm Income:** Since farm income is free of tax, large numbers of people claiming to be farmers, could make deposits in banks, technically even exceeding Rs.2.5 lakh with impunity.
3. **Gold and Hawala Transactions:** Black wealth held in cash was laundered by purchase of gold and hawala transactions which means suppliers of gold and the hawala dealer's laundered the old notes received before 30 December. Sharp rise in gold prices and also the hawala rate for the dollar is the evidence to that. Inevitably,

higher gold prices will encourage smuggling and divert foreign exchange that would otherwise have flowed through legal channels to finance gold smuggling. This is bound to put pressure on the rupee.

4. **Back-dated Purchase:** Many people has bought household and other item with back dates just to clear their black money held in cash and show it was purchased before the decision was taken.

Counterfeit money

Counterfeit money is imitation currency produced without the legal sanction of the state or government. Producing or using counterfeit money is a form of fraud or forgery. Counterfeiting is almost as old as money itself. Counterfeiting causes an unauthorized artificial increase in the money supply, a decrease in the acceptability of paper money and losses when traders are not reimbursed for counterfeit money detected by banks, even if it is confiscated. The ill-effects that counterfeit money has on society are reduction in the value of real money and increase in prices (inflation) due to more money getting circulated in the economy.

Counterfeit money in India before demonetization

Counter feiting of notes is problem for every nation but India has been hit really hard and it is a one of the major problem for the country as it promotes all kind of illegal activities. Fake currency ofdenominations of 500 and 1000 seem to have flooded in the whole system like a cancer.

We all know that Pakistan is biggest contributor of fake currency and in more than 95% cases fake rupees 500 notes were traced from Pakistan.It is a known fact that Pakistan has currency printing assets 150% of the capacity it needs and those are used by mafia like Dawood Ibrahim and terror organization like Lashkar and Haqqani. They interchange the fake currency at Dubai or smuggle that to India. Smuggling of FICN into India occurs from neighbouring countries, including Bangladesh, Nepal and Pakistan too.

According to India spend analysis of govt. data only 16 of every 250 fake notes in India were detected in 2015-16.In India, the circulation of fake Indian currency notes (FICN) has been on the rise, according to the Reserve Bank of India's (RBI) annual reports Figure 0-2 there was a rise to 43.8 crore in the value of counterfeit currency in year 2015.According to another report by RBI there was a rise from 488,273 in the year 2013-2014 to 594,446 in year 2014-2015 and in percentage it has reached to 4.4% from 4.1% Figure0-3.When it comes to the type of notes counterfeited in 2014-15, RBI data showed that counterfeited Rs500 notes were most common, with 273,923 recorded. Rs100 and Rs1000 notes were the second and third most counterfeited bills, respectively Figure0-4.

Counterfeit money in India after demonetization

Govt. demonetized 1000 rupee notes, remonetized 500 rupee notes and introduced 2000 rupee notes to avoid counterfeiting and black money. This would obviously put an end to the counterfeit notes of the banned currency in circulation or production but does not deal with the root of the problem. Unfortunately there has also not been any data to support the fact that it has actually reduced counterfeiting. On the other hand, immediately after the introduction of 2000 rupee note many cases came into light where these notes were counterfeited in huge no's as people were not familiar with the touch and feel of the new currency.

The detection of fake currency is carried out primarily by commercial banks- Axis, HDFC and ICICI reported about 80 percent of fake currency detected.

Seized Notes:

Times of India dated on 5th Dec,2016: Only 1.39 lakh (3.4% of all notes returned) fake notes with a face value of Rs 9.63 crore had been returned to the banking system by Nov 27.

India Today dated 26th Nov,2016: Hyderabad Police arrested six persons with fake Rs 2,000 notes worth Rs 2.22 lakh from Rachakonda on 26th Nov. itself.

Indian Express dated 20th feb.2017: BSF seizes fake Rs 2,000 notes amounting to Rs 96,000 along Bangladesh border on 8th feb,2017.

From the past data of 2011-2015 Figure0-5has seen that over the years the figures are fluctuating and in 2014-2015 there has been reduction in the no. of seized fake currency notes. Among the fake notes recovered from 2011 till 2015, the highest are of the denomination of Rs 500. Furthermore, the number of fake notes of denominations of Rs 1000 and Rs 500 are greater than those of Rs 100 and Rs 50.

Also after demonetization, the face value of counterfeit money has and would increase substantially as the introduced currency is of higher denomination.

Terror financing

Terror financing refers to activities that provide financial support to terrorist groups. A government that maintains a list of terrorist organizations normally will also pass laws to prevent money laundering being used to finance those organizations.

Terrorist financing provides funds for terrorist activity. It may involve funds raised from legitimate sources, such as personal donations and profits from businesses and charitable organizationsas well as from criminal sources such as drug trade, smuggling of weapons and other goods, fraud, kidnapping and extortion.

Terrorists use techniques like those of money launderers to evade authority's attention and to protect the identity of their sponsors and of the ultimate beneficiaries of the funds. However, financial transactions associated with terrorist financing tend to be in smaller amounts than is the case with money laundering and when terrorists raise funds from legitimate sources, the detection and tracking of these funds becomes more difficult.

Terror financing in India before demonetization

In India, mostly fake currency produced in Pakistan is used for terror funding. These counterfeit currency and terror financing organizations are interlinked and it is difficult to measure that how much of the currency is used for terror funding.

According to Economic times dated on 10th Nov, 2016 the FICN (fake Indian currency notes) being pumped into India is also used in terror funding. Out of the 11 cases being investigated by the NIA (national investigation agency) involving production, circulation and smuggling of high quality counterfeit currency, in one case, evidence has come on record indicating that fake currency was being used to fund terrorism. During the investigation of the case pertaining to the activities of David Coleman Headley and others, it was revealed that Fake Indian Currency Notes were given to him for use in India.

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Terror financing in India after demonetization

Times of India report dated 16th Nov. 2016: Maoist groups particularly in states like Bihar and Jharkhand are at pains to convert the extortion money that has been stocked as piles of cash into 'legal tender'. As per estimates of intelligence agencies and other experts, the annual money collection by Maoists may be over Rs 1,500 crore. The extortion from tendupatta contractors itself amounts to Rs 200 crore per state. Besides, 'levy' is collected from road contractors and big industrial houses carrying out mining activities in states like Chhattisgarh and Jharkhand.

According to The Economic Times report dated on 16th Nov, 2016: An intelligence officer tracking terror funding in Jammu & Kashmir saidhawala channels had run dry after the scrapping of Rs 500 and Rs 1,000 notes. With no unaccounted cash to fund violence and protests in the valley, the lead trouble-makers have been forced to lie low. They no longer have the money to pay the local youths to pelt stones and stage violent protests.

After demonetization yes of course, there was a halt in terror activities for a short span as they did not have acceptable currency to fund terrorism but then after 4 months it came even stronger and there were more frequent bomb attack cases like the one on 7th March, 2017 in Lucknow and the train bombcase by ISIS.

It is not a big thing for them as long as counterfeit currency and terror funding organizations are interlinked, they can again produce new currency this time even of higher face value.

SHORT TERM EFFECT OF DEMONETIZATION ON BUSINESSES AND DAILY LIFE

1. Poor management of the cash replacement activities in banks and ATMs have caused considerable inconvenience & many deaths standing in long queues.
2. The shortage of cash has also disrupted business in the cash-based informal sector, which is where the majority of the population is employed.
3. Slowdown in consumer spending due to the limited cash availability has hurt small scale businessman and retail shopkeepers. Farmers, fishermen, vegetable sellers, small shopkeepers without card readers or e-wallets taxi drivers, truckers, etc., have all been affected with loss of livelihood which may be irretrievable in some cases, for example, loss of daily wages for casual labour or lower sales for vegetable vendors.
4. Severe liquidity issues in cash based sectors like Real Estate and other non-essential products and services.
5. GDP will decline in the next 2 quarters due to reduction in overall spending.

IMPACT OF DEMONETIZATION ACROSS SECTORS

Demonetization at large has affected all industries and all possible economic activities have slowed down to a large extent due to it. Most of the industries have experienced decline in their sales/profit/revenue although this decline is temporary and may remain for just the running quarter as the Government has taken a lot of initiatives in the Union Budget 2017 to increase the disposable income in the hands of the consumers to boost the economy. Further the implementation of GST will also decide the pace of growth of all Indian industries.

Automobile

Demonetization has hit the industry hard as there was a 16 year low slip in December sale with total sale declining by 18.66%. In the month of November itself bookings were down by 50%. According to latest Society of Indian Automobile Manufacturers (SIAM) data "This is the highest decline across all categories since December 2000, when there was a drop of 21.81% in sales. Vehicle sales across categories registered a decline of at 12, 21,929 units from 15,02,314 units in December2015. The reason is largely due to the negative consumer sentiment in the market due to demonetization. Business in Gujarat, Punjab and NCR has been affected more with buyers in these regions preferring to make payments by cash. In rural areas, sales of automobiles have dipped by around 40% and are expected to go down 60% as the cash crunch continues and as most farmers prefer to make payments by cash.

Customers opting for finance options also make down payments in cash which has also brought down sales considerably.

Two-wheeler Segment

Total two-wheeler sales in December witnessed the steepest decline since SIAM started recording data in 1997. It declined 22.04% to 9,10,235 units compared with 11,67,621 units in the year ago month.

Scooter sales which is mostly urban-centric also saw the biggest decline in over 15 years, falling 26.38% at 2,84,384 units in December 2016 as against 3,86,305 units in the year-ago month. Motorcycle sales also saw the biggest decline in eight years in December 2016 at 5,61,690 units from 7,24,795 units a year earlier, down 22.5%, SIAM said.

The reason behind the steepest decline was that most of the two-wheeler's sale around 60-70% in India are done in cash and these transactions happens in rural India , which have been hit hard by demonetization.

Commercial Vehicles

As per SIAM, sales of commercial vehicles were down 5.06% at 53,966 units in December 2016 as against 56,840 units in the same month in 2015.

Except for the light commercial vehicles (LCV) segment, which saw a growth of 1.15% at 31,178 units, all the other categories of the industry saw decline in sales in December 2016.

Trucks were the hardest hit in the commercial vehicles segment. The decline in demand is likely due to consumption slowdown across the country immediately after demonetization. There's also a marked decline in the used truck market as well, as second-hand truck sales are done almost entirely in cash.

Passenger Vehicle Segment

Passenger vehicle sales declined 1.36% to 2,27,824 units in December 2016 from 2,30,959 units in the year-ago month. Domestic car sales in December were at 1,58,617 units as against 1,72,671 units in December 2015, down 8.14%.

It was the lowest rate since April 2014 when the passenger vehicle sales declined by 10.15%.

This sector remained mostly unaffected as 70% of the passenger vehicles are institutionally financed and companies also came up with various schemes to lure customers like zero down payment and 100% on road financing although footfalls across dealerships fell 25-30% soon after demonetization.

Fast moving consumer goods

The impact of the government's move to eliminate current high-value currency notes on FMCG (fast moving consumer goods) companies can be seen in two parts. One is on the distribution level where transaction happens between retailer and distributor who make up the bulk of sales and mostly deal in cash. While consumers will recover relatively quickly as the new currency notes become available, trade channels may take a few weeks as their transactions will be of higher value.

The second impact is at the consumer level where transactional takes place between consumer and retailer. Consumer staples may not see a sizeable impact, though some down-trading to lower value packs may be seen. Consumer left with less cash may become choosy on his/her expenditure.

Unorganized sector has been hit big by demonetization as customer's having shortage of cash either reduced their overall spending or preferred organized sectors because of acceptance of card.

However, it was very short lived and situation improved very quickly. In the meanwhile, companies are focussing more on modern retail, e-commerce and institutional sales and also encouraging our general trade retailers to adopt cashless payment systems.

Health Sector

A Forbes report stated that the per capita healthcare expenditure in India is about $60, which is significantly less amongst the BRIC nations and trivial compared to the developed countries, considering that USA spends over $8600. The alarming fact here is that over 90% of healthcare expenditure in India is out of pocket because many hospitals and other medical facility providers were hesitant of using the digital method of payment i.e. credit and debit cards, leaving a customer with no choice but to pay by cash.

The people most affectedare those with unaccounted money who used to avail of health care facilities and pay for the same with cash running into lakhs of rupees.
And foreign nationals who had come down to India due to cheaper medical facilities compared to other developed nations.

Tourism and Travel

In India, the peak tourism season lasts from October to January when domestic and foreign travellers visit religious and fun-filled places to utilize their Christmas and New Year holidays well. But, this year due to demonetization tourism industry didn't do well after Nov.8, as many people either delayed or cancelled their holidays. According to a recent study by the Associated Chambers of Commerce & Industry of India (Assocham), there has been a 65 percent drop in Christmas and New Year vacation bookings this year.

The travel and hospitality industry faced a tough time as many foreign trips sponsored by big brands largely done through cash transactions are negatively affecting tourism industry and revenues due to the cash crunch. India's hospitality industry has been severely affected as the hotels have lost a large number of pay-in-cash-only clientele due to demonetization.

In addition to this, high-end restaurants are too facing drastic change as people are replacing fine-dining with pocket-friendly eateries.

Real Estate

Real estate sector contributes around 5-6% of the country's GDP.The real estate sector is definitely affected by the demonetization, as it has traditionally seen a very high involvement of black money and cash transactions. However, almost all such incidences have been in the resale properties segment has taken a big hit.

The luxury and high-end segments of residential real estate has also seen hit from this exercise, since it is another area which has seen a lot of payments done in cash.

The primary market or more specifically, the market formed by projects undertaken by reputed and credible developers in the top 8 Indian cities - will remain more or less unaffected. This is because buyers into such projects take the home loans/finance route to buy their homes, and transactions are done through legal channels. Therefore, there will not be any major impact on sales in this segment.

In the past one year, there have been a few positive and potentially long-lasting changes in the Indian real estate. The passing of RERA (Real Estate Regulation and Development Act 2016), the Benami Transactions Act and now the demonetization move will ensure that going forward the sector will lose much of its historic taint and over the long term, the Indian real estate sector will emerge stronger, healthier and capable of long periods of sustained growth.

The fact is, demonetisation has already resulted in a major reduction of home loan interest rates, and they are expected to reduce further.

Banking Sector

Banking sector played a major role in demonetization by accepting heavy deposits of old currency and introducing new one in the system. The constant notifications and the lack of cash provided have led banking establishments facing the wrath of clients.

Banking system is losing credibility because of frequent changes in RBI/government policies and government's constant flip-flop on exchanging and depositing old cash notes in the bank branches, besides changing the limits on cash withdrawals has also created lot of confusion among the people.

But, the biggest beneficiary from demonetization is the banking sector, as almost everyone deposited their cash with the banks which increased liquidity of the banks and henceforth CASA (Current Account Savings Account). This increased CASA helped banks to gather more Net Interest Income and the Net earnings of the banks.

As the banks have excessive liquidity in their hands, they will lend money to the people at a lower rate of interest. Hence, the interest rate on borrowing will lower down. Further, as the CASA increases the banks will not need any other way to get money like loan from RBI or other commercial banks where they pay interest which is 7-10%.

Agriculture and Farming

Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood and cash is the primary mode of transaction in rural areas.

In the transitional phase, farm produces with limited shelf-life like fruits and vegetables, which significantly contribute to overall farm output, was hit due to cash crunch. Similarly, payment of wages to farm labourers and rentals for farm implements was too become difficult considering the limited access to cash from the

banking system.
The agricultural sector experienced a slowdown due to demonetization resulting in a reduced overall output this season.

Small and medium scale enterprise
Small and medium scale enterprise contributes about 8% of the GDP besides 45% to the total manufacturing output and 40% to the exports from the country. The Sector consists of 36 million units and more than 6000 products. It provides employment to over 80 million people.

Demonetisation has already affected the micro, small and medium enterprises. Since, bulk of the transactions in this sector are cash-based, a liquidity crunch has caused massive slowdown in the economic activities taking place in these sectors.

The lowering of interest rates due to the rise in deposits would spur investments in this sector. Further, the shift towards cashless transactions will encourage registration among such enterprises and allow them to benefit from central and state schemes and incentives.

VIEWS OF ECONOMISTS ON DEMONETIZATION
Many economist has expressed their views on demonetization out of which majority says that demonetization is not a good move as only 4-5% of undisclosed income is held in cash and even if at all it gets targeted by the government it will not be an effective way to get rid of black money. And when it comes to counterfeiting, counterfeiting of new notes can also be done in the same way as it was done with old notes, it is a continuous process.

Economist Arun Shourie also mentioned that "one percent of Indians own 53 percent of the total assets in India. 10 percent own 85 percent. These are the rich fellows, who would be having an even larger proportion of black money. And they are not going to keep that money in the form of cash they are either holding it abroad or in the form of property, jewellery, other assets, stock markets".

There was a limit to convert old currency to new. Government had said that anyone converting more than Rs 250,000 must explain why they hold so much cash, or failing which, must pay a penalty. This requirement has already spawned a new black market to service people wishing to offload excess cash said by KaushikBasu chief economist at World Bank.

This demonetization did not result in anything but caused inconvenience to public and has hurtled profitability industries and business. Even after months of planning,the government was so ill-prepared, there was no cash in ATM, no proper provision for uncertain conditions, no necessary banking infrastructure and banking staff to handle so much load, no timely replacement of old currency.

In short, majority of economist does not support or agree with this step of Government. Views of economist's are attached in appendix Figure0-6.

MAIN OBJECTIVE V/S CASHLESS ECONOMY
One month after the announcement of demonetization from Dec8, 2016 the entire focus of demonetization has been shifted from its main objective of eradicating black money to cashless economy. Providing incentives on online transactions at petrol pumps to issuing "Rupay Kisan Card" through NABARD to support rural regional banks.

India is a country where majority of the transactions are cash based. According to Business Standard dated on Nov. 16, 2016, 68% of Indian transactions are cash based which is 3rd highest as compare to the world Figure0-7.

And now, 4 months after the demonetization no one is talking about the black money, everywhere it's about making India a cashless economy which was not on the objective list for demonetization. The initial objective of eradicating black money or the surgical strike on black money has remained unachieved or unsuccessful tin its true sense.

Is it possible for a country to turn to a cashless economy overnight where cash contributes 68%in all transactions and internet access is available to just 26% (being very optimistic) of the population?

There is a long way to go and first the ground work needs to be done which is missing.

To convert India into a cashless economy some measures need to be taken:

1) Increasing no. of POS systems
2) All merchants should have card swiping devices and they should not refuse to accept cards.
3) Increase in no. of internet enabled devices
4) Internet access to the population specially rural India
5) Educating India's about technology and its use
6) Dominant language on internet is English so increasing literacy ratio.
7) Providing incentives to do online transaction.

Many countries has opted for cashless economies and the best way to implement anything new is to first learn from other countries mistakes and failures. Instances of 24 counties who opted for cashless economy has been attached below Figure 0-7.

TOPICS FOR FURTHER EXPLORATION

How long did it take for normalcy to return?

It took 3 months for the normalcy to return as many people shifted to digital payment otherwise it would have taken until May 2017 given the capacity constraints at the two printing presses which can print the high-value notes (assuming three shift operation).

The 50-day horizon mentioned by the Prime Minister probably assumes that a substantial volume of outstanding notes will actually be cancelled on 30 December. If on the other hand, they are extensively laundered, the cash shortage and the disruption it causes in the informal sector may be prolonged.

Will GDP growth slow down?

The negative impact on the various sectors of the economy is bound to produce lower growth. Estimates for gross domestic product (GDP) growth in FY17 from financial analysts vary from a low of 3.5% to a range of 5.5-6.5%. According to our study, there will be slow down in 2nd half of this financial year. GDP growth is likely to slow down to around 6% in 2016-17. It might also remain subdued next year if there are not much done to improve investment climate.

Since the slowdown will be concentrated in sectors which are more employment-intensive, the impact on low-end employment will be greater than on overall GDP. This raises the issue whether the slowdown should be offset by counter-cyclical additional expenditure on road construction and railways.

Could things have been managed better?
In such operation, where surprise element is the most important aspect. Too much preparation was not possible and feasible.

But, building up a larger stock of new notes in advance would certainly have avoided some of the inconvenience and the associated cash shortage as govt. was planning it from July 2016. Govt. should have thought of its effect on entire economy before implementation and the belated provisions made for weddings and farmers, could have been anticipated.

The ministry of agriculture's request regarding an exemption for farmers purchasing seeds and other inputs during the sowing season, in order to avoid disruption in sowing, should also have been addressed promptly, rather than after several days.

The challenge was how to minimize the misuse of these options by black money hoarders and corrupt people.

Expected benefits of Demonetization to common man?
Those having legitimate income will deposit it in banks and apart from the initial hassles associated with the banking system, they will have nothing to worry about. However, those having unaccounted money will face several problems as follows:

Those who choose to do nothing with the money, their notes will expire worthless. Every note is a liability of the Government (RBI), and thus notes becoming worthless will benefit the Government by extinguishing its liability.

Those who declare their unaccounted black money, approx. 60- 70% of the money will go to the Govt in the form of taxes and penalties.
There will be a third category who will try to launder their money, but which will entail severe risks including penalties and prosecution. However, the money sought to be laundered will anyway enter into circulation and remain therein.

Demonetizations and its impact on Indian Economy?
Government revenue to improve
GDP growth is expected to be negative for around 6 months. However, subsequent 2 years will see sharp revival in growth. Tax revenue is likely to increase sharply as government has lowered the tax rate so that more and more people can declare their income but this is still not sure whether people will opt for this. Government Deficit will see a huge windfall in the next 2 years as the money which is not back into the system is income for govt. This will help in implementation of GST as well and will make systems transparent at faster rate.

Inflation will moderate
Inflation is expected to fall sharply with fall in Real Estate prices and transaction costs thereof. Real Estate is expected to fall by around 20 -40 % and stabilize thereafter.

Lower black money will depress demand, but at the same time Gold is a hedge against uncertainty and those still wanting to park black money may prefer to put it into Gold instead of cash.

Currency is expected to strengthen as inflation drops and economy gets a boost.

Banking system and financial inclusion

Banking System will get a boost, as around Rs 7-8 lakh crores base money (new legal money) will enter the system, which will further create around 3-4 times more money due to re-circulation (multiplier effect).

Banks would have to release the deposited cash into the market again. Banks have already lowerd the interest rates to release so much money in the market. Poor and middle classes will get loans at lower interest rates.

Impact on financial assets and asset allocation?

Bond prices will rise as interest rates drop. Equity is expected to benefit the most, because of

1) There will be a gradual shift from physical assets (real estate/ Gold) to financial assets.
2) The organized sector (corporates, especially listed ones) will benefit due to less cash transactions.
3) Lower inflation and interest rates will benefit listed corporates through lower borrowing costs, thereby increasing their profitability and valuations.

Thus Asset Allocation and re balancing thereof will now play an even more important role, making proper financial planning imperative.

How much money did govt. spend in printing new notes?

Data from a Right to Information answer by the RBI in 2012 shows that it costs Rs. 2.50 to print each Rs. 500 denomination note, and Rs. 3.17 to print a Rs. 1,000 note.

That means that it cost the central bank Rs. 3,917 crore to print the 1,567 croreRs. 500 notes in circulation, and Rs. 2,000 crore to print the 632 croreRs. 1,000 notes in circulation currently mentioned in the Hindu dated on Dec2, 2106.

Assuming that the new Rs. 500 notes cost the same to print, then that is an additional Rs. 3,917 crore spent in simply maintaining the same number of notes in circulation.

The new Rs. 2,000 notes are likely to cost about the same or a little more than the Rs. 1,000 notes, which means an additional cost of Rs. 1,000 crore to print 316crore notes of 2000 to reach total face value of 1000 notes.

In total, removing the old notes and replacing them with the new Rs. 500 and Rs. 2,000 notes will cost the central bank a total of at least Rs. 11,000 crore or more.

What are the possible alternatives to achieve the objectives of Demonetization?

1) Govt. should focus on areas which has huge chunk of black money eg. real estate.
2) Increasing the no. of Income Tax. Officers and Judges as there is a need of 70,000 Judges in India to clear pending cases.
3) Strict punishments for those caught with illegal or counterfeit money.
4) Increasing internet access in all parts of the country and educate Indians about technology especially villagers.

CONCLUSION

From the entire analysis it is clear that opting for demonetization was not a good idea and its execution was even worst.

Considering the enormous cost that went into replacing the currency, inconvenience caused to the common man, and temporary slowdown of GDP, the rationale for demonetization to target only an insignificant 4% of black money held in the form of cash is questionable.

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Even after 4 months the positive outcome of demonetization are yet to be seen. It has been observed that almost of all of the demonetized currency has returned back to the RBI. When it comes to fake currencies, we found that counterfeit of the new currency was injected into the system within days of the announcement. Terror activities too came to life after a small period of hibernation. The above points suggest that demonetization was the wrong tool to effectively tackle the stated objectives.

In order to fulfil the objectives we have come out with certain suggestions-:

1. Proper action should be taken under anti-money laundering law for trade-based money laundering, putting a cap on huge cash transactions as these mostly take place in illegal activities like drug trade, betting deals etc.
2. There is also a need to check the generation of black money in the education sector,through cricket betting and through donations to religious institutions and charities.
3. There is a necessity to establish additional courts and hire judges to decide the pending cases underthe Income Tax Act.
4. Ratio of police officer to population comes out to be 1:740. So there is serious shortage of officers. The scenario is similar when it comes to number of Income Tax officers and Judges.
5. A dedicated agency to be set up tasked with tackling counterfeiting of notes and financing of terrorist activities.

APPENDIX

AMOUNT OF ALL DENOMINATIONS IN CIRCULATION SINCE 1977

Figure 0 1

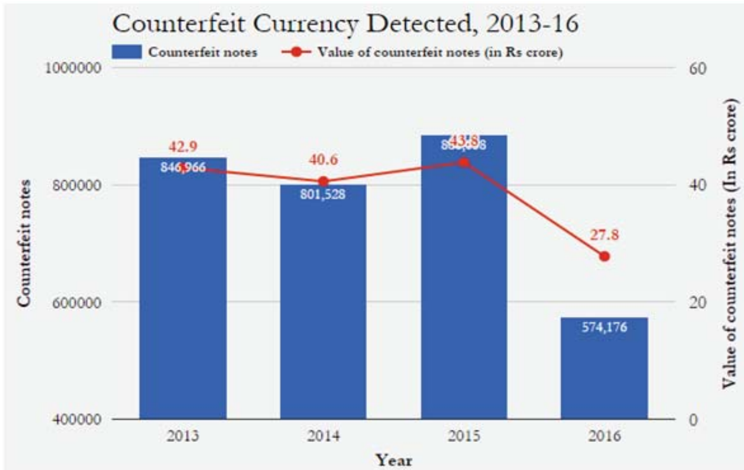
Year	Small Coins	Rupee					Notes							
		Notes	Coins											
			₹ 1	₹ 2	₹ 5	₹ 10	₹ 2	₹ 5	₹ 10	₹ 20	₹ 50	₹ 100	₹ 500	₹ 1000
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1977-78	1.97	2.72	0.96	-	-	-	1.48	5.72	18.25	6.90	9.95	43.02	-	0.55
1978-79	2.09	2.56	1.10	-	-	-	1.74	5.76	19.57	7.79	14.40	53.69	-	-
1979-80	2.25	2.14	1.26	-	-	-	2.15	5.88	21.23	9.61	19.83	59.51	-	-
1980-81	2.43	2.07	1.41	-	-	-	2.99	6.34	20.97	10.90	22.06	74.06	-	-
1981-82	2.63	2.12	1.54	-	-	-	3.92	6.92	19.91	12.14	27.24	78.29	-	-
1982-83	2.77	2.05	1.72	-	-	-	4.31	8.07	17.98	14.33	30.17	97.77	-	-
1983-84	2.90	1.98	3.03	-	-	-	4.50	5.60	17.70	14.63	36.26	116.90	-	-
1984-85	3.07	2.04	2.37	-	-	-	5.80	12.34	22.17	16.36	39.20	139.04	-	-
1985-86	3.66	2.38	3.08	-	0.20	-	6.50	13.03	25.36	17.84	43.10	150.18	-	-
1986-87	4.39	3.01	4.23	-	0.17	-	6.83	12.87	25.10	18.99	52.47	171.16	-	-
1987-88	4.98	3.52	5.01	-	-	-	6.53	14.29	28.25	23.31	72.67	190.77	1.80	-
1988-89	5.39	3.60	5.47	-	-	-	6.81	14.82	29.96	26.13	94.59	212.08	2.30	-
1989-90	6.40	3.48	5.83	-	0.20	-	8.04	17.39	35.15	31.00	125.53	237.78	12.57	-
1990-91	6.85	3.35	6.16	0.23	-	-	8.83	18.10	37.85	29.52	148.12	245.70	21.77	-
1991-92	7.29	-	-	0.10	-	-	9.42	24.00	52.02	27.43	177.19	322.66	18.54	-
1992-93	7.80	-	-	0.37	0.05	-	7.20	20.22	42.85	23.40	225.77	326.63	49.10	-
1993-94	8.29	3.28	7.05	0.85	0.58	-	6.24	18.60	53.34	16.31	249.91	377.84	113.03	-
1994-95	8.81	3.20	7.95	1.59	1.15	-	6.02	17.65	69.43	11.20	285.37	464.57	168.82	-
1995-96	9.40	3.22	8.48	2.26	1.83	-	5.15	16.51	92.18	7.18	316.59	551.05	208.73	-
1996-97	9.91	3.16	9.00	2.86	4.40	-	5.27	15.54	110.63	7.03	336.23	626.00	242.70	-
1997-98	10.55	3.19	9.69	3.52	6.72	-	5.50	14.27	124.12	9.79	342.45	701.59	279.75	-
1998-99	11.16	3.16	10.76	4.97	8.56	-	5.30	12.90	129.90	8.99	333.16	781.97	448.27	-
1999-00	11.88	3.08	12.60	6.72	11.64	-	5.12	11.52	132.82	10.10	332.30	858.31	572.50	-
2000-01	13.00	3.07	13.93	8.14	15.44	-	4.71	10.16	123.36	10.12	328.18	1081.41	529.47	37.19
2001-02	13.28	3.08	15.47	10.62	20.25	-	5.38	12.64	119.89	15.31	356.01	1180.41	685.12	71.79
2002-03	13.46	3.05	16.92	12.10	24.19	-	4.83	17.39	90.88	34.25	351.91	1153.86	938.13	159.71
2003-04	13.53	2.99	17.57	12.55	25.35	-	4.72	22.76	77.50	43.83	330.27	1214.42	1229.38	274.73
2004-05	13.53	2.99	17.90	12.90	26.19	-	4.62	20.86	67.70	38.76	299.41	1232.82	1527.28	420.82
2005-06	13.58	2.99	18.94	13.65	27.35	-	4.51	19.80	62.74	40.77	278.42	1346.37	1823.32	643.46
2006-07	13.64	3.01	20.29	14.88	28.80	-	4.47	18.87	71.55	41.78	279.51	1354.44	2254.00	936.76
2007-08	14.55	3.00	22.14	19.07	32.49	-	6.36	21.11	93.33	41.08	265.08	1345.75	2631.08	1412.19
2008-09	14.55	3.00	23.96	22.36	35.70	-	6.65	22.71	122.22	43.99	244.40	1370.28	3083.04	1917.84
2009-10	14.55	2.99	26.47	26.40	38.80	1.49	6.98	22.33	185.36	46.81	210.57	1383.64	3644.79	2382.52
2010-11	14.58	2.99	29.68	30.68	45.35	3.00	8.51	34.30	212.88	60.40	159.80	1402.43	4453.11	3027.13
2011-12	7.39	2.99	31.42	36.40	49.90	6.48	8.51	36.43	230.02	70.20	174.38	1411.88	5128.07	3468.81
2012-13	7.00	2.99	32.89	44.23	53.38	12.67	8.51	36.87	251.68	76.50	173.05	1442.10	5359.50	4299.00
2013-14	7.00	2.99	38.42	49.65	57.89	20.17	8.51	37.14	266.48	85.69	172.42	1476.46	5702.48	5081.37
2014-15	7.00	2.99	38.63	54.07	63.80	27.50	8.54	37.02	303.04	86.99	174.36	1502.65	6563.91	5612.45
2015-16	7.00	3.09	41.78	59.26	70.45	37.03	8.53	36.80	320.15	98.47	194.50	1577.83	7853.75	6325.68

Notes :
1. Notes of ₹ 1000 denomination were demonetised w.e.f. January 16, 1978 and subsequently re-introduced in 2000-01.
2. For the period 1977-78, the amount for Rupee 1 coins also includes various commemorative Ten Rupee coins.
3. Data for 1986-87 exclude figures from Kolkata.
4. Data from 1980-81 for small coins, include small coins of the denominations 1p, 2p, 3p and Anna Pie coins.
5. Data from 1980-81 onwards for ₹ 1 coins Include Mahatma Gandhi Centenary Ten Rupee silver coin, World Food Agricultural Organisation Commemorative Ten Rupee silver coin and Independence Day Silver Jubliee Ten Rupee coin.
6. Data on ₹ 2 and ₹ 5 coins relates to coins minted.
7. Ten Rupee Coins are introduced from 2009-10.

Source: www.rbi.com

Amount of all Denominations in Circulation Since 1977

Figure 0 2



Source: www.economictimes.com

Counterfeit Currency Detected at RBI and Other Bank

Figure 0 3

Year	Detection at Reserve Bank	Other Banks	Total
1	2	3	4
2013-14	19,827 (4.1)	468,446 (95.9)	488,273 (100.0)
2014-15	26,128 (4.4)	568,318 (95.6)	594,446 (100.0)

Note: 1. Figures in parentheses represent the percentage share in total.
2. Does not include counterfeit notes seized by the police and other enforcement agencies.

Source: www.rbi.com

No. of Counterfeited Notes in Circulation of Different Denominations

Figure 0 4

Denomination (₹)	2013-14			2014-15		
	Number of Counterfeit Notes	Notes in Circulation	FICN as a proportion of NIC	Number of Counterfeit Notes	Notes in Circulation	FICN as a proportion of NIC
1	2	3	4	5	6	7
2 and 5	1	11,698,000,000	0.00000000	0	11,672,000,000	0.00000000
10	157	26,648,000,000	0.00000001	268	30,304,000,000	0.00000001
20	87	4,285,000,000	0.00000002	106	4,350,000,000	0.00000002
50	6,851	3,448,000,000	0.00000199	7,160	3,487,000,000	0.00000205
100	118,873	14,765,000,000	0.00000805	181,799	15,026,000,000	0.0000121
500	252,269	11,405,000,000	0.00002212	273,923	13,128,000,000	0.00002087
1000	110,035	5,081,000,000	0.00002166	131,190	5,612,000,000	0.00002338
Total	**488,273**	**77,330,000,000**	**0.00000631**	**594,446**	**83,579,000,000**	**0.00000711**

FICN: Fake Indian Currency Notes. NIC: Notes in Circulation.
Note: Does not include counterfeit notes seized by the police and other enforcement agencies.

Source: www.rbi.org.in

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FICN Seized (Fake Indian Currency Notes)

Figure 0 5

FICN notes seized between 2011 and 2015				
	500		1000	
S.No.	Notes	Value in crore (Rs)	Notes	Value in crore (Rs)
2011	3.8 lakh	15.41	99,050	9.9
2012	5.30 lakh	26.51	1.65 lakh	16.54
2013	4.29 lakh	21.49	1.94 lakh	19.48
2014	2.90 lakh	14.52	1.46 lakh	14.69
2015	2.61 lakh	13.05	1.58 lakh	15.84
Total	18.9 lakh	90.98	7.64 lakh	76.47

Source: www.economictimes.com

Views of Economist's on Demonetization

Figure 0 6

Many economist has expressed their view on demonetization, out of which few of them are mentioned below:

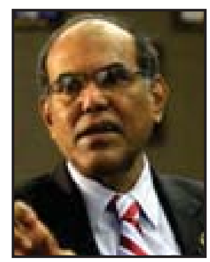
Views of Ex- RBI Governor's

1. RaghuramRajan

"In the past demonetisation has been thought off as a way of getting black money out of circulation. Because people then have to come and say "how do I have this ten crores in cash sitting in my safe" and they have to explain where they got the money from. It is often cited as a solution. Unfortunately, my sense is the clever find ways around it.

They find ways to divide up their hoard in to many smaller pieces. You do find that people who haven't thought of a way to convert black to white, throw it into the Hundi in some temples. I think there are ways around demonetization. It is not that easy to flush out the black money. Of course, a fair amount may be in the form of gold, therefore even harder to catch. I would focus more on the incentives to generate and retain black money. A lot of the incentives are on taxes."

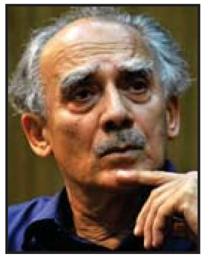
2. D Subbarao



"On November 8, the Prime Minister and the Reserve Bank have demonetized 86 per cent of currency in circulation overnight, which is what the most disruptive policy innovation in India is arguably since the 1991 reforms. Demonetization, in that sense, is creative destruction. But it is a very special type of creative destruction, because what it has destroyed is a destructive creation- black money. Though cost and benefit of this demonetization exercise is a very contentious debate, the subject of policy innovation is not contentious. According to him, the country witnesses a lot of disruptive innovations in finance in payment system. The model of traditional banking has access to low-cost deposits and has an advantage over other financial institutions"

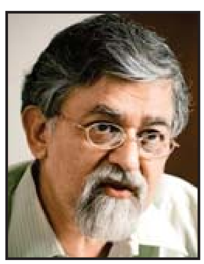
Economists

3. Arun Shourie



"If the government was planning this for months, how could it be possibly so ill-prepared? Will demonetisation weed out black money? Not really, because the owners of black money have intelligently converted all that money into tangible and intangible assets: "This is not a strike on black money, and the reason for that is that those who hold this black money or who have black assets, they don't hold them in cash. One percent of Indians own 53 percent of the total assets in India. 10 percent own 85 percent. Now these are the rich fellows, who would be having an even larger proportion of black money. They are not going to put money under the mattress! They are holding it abroad—and there also it's not dollars in gunny bags, it is property! Maybe jewellery, maybe other assets, maybe stock markets."

4. Arvind Virmani

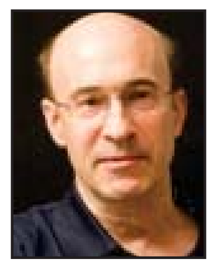


"This is a useful method of flushing out black money, given that a large percentage of cash holding is in these two denominations. The manner in which it was implemented is not surprising – such actions are always secret till announced, so that insiders do not take advantage of the information at the cost of the outsiders. How it will affect requires a deeper study, but the first thing one knows is when you demonetise such a large proportion of currency, the immediate effect is a collapse of retail trade in goods and services. The currency needed for everyday transactions has to be replaced quickly."

5. **Kaushik Basu:** Chief Economist, World Bank

"Anyone seeking to convert more than Rs 250,000 must explain why they hold so much cash, or failing that, must pay a penalty. This requirement has already spawned a new black market to service people wishing to offload: Large amounts of illicit cash are broken into smaller blocks and deposited by teams of illegal couriers. The move is hurting people who aren't its intended targets as many individuals who have no illegal money could have built up cash reserves over time. Relatively poor women stash away cash beyond their husbands' reach, as savings for the children or the household,"

6. **Kenneth Rogoff-:** American Economist



"India's approach is radically different, in two fundamental ways. First, I argue for a very gradual phase-out, in which citizens would have up to seven years to exchange their currency, but with the exchange made less convenient over time. This is the standard approach in currency exchanges. India has given people 50 days and the notes are of very limited use in the meantime. Second, my approach eliminates large notes entirely. Instead of eliminating the large notes, India is exchanging them for new ones, and also introducing a larger, 2000-rupee note, which are also being given in exchange for the old notes.

Indeed, developing countries share some of the same problems and the corruption and counterfeiting problem is often worse. Simply replacing old notes with new ones does have a lot of beneficial effects similar to eliminating large notes. Anyone turning in large amounts of cash still becomes very vulnerable to legal and tax authorities. Indeed that is Modi's idea. And criminals have to worry that if the government has done this once it can do it again, making large notes less desirable and less liquid. And replacing notes is also a good way to fight counterfeiting."

Professor of economics

7. **Jagdish Bhagwati-:** Economist and Professor of economics and law at Columbia University

"We have to distinguish between avoidable losses and unavoidable losses, which may result from this." He explained further saying that when you have to print large number of notes, which will be replacing Rs 500 and Rs 1000 notes, and you actually order huge number of notes to be printed, it cannot be left quiet. People are bound to know, he said. Especially in a country like India, nothing can be kept secret. He terms this inconvenience as unavoidable loss, and said after government has ordered large number of printing of notes, these were just transitional hardships.

8. **Amartya Sen**: Economist and Philosopher

"Only an authoritarian government can calmly cause such misery to the people — with millions of innocent people being deprived of their money and being subjected to suffering, inconvenience and indignity in trying to get their own money back." "This will be as much of a failure as the government's earlier promise of bringing black money stacked away abroad back to India (and giving all Indians a sudden gift — what an empty promise!). The people who are best equipped to avoid the intended trap of demonetisation are precisely the ones who are seasoned dealers in black money — not the common people and small traders who are undergoing one more misery in addition to all the deprivations and indignities from which they suffer."

9. **Maitreesh Ghatak:** Professor of Economics at the London School of Economics

"The demonetisation policy, at best, is a one-time tax on black money that is stored in the form of cash. But only around 5-6 per cent of undisclosed income is held in cash. Therefore, even if all of it gets targeted by this measure, it will not be an effective way to go at the existing stock of black money. Moreover, black money generation is a continuing process that involves evading taxes and regulations and engaging in corrupt and criminal activities. These cannot be tackled with a one-time measure. They will continue unabated with the new currency notes. Ironically, this reform may even increase the stock of black money held in cash in the future by facilitating hoarding in currency notes of a higher denomination (the Rs 2000 notes)"

10. **Parikshit Ghosh:** Professor, Delhi School of Economics

"The sudden demonetisation of 86 per cent of the country's currency stock, ostensibly to fight black money, counterfeiting and terrorist funding, is an exercise in Manichean economics. The decision seems propelled by a desire to project an epic battle against evil rather than any pragmatic weighing of costs against benefits. Replacing one currency by another will not prevent the kind of cash transactions the parallel economy thrives on. Demonetisation will wipe out only a small fraction of the stock of wealth accumulated through illegal means, since most of it is held in gold, land and real estate. Fake notes are rare and the new ones do not seem to have vastly superior security features."

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Principles of Sufficiency Economy and Sustainable Development

Satender Rana*

The concerns regarding the direction of national development of Thailand and the problems caused, both directly and indirectly, by the process of national development led by H. M. Late Thai King Bhumibol Aduljadej to begin speaking about sufficiency economy. His Majesty's first remarks on SE came out during a speech before the students of Kasetsart University on July 18, 1974. On December 4, 1974, on the occasion of His Majesty's birthday anniversary the King's royal speech emphasized step-by-step development on the basis of self-reliance, having enough to live and to eat, moderation, reasonableness, and self-immunity. Also, H. M. the King's royal statement significantly raised consciousness of Thai people to be prudent, to realize steps of development which are academically correct, and to adhere to morals for every conduct of life. These all are known as "Sufficiency Economy (SE)". The King's thoughts regarding SE kept reappearing in his speeches and lectures with clear explanation of socio-economic and political contexts. However, the academics and economists had differing views regarding the sufficiency economy being part of mainstream economics and its significance amidst globalization and fast-pace economic development.

Consequently, the National Research Council Committee on Economics Branch of Thailand realized that there is need to study the King's ideas to gain better knowledge and understanding so that SE as an alternate to development can be disseminated with correct understanding and effective application in order to strengthen Thailand's agricultural sector to develop linkage to the development of the large economic system.

In 1999, two workshops were held aimed at mobilizing thoughts and understanding from academics and knowledgeable persons in the field of economics on the subject of sufficiency economy within the context of mainstream economics. The outcomes of the workshop comprised a multiplicity of views and standpoints from a number of economists which resulted in the document title "The King's Sufficiency Economy and the Analysis of Meanings by Economists".

In the same year, the Thailand Development Research Institute (TDRI) organized an annual meeting in collaboration with Chaipattana Foundation, the Office of the National Research Council of Thailand (NRCT), the National Economic and Social Development Board (NESDB) and the National Institute of

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Development Administration (NIDA). The core content derived from previously held workshops was presented by the National Research Council Committee on Economics. TDRI compiled all the themes and proposed them to NESDB to be part of the national development policy and the Ninth National Social and Economic Development Plan of Thailand (2002-2006) with an emphasis on strengthening communities. Combined with economic mismanagement, which led to the 1997 Asian crisis, as well recommendations by TDRI prompted the adoption of the Philosophy of Sufficiency Economy as a main guiding principle in the Ninth Plan (2002-2006), with its practical applications becoming evident during the Tenth Plan (2007-2011).

During the Tenth Plan, the Philosophy of Sufficiency Economy was applied extensively in Thailand's development, resulting in greater resilience in various aspects of Thai society, enabling Thailand to cope effectively with the impacts of the 2008 global economic crisis. This achievement was evident from the Green and Happiness Index (GHI) of 65-67 percent, with contribution from strong economic performance, high employment, strong communities and family ties. The evaluation of the Tenth Plan also indicated improved economic foundations for development and increasing quality of growth. Quality of life has improved with better access to various economic and social security measures and gains in poverty reduction.

The Eleventh Plan (2012-2016) states that "Thailand will encounter more complicated domestic and external changes and fluctuations which present both opportunities and threats to national development. Thus, it is necessary to utilize the existing resilience of Thai society and economy and to prepare both individuals and society as a whole to manage the impacts of such changes and pave the way toward well-balanced development under the Philosophy of Sufficiency Economy".

The philosophy of SE emphasizes use of indigenous knowledge in managing natural resources for livelihood and strengthening communities in remote areas for a better quality of life. The philosophy prepares people for risks and economic downturns. Sufficiency economy is regarded as part and parcel of Buddhist economics that emphasizes the middle way, the way that does not involve craving and painful activities. It obeys the consumption and production theories of Buddhist economics under the condition of sustainable development and the promotion of peaceful life.

The above diagram demonstrates the interaction of production and consumption in Buddhist Economics that can eventually lead to a peaceful life or nirvana (nibbāna) and sustainable development on the production side. Pañña is the mode of production in the sense that it controls all input factors ranging from human resources to manmade resources and natural resources. All these resources can be further divided into brain and muscle power for human resources, and energy and other natural resources for natural resources. Manmade resources are the product of human intelligence and energy and other resources that can be either renewable or non-renewable. Pañña will in turn control human intelligence in a way that manmade resources are produced only in a creative and positive way and natural resources should be used in such a way that non-renewable resources are used minimally. All these are aimed at producing products most needed for production needed to sustain lives

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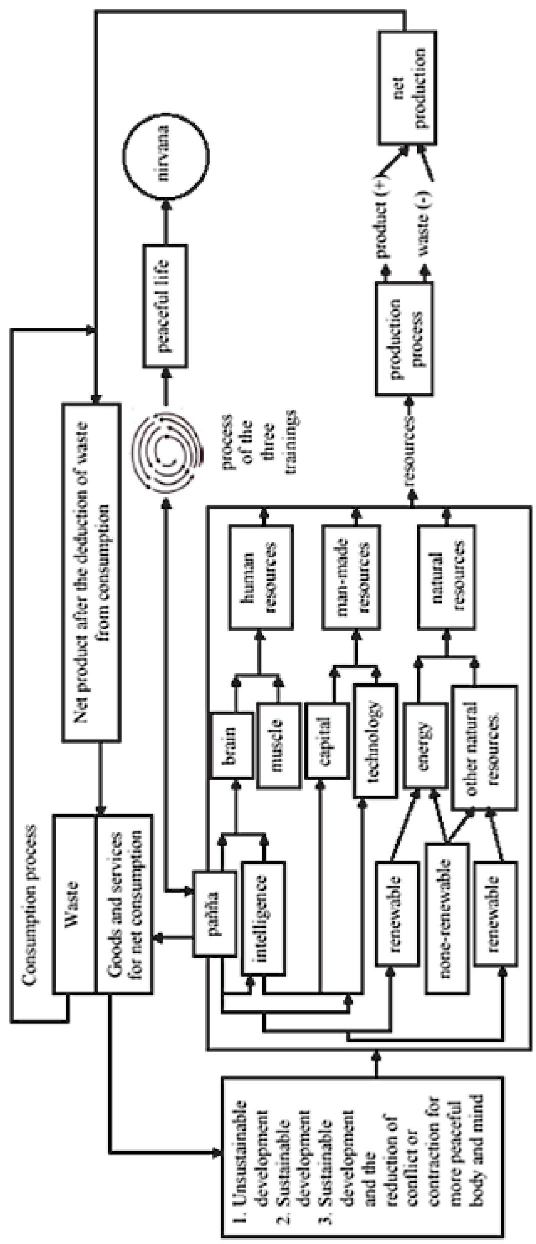
with minimum amount of harmful waste. Production in this way is considered to be the most efficient production in Buddhist Economics.

Sufficiency Economy integrates all the three dimensions of sustainable development viz., economic development, socio-cultural and environmental protection. It advocates critical thinking and decision-making processes as tools in achieving the three main SE principles—"moderation (sustainability)," "reasonableness (corporate governance)," and "self-immunity (Risk Management)". When applying these principles, knowledge and ethics are recommended as necessary elements.

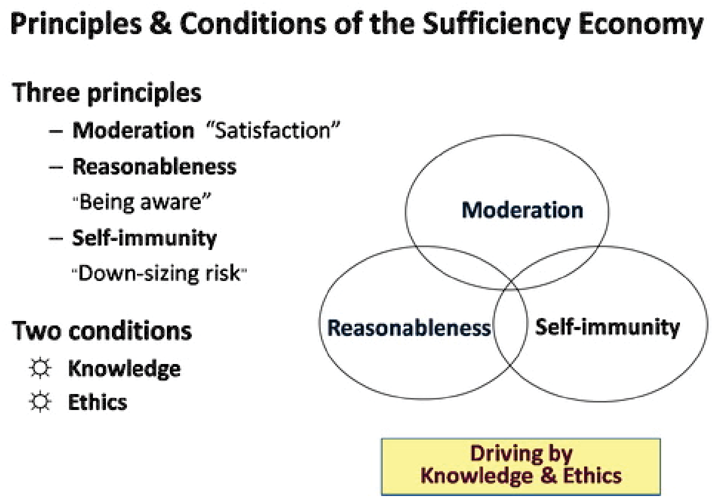
Consumption and Production Theories of Buddhist Economics.

The system of production and consumption under the condition of sustainable development and the promotion of peaceful life.



1. Unsustainable development is the condition when net goods and services produced are not sufficient for the maintenance of the production process to continue at the same rate.
2. Sustainable development is the condition when net goods and services produced are just sufficient for the maintenance of the production process to continue at the same rate.
3. Sustainable development and the reduction of conflict or contradiction for more peaceful body and mind is the condition when net goods and services produced are more than enough to maintain the existing system of production. The rest can be used to reduce pain and suffering of those who are needed. With the help of technology production efficiency can be improved.

Source: http://www.thailaws.com/download/thailand/king_suff_economy.pdf



Source: http://eesdnetworkthailand.blogspot.in/2010/01/beyond-limits-learning-to-live-together.html

SE respects the limits and values of natural resources and offers a way for people—especially agriculturalists who work closely with nature—to use local wisdom and creative technology in food production, while conducting resource management toward sustainability. The SE philosophy offers the idea of limited production thereby protecting the environment and conserve scarce resource.

Today, the philosophy of Sufficiency Economy is being implemented in Thailand at multi-levels and in various sectors including agriculture, business, industry, and tourism. Major corporate houses like Siam Cement group, Bathroom Design Company limited, Chumphon Cabana Resort and Diving Center, Nithi Foods and NopadolPanich etc. have embedded the SE philosophy in their core business operations including the corporate social responsibility (CSR) activities. Nopadol Panich is a resilient player in the crisis-prone construction material retailing industry. From its humble beginning four decades ago as a traditional-trade mini-store to today's modern-trade mega-store located on a busy highway in the heart of Thailand's second-largest city. Its founder has attributed the company's survival through numerous economic storms and strong growth to his relentless implementation of the principles of the Corporate Sustainability under the Sufficiency Economy Philosophy. In 2007, Thailand's Human Development Report was published with issues on "Sufficiency Economy and Human Development". The significant role of Sufficiency Economy as an alternative approach is now respected not only in Thailand but also throughout the world. It is evident that the integration of SE philosophy and social business models can help achieve goals of sustainable development.

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Goods and Service Tax

Divya Sharma*

Governments, like other associations, want capitals (income) for their appropriate working. The real sources of revenue for the world are distinctive kinds of taxes. Extensively, there are two types of taxes: Direct and indirect. The taxes which are direct paid by anindividual of the nation as a characterized some portion of their salary. The citizens might be physical people or lawful entities, for example, businesses and different associations. In simple words, what people pay is named as income tax & what corporate firms pay is called corporate tax.

The other one is indirect tax. This tax is paid at the time of the consumption that an individual makes for purchasinga products for utilization or for services.This type of tax is identified as indirect tax because it isn't directly paid by an individual to the government yet through the monetary operator from where the merchandise are acquired or services has been taken.The merchandise or services come to a buyer by a progression of handling through acomposite supply chain.In this manner, this indirect tax is more complex than the other one, demanded on the payer's income.

Distinctive nations have tested diverse strategies for imposing indirect taxes. Yet, step by step, the most widely recognized arrangement that the legislatures, the world over, have been focusing in on is value added tax and Goods & Service tax (GST) is the term used for the same.This tax was presented in different nations at some different times like France in the year1950, New Zealandin the year 1980, Canada-1990s, Singapore - 1990s, Australia –2000 and Malaysia- 2015,etc. Every one of these nations have had reasons to do so and following are the few reasons:

- To diminish tax avoidance,
- To diminish compliance & administrative costs,
- To decrease value distortions,
- To diminish the cost of doing business, and so on.

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Most importantly, it is likewise intended to bring transparency & disposal of uncertainty in the tax framework.India has presented GST in July 2017. It is required to build the effectivenesswhile collecting tax, diminish corruption and make it simple for the states to move theirmerchandise all over. Its purpose is to develop India a single market as far as tax is concern for goods & services. It has been appropriately said that it would prompt one-nation, one-tax.

The India is one of the recent nationwho present this type of tax, let us take a look at its significant angles.India has elected structure of governance which includes central & state governments. The GST is intended to be required as a mix of CGST & SGST. The idea of GST is that it is required at all phases of manufacturing or value addition until the last phase of utilization. Only value added is taxed at each stage along the supply chain. In spite of the fact that it is required at each phase of inventory network, the tax, itself, does not turn out to be a part of the cost of the item or the service since a credit for it is taken at each subsequent stage.

At last, just purchaser of the goods or service bears the weight of the tax. Accordingly, it encourages a unified credit structure, irrespective of the quantity of stages until the buying is to be made by the final customer.

It's a noteworthy change in the tax structure of the nation and required where the transparency in exchanges is vital. India has been debating about this change for 15yrs before it could get the same through a multi-step legislative process, including the essential changes in the constitution of the nation and sanctioning of proper laws at the central and state level. Such a noteworthy change required not just walking through a multifaceted nature of specialized issues yet in addition adroit treatment of arrangements at the political level since not all government at the center and in the state share the same political belief system.The GST law is unique in India from numerous points of view, however it can't be totally different as the provisions in vogue in different nations. The GST has included different taxes like, excise duty, sales tax, service tax, luxury tax, etc.

The tax on gambling, betting& lottery have all been included in the Goods & Service Tax. This tax is collected nearly on all merchandise with couple of exemptions, for example, oil based commodity, which might be brought under this tax some time later. Certain states may remain to lose their incomes. So they will be adjusted for this misfortune for a time of five years. The law tries to on the federal government standard, through a body, named GST council. This is an empowered body which incorporates all states' ministers of finance and central F.M. as its chairman.

The decisions like to choose the rate of the taxes, exemptions of items & other issues can be taken by this body. Its choices to be based on consensus.However, the other arrangement for the decisions totally based on voting. The center has a weight of 33%, while every one of the states, taken together, have a weight of 66%.Without consensus, if 75% of weighted votes are thrown to support the decision only then it will be taken as valid decision.This federal structure of the GST law implies that the center & every one of the states lose their fiscal autonomy significantly for a joint decision making process. In any case, the achievement of this tax will rely upon the elements like technology in terms of value programming, availability of industry to adopt it quickly , the limit of authorities to do trouble shooting as and when the issues emerge, or more every one of the, a persistent procedure of political consensus building.

These days, India & China are the current topic in business world.The business group observes any means that are taken at policy level nearly regarding their potential to expand the simplicity of doing business. Obviously, this change too will be examined for its outcomes. In future, more information will wind up plainly accessible with the purpose of analysis. The scholars can anticipate investigating the results of this significant tax reform. The impact can be inspected on the accompanying monetary factors, among others: inflation, Gross domestic product, integration of national market, improvement in tax compliance, better income inflows for both (center & state),financial & psychological effect on makers or purchasers, benefits in terms of tax and in addition assess payer, visibility of transparency in transactions and so on.

Challenges of Urbanization- Focus on Rurbanisation

Surbhi Cheema*

Abstract

Urbanization comes with proven benefits of economic growth and development. Cities are centres of innovation in terms of ideas, knowledge, and their commercialization. However, urbanization also comes with its social and environmental challenges. Cities are characterized by strained infrastructure which manifests itself in terms of power cuts and water shortages, high cost of living, and unaffordable real estate resulting in urban sprawl and slums, high volume of traffic resulting in pollution and delays. India is at the cusp of a wave of urbanization. The sheer pace and scale of urbanization expected in the foreseeable future is unprecedented and will bring India to the tipping point where majority of its population will reside in urban areas. This presents both a challenge and an opportunity. The challenge lies in our ability to cope. Our cities are already strained to meet the demands of their residents.

Incremental demands on our existing cities are likely to degrade quality of life even further. Significant investments will be required to fulfill basic demands. Even if, for a moment we ignore financial constraints, the environmental impact of doing so is likely to be significant. The unprecedented and unmatched urban growth that we are experiencing today demands a radical and proactive response. This will necessitate a wide range of policies and practices to be conceptualized around new 'socially inclusive' and 'environment-friendly' paradigms-"RURBANISATION".

Introduction

Urbanisation in India has become an important and irreversible process, and an important determinant of national economic growth and poverty reduction. The process of urbanisation is characterised by a most dramatic increase in the number of large cities, although India may be said to be in the midst of transition from a predominantly1 rural to a quasi-urban society.

In 2001, India's urban population, living in approximately 5,200 urban agglomerations, was about 285 million. It has increased to almost 380 million in 2011. Projections are that by 2030, out of a total population of 1.4 billion, over 600 million people may be living in urban areas. The process of urbanisation is a natural process associated with growth. There is no doubt that the condition of the poor in rural India must continue to get major attention but the urban sector development should not be viewed as negating such attention or weakening it in any way. On the contrary, we must acknowledge

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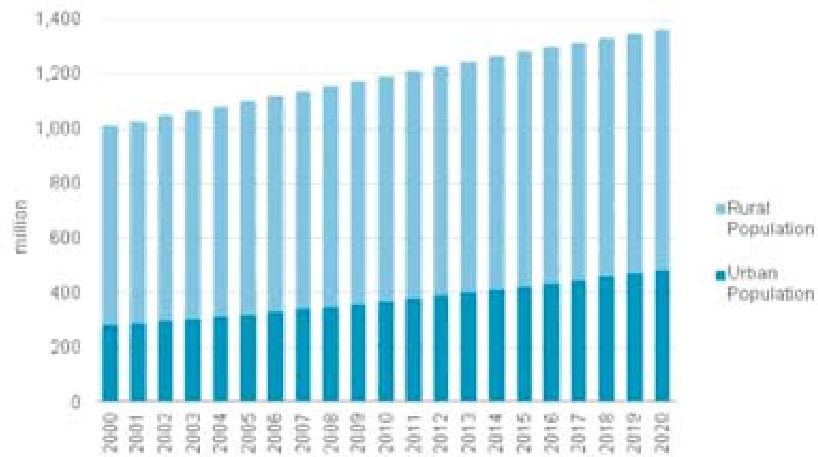
that there is a synergistic relationship between rural prosperity and the continuum of urban development from small towns through larger cities to metros.

A holistic approach to spatial development is needed if the country wishes to achieve more inclusive growth.

India's Urban and Rural Population: 2000-2020



Source: Euromonitor International from national statistics/UN
Note: Data for 2013-2020 refer to forecasts.

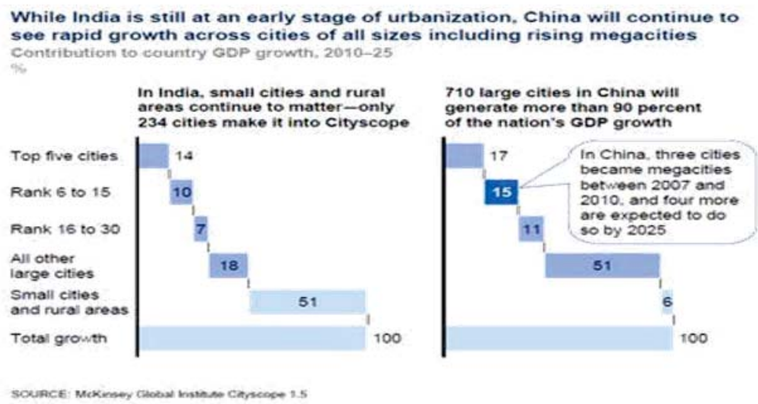
- India's urban population grew by 2.8% annually between 2000 and 2012, compared to the 1.6% per year rise in the total population, thanks to rapid economic growth and strong rural-urban migration in order to look for better job opportunities and improving lifestyles. However, this trend is unplanned;

- In 2012, India's urban population stood at 388 million - the second highest urban population in the world. However, the country's urban population accounted for only 31.6% of the total population in the same year compared to the global average of over 50.0% of the total population;

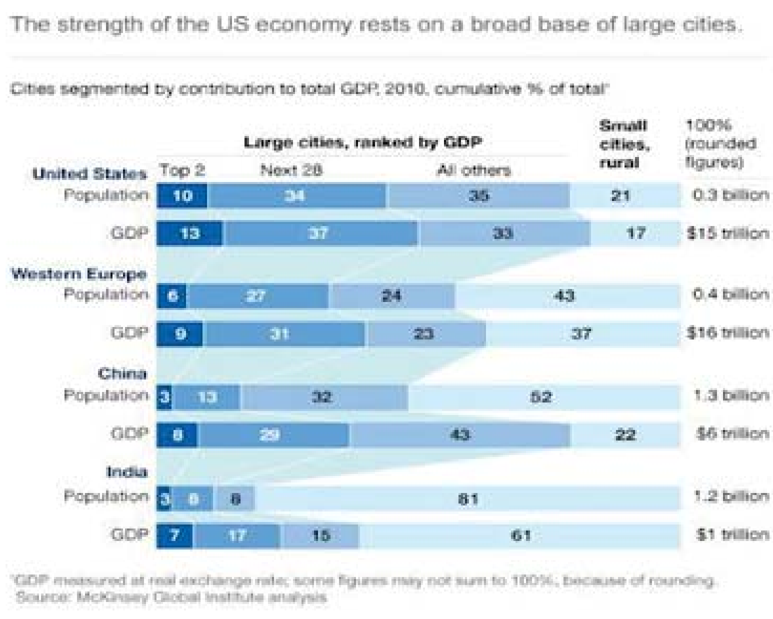
- The government's definition of urban areas excludes peri-urban areas – immediately adjoining urban areas which are in a process of urbanisation but are formally outside urban boundaries and urban jurisdictions - contributing towards this low proportion of urban population;

- Two of India's metropolitan cities feature in the world's largest urban population by city. Mumbai is the most populated city in India and had the fourth largest urban population by city in 2012 at 12.5 million people, while Delhi – the country's capital city – had the eighth largest urban population by city at 11.1 million people.

The graphic below shows that urbanization is in its initial stages in India, especially when compared to China. It has 234 cities with population above 200,000 (as on 2013), which are estimated to contribute 49% to GDP growth in the 2013-25 period. Only 20% of population currently live in these 234 cities. In contrast, China's 710 such cities are estimated to contribute 90% to GDP growth in the same period. The report describes the scale of China's urbanization as unprecedented.



Another graphic point to the population and GDP of large cities, small cities and rural areas, in India and elsewhere. The contrast is obvious. As on 2013, 81% of its population and 61% of GDP came from the smaller cities (population below 200,000 and rural areas).



India spends only $17 per capita annually on urban capital investment, compared with $116 per capita in China and $391 in the United Kingdom. In addition, India's current urban spending varies dramatically according to the size of city. Tier 1 cities spend an average of $130 per capita each year, with 45 percent of this total on capital spending. However, owing to high general and administrative costs, most Tier 3 and 4 cities support per capita capital spending of only $1 currently.

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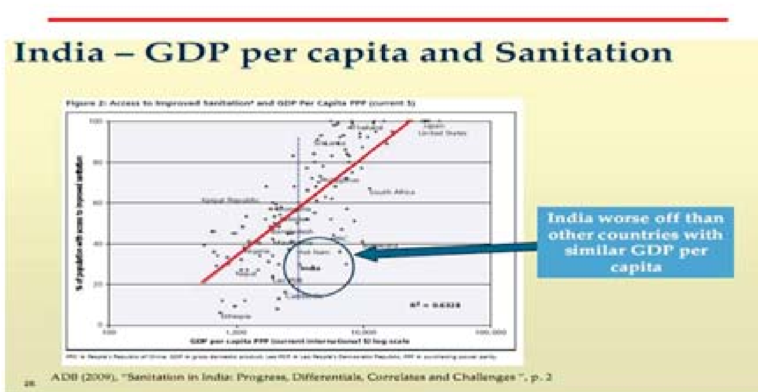
One of the biggest takeaways for India from these cross-country comparisons on urbanization and economic growth trends is to dramatically increase the focus on urbanization, in particular, the growth of its Tier III and smaller cities. While many of the top 30 cities may or will, in near future, have access to several sources of capital to trigger the civic infrastructure investments required to support their growth (both by attracting populations and investments), the same cannot be said about the Tier III and the smaller cities. Nearly 40% of the urban population is located in 4728 smaller cities with population less than 100,000. These cities will require massive public investments from the state and central governments before they can start thinking about sustainable growth.

India is witnessing an unprecedented rise in urbanization and cities like Delhi, Mumbai and Calcutta are over-crowded with people. Now nearly one-third of the population lives in towns and cities. The urban population, however, is economically very important and contributes 50 to 55 percent to the total GNP. It also means that the hub of all modern activity is concentrated in major cities, which continuously attract migrant workers in search of their livelihood.

However, unlike the big cities in rich countries, Indian cities are not able to take in more and more people because of poor urban management and resource constraints. The people continuously confront problems of safe drinking water, power, and sewerage and garbage disposal. With rapid natural increase and inflow of rural population, cities are growing rapidly and there is an urgent need for better governance, transport and basic amenities for the growing population. Here it is worthwhile to point out that most people including many social scientists and journalists believe that rural to urban migration is the prime factor of urbanization. This myth has already been exploded by demographers. Studies have clearly established that natural increase has been the most potent factor behind rapid rise in urban population not only in India but also in most developing countries of the world.

Economic Effects

Urbanization is usually seen as an indicator of development as it indicates that more and more people are engaged in secondary or tertiary economic activities. Unfortunately, this has not been the case in India. The Government, while prioritizing industry has failed to maintain its equitable geographical distribution. This has created some industrialized pockets which require more and more workers while the rest of the country lacks reasonable employment opportunities. The urbanization in India has been lopsided and therefore has come with a lot of problems.



The 'push' factor has created an exodus from the villages. As no systematic effort was made to develop industries in smaller towns which could provide employment to these people, this group landed in cities which were not geared up to provide even basic facilities to these people. First requirement of these migrants was accommodation and

when the city could not meet their demands, slums came up in cities, in which people lived in extremely pathetic conditions.

As per draft mission document of National Urban Livelihood Mission under the Ministry of Housing and Urban Poverty Alleviation, population residing in urban slums has been estimated at about 93 million. As per data provided by Census, 2011, 3% of the urban population does not have an exclusive room for living, while 32% live in one room house. About 29.4% of the urban population does not have access to tap water and 18.6% do not have latrine facility within the house. 7.3% of urban population still does not have access to electricity. This aspect of urbanization can hardly be accepted and brings with itself a host of economic, social and environmental problems.

The migration which takes place due to 'pull' factor mainly comprises of people who though well off in villages, visualize better infrastructure and facilities in cities and move there for a better quality of life. This kind of migration does not have any adverse impact on cities but this drains the village of the skilled and educated population.

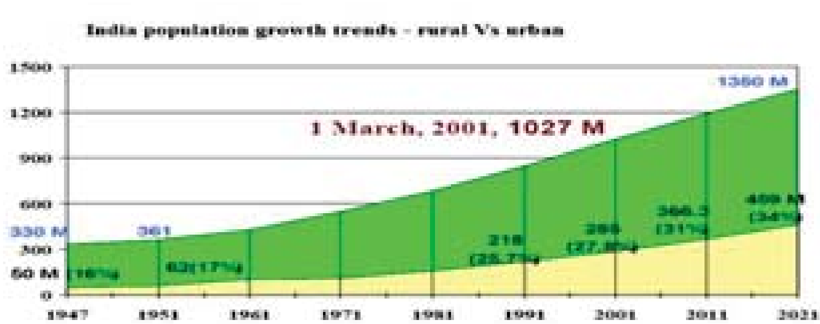
Issues related to Urbanization in India

- The pace of urbanization is very uneven in India and biased in the favor of big centers. In all the bigger urban areas are growing with much faster pace vis-à-vis the middle and smaller areas.

- There is lack of coordination between various governmental departments and agencies, international agencies, research organizations, local bodies and nongovernmental organizations. This lead to overlapping and duplication.

- There is paucity of dedicated cadre for city management along with the leadership deficit.

- A study conducted in Karnataka revels that in rural areas for 380 persons there is an elected representative. However in urban centers there was 1 elected representative per 3400 persons.



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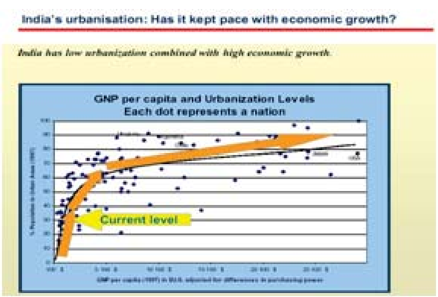
In fact, unlike the other major emerging economies, India has not experienced an urbanization boom of comparable proportion. The decadal growth in urban population has not shown any appreciable increases.

The report attributes India's slower pace of urbanization to two factors.

- One, state borders limiting mobility and resulting in "urban economic concentration in state hubs rather than city clusters across the nation".



- Two, policies that have traditionally "favoured small-scale production and discouraged larger-scale operations in cities".

Sustainable cities and the challenges of urbanisation in India

McKinsey's recent report, India's urban awakening: Building inclusive cities, sustaining economic growth, presented some startling indicators of the likely changes that will happen over the next 15-20 years:

- 590 million will live in cities, nearly twice the population of the United States today
- 270 million people net increase in working-age population
- 70 per cent of net new employment will be generated in cities
- 68 cities will have population of 1 million plus, up from 42 cities today
- $1.2 trillion capital investment is necessary to meet projected demand in India's cities
- 700-900 million square meters of commercial and residential space needs to be built – or a new Chicago every year
- 2.5 billion square meters of roads will have to be paved, 20 times the capacity added in the past decade
- 7,400 kilometers of metros and subways will need to be constructed – 20 time the capacity.

These figures may appear daunting on first pass. However, we have the recent profound transformational change witnessed in China to hand which has experienced a very similar period of explosive growth of cities and development on a similar scale. Although the challenge is great, provided that it is addressed creatively it can be met.

India's Planning Commission has observed that the pace of urbanization poses an unprecedented managerial and policy challenge. It noted that demand for key services such as water, transport, sewage treatment; low income housing will increase five to sevenfold in cities of every size and shape.

The urban sprawl

However attractive may be the idea of cities as economic growth engines, the ground reality of urban life in India is far less palatable. Congestion, pollution, vast proportions of uninhabitable accommodation and impoverished living standards characterize most fast-growing Indian cities. Delhi and Mumbai featured in the bottom half of a list of 95 global cities in terms of prosperity and urban development, according to State of the World's Cities 2012/2013, a recent report by United Nations Habitat, and the UN agency for human settlements. For Indian cities to fulfill their potential, spatial development must be linked with economic development. The straightforward argument has complex implications.

- First, it suggests that the physical growth of any urban agglomeration must be planned for it to keep pace with a swelling population and activity.

- Second, urban agglomerations must evolve in ways that adequately accommodate the changing nature of their economies.

Most Indian cities fail to meet either criteria. Apart from a few relatively well-managed cities such as Surat and Ahmedabad, built-up area has been growing faster than population in nearly all of India's largest cities for the past two decades, implying low-density sprawl.

Cities' official, administrative boundaries are often smaller than actual boundaries, and municipal corporation jurisdiction varies considerably across India.

In cities such as Kolkata, the municipal corporation jurisdiction is a small subset of the actual built-up area of the city's urban agglomeration.

India's unplanned urbanisation is creating opportunities and challenges:

- As economic activity tends to be concentrated in urban areas, urbanisation trends offer a huge consumer market potential as urban consumers have a higher purchasing power. For example, in

2012, annual consumer spending per household in Delhi and Mumbai stood at Rs495,614 (US$9,279) and Rs434,805 (US$8,141) compared to the national average of Rs245,244 (US$4,592);

- Urbanisation presents a significant investment potential for companies seeking new markets because it creates consumer demand for housing, household goods, urban infrastructure and transportation, healthcare, education, and recreation. Marketers will also find opportunities in the increasing number of single person households;

- Unplanned urbanisation causes over-crowding leading to a growing concentration of people living in slums and unstable settlements. Housing shortages are also created. For example, the capital city of Delhi had 11,215 persons per sq km in 2012 compared to the national average of 413 persons per sq km;

- Rapid urbanisation also creates challenges like pollution, health problems and rising crime levels due to the pressure on limited urban amenities. In 2012, India was the third largest polluter in the world with 2.0 billion tonnes of CO_2 emissions from the consumption and flaring of fossil fuels;

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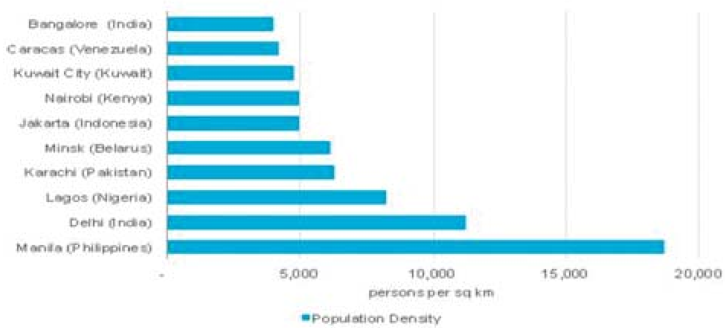
- Chronic underinvestment in infrastructure is a big problem in the country and one of the biggest weaknesses of its business environment. Infrastructural spending is not keeping up with the growing needs of cities where a large proportion of the population lacks access to water supply and sanitation facilities;

- Large-scale migration from rural areas is causing a lack of job opportunities in urban areas increasing the incidence of poverty and inequality. India's unemployment rate, at 8.9% of the economically active population in 2012, while not very high masks the presence of a large informal sector in urban areas.

Top 10 Cities with Highest Population Density Globally: 2012



Source: Euromonitor International from national statistics/UNProspects

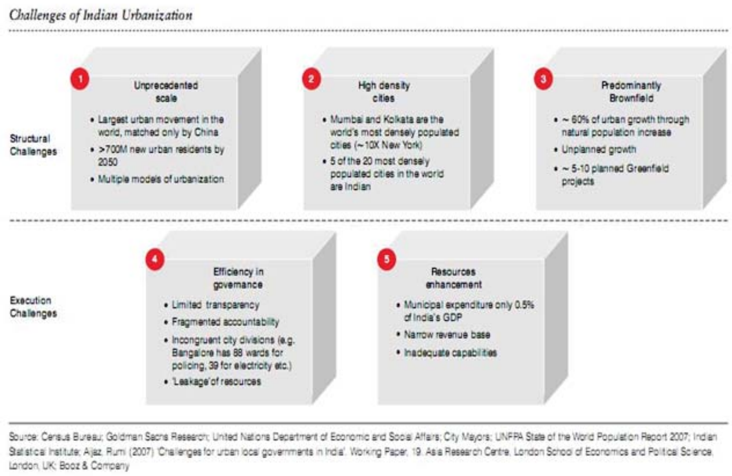
- To reap the benefits of urbanisation, policy makers will have to tackle the problem of over-crowded cities by increasing infrastructural spending. "Rurbanisation", a concept coined by Gujarat state's Chief Minister, which entails providing urban conveniences and civic and infrastructure facilities to rural India is an attempt to stem migration and deal with the challenges of urbanisation;

- By 2030, India's urban population is forecast to reach 631 million, an increase of 2.6% per year over the 2013-2030 period compared to the 1.1% annual rise expected in the total population. The urban population will account for 41.8% of the total population by 2030;

- According to the United Nations, by 2025, Delhi (32.9 million) and Mumbai (26.6 million) will be the second and fourth largest urban agglomerations in the world. Urban agglomerations refer to the population in cities and other expanding smaller satellite towns and villages nearby that may be outside the administrative boundaries.

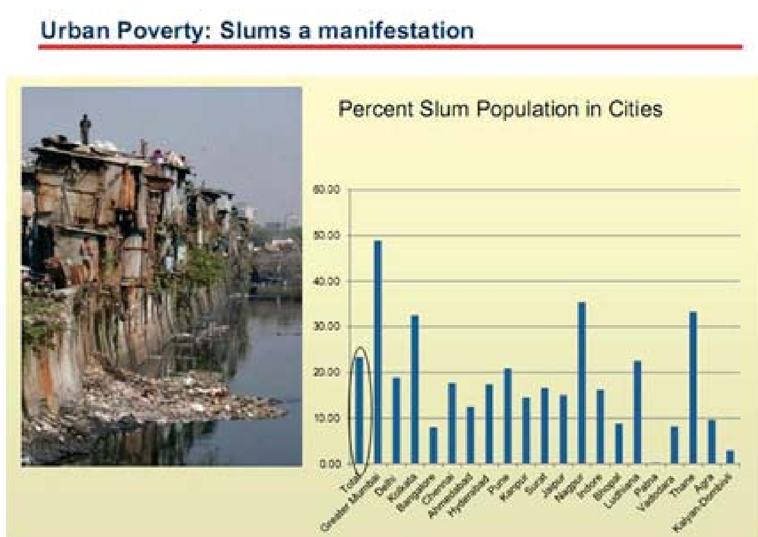
Problems of Urban India

With a rapidly increasing urbanization India's major cities are now facing great social issues including housing problems, waste disposal and shortage of electric power.



Housing

The most important problem in all cities has been housing the sudden and large scale influx of migrants from rural areas to urban areas especially the metropolises and state capitals. Due to lack of housing, in every city almost fifty percent population live in slums. Slums are actually illegally created colonies of housing on open spaces in the cities. The structures are temporary they are very crowded and rows of such houses are separated by very narrow lanes through which household drainage is allowed to flow. As these are illegal colonies, they do not have any civic amenities like drinking water, sewage, electricity etc. As the slums start growing a local mafia gang takes over the control of the area through muscle power and both old residents and new entrants have to keep the mafia gang happy by paying regular doles. In return the gang assures the inhabitants security.



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Many slums in big cities have been there for two or three generations. Families residing there develop their own inter linkages, mutual help, service providers of all sorts, retail shops and so on. Usually when a new slum comes up, it is first outside the city at that time but very soon, as the city grows the slums become a part of the city itself. Very often real estate dealers eye such slums for clearance so that they can build luxury apartments and make huge profits both on land value and on the apartments. The slum dwellers are uprooted and resettled in the outskirts of the city far away from their place of work. In addition the slum dwellers are broken up into groups and resettled in different locations thus causing much misery as the old linkages and mutual dependence are disrupted. On the eve of elections some of the unauthorized slums are "regularized" by the party in power to garner votes of the residents. Certain civic amenities like public taps, public toilets are provided. These facilities do not make much difference to the slum dweller because after elections, the facilities are neglected by the authorities. The slums however gain permanency.

Waste Disposal

Another big problem that has arisen due to the large increase in population has been the enormous amount of solid waste generated. In a city like Bengaluru the solid waste generated daily is estimated to be around 5000 tons. The collection, transportation and disposal of this huge quantity of solid waste is posing serious problems to the municipality. Finding dumping grounds for this waste has become difficult. Dumping this sort of waste has created serious problems of pollution, ill-health and stink to inhabitants even a kilometer away. Recycling the solid waste material and converting much of it into usable products seems to be the only solution.

A new type of hazardous waste has come up in recent years, namely electronic waste. Unserviceable cell phones, their accessories, other electronic goods, are being thrown away indiscriminately. Many of them contain toxic chemicals like mercury and other heavy metals and compounds. Their disposal is going to become a very serious problem in due course.

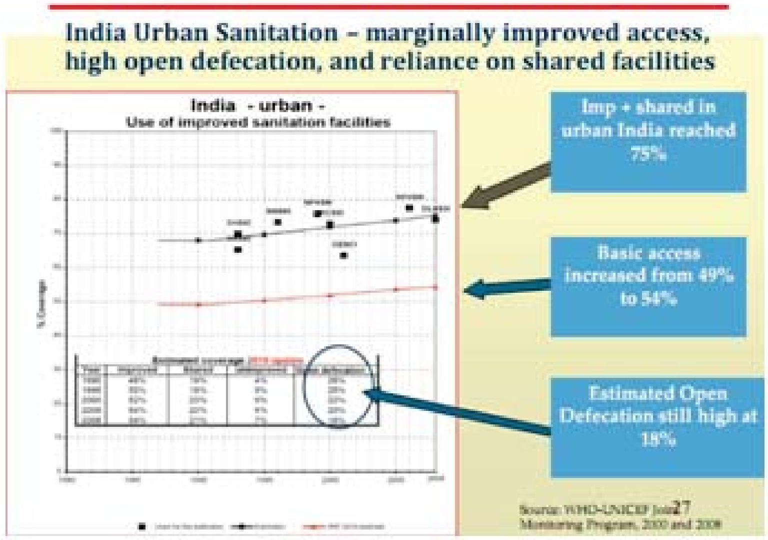
Much research needs to be done on the disposal of various types of solid waste without causing any harm to the environment or the people. Incidentally, it has been suggested that even in the case of human

excreta, it would greatly revolutionize the civic amenities provision if a method can be invented to dispose of this waste at the site where it is generated.

Public Transport

After housing and waste disposal, another major problem faced by people in urban areas is the lack of adequate public transport. As the cities are growing, distances to be travelled for work and other reasons are increasing. With more than half the population being poor or belonging to low income groups, public transport is a very important facility to be provided in urban areas. Unfortunately while the richer classes are buying more and more two wheeler and four wheeler automobiles, the average and below

average citizen does not have access to adequate and affordable transport facility. As the number of motor vehicles increases, roads get cluttered, pollution increases and it takes longer to reach one's destination. Pedestrians and slow moving vehicles do not get sympathetic treatment either by the authorities or the other road users. Only recently local and state governments have woken up to this problem and metro rail systems



are being set up at great cost for mass rapid transportation. Calcutta and more recently Delhi have very well managed metro rail systems but they are still not adequate. Mumbai and Chennai have had a long history of local train services but even they are proving inadequate with populations in these cities growing rapidly. Cities like Bengaluru and Hyderabad have just initiated action to provide elevated metro rail on a limited scale. Presently people rely mostly on bus transport but their number is not enough nor the roads able to accommodate all the vehicles now in use. There are frequent traffic jams further delaying people from reaching their destinations. The way forward is to restrict severely individual transport and increase manifold public transport both by road and rail. Public transport must be made much more efficient, regular, punctual, attractive and adequate. Then the need for individual transports will go down and the state would be able to put severe restrictions on use of individual transport as is being done in Singapore.

Shortage of Electric Power

A very serious problem facing the entire country is the acute shortage of electric power both in urban and rural areas. This can be solved only by generating much more electricity than at present. However, this solution has met with almost a wall-like obstruction. Conventional methods of generation like coal based thermal power, nuclear power and hydro-electric power are being opposed by people for reasons of environmental pollution, displacement of people submergence of land and forests etc. There are some gas based power stations which are less polluting but due to lack of sufficient quantity of natural gas they are working at less than half their load capacity. Non-conventional sources of power like solar power and wind power are not that economically viable or affordable by the consumers. The power generation is also intermittent requiring large storage capacity for energy. One does not know what new problems will arise in storing energy on such large scale.

Security

Finally a very recent problem in large cities where all sorts of people have settled down has been the security situation. Well to do citizens are being forced to organize their own security. This is the reason for the coming up of gated communities with private security arrangements. Entry to these communities is strictly controlled and monitored by the security staff. This is a sad reflection on the capacity of the authorities to provide security to their citizens.

Thus almost all major cities in India are facing serious problems of slum clearance, housing, inadequate civic amenities for a fast growing population, absence of efficient public transport system, the growing insecurity in the cities and so on. Problems will become more acute and may go beyond repair if immediate steps are not taken to solve at least some of these problems. Meanwhile the forecast is that half the country's population will be living in urban areas in another two to three decades. This trend needs to be reversed urgently by providing urban facilities in rural areas and locating several industries and providing employment opportunities in rural areas.

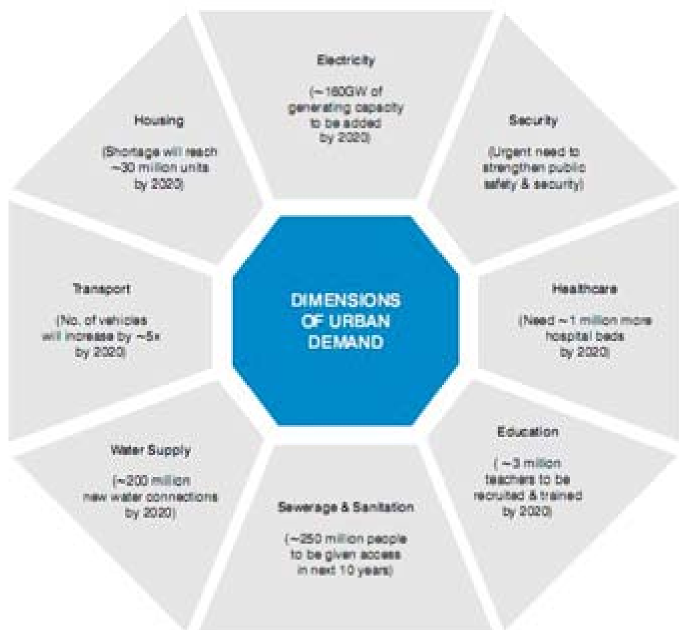
Environmental Effects

The urban heat has become a growing concern and is increasing over the years. The urban heat island is formed when industrial and urban areas are developed and heat becomes more abundant. In rural areas, a large part of the incoming solar energy is used to evaporate water from vegetation and soil. In cities, where less vegetation and exposed soil exists, the majority of the sun's energy is absorbed by urban structures and asphalt. Hence, during warm daylight hours, less evaporative cooling in cities allows surface temperatures to rise higher than in rural areas. Additional city heat is given off by vehicles and factors, as well as by industrial and domestic heating and cooling units.

Urban Infrastructure

The India Infrastructure Report, 1996 estimates the annual investment need for urban water supply, sanitation and roads at about 28,035 crores for the next ten years. The Central Public Health Engineering (CPHEEO) has estimated the requirement of funds for 100 percent coverage of the urban population under safe water supply and sanitation services by the year 2021 at Rs.172,905 crores. Estimates by Rail India Technical and Economic Services (RITES) indicate that the amount required for urban transport infrastructure investment in cities with population 100,000 or more during the next 20 years would be of the order of Rs.207,000 crore. Obviously, sums of these magnitudes cannot be located from within the budgetary resources of Central, State and Local Governments. A compulsion has, therefore, arisen to access financial aid.

Key Dimensions of Urban Demand



Source: Goldman Sachs Research; World Bank reports; GoI data sources; Booz & Company

Policy myopia

Indian towns and cities are characterized by a particularly dangerous combination of low-rise construction, high-density population in their central areas, and almost non-existent mass rapid public transport. Simply put, more and more people are squeezed into limited spaces without sufficient provisions to move from one place to another.

Most cities with a low-rise built environment are either generously laid out (such as Los Angeles) or are well-defined, compact cities with low-density populations and extensive public transport networks (such as European cities). The core of most Indian cities, with a few limited exceptions, lacks both sufficient space for vehicular traffic and adequate public transport, inevitably resulting in traffic snarls.

This myopia of policymakers is attributed to the prevailing mindset that the majority of India still resides in the villages, and that urban centres account for a minority of the Indian population.

According to the 2011 Census, 68.8% of India's population lives in the villages and is thus classified as rural.

Governance Challenges

POLICY LIMITATIONS		
Limited number of 'smart regulations'	Limited policy alignment for increasing private sector participation	Lack of oversight with respect to ULB portfolios in the case of policies/planning at national/state levels
ADMINISTRATIVE PROBLEMS		
Overburdened municipalities with poor execution capabilities	Poor accountability	Existence of multiple agencies with minimum coordination

Source: Aijaz, Rumi (2007) 'Challenges for urban local governments in India'. Working Paper, 19. Asia Research Centre, London School of Economics and Political Science, London, UK; Booz & Company

However, barely half of our workforce remains in agriculture, with about one-third of the rural population engaged in non-farm work. India has a very restricted definition of urban, which could contribute to the size of its urban population being undercounted. According to the agglomeration index, as much as 52% of India's population, based on 2001 Census data, could be regarded as urbanized, as compared with the government's official estimate of 31%. Using Census 2011, the figure is likely to be significantly higher.

The debate is also skewed by myths which equate urbanization with migration. Migration only accounts for 22% of the growth in urban population, according to census data clarifying that the re-classification of population from rural to urban, as places themselves "morph" from villages into towns, is responsible for nearly 30% of the growth of India's urban population. Natural growth of population in pre-existing cities accounts for the rest of India's urban population growth.

Weak urban planning principles and processes are also responsible for these problems. If (Prime Minister) Manmohan Singh changedeconomic planning philosophy in 1991 (as finance minister), we shouldchange the urban planning philosophy so that it is less Soviet-style, zoning-driven and, instead, more liberal and pragmatic," he says.

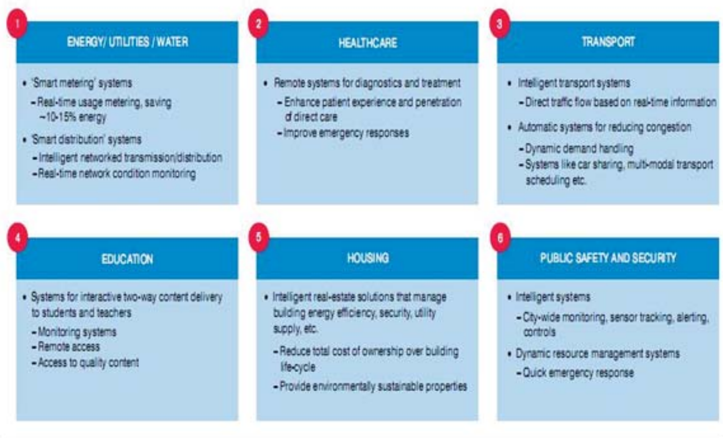
Meeting the Urban Challenge: We have made some valiant attempts

- **Decentralisation and Governance:**
  - 74th Amendment and its subsequent implementation by various states
  - Reforms in urban sectors – removal of ULC, rent controls, reduction of stamp duty, ease of land acquisition
  - "Voice" of people –RTI, citizen charters, media interest in urban
- **Large numbers cities have done well to cope with problems**
  - Urban Development on State Agenda -Tamil Nadu, Gujarat
  - Growth in Tier 2 and Tier 3 cities
- **Urban Finance and Development:**
  - Massive infrastructure investment in cities through JNNURM/UIDSSMT
  - New Housing for Poor through IHDP/BSUP
  - Private investments in townships

Development of infrastructure in cities is one aspect of the solution. However, administration of the cities has been entrusted to municipalities, which do not have the expertise or the resources to deal with the rapidly changing scenario. There is hardly any stress on long term planning. Their financial powers are also limited as the sources on which they can levy tax are very limited. This will have to be looked into by the Government because if the cities are to improve, their local governments will have to rise to the occasion.

There is also the need to enhance the people's participation in this regard. Popular and democratically elected entities on local level like Ward Committee and Area Sabha analogous to gram Sabha can be alternatives.

Technology Solutions



Source: Booz & Company

Therefore apart from developing infrastructure in cities it is also important that alternative employment is generated in the villages itself or in other words balanced regional development can be the viable solution. This could be done by developing agriculture based small scale industries. Further, industries making use of local resources and expertise should be developed in small towns. This would help these towns to absorb those people who could not gain employment in villages. This would ensure a more even development as well as a better quality of life in both rural and urban areas.

Proper coordination among various agencies working in the urban areas to avoid duplication an enhance coordination would also ensure proper planning and implementation. A new professional and specialized cadre of "City Managers" should be created like doctors, engineers etc in order to solve the issues related to the cities.

New and scientific taxation system in order to augment the finances of the local urban bodies should be designed to make the urban bodies financially viable. The taxation systems like Unit Value System in case of Delhi and Congestion Tax in case of Hyderabad and other options like Municipal Bonds for instance in the case of Ahmadabad and Indore can made be feasible.

Development of rural areas through Rurbanisation process in India Rurbanisation - Creation of 'Big Villages' with a rural soul but an urban feel with all urban amenities Rurbanisation summarizes the vision to reduce and remove the rural-urban divide through infusion of urban patterns and services in rural systems to ensure provision of quality lifestyles and livelihood options while keeping the basic rural soul intact. The concept centres around development of global villages that preserve and nurture the essence of rural community life without compromising on facilities perceived to be essentially urban in nature; thus creating altered 'rurban' forms. A process of rural transformation that spurs differential growth pattern, the concept is not exploitative but regenerative and revitalizing positively influencing people and environment and encouraging a judicious and economic consumption of resources. Rurbanisation combines traditional knowledge and practices with modern technology and is a distributive and participatory process bringing about cascading changes in the lifestyles of its participants.

Rurbanisation makes migration to urban centres redundant and often serves to alleviate the psychological effects induced by change in social and community set up as in the case of migration. Increasingly, it is also being seen as a tool to invoke reverse migration easing the pressure on civic infrastructure in densely populated and over-crowded urban agglomerations. Revival of urban economies induces people with origin in such areas to return and start economic activities. Economic diversification and financial flow thus gets catalysed as industries and capital investment expands to rurban centres spreading the seeds as well as benefits of development.

Highlighting the rapid urbanization trends across the World and in India, he said that Gujarat is one of the Indian states facing the acute pressure of burgeoning growth in its cities fuelled by migration and natural increase. Urbanization in Gujarat stands at 42.6% as compared to India's average of 31%. It necessitates measures to create better infrastructure and services in a distributed and equitable manner to ease off the pressure in existing urban nodes and lead to sustainable development.

The key issues driving Rurbanisation therefore are:

1. Haphazard growth in villages;
2. Lack of basic infrastructure in the rural centres;
3. Financial dependence of Panchayati Raj Institutions;
4. Social Issues like cultural and social disparities, income disparities in urban and rural areas.

Centre" and "Rurban Clusters" which are defined as

- Rurban Centre: All taluka headquarters with village panchayats (not declared as municipality) or all non urban taluka headquarters and all village panchayats having population of 10,000 or more.

- Rurban Cluster: Rurban cluster is usually a group of villages within 15 km influence zone of Rurban Centres and caters to a population of 50,000 and above.

While Rurban Centres that are near existing urban areas are being developed with amenities that can leverage existing urban opportunities, those far from urban areas are being developed with holistic urban amenities, livelihood and economic infrastructure for benefit of catchment villages.

Key objectives of planned development in Rurban Centres and Rurban Clusters include:

1. Promotion of integrated development of rural areas with provision of quality housing, better connectivity, employment opportunities and supporting physical and social infrastructure;
2. Efficient mass transportation systems to improve connectivity between urban and rural areas, Rurban Centres and urban cities as well as internal connectivity within Rurban Cluster;
3. Reduce migration from rural to urban areas due to lack of basic services and sufficient economic activities in rural areas.

What does it involve?

1. Identification of Rurban Centers & Rurban Clusters based on the census population
2. Identification of areas of intervention and their priority in synergy with the nearest urban center / big rural center i.e. physical /social infrastructure, economic infrastructure, agri-infrastructure etc.
3. Identification of planning approach, implementation framework implementing agencies
4. Financing of identified areas for Intervention

What are the key issues?

1. Identification & structuring of the projects–either through government or through PPP

The Gujarat state has initiated Rurban Centre development plan which is expected to have the below impacts:

1. Eco-friendly planned villages with quality lifestyles;
2. Regulated development of rural areas as Rurban centres – Formation of Rurban Development Control Regulations (RDCR);
3. Upgraded public infrastructure with focus on education and health infrastructure;
4. Better regional transportation and connectivity;
5. Improved Rurban taxation structure for financial self-sufficiency.

Some of the large scale initiatives under Rurbanisation include:

1. Jyotigram Yojana: 100% electrification of villages across the State for 24*7 3-phase electricity provision;

2. E-Gram Vishwagram: Bridging the digital divide through provision of e-services in all village Panchayats;
3. Kiosk banking: First of its kind Kiosk banking being set up in various rurban centers. Plans also on for inclusion of banking services under e-Gram program;
4. Panchvati Yojana: Provision of social infrastructure including recreational grounds, cultural heritage development etc.

Providing affordable healthcare facilities – increasing outreach to rural masses

Rural Healthcare scenario can be improved not only by providing healthcare manpower–focus should also be on providing preventive healthcare, clean drinking facilities infrastructure and water and sanitation

What does it involve?

a. PPP in terms of collaborating with NGOs working in these areas will facilitate the implementation of healthcare program
b. Based on the type of healthcare i.e preventive, curative & communicable, different strategies need to be undertaken
c. Rural outreach programs should be undertaken for cataract operations, check-ups etc.
d. Health awareness programs and preventive check-up programs should be conducted, followed by camps for various ailments & operations.
e. Collaboration between government, private sector & community is very important

What are the key issues?

1. Lack of skilled manpower
2. Unavailability of affordable healthcare services
3. Lack of accessibility to healthcare services
4. Lack of support infrastructure and ecosystems
5. Pay for services – private facilities

Solutions

- Incentives for private investments
- Reverse the urban migration of doctors and nurses by providing adequate opportunities in semi-urban areas
- Contract out services
- Facilitate PPP opportunities
- Create alternate financing mechanisms – social health insurance, voucher scheme, etc.

Boost in rural economy through effective networking with commodity/spot exchanges

Spot Exchanges can function as important marketing infrastructure to provide a pan-India marketing platform to farmers

What does it involve?

- It empowers farmers by enhancing their bargaining power by providing alternative marketing platform
- They provide grading facilities, quality certification and electronic trading terminal
- They also provide handholding to educate farmers to conduct quality tests
- Access to a pan-India market for their produces – thus reducing dependence on local buyers
- Reducing cost of intermediation connecting farmers directly with processors and exporters
- Also attracts other economic activities in the region

What are the key issues?

- Idle & isolated rural godowns with GSWC to be put under productive use
- Spot Exchanges pay mandi cess, even though they do not use mandi facilities. If this is realization will further go up waived, farmers'

Role of Government and Private Sector in Rurbanisation

In the last decade we have witnessed rapid development in several cities of India and also Gujarat through Public Private Partnership – in all areas of urban infrastructure including solid waste management, urban transport, parking, water supply etc. Similarly now there is need of roping in private sector for Rurbanisation (or rural development)

What are the areas to be focused

- Acute need for generation of alternate employment opportunities other than agriculture in rural areas
- Investments are required in research for improving farm produce, in seeds and in irrigation
- Policy level issue also needs to be addressed There is great synergy between the development of urban and rural areas and this synergy should be leveraged and further developed by collaboration of public and private sector
- There has been an increase in rural income in the last 5 years fuelled by o NREGA and
- Easy mobility of migrant labor across India owing to relatively constant rail ticket prices and affordability of mobile telephony
- Schemes like NREGA has shown that migration to urban areas has slowed as people prefer to stay back in their villages despite lack of proper infrastructure and mild change in their living surroundings

Conclusion

- Urbanization is a fact of life and it cannot be contained. The approach of seeing it as an opportunity gave birth to "Rurbanisation".
- The idea of Rurbanisation is to provide urban amenities in rural areas and maintaining the rural soul. This will help reduce migration from villages and prevent the cities from the burden of migration
- Some such initiatives that have benefited the rural masses in Gujarat are:
- "Jyotigram Yojana" - all the villages in Gujarat have been electrified under this scheme. Previously, people from villages in Gujarat used to migrate to Surat for employment in diamond polishing wherein they were subjected to abysmal living conditions. But with advent of Jyotigram, they have returned to the villages living a holistic family life and still continuing with the polishing in their own villages during a week while travelling once in a week to Surat for the delivery of diamonds.
- "E Gram" is another successful initiative of connecting the villages of Gujarat with broadband connectivity. All villages have been provided with broadband connectivity which has facilitated long distance education. This has helped in providing better education and has also stopped the migration of officers, doctors etc. To other centers in search of better education for their children
- "108" has reduced the earlier problems for delivery of woman. Today in rural areas on an average within 16 minutes of receiving the call an ambulance reaches the spot of emergencyand medical assistance is

provided. In the last few years, more than 10,000 assisted deliveries have taken place on board "108".

Way Forward

- In selected villages where there are important economic activities, if associated infrastructure and facilities are upgraded/ provided (like Jyotigram), then it will boost the overall economy and improve the quality of life in those villages
- Education Cluster: Instead of providing education in all villages, a cluster approach should be adopted wherein a relatively large village should be identified between a group of 10 villages which will act as one cluster. An integrated education campus (i.e. KG to PG) with food and other facilities should be developed in this large village center. This will ensure proper delivery of education to the students because of more number of teachers. Also free transportation should be provided to students from the surrounding 10 villages to this education center.
- Agriculture Value addition is a very important aspect similar to development of milk products. This has resulted in more people getting into livestock rearing for milk. Similarly farmers should be made to undergo value addition training
- In select towns, wastewater treatment and solid waste management should be focused for provision of infrastructure
- The waste water treated should be provided to farmers in the surrounding villages. The farmers generally in surrounding villages are engaged in farming of vegetables and this will help to increase the farm output which will in turn help to improve the health of the people
- Similarly solid waste should be used to produce fertilizers which can be given to farmers for organic farming. The organic farm produce can be branded by the National government and exported as it commands higher premium compared to regular vegetables. Also a mix of 1/3rd organic with 2/3rd urea fertilizer can be used to reduce the cost burden on the farmer and improve the farm produce and soil quality. It will also reduce the urea subsidy expenditure of the Government which can be used for viability gap funding of such projects.
- Gujarat is planning to create 50 towns on this model.
- Cattle Hostel:
- Cattle and animal hostel should be developed in villages, wherein management of cattle will be done on community basis i.e. running the hostel will be divided among villagers on daily basis.
- Gobar Bank should also be developed. The complete cow dung of the village should be collected together and used for generating gas, fertilizer etc. Carbon credit should also be taken from this type of project.
- This will generate cleanliness in villages and also several associated benefits will accrue to the villagers.

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Exploring Impact of GST on Cars and Two Wheelers

Nikita Jain*
Nimisha Nyati*
R J Masilamanni**

Introduction

About Gst

On 1st July 2017, a single indirect tax –the Goods and Services Tax (GST), was launched replacing several indirect taxes. It has been proclaimed by the government as the biggest tax reform with the potential to make India a unified common market. According to the Economic times, GST is a comprehensive tax levy on manufacturing, sales and consumption of goods and service at a national level. GST will shift the tax application and collection from the point of origin to the destination/consumption point. For instance a car produced in Chennai Tamil Nadu and dispatched to Mumbai Maharashtra under the earlier system would have had both the Excise and the Sales Tax components applied and collected at Chennai, whereas under the GST system, the integrated tax would be applied and collected in Mumbai. With GST, there would be a subsuming of Central and State taxes into a single tax. Taxes which are subsumed are:

Centre taxes:-
- Central excise duty
- Additional Excise duties (if any)
- Excise duty under Medicinal and Toiletries preparation Act
- Additional custom duty (Countervailing duty or Special Additional Duty of Custom)
- Services tax
- Surcharges and cesses

State taxes:-
- State VAT/ Sales Tax
- Central Sales tax
- Purchase tax
- Entertainment tax
- Luxury Tax
- Entry Tax
- Taxes on lottery, betting and gambling
- Surcharges and cesses

This integration would result in better position of India in both international as well as domestic market, which will boost up the economic growth.This claim of better growth has been made with the assumption that, the growth is based on a lowered tax rate which would hopefully result in increased demand, while all other economic factors remain unchanged in the new system and also greater tax compliance by Industry. It still remains to be seen whether this will actually take place. It was also claimed as a unique advantage of the new system that the tax would be levied strictly on a value added basis. However this has already been implemented both for Excise and Sales Tax through their respective variants Cenvat and VAT.

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About the Indian Automobile Industry

India's automobile industry ranks 6th in world, significantly behind China, U.S. Japan, and Germany and close to the U.K.According to India Brand Equity Foundation, this industry accounts for 7.1% of the country's GDP. As automobiles are the primary mode of transportation for both personal and commercial purposes, this sector is growing rapidly at an annual rate of 5.41 %(Society of Indian Automobile Manufacturers).India is the largest tractor producer, the 13thlargest manufacturer of passenger cars and 5th largest producer of commercial vehicles. Also, India is the largest two wheeler market and an Indian Company, Hero Motors is the world's No. 1. Currently, the industry is employing more than 30 million people directly as well as indirectly. Every automobile produced, generates secondary and tertiary levels of employment. So it is crucial to understand the multiplier effect of this sector on economic activities. If this industry will keep growing at its potential then, it will generate employment opportunities for more than 35 million by 2020.

In this paper, we are focusing on two wheelers and cars and not the whole automobile industry.

Effect of GST on Various Dimensions Of Automobile Sector:-

1. Impact on Input Tax Credit

A dealer would be able to avail of all Input Tax Credit* on the acquisition of vehicles and merchandise (apart from few constraints laid in CGST), as the applicable duties from the list given below will get subsumed in GST:

- Excise Duty
- Infrastructure Tax
- CST tax
- NCCD Duty
- Entry tax/ Octroi
- Road Tax VAT

*Input Tax Credit is the amount which can be availed by the taxpayer at the time of paying output tax, which is equal to the amount of tax he paid previously on the purchase of inputs.

Here is how, it works- When a person sells a product, he collects some amount as tax (tax on sales), this is his output tax. Also, he had already paid some taxes on purchase from a registered dealer. So, now due to the mechanism of input tax credit, he only has to pay the balance liability (output tax minus input tax) to the government.

For example: Output tax to be paid (on finished goods) Rs. 500, Input Tax paid (on purchase on raw materials) Rs. 350. The person here can claim Input tax credit of Rs 3500 and needs to deposit net Rs. 150 as his tax liability.

Although, input tax credit was already available under Cenvat and Vat also, and in earlier system, a person was able to claim the input tax credit easily, as it was not taken into consideration whether other people in the supply chain have filed the return or not. The claim for this credit under previous system was independent. But, now in GST regime, a person cannot take the benefit of this credit, unless the supplier from whom he has purchased the inputs has not filed the return.

This stipulation has resulted in increased complexity and uncertainty in availing of input tax credit.

2. Comparison Of Gst And Earlier Tax Indicidene For Two Wheelers

Two wheelers can be classified into two categories as per their engine capacity-a) up to 350 cc and b) above 350 cc.

- For two wheelers having engine capacity less than and equal to 350 cc, the earlier total tax incidence was 30.2%, which has come down to 28% under the GST regime.
- On the other hand, for two wheelers above 350 cc capacity, the tax was charged at 30.2% in previous regime, which has come up to 31% in GST (after applying 3% cess in 28% slab rate).

Type of Vehicle	Price to dealer after tax (assumed)	Sale Price in Previous Regime			Sale price in GST regime		
		Sale Price to consumer(exclusive of Taxes) (5% markup is assumed)	TAX@ 30.2%	Total SP	Sale Price to consumer (5% markup is assumed)	IGST @ 28%and cess if any	Total SP
Two Wheelers(up to 350 cc)	40000	42000	12684	54684	42000	11760	53760
Two Wheelers(above350 cc)	100000	105000	31710	136710	105000	32550	137550

As we can see from the above table, the end price to the customer has reduced under GST , as compared to the previous tax regime (for two wheelers up to350 cc), but, for two wheelers above 350 cc, the price to the customer has increased when GST is applied(from Rs.136710 to Rs137550).

3. IMPACT ON CARS

In the pre-GST regime, the following taxes were taken into consideration while calculating the final price of car:

- Excise Duty@ 27% (for calculating ex-factory price)
- Infrastructure Tax @4% (for calculating ex-factory price)
- CST tax @1.10% (for calculating ex-factory price)
- NCCD Duty @1% (for calculating ex-factory price)
- Entry tax/ Octroi: 4-6% (applicable in certain states)
- Road Tax (for calculating Road Price)
- VAT @ 12.5%-14% (for calculating ex-showroom price)

Type of cars	Description	GST rate
Small Cars	engine capacity below 1200cc and under 4m length	28% + 1% cess = 29%
Mid-size Cars	Engine capacity below 1200cc(petrol), below 1500cc(diesel)	28%+ 15% cess = 43%
Luxury Cars	1500cc and above	28% + 15% cess = 43%
SUVs	Engine capacity above 1500cc, longer than 4 meters, ground clearance of 170 mm	28% + 15% cess = 43%

4. IMPACT ON OTHER PROCEDURAL REQUIREMENTS

Under GST system, a dealer has to fill the return 37 times (12*3 + 1 annual return), which is substantially more than the number of returns in pre-GST regime. This has resulted in increased burden on the dealer, as the number of times he has to fill the return has increased.

Also, in GST, dealer will now have to move from manual system to computerized one. So, an efficient set up of IT is required, to carry out the tax compliances smoothly.

CONCLUSION

In this paper, we have studied the impact of GST on the car and two wheeler segments of the automobile industry. We wish to flag some contradictions and issues which are relevant to a proper evaluation of the impact of GST on the industry including the prospects of increased demand and simplification of the tax submission and compliance procedures. These are as follows:

The claim of procedural simplicity under the GST regime:The unified taxhas been hailed as one tax that replaces many, a simplified procedure for tax payment and filing of returns as well as availing of credits.. Unfortunately this does not reflect the reality on the ground, because there are still multiple tax rates. For instance in 2 wheelers itself, there are two rates viz. 28% for the below 350cc vehicles and 31% for the above 350cc vehicles. In fact here we have two rates replacing the earlier single rate of 30.2% for all two wheelers.

Increase in demand post GST implementation:It has been proclaimed that, due to fall in prices under GST as compared to the earlier regime, the demand from the consumer side, will increase,(due to inverse relationship between price and demand) which will increase tax revenues for the government. Unfortunately, it cannot be projected by how much the demand will actually increase. Therefore the predictionincrease in tax revenues for the government under the new system cannot be made with any degree of assurance. It is recommended that sensitivity studies are made with projected revenue collection under various assumptions of demand increase in the several areas of products and Services so that a realistic prediction can be made of the tax collections under the new regime. This in term will permit a tweaking of the GST rates so that total revenue neutrality is in fact achieved.

Implications of change in tax collection point:Due to the shifting of the tax collection point from the dispatch to the destination point, some states including Tamil Nadu and Maharashtra have submitted that they would have lower tax revenues in the new system. These states have been assured that they would be compensated for the proven loss in revenue for a period of 5 years. However it is equally true that states like West Bengal and Uttar Pradesh would be gaining in their tax revenues compared to the previous system. If these states are not assessed for a “revenue neutral” outcome, this would mean that the Central Government would experience a revenue deficit. This would adversely affect the Fiscal Deficit which is not financially prudent and would lead to an increase in Inflation which is the last thing our country needs. It would not be out of place to mention that this crucial point has not featured in the various reviews made by the myriads of experts who have discussed the advantages and the shortcomings of the GST regime.

Need of IT infrastructure: Every procedure under GST has to be carried out online, from filing a return to claiming the input tax credit. This brings upon the need of sound IT infrastructure and a thorough knowledge among people. But, there has been no proper training provided to people about the compliances under GST (which have to be done in electronic mode). Also, there is no proper availability of required technology in some parts of the country. This impacts mainly the small and medium size organizations, as they face this lack of knowledge and infrastructure more than others.

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Management Thought

Surbhi Cheema*

About Shri Lalit Bohra

Sh. Lalit Bohra is an Indian Railways Traffic Officer of 1997 batch. He Graduated from IIT Bombay in Electrical Engineering, after stint in software industry, he joined Indian Railway traffic service in 1997 and has been working in Railways operations for 13 years and since more than 5 years working with Container Corporation of India limited (CONCOR) on deputation as Chief General Manager of North Central Region.

Interview Transcript

Ques: It will be nice to know from you about CONCOR's long term vision and strategy?

Ans: Our mission is to create value for customer through implementation of the strategy to expand our network through new Multi Modal Logistics parks (MMLP's), ICD's and new partnerships/Joint ventures. CONCOR aims to become Maharatna, to achieve this new revenue streams in Logistics business are being worked upon.

Ques: What all steps Ministry of Railways (MOR) and Government of India (GOI) is taking to increase export competitiveness in India?

Ans: There are a number of strategic steps undertaken by CONCOR to increase the export competitiveness of India. In this regard, E-Sealing/RFID seals, rationalization of EXIM procedures are the first step in increasing export competitiveness of industries in India.

Ques: How will be the impact of Dedicated Freight Corridor (DFC) on EXIM trade in Northern India?

Ans: The transit time of the export & Import cargo will reduce by 30% after implementation of DFC on western route. The time tabled freight trains will become a reality. All the major ports will be connected and overall cost of logistics should come down by 2-3%. The DFC will be a boon for Foreign Direct investment in NCR and northern India. We will see more export-

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oriented firms coming up in the region and new Investment zones will be created along the DFC route.

Ques: What steps CONCOR is taking to catch up the possibilities thrown up by DFC?

Ans: CONCOR has invested in opening up Multi Modal Logistics parks (MMLP) on both Western & Eastern Freight corridors. 15 MMLPs were in various stages of construction and 12 more were being planned. GST has been a game changer and it would usher in a paradigm shift in the maritime trade in the country and it would also give a great boost to containerisation.

Ques: How will be the Indian exporter benefit from the initiatives taken by CONCOR?

Ans: The infrastructure development and trade should ideally grow together, the export-based industries are dependent on highly efficient, cost effective and time bound logistics. We will be able to run double stacked trains to major ports like JNPT, Mundra & Pipavav via DFC. This will lead to reduction in unit cost of transportation, reduction in transit time by 30%, reduction in round trip costs compared to road, turnaround and reliability of service will increase. The industries will truly be able to move towards Just in time production philosophy based on CONCOR's highly efficient services for both moving exports to ports, bringing imports to factories, providing warehousing needs at Multi modal logistics parks and providing real time based tracking of containers/cargo.

Ques: How do you see the industrial development of NCR region poised after the completion of Eastern & Western freight corridors?

Ans: The Western & Eastern DFC are getting linked at Dadri in NCR region, thus this will be a ideal place to set up a industrial unit as this location will provide access to ports on both western & Eastern coast and NCR itself is a big market for white goods, FMCG & bulk goods.

Ques: Would you like to share the majorshortcomings and bottlenecks that CONCOR faces?

Ans: Our working is dependent on both Railways & Customs, since both the GOI departments have worked wonders in field of deregulation and transparency, the working of CONCOR has been facilitated in the recent past and we expect the EXIM processes to be facilitated in coming time also.

Ques: Being a PSU, how do CONCOR connects with its customers and what are the challenges it faces?

Ans: CONCOR has launched many new initiatives to connect with its customers with dedicated mobile app for all their needs. Certain steps in this regard are E-filling application for container booking, Know your container facility with 24X7 tracking feature with continuous cargo visibility.

Ques: What are the opportunities for young MBA professionals selecting the Logistics sector as a career?

Ans: The Logistics sector is poised to grow leap & Bounds. There are huge opportunities in e-commerce and implementation of GST has forced all the major players to re-align their supply chains and qualified professionals are most sought into. In a nutshell I can say that, logistics sector is going to be an attractive career option.

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Working of Monetary Policy: A Case Study of RBI from 1991-15

Submitted by
Amrendra Pandey

This dissertation undertakes an empirical assessment of the monetary policy of the RBI in the period 1991-92 to 2014-15. The objective of the study is to examine the effectiveness of the RBI's monetary policy as evidenced by measures it has un-dertaken to control inflation in India. We also study the impact of such measures on industrial production and the associated impact of fiscal policy and external shocks on inflation.

The results show that, for the entire period of April 1991-92 to May 2015-16, WPI has stable long-run relationship with both the narrow and broad money, whereas CPI has no such relationship. Similarly, from the analysis it also became clear that industrial production has been influenced by the monetary policy even in the long run.

The results of the study has found , that inflation is affected by the fiscal policy even in the long run. The results also show that there is direct causality from the crude oil price to WPI. It is also found that this causality is instantaneous

Policy implications of the research findings are:

(i) The central bank should be cautious while targeting CPI based inflation as Indian consumers are not impacted by monetary policy measures in the same way as businessmen. (ii) The finding of the thesis shows that interest rate transmission mechanism is not strong and any changes in WALR (by changing the repo rate) does not have significant long term impact on inflation. (iii) Single mindedly targeting only inflation (which may not respond to changes in WALR) may hurt the manufacturing growth of the country.

(iv) Coordination between the monetary authority and the fiscal authority would serve better in achieving the set inflation target and (v) Any future increase in crude oil price may have immediate impact on WPI while its impact on CPI may be protracted.

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Center for Research Studies
Content Analysis Workshop 2.0
Saturday-Sunday, 27th & 28th January, 2018

Surbhi Cheema*

A Report

Centre for Research Studies, BIMTECH organised the second Content Analysis Workshop on 27th & 28th January, 2018 at the BIMTECH Campus in Greater Noida. The workshop was designed to open the doorways to a qualitative research tool called Content Analysis and acquaint the budding researchers, academicians, practitioners in management and faculty with qualitative methodology and tools to analyse the data using software like DICTION and HAMLET.

It was a two-day hands-on workshop which was facilitated by Prof. Srinath Jagannathan who is currently working as Professor in Organizational Behavior and HRM department at IIM Indore. He completed his Fellow Program in Management from Indian Institute of Management Ahmadabad in 2011. His doctoral work spanned qualitative inquiries from a post structural frame with informal economy workers, refugees, temporary workers and workers with formal employment contracts. The Workshop was spread over two days, with four well-designed sessions on each day.

The Workshop received 26 participants from across the academia fraternity and industry. Enthusiastic research scholars from Shaheed Bhagat Singh College, Sharda University, Siva Sivani Institute of Management, professors from Bhubaneswar, BGU and Bennett University and people from industry like Kantar IMRB were the participants. Out of 26 participants 11 seats were allotted for external candidates who included research scholars, industry practitioners, and academia, and 15 seats were reserved for in-house BIMTECH's research scholars and faculty.

Center for Research studies was flooded with requests for increasing the seats, which was not possible for further extension.

Dr. Harivansh Chaturvedi, Director BIMTECH, Dr. A. Sahay, Dean Research and Dr. A.V. Shukla, Chairperson of Centre for Research Studies graced the occasion and clicked a group photograph with the participants and facilitator. The proceedings of the day started with a welcome address by Surbhi Cheema, research scholar at BIMTECH. Dean Research officially inaugurated the

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workshop and presented a floral bouquet to Dr. Jagannathan.

Day 1 kick started with a background of qualitative research and a quick brief on the importance of content analysis. Agenda for the first day of workshop began with understanding of "Framing and Elevation of Constructs", followed by Longitudinal Content Analysis", "Inductive, Deductive and Linguistic Analysis" and "Latent and Manifest Variables". Day 2 focused on developing contructs and dictionary with a focus on conjoint analysis with practical working on Hamlet and SPSS for performing content analysis.

The valedictory session commenced with participants expressing overwhelming praise for the experience during the workshop. Tushar Shankar Banerjee, a research scholar, proposed the vote of thanks which was followed by presentation of certificates and concluded with a vote of thanks from Dean Research. The Chairperson - CRS also expressed his interest in organizing workshops for facilitating researchers with necessary knowledge to conduct their research and extended his helping hand for conducting many such fruitful workshops in the future as a part of the CRS workshop series.

The main attraction was the course facilitator Prof. Jagannathan who delivered each session with enthusiasm and eagerness to clarify all doubts. The workshop received a very pleasing and constructive feedback from participants, who thoroughly enjoyed the learning process. Participants felt the need of extending the duration of workshop from 2 days to a 5 day programme, as it was rich in content and knowledge.

Centre for Research Studies
1st Academic Advisory Meet 2018
Saturday, 28th April, 2018

Surbhi Cheema*

Press-Release Report

Centre for Research Studies, BIMTECH organised the first Academic Advisory Meet on April 28th, 2018 at the BIMTECH Campus in Greater Noida.The Academic Advisory Meet was designed to evaluate the course structure of Executive/Fellow Program in Management undertaken by the Centre for Research Studies, BIMTECH.

The Meet received 14 participants from across the academia fraternity. Eminent professors from renowned institutions like Dr. P. K. Chaubey, Director, Institute of Management Sciences from Lucknow University, Dr. Jamal Farooquie, Professor of Supply Chain and Quality Management from Aligarh Muslim University, Dr. Bindu Gupta, Professor of HR from IMT Ghaziabad, Dr. A. K. Jain, Professor of Organizational Design and Behavior from MDI Gurgaon, Dr. Rajen Gupta, Former Professor at MDI, Gurgaon, Dr. M. Akbar, Managing Director at IIML Enterprise Incubation Centre from IIM Lucknow, Noida Campus, Dr. Kumar Bijoy, Department Head of International Finance from Delhi University, Dr. Anshul Verma, Professor of Finance from IMT Ghaziabad, Prof. Moutusy Maity, Professor of Marketing from IIM Lucknow, Noida Campus, Prof. DPS Verma, Former Professor of Commerce from Delhi School of Economics, Delhi University, Dr. Avanish Kumar, Professor of Public Policy and Governance Area from MDI, Gurgaon, Prof. Shveta Singh, Professor of Finance from IIT Delhi, Dr. Rakesh K Singh, Professor of Marketing from Bennett University and Dr. M.B. Ragupathy, Professor of Finance from Shiv Nadar University graced this occasion with their presence and valuable comments. Our esteemed guests appreciated the efforts of CRS, BIMTECH to create such a platform for appraising the current structure.

These great minds critiqued the course structure and proposed their ideas to make the E/FPM program even more rigorous and relevant for churning out not just good researchers but good teachers who are strong in their domain knowledge and contribute to nation and society-building process. These valuable suggestions were received well by Dr. A Sahay, Dean Research and Dr. A V Shukla, Chairperson, Centre for Research Studies, BIMTECH who are committed to make this E/FPM program at par with the leading institutions of our country.

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NOTE

NOTE

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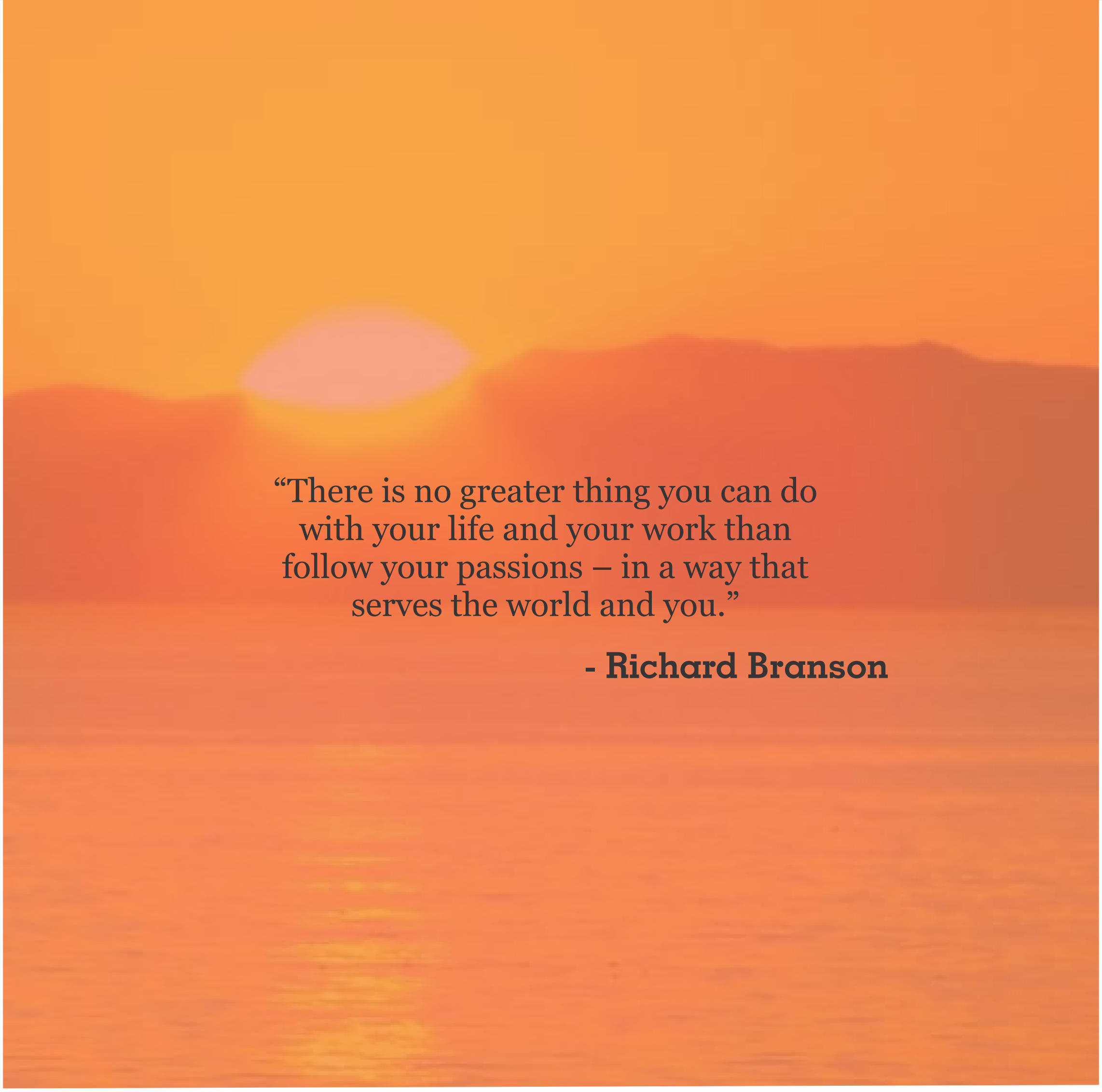

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