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INTERNAL AUDIT THE WAY FORWARD

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1



INTERNAL AUDIT: FUNDAMENTALS AND NEXT-GEN TRENDS



Abstract

Internal audit is an effective pillar of corporate governance. Primary objective of internal audit is to chase and reach company's pre-defined corporate objectives with prevention of frauds. This paper highlights the basic understanding of internal audit and its role in risk management and corporate governance. Steps of execution of internal audit are discussed. Report of internal audit consists of 5Cs viz. condition, criteria, cause, consequence and corrective action. This paper also includes Next-Gen trends in internal audit with its objectives and comparison with traditional methods.



Dr. Rohan P. Dahivale
HoD & Dean Academics

Rajgad Institute of Management Research & Development
Pune

1] Understanding 'Internal Audit'

Process of internal audit activity is usually done in order to assess a company's corporate governance and accounting processes comprising internal control. Such internal audits safeguard the compliances with 'laws and regulations'. Internal audits equip the management with essential tools in order to reach the required operational efficiency. They help to maintain data collection with well-timed and precise (accurate) financial reporting. Operational efficiency can be accomplished by identification of problems and necessary corrections lapses just before they might be exposed in an 'external audit'.

1.1 Definition of 'Internal Audit'

According to The Institute of Internal Auditors (IIA) "Internal auditing is an independent, objective assurance and consulting activity designed to add value to and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach

to evaluate and improve the effectiveness of risk management, control and governance processes."

1.2 Internal Audit: From Past

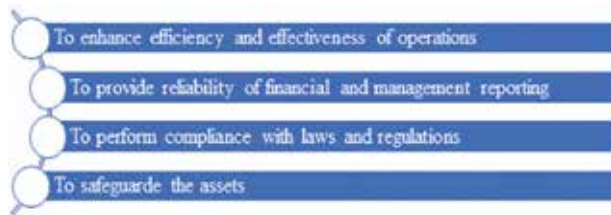
After World War II and with the progress in the field of management science, the concept of internal auditing profession has grown up gradually. Conceptually it was much similar with the QA (Quality Assurance) and financial auditing by public accounting firms. But to the contrast with this, Lawrence Sawyer is every so often mentioned as "The father of Modern Internal Auditing"¹.

In U.S. implementation of 'Sarbanes-Oxley Act' of 2002, embraced prerequisite skills by internal auditors to help and support companies to meet the various requirements of the law. This ensured enhancement in the value and profession's exposure.

2] Role of Internal Audit

The activity of internal audit is principally rapt at evaluation of internal control which is a process effected

by company's Board of Directors and management. It is intended to provide following four reasonable assurances.



2.1] Internal Audit in Risk Management

Internal audit professional standards necessitate the purpose in order to evaluate company's risk management activities and their effectiveness. Monitoring strategic risks could indirectly or directly impact ability of a company to accomplish their mission through objectives.

Company's risk management process involves:



2.2] Internal Audit in Corporate Governance

Role of corporate governance is to frame processes, structures and policies utilized under the company's leadership. It is used to direct activities and achieve predefined objectives. Corporate governance aims to protect the interests of diversified groups of stakeholders in ethical manners.

'Four pillars'² of Corporate Governance are as follows:

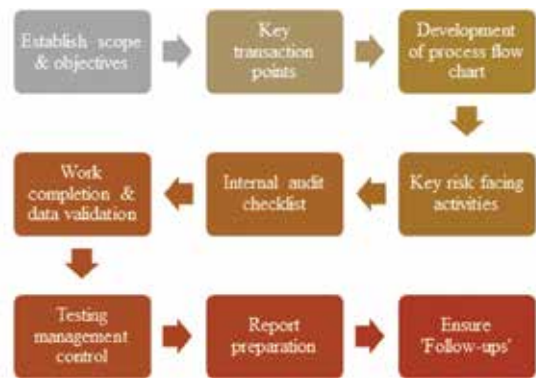


2.2.1] Activities related to Corporate Governance

- To help the Audit Committee appointed by Board of Directors or Top Management to execute its accountabilities efficiently.
- To report critical management control issues (if any).
- To suggest questions (topics) for appointed Audit Committee's meeting agendas.
- To coordinate with the external auditor and management.
- To more formally evaluate corporate governance, particularly in the area of corporate ethics, enterprise risk and fraud (if any).

2.3] Execution of Internal Audit

The suggested internal audit execution steps are as follows, however some variation may be possible depending upon the complexity and frequency of that internal audit.



Step 1: Establish scope and objectives of audit and communicate them to the management.

Step 2: Understand business area, its scope, objectives, key transaction points etc.

Step 3: Development of process flowchart plan that involves interview, discussion and review of required documents.

Step 4: Identification and description of key 'risk facing' business activities within the scope of the audit.

Step 5: Preparation of internal audit checklist. This checklist will be effective tool in order to identify risk issues.

Step 6: Completion of work and data validation.

Step 7: Development and execution of 'risk bearing sample' and its test to understand the efficient and intended operating of most important management controls

Step 8: Preparation of a report inclusive of identified issues and challenges. Narration of remedial action plans for the management to resolve identified problems or gaps.

Step 9: Ensure the follow-ups on reported issues and findings at regular intervals. Maintain a database for follow-ups.

Note:

- Length of the audit assignment can vary according to the complexity and frequency of the audit conduction activity.
- Few of the suggested step or steps may be self-iterative and repetitive before execution of next step.
- The suggested sequence may differ from case to case and few steps can be omitted.

2.3.1] Complexity and Maturity of internal audit





2.4] Report of Internal Audit and 5Cs

After completion of audit and data validation, auditors have to prepare a detailed report. This report will be submitted to the authorities who appointed internal auditors. This report may be comprising of executive summary, processed information, graphs and charts, findings, key findings, laps identified (if any), recommendations, action plan for management.³

Following are the 5Cs which may be found within the audited report.

Action Verbs	Questions	5 Cs
Identify	Which particular problem is identified?	Condition
Test	What was the standard (Policy or benchmark of the company) that has not been met?	Criteria
Analyse	What is the reason of problem occurrence?	Cause
Find	What is the risk or opportunity fated?	Consequence
Suggest	What the management should do and when?	Corrective action

3] Next-Gen Internal Audit

The world is adopting technological advances in almost all functional areas. Industries are also moving to next-gen and all are thinking for 'next version' of the existing processes. There are demands and challenges in front of internal audit too. These challenges can be listed as follows:



3.1] Objectives of next-gen internal audit

The three important objectives of next-gen internal audit can be as follows:

1. To improve assurance by concentrating focus on the key risk areas.
2. To make internal audits more effective and efficient.

3. To develop deeper and valuable processes.

3.2] Traditional verses Next-Gen Internal Audit⁴

Traditional: Activities are labour intensive.

Next-Gen: 'Data-driven' analytical and efficient activities.

Traditional: Uncertainty around audit recommendations as difficulty to ascertain changes in ROI.

Next-Gen: Dynamic updates to see effects of sudden changes can lead to contribution to expected benefits which are measurable and quantified.

Traditional: Deficiency of visualization limits 'value'.

Next-Gen: 'Big-Picture' process view that enables collaboration.

Traditional: Changes are not completely identified.

Next-Gen: Continuous monitoring and alerting in changes in process.

Past: Traditional process of internal audit was process owner would describe it.

Future: The challenge is design of process as it is actually performing.

Traditional: Manual flowcharts which are difficult to maintain.

Next-Gen: Automated flowcharts which are easy to update.

4] Conclusion

'Internal audit' is one of the key pillar of the corporate governance. It provides objective insight, improves efficiency of operations, evaluates risks and protect assets, assesses controls and it ensures compliance with laws and regulation. To enhance operational efficiency, there is need to move to a more 'data-enabled' and continuous approach. Internal audit provides stakeholders with relevant, impactful, precise and timely findings on effective risk management and control. Internal audit can improve with provision of more valuable, deeper and timelier insights from processes and activities of audit. Thus with the help of internal audit companies can manage and address current risks and can make companies better with faster decisions in operational improvements. MA

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rohandahivale@gmail.com

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WOMEN ENTREPRENEURSHIP JOURNEY FROM PAST TOWARDS THE 2020 AND BEYOND: THE INDIAN PERSPECTIVE



Dr. Rohan P. Dahivale

HoD & Dean Academics

Rajgad Institute of Management Research & Development
Pune

Abstract

The challenges and hurdles for women entrepreneurs in the 21st century acquired diverse shape. There are lots of domestic and international marketing opportunities for women entrepreneurs. The dynamic business environment is fortified with various opportunities like technological advances, liberal societal culture, government support and availability of knowledge sources in the country. It looks like a favourable condition for growth of women entrepreneurs in India. Unfortunately, the real scenario is not that fine-looking. India still far behind South Asia and other countries in women entrepreneurship. This paper tries to find the past and current scenario of women entrepreneurs in India. Researcher also highlighted various challenges and hurdles in front of women entrepreneurs in the 21st century.

1] Women Entrepreneurs: Journey

The term women entrepreneurs can be defined as “women who organize and manage an enterprise, especially a business¹”.

19th Century and before

Women were operating various small scale and traditional

businesses just to be as the supplementary source of income to avoid poverty. In many cases, they are into family or traditional businesses after loss of spouse as a replacement of the main earner of the family. Thus these additional responsibilities were thought as ‘domestic responsibilities’ rather than women entrepreneurs. The significant and abiding barriers were lack of education, developed skills, alternate employment opportunities, social barriers, access to capital and cultural discrimination etc.

Between 1900s and Pre-Independence

This period witnessed the upswing of feminism with more liberal way of thinking in the society mostly in developed countries. Women started some businesses mostly serving female customers but these were marking great steps. In developed countries ‘women entrepreneur’ started as an accepted term. With the progress of the society women entrepreneurs became more prevailing than earlier. During World War II, there were cases where women entered as staff for filling jobs as the men left to serve in the military, later they continued their businesses. The Indian scenario was little different as here still women mostly were engaged into small family and traditional businesses only.

1950s to the late 1980s

Home based businesses are more popular among the women entrepreneurs. This was better opportunities for the women who were worried being mother and can handle their family responsibilities simultaneously with their businesses. During these years, women were just started gaining the benefits from their hard work in the workforce for their rightful place as entrepreneurs.

After the 1990s towards the 2020s

The era is of technological advances, emerge of computers, telecommunication and internet. These factors contributed to much needed boost to women entrepreneurs. These advances helped them to be more widespread in the business world. They now can showcase their abilities to competitors. Broadminded social and cultural upgradation with educational and skill based learning made it easier for women entrepreneurs to shine against all odds. According to Bureau, US Census, in the case of U.S. there is a steady growth in women entrepreneurs from 26% (in 1997) to 36% (in 2012) of total American businesses.²

2] Women participation in ownership of business: Comparative analysis of India, South Asia & All Countries³

The following tables indicates and summarizes enterprise surveys data for India.

2.1] Indicator: Percent of Firms with Women Participation in Ownership

	India	South Asia	All Countries
Percent of firms with women participation in ownership	10.7	18.4	35.8
Size of the Business			
Small (5-19)	8.6	15.7	35.1
Medium (20-99)	10	18.4	36.4
Large (100+)	19.8	37.5	37.7
Exporter Type of the Business			
Direct exports are 10% or more of sales	24.3	30.5	36.4
Non-exporter	9.7	17.1	35.6

Ownership Type of the Business			
Domestic	10.6	18.4	36.3
10% or more foreign ownership	24.8	29.4	32.6

Table 1: Firms with Women Participation in Ownership

2.2] Indicator: Percent of Firms with Women Participation in Ownership

	India	South Asia	All Countries
Percent of firms with women participation in ownership	2.8	9.6	14.4
Size of the Business			
Small (5-19)	4.8	10.4	16.3
Medium (20-99)	1.4	5.6	11
Large (100+)	1	14.4	7.8
Exporter Type of the Business			
Direct exports are 10% or more of sales	1.5	8.5	11.2
Non-exporter	2.9	9.4	14.8
Ownership Type of the Business			
Domestic	2.8	9.7	15.3
10% or more foreign ownership	1	3.3	6.9

Table 2: Women Participation in Ownership of Business

Data analysis: The above table clearly indicates, India is still far behind in percent of women entrepreneurship as compare to percentage of women entrepreneurs in South Asia and All Countries. In India only 2.8% of firms are with women participation in ownership.

The Direct exports are 10% or more of sales percentage is only 1.5 and only 1% women entrepreneurs are having 10% or more foreign ownership.

3] Data from ‘Sixth Economic Census’: India⁴

3.1] Number of Establishments Under Women Entrepreneurs by Major Source of Finance

Country	India
Self-finance	6365447
Financial Assistance from Government	270978
Borrowing from financial institutions	86789
Borrowing from Non institutions/ Money Lenders	67525
Loan from Self Help Group	80660
Donations/ Transfers from other agencies	1179420
Total	8050819

Table 3: India (Number of Establishments Under Women Entrepreneurs)

(Source: Sixth Economic Census (2014), Ministry of Statistics & Programme Implementation)

3.2] Total number of establishments under women entrepreneurship by nature of operation, Hired or no Hired

Workers

Country	India
Nature of Operation	
Perennial	7166019
Seasonal	726435
Casual	158365
Total	8050819
% perennial	89%
Hired/No Hired Workers	
Without Hired Workers	6697354
With Hired Worker	1353465
% with Hired Perennial Seasonal Casual worker	17%
Total	8050819

Table 4: (Source: Sixth Economic Census (2014), Ministry of Statistics & Programme Implementation)

3.3] Broad Activity Wise Distribution of Proprietary Establishments

SN	Broad activity code	Men	Women	Total	Women % Owners
1	Activities Relating to Agriculture other than Crop Production & Plantation	557244	52310	611375	9%
2	Livestock	8607401	2546345	11191189	23%
3	Forestry and Logging	442221	124475	568018	22%
4	Fishing and aqua culture	443234	38637	482926	8%
Subtotal	Agricultural Activities	10050100	2761767	12853508	21%
Subtotal	Non -Agricultural Activities	34026592	5289052	39437015	13%
Total		44076692	8050819	52290523	15%

Table 5: India (Broad Activity Wise Distribution of Proprietary Establishments)

Data analysis: The Sixth Economic Census released by the Ministry of Statistics and Programme Implementation highlights following key data:

- Women entrepreneurs constitute around 15% of total entrepreneurship.
- From total 58.5 million entrepreneurs, 8.05 million are women entrepreneurs.
- Out of these 8.05 million, total 2.76 million women entrepreneurs are working in agriculture sector.
- Total 5.29 million (65% of total 8.05 million) women entrepreneurs are working in non-agriculture sector.
- The average employment in 'women owned' enterprises is meagre 1.67.

4] Challenges and Hurdles in the Path: The 2020 and Beyond

The common challenges⁵ in front of women entrepreneurs

in India can be listed as follows:

4.1] Problems faced by women entrepreneurs because of their Personal Psychological Barriers

Lack of Confidence	Poor Self Image and Role Conflict	Lack of Leadership Qualities	Physical Constraints
Fear of Failure and Criticism	Limited Managerial Ability	Susceptibility about Own Decision Making Abilities	Lack of Entrepreneurial Aptitude and Skills

4.2] Problems faced by women entrepreneurs because of Societal Barriers

Patriarchal Society	Orthodox Family Background	Lack of Support from Family	Not Being Taken Seriously
Limitations to Travel for Business	Lack of Security	Lack of Motivation	Maintaining Work Life Balance

4.3] Problems faced by women entrepreneurs because of Business Environment

Shortage of Raw Materials	Marketing Problems	Stiff Competition	Lack of Finance
Limited Network	Problems for Credit	Legal Constraints	Team Building & Relation Building

5] Conclusion

The main concern of women entrepreneurship in India is the growth pace is bit slow. The suggestions and implementation plan can be put forward, after identification of right areas of improvement. Exact analysis of various problems faced by women entrepreneurs is needed to be carried out. The problem areas can be categorized and segmented, so that a 'fit' solution to these problems can be suggested. The good news is the growth rate is slow but steady with the positive inclination. With the favourable market and business conditions, this growth speed has potential to accelerate in future. Collective efforts of the government, society and women themselves will undoubtedly change the current scenario of women entrepreneurship in India. **MA**

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WOMEN ENTREPRENEURS: A STUDY OF CHANGING MIND-SET OF THE SOCIETY IN PUNE CITY



Manjiri D. Kalyankar

Asst. Professor

Rajgad Institute of Management Research & Development, Pune



Dr. Devidas Bharati

Director

Rajgad Institute of Management Research & Development, Pune

Abstract

Women entrepreneurship is both about women's position in society and their socio-economic empowerment. It is now necessary to study the topic to untapped the situation of women entrepreneurs in the country as recent study has found that the contribution of women entrepreneurs is drastically increasing in economic development of country. Women entrepreneurs are facing number of hardship in their journey of establishing themselves as a successful entrepreneur. Women from rural areas are still unaware of scheme launched by government to support them. Literacy of entrepreneurship has not yet achieved that way far distance. The study is an effort to study the impact of women entrepreneur on the society and to bring about importance to working women life and literate them to march toward being independent and successful entrepreneurs of future.

Introduction

Women entrepreneurship development is a necessary parameter in Human resource development. In rural part of India very less women entrepreneurs are found. Entrepreneurship amongst women has been a recent concern area. Women's are now aware of their Rights to work. Nevertheless, middle class women are not that eager to get off their social roles. Whereas, the upper class society women are found more developing. This change in society has caught academic attention in research recently. Indeed, Majority of the research scholars are turning their research work in the area of women entrepreneur. Women entrepreneurs have been in the minority in comparison to their male counterparts and are still the largest underrepresented group in entrepreneurship.

Literature: Women Entrepreneurs in Informal Sector

The Economic development of the country depends on several factors. The economic development of the country also majorly depends on the human resource development due to its growing massive population. The study of Indian Economic sector can be studied with comparison of two sectors, i.e. Organized and unorganized. The economic development on the country majorly depends on the unorganized sector. Then too this sector faces problems like no proper wages, no service rules, no career advancement, etc. Besides, their contribution in terms of income generation turns out to be less than their male counterparts, which means almost half of the population, contribute to less than half to the national income. Women are over-represented in the informal sector worldwide. The informal sector is the primary source of employment for women in the most

developing Countries.

Research Gap

It has been found that previously various researches have been done on women entrepreneurs in different states of India and also other district of Maharashtra. But no research has been done to know the mindset of the society towards women entrepreneurs especially in Pune city. So the researcher has identified this gap and conducted this research in Pune city.

Research Methodology

This Chapter clearly spells out the objectives of the study which are to be achieved by the researcher using various plan of actions. It also focuses on the hypotheses to be proved or disproved by the end of the study. To attain the above mentioned, the researcher needs a proper course of action. The study adopts a research design to address the research question in a structured way on the basis of sample, research project, measures, and methods of assignment.

Statement of the problem

Women entrepreneurs play a significant role in the efficient allocation of household savings and the ability of individuals to meet their financial goals. But lack of finance, knowledge, education and awareness is big problem of informal sector. Knowledge in this field is limited but proper research and guidance can do wonders in this field. The researcher in this study intends to study the economic contributions of women entrepreneurs and their upliftment in society with special reference to Pune.

Relevance of the study

The need for women entrepreneurs is felt in the developing countries like India. In the developed countries, the increasing unemployment and complexity have given rise to women entrepreneurs. It is very useful to the society as it would not only change the perception of women in the country but men as well, which will not only brings development in the economy but also liberty and equality to a country.

Objectives of the study

1. To study the problems faced by women entrepreneurs before and after establishment.
2. To study various scheme of women entrepreneurs implemented by the government.
3. To assess the literacy of entrepreneurship among women.
4. To analyse the impact of women entrepreneurs on the society.

Hypotheses of the study

Ho: There is no association between women entrepreneurs and societal upliftment.

H1: There is an association between women entrepreneurs

and societal upliftment

Ho: There is no association between government schemes of women entrepreneurs and economic development.

H2: There is an association between government schemes of women entrepreneurs and economic development.

Area of research - The areas where this present study is undertaken is rural and urban part of Pune.

Universe - Small scale women entrepreneurs in informal sector such as mess workers, tailors, Beauticians in beauty Parlour, Homemade tiffin services and Papad or Pickle seller, handicrafts etc.

Selection of sample - For the purpose of present study, 200 respondents who are women entrepreneurs in informal sector from Pune city were selected and the technique used in sampling was random sampling as it ensures that the probability of each member of the population in the sample is equal moreover it is free from bias.

Data collection: The study demands the use of both primary and secondary data.

1. **Primary data** - the primary data required for the study is collected using the following methods:
2. **Collection by questionnaires** - The questionnaire was drafted which consisted of 41 questions including the women entrepreneurs and opinions of the general public respondents perceptions is used to collect various information required to complete the study.
Interviews - To be able to understand the various problems faced by the women entrepreneurs in detail.
3. **Secondary data** - The various sources of secondary data are used.

Limitation of study

1. The research is restricted only upto Pune city
2. Less willingness of women entrepreneur for giving information in informal sector, may affect the research process bit.
3. Out of the total strength of women working in informal sector only 200 working women of Pune city were considered for the survey.

Chapter 5: Analysis of Data

This chapter of the dissertation carefully specifies the tools and the techniques that are used in the analysis of the data. In the course of analysis, appropriate statistical procedure is used to validate the hypotheses. Here, the various statistical techniques used for the purpose of analysis of the collected data to attain the objectives and test the hypotheses as mentioned and also the results of the analysis.

Hypotheses testing

Ho: There is no association between women entrepreneurs and societal upliftment.

H1: There is an association between women entrepreneurs and societal upliftment.

To test the hypothesis, Chi square test has been used. The p value is less than 0.05 therefore; we accept the null hypothesis and reject the alternate hypothesis. Thus, both the variables are associated with each other, i.e. there is association between Women entrepreneurs working in informal sector and the societal upliftment. So we can say that as the women entrepreneurs will increase our society will also upgrade in every aspects.

Ho: There is no association between government policies on women entrepreneurs and economic development.

H2: There is an association between government policies on women entrepreneurs and economic development.

This hypothesis was too tested with the help of Chi square test. The p value is less than 0.05 therefore we accept the null hypothesis and reject the alternate hypothesis. Thus, both the variables are associated with each other; there is an association between Government policies on women entrepreneurs in informal sector and economic development. There are various government policies are available for the growth of women entrepreneurs of informal sector such as Trade related entrepreneurship assistance and development schemes (TREAD), Rashtriyamahilakosh(RMK), Stand up India scheme, Mudra yojna scheme for women. The support of government helps women entrepreneurs in their further development as they do not have to face many other hindrances in their path

Chapter 6: Findings, conclusions and suggestions

Findings:

1. Women feel that lack of education is one of the reasons for male domination in the society.
2. Most of the women have started their business because they were going through financial crises.
3. Majority of women entrepreneurs of informal sector in Pune city finds difficulty in managing work life balance simultaneously.
4. The highest number of frequency of informal sector of women entrepreneurs business is Tiffin provider services. As Pune city is a hub for education and employment and this is an easy and profitable business for women.
5. Women have told to the researcher that they have become inspiration for many others women of their own town.
6. 46% women entrepreneurs feel that male dominations still exist in our modern society.
7. 68% women have confronted that the society attitude is changing towards women entrepreneurship.

8. 74% women have expressed that they have gained more respect in the society because of their work and money.
9. 59% of women entrepreneurs get full family support, 32% of women entrepreneurs get very less family support and 9% of women entrepreneurs do not get any support from their family.
10. 46% of women entrepreneurs have faced financial problems while starting their own business, as they did not had enough money to start and they were not aware of any kind of government schemes.

Suggestions

1. The women entrepreneurs are not able to take financial decisions by themselves. So financial literacy can help them to take better decisions.
2. Women entrepreneurs should keep themselves well informed about government schemes which can be helpful for their business.
3. Maximum respondents are 12th pass. So if they go for higher education they will be more knowledgeable and can flare well in their business.
4. Various programs should be arranged where such women can meet each other and share their problems and solve each other problems.
5. Society should encourage women to standup on their feet and to become independent women in life.
6. Every family in the society should educate their girl child as well for their future betterment.
7. Male members of society should give chances to women entrepreneurs to take financial decisions in business.

Conclusions

To conclude we can say that women entrepreneurship really helps women in informal sector to become self-dependent when it comes to taking various financial decision as well as various business decisions. Women entrepreneurship helps women gain confidence in this male dominated society. Increasing Women's education not only helps her in business but also supports social inclusion and enhances the wellbeing of the community. To understand government various polices and schemes, a person should be financially literate to understand the importance of it. Society mindset has changed a lot towards women entrepreneurs and they are ready to support female members if they have interest. MA

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DISRUPTIVE INNOVATION IN INSURANCE SECTOR: A PATH TOWARDS PROGRESS



Dr. Rohan P. Dahivale
HoD & Dean Academics

Rajgad Institute of Management Research & Development
Pune

A] Disruptive Innovation:

If any business is interested in the creation of a new market along with a value network by eventually disrupting an existing market with its value network that business should know the concept of disruptive innovation. This business theory displaces an established market leading organizations, products, services, and alliances.

Disruptive Innovation is defined by The Harvard Business Review as “A process whereby a smaller company with fewer resources is able to successfully challenge established incumbent businesses”. Here explicitly, current existing businesses focus on getting better with their services and products for their most profitable and demanding customers. The entrants target some of the niche marketing segments and sometimes they prove innovative disruptive business design by profitably targeting some of the overlooked marketing segments. These in return gain a toehold as these business models prove to be more suitable in terms of functionality and often at a lower price.

Abstract

A disruption innovation is a concept which generally originates from less demanding customers at the low end or non-existent (or new) markets. It is a process and not a product or service. This new business model significantly differs from the current existed. The future market will be owned by the customer demand and low-cost services with transparency in the process with high-quality digital services must be offered by the insurers to sustain in the competitive world. The future customers in front of the insurers are the millennials and the post-millennials era people; these are digitally and technologically advanced customers. Thus there must a service offers accordingly to attract and retain them. This paper highlights the use of disruptive innovation in the insurance sector.

Earlier it was thought that the theory of ‘disruption innovation’ was all about constant upward climbing efforts by the organization, technologically. If organizations failed to do so, it can cause a rapid downhill slide. According to Christensen¹ and colleagues, in reality, majority good organizations are aware of the innovations and they don’t arise first as the business environment doesn’t allow them to

do so as the steps are not enough profitable.

On the contrary, the start-up organizations can adopt occupy different value network. With these innovations, the already established firms just can have a small loss in the market share or maybe there are too many new entrants in the marketing environment. In such cases, sustainability is the bigger reward. Such services or products offered by the organizations through disruptive innovations generally skip the various traditional stages in the 'new product development' stages. To gain a quicker market share and get a competitive advantage, the development process is also faster.

Disruptive innovations are mostly ignored by the already well-established organizations, as they generally offer tight profit margins. Disruptive innovations still are always in the phase of 'closer to customer demand approach' at regular time stages these can be strategically counterproductive. Still, they can found sometimes as 'constructive' as slight changes in the services (in case of service failure) may lead to economic benefits. Forward-thinking and constructive innovations should always be encouraged.

B] Global Scenario of Indian Insurance Sectorⁱⁱⁱ:

During the year 2018, the share of India was 1.92 %, in the global insurance market. Considering the Indian population, these figures are considerably low. Nevertheless, during the year 2018 in India, the total insurance premium was increased by 9.3% (inflation-adjusted). While across the globe the total insurance premium was increased by 1.5%

(inflation-adjusted).

Globally share of Life Insurance was 53.40% of the total premium while in Indian business it was higher i.e. 73.85%. Thus the share of non-life insurance was globally 46.60% and in Indian business, it was 26.15% during the year 2018.

Among 88 countries, India was at 10th Rank in the life insurance market. According to Swiss Re India's share in global life, the insurance market was 2.61% in the year 2018. The life insurance premium was increased by 7.7% (inflation-adjusted) during the year 2018 in India; while the global life insurance premium was increased by 0.2% (inflation-adjusted).

India was at 15th Rank in the non-life insurance market. India's share in the global life insurance market was 1.1% in the year 2018. The non-life insurance premium was increased by 14.0% (inflation-adjusted) during the year 2018 in India. During this period global non-life insurance premium was increased by 3.0% (inflation-adjusted).

Life Regions/ Countries	Life	Non-Life	Total
Advanced Markets	0.8	1.9	1.3
Emerging Markets	-2.0	7.1	2.1
Asia-Pacific	-0.1	6.4	2.1
India	7.7	14.0	9.3
World	0.2	3.0	1.5

Table 1: Total Real Premium Growth Rate (in%): 2018
(Source: Swiss Re, Sigma No. 3/2/2019)

C] Insurance Penetration and Density in India:

Year	Life		Non-Life		Insurance Sector	
	Density (USD)	Penetration (%)	Density (USD)	Penetration (%)	Density (USD)	Penetration (%)
2001	9.10	2.15	2.40	0.56	11.50	2.71
2002	11.70	2.59	3.00	0.67	14.70	3.26
2003	12.90	2.26	3.50	0.62	16.40	2.88
2004	15.70	2.53	4.00	0.06	19.70	3.17
2005	18.30	2.53	4.40	0.61	22.70	3.14
2006	33.20	4.10	5.20	0.60	38.40	4.80
2007	40.40	4.00	6.20	0.60	46.60	4.70
2008	41.20	4.00	6.20	0.60	47.70	4.60
2009	47.70	4.60	6.70	0.60	54.30	5.20
2010	55.70	4.40	8.70	0.71	64.40	5.10
2011	49.00	3.40	10.00	0.70	59.00	4.10
2012	42.70	3.17	10.50	0.78	53.20	3.96
2013	41.00	3.10	11.00	0.80	52.00	3.90
2014	44.00	2.60	11.00	0.70	55.00	3.30
2015	43.20	2.72	11.50	0.72	54.70	3.44
2016	46.50	2.72	13.20	0.77	59.70	3.49
2017	55.00	2.76	18.00	0.93	73.00	3.69
2018	55.00	2.74	19.00	0.97	74.00	3.70

Table 2: Insurance Density and Insurance Penetration in India (Year 2001 to Year 2018)

(Source: Swiss Re, Sigmaⁱⁱⁱ, Various Issues)

Note:

1. Insurance Density is measured as ratio of 'Premium' (in USD) to 'Total Population'.
2. Insurance Penetration is measured as ratio of 'Premium' (in USD) to 'GDP' (in USD).

From Table 2, it can be clearly seen that during the first decade of the 21st century, the insurance sector showed a consistent growth from 2.71% (in the year 2001) to 5.20% (in the year 2009) i.e. insurance penetration. Thus this period is called the insurance sector liberalization in India. Since the year 2009, insurance penetration is showing decline figures. Similarly, the insurance density levels are constantly increased since the year 2001 (USD 11.50) to the year 2010 (USD 64.40). After the year 2010, figures showing a slight decline further but gradually regaining the insurance density levels in the year 2018 (USD 74.00).

For the life insurance sector, the insurance density is showing a similar trend like the total density figures. Since the year 2001 (USD 9.10), it showed peak value during the year 2010 (USD 55.7) and now gained in the year 2018 (USD 55.0) after a downfall. The insurance density for non-life insurance is showing steady growth since the year 2001 (2.40 USD) to the year 2018 (19.0 USD).

D] Disruptive Innovation in Insurance Sector:

Up till now, we saw the concept of Disruption Innovation and the current scenario of the Indian insurance sector in brief. Many organizations usually provide attention towards the most profitable customers with the provision of ever-improving services and here less demanding customers are being paid lesser attention.

The focus of the insurers was on the baby boomers (Born 1946-1964) and Generation-X (Born 1965-1980) and these customers will continue to be in focus. But much attention must be given to millennials (Born 1981-1996). The main focus and target customers are millennials. There must be unique plans to attract these customers. In the coming years, insurers should have attractive plans for the Post-Millennials (Born 1997-Present) and a team should be appointed to focus on a strategic action plan for these customers. These are the future customers which creates a space for the disruptors as new entrants.

For the insurers targeting these Millennials for a few unique new policies is needed as these customers are grown up in a technologically saturated and advanced world. In this era, interactive buying experiences along with instantaneous buying experiences are the usual norms. Insurers that will provide such policies specially carted to the wants and needs of these customers will blossom for sure. A traditional payout plan at death or late retirement or after death is not the only satisfactory offerings for these generations. Customers are looking for some non-traditional insurance services offerings those can be beneficial to them during their life span may be at regular intervals or at the peak time zone of their needs. This is the reason for outside vendors with a lot of capital investment and massive amounts are the key disruptors.

E] A Path Ahead

- i. It is suggested that organizations can be their own source of disruption; instead of waiting for a new entrant in the competition with new policies with a competitive advantage. The best way for this is to make a review process of the existing policies.

- ii. Policyholders can be rewarded in terms of reduced premium for a healthy lifestyle and non-claims. It will be a win-win situation.
- iii. Fitness club memberships (with discounts through tie-ups), diet plan consultations (yearly or half-yearly), monitoring eating habits through counselling sessions, Webinars of Yoga and healthy lifestyle, etc. can be arranged.
- iv. Health check-ups, staying away from unhealthy habits, etc. can be monitored through a dedicated app and Smartphone. The winning points can be earned by the policyholder which can be converted into cash rewards in terms of reduction in the next premium.
- v. A customized plan with greater flexibility from the insurer side should be offered. The insurer can develop complex and customized plans with a much simpler process of the execution with the help of technological advances.

F] Conclusion

There is value chain breakup in the insurance value chain and tightly vertically integrated value chain is speedily modularized. This has been done by new technologies, which permit for breaking activities across many diverse players. This led the organizations to use this for their competitive advantage and pursue flexible partnerships. Connections with the insurer are changing. This can redirect the attention of the insurer from risk appraisal to risk avoidance. For this to happen, the insurer must convince their customers about connected insurance services and offers are better than the traditional offers. MA

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rohandahivale@gmail.com

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CHANGING CONTOURS OF INDIAN INSURANCE SECTOR



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AN EMPIRICAL STUDY OF THE PRE-COVID 19 TO POST-COVID 19 PANDEMIC EFFECT ON THE BUSINESS PERFORMANCE OF THE INSURANCE SECTOR IN INDIA

Abstract

India witnessed a double-digit growth in the life and non-life insurance sector after the breaking of monopoly and deregulation in the sector. Covid-19 pandemic and lockdowns have had a far-reaching and adverse effect on the insurance sector as well. There is a need to see the effect on a few key variables during pre-Covid 19 to post-Covid 19 duration. The researcher has selected dependent variables under study such as first-year premium, number of policies, number of lives covered under group schemes, and total sum assured. This is an empirical study with a quantitative research approach and the analysis is based on secondary data collection. The key results reveal that there was an adverse effect of the pandemic on the growth of the insurance sector during the year 2020. From April 2021 onwards the insurance sector is witnessing positive growth and will continue at the same pace.

THE INDIAN INSURANCE SECTOR

There are at present 57 insurance companies in India of which 24 are life insurance and 34 are non-life insurance companies. LIC is the sole public sector company in the life insurance segment. In 2020 the overall market size of the insurance sector in India was estimated to be US\$ 280 billion. During the five-year period 2019 - 2023, the life insurance sector is expected to grow at a CAGR (Compound annual growth rate) of 5.3 per cent.

Though India is the second largest populated country in



Dr. Rohan Prabhakar Dahivale

Head of the Department
Rajgad Institute of Management Research &
Development, Pune
rohandahivale@gmail.com

the world, its insurance sector penetration was pegged at 4.2 per cent during the financial year 2021 and India's overall insurance density was US\$ 78 billion. There is an increase in the total market share of private sector companies in the general and health insurance market from 47.97 per cent (during the financial year 2019) to 48.03 per cent (during the financial year 2020).

The market share of life insurances companies in India is presented in the following Table 1:

TABLE 1

SN	Name of the Insurer	First Year Premium (Market Share)	Number of Policies/ Schemes (Market Share)	Number of lives covered under Group Schemes (Market Share)	Sum Assured (Market Share)
1	Aditya Birla Sun Life	1.25	0.96	0.95	3.26
2	Aegae Federal Life	0.23	0.17	0.01	0.18
3	Aegon Life	0.01	0.07	0.06	0.86
4	Aviva Life	0.09	0.08	0.23	0.45
5	Bajaj Allianz Life	2.41	1.83	14.63	7.18
6	Bharti Axa Life	0.29	0.50	0.36	0.66
7	Canara HSBC OBC Life	1.08	0.61	5.90	4.22
8	Edelweiss Tokio Life	0.13	0.26	0.16	0.28
9	Exide Life	0.33	0.53	0.78	2.19
10	Future Generali Life	0.15	0.13	0.06	0.51
11	HDFC Standard Life	7.58	4.18	24.20	11.68
12	ICICI Prudential Life	4.94	2.84	11.85	13.53
13	India First Life	0.87	0.96	2.81	5.88
14	Kotak Mahindra Life	1.53	1.11	9.87	3.27
15	Max Life	2.40	2.60	2.47	4.66
16	PNB Met Life	0.65	1.03	1.77	7.24
17	Pramerica Life	0.10	0.12	0.67	1.02
18	Reliance Nippon Life	0.38	0.74	0.03	0.41
19	Sahara Life	0.00	0.00	0.00	0.00
20	SBI Life	7.31	7.41	3.81	7.85
21	Shriram Life	0.28	1.04	1.83	1.26
22	Star Union Dai-ichi Life	0.61	0.46	1.76	1.90
23	Tata AIA Life	1.41	2.01	0.32	4.58
	Private Total	34.05	29.63	84.53	83.07
24	LIC of India	65.95	70.37	15.47	16.93
	Grand Total	100.00	100.00	100.00	100.00

(Source: www.irda.gov.in)

(Note: As regards the first year premium of life insurers for the period ended 31st August, 2021)

Note: As regards the first year premium of life insurance for the period ending on 31 August 2021, the total market share of all the private life insurance companies was 34.05 per cent for the first-year premium and 83.07 per cent for the total sum assured.

OBJECTIVES OF THE STUDY

1. To study the pre-Covid 19 to

post-Covid 19 pandemic effect on the business performance of the insurance sector in India.

2. To understand the current scenario of the Indian insurance sector.

PROBLEM STATEMENT

The Indian insurance sector along with the banking sector contributes 7 per cent of the total GDP. The insurance sector provides huge employment and also gives risk protection against life and non-life threats to the Indian citizens. The

insurance sector provides various benefits such as health and non-health risks, savings, investment opportunities etc. Insurance penetration in the country is still low in spite of being the second-largest populated country in the world. Covid-19 pandemic had an adverse effect on the insurance sector in India as, during the first and second waves of the pandemic the Indian insurance sector witnessed significant losses in their business. There is a need to see the effect on a few key variables during pre-Covid 19 to post-Covid

19 duration. These dependent variables under study are first-year premium, number of policies, number of lives covered under group schemes and total sum assured.

RESEARCH METHODOLOGY

The researcher has used an exploratory research design for this study. The research approach is quantitative in nature. This research paper is purely based on secondary data and secondary data was collected from various official websites, IRDA’s annual and other reports. The analysis here is restricted for the months March to August of the years 2019 to 2021. The Variables under the study are as follows:



DATA ANALYSIS & DATA INTERPRETATION

I. The study is on the basis of data pertaining to the

period of the years 2019,2020 and 2021.

- II. The researcher collected data for the six months (March to August) for each of the years mentioned above.
- III. Comparison between the growth in percentage during the year 2019-20 and 2020-21 is done based on the secondary data collected for the period March to August.
 - ⊙ The period March to August of the year 2019 is considered to be pre-Covid 19 period.
 - ⊙ The period March to August of the year 2020 is considered to be peak Covid 19 period.
 - ⊙ The period March to August of 2021 is considered to be post-Covid 19 period.
- IV. The researcher has listed the business performance of life insurance sector during pre-Covid to post-Covid period from March to August of 2019 to 2021
- V. The key dimensions under study are first-year premium, number of policies, number of lives covered under group schemes and sum assured for the insurance sector in India.

Business Performance of Life Insurance

The Business performance of life insurance during the pre-Covid to post-Covid period from March to August of 2019 to 2020 is presented in the following Table 2.

TABLE 2

<i>Month & Year</i>	<i>First Year Premium</i>	<i>Number of Policies / Schemes</i>	<i>Number of lives covered under Group Schemes</i>	<i>Sum Assured</i>
Mar-21	278277.98	28167513	179797825	4940821.46
Mar-20	258896.48	28886569	227867194	4825723.36
Mar-19	214672.86	28687812	224653013	4333541.41
Apr-21	9738.79	996933	13005050	357960.05
Apr-20	6727.73	416200	6050419	227486.42
Apr-19	9981.88	1282879	12056508	272148.08
May-21	22715.78	1857389	22306006	750751.02
May-20	20466.76	1424373	11122411	465050.59
May-19	28395.90	2908093	26380339	583009.39
Jun-21	52725.25	3463732	32239438	1200631.01
Jun-20	49335.44	3105611	20479452	875033.36
Jun-19	60637.22	4807717	46655398	1004852.31
Jul-21	73159.98	5568612	44995930	1637668.54
Jul-20	72321.53	4913592	30561688	1255281.45
Jul-19	82146.47	7000277	64229837	1383113.48
Aug-21	100980.72	7949344	60964244	2053545.29
Aug-20	99361.32	6794872	42025663	1640070.74
Aug-19	105701.40	9329976	82248111	1788129.45

(Source: www.irda.gov.in)

period

Note: The first year premium in the statement refers to actual premium collected by life insurers net of only free look cancellations for the period.

Interpretation (Table 2) From the above Table 2 the researcher can interpret that, during the year 2020, the overall business performance of the insurance sector had significantly decreased compared to its business performance for the year 2019. This decrease can be clearly seen for all the variables under study. Similarly, it can be observed that the business performance for the year 2021 is showing positive growth i.e. the insurance sector can be said to be moving towards the post-COVID 19 recovery phase of the business.

First year premium

The following Table 3 presents a comparison between the percentage growth in respect of the first year premium for the years 2019-20 & 2020-21

TABLE 3

	March	April	May	June	July	August
% in growth 20-21	7.49	44.75	10.99	6.87	1.16	1.63
% in growth 19-20	20.60	-32.60	-27.92	-18.64	-11.96	-6.00

(Source: Calculations based on the data available on www.irda.gov.in)

The data in the above Table 3 could be presented graphically as under:

GRAPH 1



Number of policies

The following Table 4 presents a comparison between percentage in growth for years 2019-20 & 2020-21 in respect of the number of policies.

TABLE 4

	March	April	May	June	July	August
% in growth 20-21	-2.49	139.53	30.40	11.53	13.33	16.99

% in growth 19-20	0.69	-67.56	-51.02	-35.40	-29.81	-27.17
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(Source: Calculations based on the data available on www.irda.gov.in)

The data in the above Table 4 could be presented graphically as under:

GRAPH 2



Number of lives covered

Following Table 5 gives the comparison between percentage in growth for the years 2019-20 & 2020-21 in respect of the number of lives covered under group schemes

TABLE 5

	March	April	May	June	July	August
% in growth 20-21	-21.10	114.94	100.55	57.42	47.23	45.06
% in growth 19-20	1.43	-49.82	-57.84	-56.10	-52.42	-48.90

(Source: Calculations based on the data available on www.irda.gov.in)

The data presented in Table 5 above could be graphically described as under:

GRAPH 3



Sum assured

Following Table 6 makes a comparison between percentage in growth for years 2019-20 & 2020-21 in

respect of sum assured

TABLE 6

	March	April	May	June	July	August
% in growth 20-21	2.39	57.35	61.43	37.21	30.46	25.21
% in growth 19-20	11.36	-16.41	-20.23	-12.92	-9.24	-8.28

(Source: Calculations based on the data available on www.irda.gov.in)

The data presented in the above Table 6 could be graphically described as under”

GRAPH 4



Graph 4: Comparison between sum assured and % in growth for years 2019-20 & 2020-21

Interpretation (Tables 3 to 6)

From the given Tables 3 to 6 and Graphs 1 to 4, the researcher interprets that, the overall performance of the life insurance companies during the year 2020, significantly declined.

First-year premium variable declined from April to August 2020. India faced its first lockdown in April 2020, thereby growth figures turned negative i.e. -32.6, -27.92, -18.64, -11.96 and -6.0 per cent. From April 2021 onwards it significantly increased to record positive growth i.e. 44.75, 10.99, 6.87, 1.16 & 1.63 per cent respectively.

The number of policies in the insurance sector also recorded a similar growth patterns. April 2020 onwards it showed overall negative growth of -67.56, -51.02, -35.4, -29.81 & -27.17 per cent. From April 2021 onwards it significantly improved to positive growth figures of 139.53, 30.4, 11.53, 13.33 & 16.99 per cent respectively.

Percentage in growth in number of lives covered under group scheme was found to have dropped to -49.82, -57.84, -56.10, -52.42, and -48.90 per cent during the year 2020 (months April to August), which was found to be positive at 114.94, 100.55, 57.42, 47.23 and 45.06 per cent respectively during the year 2021 (months April to August).

The sum assured percentage growth dropped and recorded a negative figure of -16.41, -20.23, -12.92, -9.24, and -8.28 per cent respectively from April to August 2020. These figures

went up to 57.35, 61.43, 37.21, 30.46, and 25.21 per cent for April to August 2021.

All negative figures recorded during the year 2020 were found to have become positive during the next year's corresponding period under the same parameters and variables under study.

Thus like many other sectors, the insurance sector also witnessed a downward trend incurring losses during the Covid 19 period as compared to the pre-Covid years. Similarly, the researcher can clearly see positive growth figures for almost all the variables under study, during the post-Covid 19 period.

GOVERNMENT'S INITIATIVES

To boost the insurance sector, The Indian government has taken few initiatives. Some of them are listed below:

- The Finance Ministry announced its intention to infuse Rs 3,000 Crore (US\$ 413.12 Million) into the State-owned general insurance companies. This initiative is to improve the overall financial health of the companies.
- An amount to the tune of Rs. 16,000 Crore (US\$ 2.20 Billion) has been allocated for the crop insurance scheme. This is done under Union Budget 2021.
- The Government extended the Rs 50 Lakh (US\$ 66.85 thousand) insurance coverage scheme for healthcare workers across India (until the next year) in June 2021.
- The Parliament has passed the General Insurance Business (Nationalization) (Amendment) Bill in August 2021. This Bill aims to allow the privatization of State-run general insurance companies.

THE ROAD AHEAD

The life insurance sector in India is expected to grow annually by 14 to 15% for the next five years at least. After a setback during Covid 19 pandemic, the insurance sector appears to be back on the positive track where the growth figures are showing a positive trends. The overall insurance sector is expected to earn up to US\$ 280 billion by end of the year. There have been various changes in the regulatory framework for the insurance sector. This makes the future to be promising for the insurance sector as the sector is using innovations in the way it is conducting business and engages its customers. Currently, there are 110 plus insurtech startups in India and the scope of the internet on things (IoT) in the Indian insurance market will continue to go beyond customer risk assessment. **MA**

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TELECOMMUNICATION SECTOR: POTENTIAL CATALYST FOR DIGITAL INDIA MOVEMENT

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25 YEARS OF MOBILITY: GLORIOUS JOURNEY OF INDIAN TELECOM INDUSTRY

Abstract

Over a past decade Indian telecom sector is witnessing an exponential and substantial growth. The number of subscribers over a decade and more are increasing at a fast pace thus changing the face of the telecom sector. This new face is continuously changing and dynamic in nature. Every traditional approach is shifting towards digitalization and so is the traditional voice calls and technology associated with it. This paper examines the growth of Indian telecom sector by comparison of landline (wireline) verses wireless subscribers bases. This paper also highlights on road-map of Telecom Sector for the future.



Dr. Rohan P. Dahivale
HoD & Dean Academics
Rajgad Institute of Management Research &
Development, Pune
rohandaivale@gmail.com

1] Introduction

Over a past twenty five years and specifically since previous decade the telecom sector is witnessing advent and adaptation of various technologies. Since the year 2017, this is rise of 4G services in India and 5G is expected to launch by end of the year 2021.

The entry of the new player with introduction of the VoLTE technology, strikes as a surprise to the telecom sector. The tariffs saw a declined path while the data usage is massively proliferated.

India is beholding a data explosion with the increase in the smart phone users. To cop up with the pace, the mobile base stations also enhanced for further improvements in the coverage and reach. The telecom services are acting as a backbone for the various crucial sectors like education, banking and health.

The Telecom Regulatory Authority of India (TRAI) came into existence in the year 1997, since then it is in operation for

last two and half decades and by the end of year 2020, total subscribers base in India has reached to 1173.83 million with the rank two largest telecom market in the world.

At the end of the year 2020, The Total subscriber base reached to 1173.83 million with wireless subscribers as 1153.77 million and landline subscribers as 20.05 million. The overall tele-density recorded as 86.38% and requests for mobile number portability (MNP) cumulative reached to 536.41 million.

2] Evolution of the Telecom Sector in India

1881	Oriental Telephone Company Limited (England) was permitted and granted license to open telephone exchanges in India (Kolkata, Mumbai, Madras and Ahamadabad)
1982	Central Exchange opened at Kolkata with 93 subscribers
1902	Establishment of first wireless telegraph station (Between Sagar Island & Sandheads)
1913	First Automatic exchange was installed in Simla
1927	Inauguration of Radio Telegraph between India and UK (in Khadki & Daund)
1960	First subscriber trunk driving route was initiated between Kanpur and Lucknow
1979	First optical fiber system for local junction was started in Pune
1980	First satellite earth station for domestic communication was established at Sikandrabad (UP)
1985	First mobile telephone service on non-commercial basis was started in in Delhi

1995	Cellular services and GSM services started in Kolkata
1997	TRAI (Telecom Regulatory Authority of India) was established
2002	Establishment of Internet Telephony and CDMA technology
2006	Number Portability was proposed
2010	Implementation of MNP (Mobile Number Portability) across India
2011	Introduction of 3G services in India
2012	Introduction of 4G services in India
2021	Introduction of 5G services in India (Expected)

Table 1: Evolution of the Telecom Sector in India

3] Wireline verses wireless subscriber base in India

3.1 Subscriber Base for landline Users in India

The voice usage and voice calls enabler Landline (Wireline) has shown shrunk in the subscriber base over the years. The following table shows the number of subscribers for Wireline (landline) services in India from the year 2004-05 to 2019-20. The table number2 clearly shows the gradual decrease of wireless subscribers in India.

According to the annual reports of the TRAI, the subscriber base for landline was 40.02 million for the financial year 2004-05. The subscriber base had shown continuous but slow growth till financial year 2006-07 where the subscriber base has reached to 41.54 million. But after that the base has shown steady shrunk till the financial year 2019-20 it has reached to the subscriber base of 20.22 million.

3.2 Subscriber Base for Wireless Users in India

The growth in the subscriber base of wireless users in India over a past decade is remarkable. In India, the first call on a mobile phone was made on August 95 in Kolkata and over since there is no looking back to the telecom sector. The increase in the subscriber base every year is tremendous. The following table shows the growth in subscriber base for wireless users in India since the financial year 2004-05 onwards.

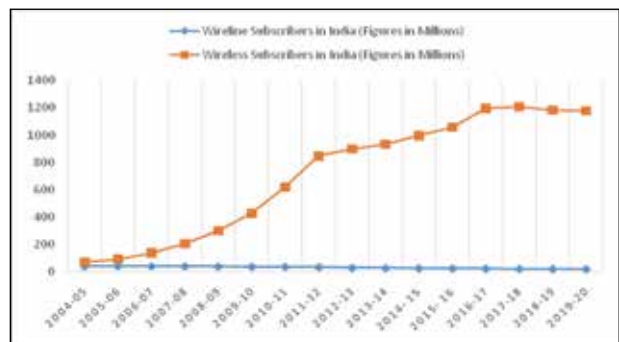
According to the annual reports of the TRAI, the subscriber base for wireless users in India was 33.69 million for the financial year 2004-05. Interestingly, the number of landline users was more than the wireless users for this year. The subscriber base has shown continuous and fast growth till at end of the financial year 2019-20 it has reached to 1157.75 million.

Financial Year	Wireline Subscribers in India (Figures in Millions)	Wireless Subscribers (In Millions)
2004-05	40.02	33.69

2005-06	41.43	52.22
2006-07	41.54	98.77
2007-08	40.75	165.11
2008-09	39.42	261.07
2009-10	37.96	391.60
2010-11	36.96	584.32
2011-12	34.73	811.59
2012-13	30.21	867.80
2013-14	28.49	904.51
2014-15	26.59	969.89
2015-16	25.22	1033.63
2016-17	24.40	1170.18
2017-18	22.81	1183.41
2018-19	21.70	1161.81
2019-20	20.22	1157.75

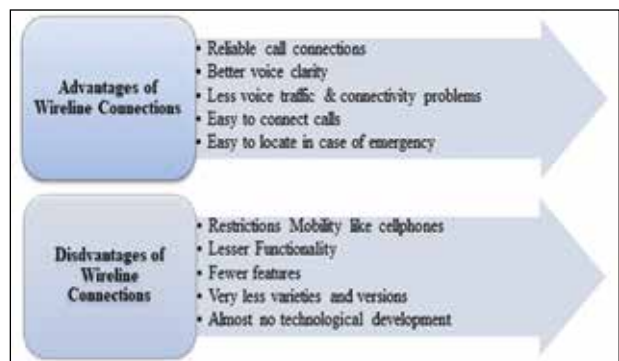
Table 2 Wireline Verses Wireless subscribers in India

(Source: <http://www.trai.gov.in/annual-reports>)



Graph 1: Wireline verses Wireless subscribers in India

(Source: <http://www.trai.gov.in/annual-reports>)



4] Current Scenario of Indian Telecom Sector

Indian telecom market is at the second position in the worldwide largest telecom market. The total subscriber base at the end of the year 2020 was 1173.83 million. The following summary shows the telecom subscription data as on 31st December 2020.

Particulars	Wireless Subscribers	Wireline Subscribers	Total Subscribers
Total Telephone Subscribers (In millions)	1153.77	20.05	1173.83
Urban Telephone Subscribers (In millions)	629.67	18.24	647.91
Rural Telephone Subscribers (In millions)	524.11	01.81	525.92
Overall Tele-density (In %)	84.90	01.48	86.38
Mobile Number Portability Requests (In millions)	544.61	-	544.61

Table 3: Current Scenario of Indian Telecom Sector

The entry of the new player with introduction of the VoLTE technology, strikes as a surprise to the telecom sector. The tariffs saw a declined path while the data usage is massively proliferated

5] Telecom Sector: Road-map for the future: 2020 and Beyond

Over the last two-decades the telecom sector is a relentlessly evolving sector. The exponential growth in the subscriber base has created demand of information waves and data explosion. The situations are continuously supported by the technical transformations.

However, the telecom sector will witness an age of saturation in the telecom market. There should be an awareness regarding the upcoming challenges and telecom sector needs to be ready with predetermined action plan to face the upcoming challenges.

The exponential growth in the subscriber base has created demand of information waves and data explosion

Following are key areas which researcher highlights as the roadmap for the telecom sector.

IoT (Internet of Things): A game changer for telecom sector. In recent future, the sector will brace itself for an extraordinary increase in data traffic across the whole networks. This will comprise the data consumed by the customers as well as the data generated by the devices by interacting with each other. Integration of IoT with allied technology will undoubtedly set to grow and penetrate the market.

The upswing of the data explosion will quickly push the entire world through Exabyte towards the Zettabytes per year. There is an urgent need that telecom service providers should revisit their existing infrastructure including their business models to abundantly capitalize the upcoming opportunity.

Market Saturation: Telecom sector has done the market penetration thoroughly among the youngsters and middle age demographic profile. The elder population will soon fully adopt the latest technology and will be associated with the pace of the telecom service. With this, the remaining community will fulfill the market penetration of the telecom sector and lead towards market saturation.

Data Security: Waves carriers play a vital role in fighting the incipient new threats and act as custodians of the networks. Data security will be the key expectation from the customers.

Content as a service (CaaS): Integration of telecom and content as a service (CaaS) is emerging service oriented model that delivers the 'content on demand' to the customer. The delivery is done through web services. Thus technology convergence between content service providers and telecom service providers is expected in recent future for which the telecom sector must be ready. The fact is, being connected continuously will be cheaper. Thus in the information value chain, connectivity is expected to capture a smaller proportion while content delivery is expected to capture more. **IMA**

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EMERGING TRENDS IN BLOCKCHAIN TECHNOLOGY TO FOLLOW IN 2022

Abstract

Blockchain continues to be in the talk since last few years before and after the pandemic hit. These years are witnessing significant developments in the blockchain technology and its applications and usage in many sectors and industries. Other cryptocurrencies and Bitcoin are gathering attention of the investors but at the same time blockchain too are gaining the focus and attraction. This study tries to trace various key emerging trends in blockchain technology in recent years.

1. BLOCKCHAIN DEFINED

Blockchain can be defined as a shared and absolute ledger that can enable the process of tracking the assets and recording transactions in any business network. Here assets can be tangible viz. land, factory, house, gold etc. or intangible viz. patent, brand, intellectual property etc. Thus virtually anything that possesses value can be tracked and/or traded on a defined blockchain network. This will cut costs and reduce the risk for all involved. Blockchain technology is set to transform the nature of transactions and trade across the globe.

Blockchain technology is said to be one of the significant innovations of the last decade with the ripple effect on various key sectors like finance, operations, banking, production etc.

2. EMERGING TRENDS IN BLOCKCHAIN TECHNOLOGY

From Federated blockchain to stable coins, here are the latest blockchain trends that we are likely see this year.

Federated Blockchains	Secured Digital Identity	Decentralized Finance	Blockchain as Service
Hybrid Blockchains	Blockchain with AI	Stable Coins	Central Bank Digital Currency

2.1 Federated Blockchain

Federated Blockchain is one of the most amazing blockchain trends in the business today. It is explicitly used for specific use cases and is just adopted from an upgraded form of the basic blockchain model. It functions under various authorities instead of a unit secure and trusted node. It is quite similar to private blockchain with a few added



Dr. Rohan P. Dahivale

HoD & Dean Academics
Rajgad Institute of Management Research & Development, Pune
rohandahivale@gmail.com

features and there is no sole organization influence on it.

Enterprise Ethereum Alliance i.e. EEA is one example of Federated Blockchain and few leading organizations such as Microsoft, J. P. Morgan Chase Bank, Accenture etc. are the members of EEA. According to experts, as a private blockchain there will be an increase in the usage of Federated Blockchain in 2022.

Any private blockchain can be controlled by one organization but in the case of Federated Blockchain there can be multiple authorities that can control the preselected nodes. Here various nodes and selected groups can validate the blocks in the existing or modified chain in order to process further transactions. Federated Blockchain is being moved to the central stage as it can be referred to as one of the best blockchain available at present. It is expected to see a rise in the usage of this type of blockchain with a more customizable outlook.

2.2 Secured Digital Identity

Nearly 10 billion internet connected devices are expected

to grow by 2025. Blockchains are expected to establish more secure digital identity in coming years. Many times unknowingly we leave extensive digital footprints when we do internet surfing. We can expect remarkable reduction in online fraud and online identity theft and our online presence will be more secure with the successful implementation of digital identity.

Data is stored in a trusted, immutable and decentralized manner in blockchain technology. Single user's identity should be stored in an incorruptible and secure manner and blockchain can ensure this. This year will witness growth in this trend as numerous digital identity solutions are under development and expected to integrate with online platforms. Here the advantage will be single digital identity can be always with latest and up-to-date user information.

2.3 Decentralized Finance (DeFi)

DeFi is a form of finance which is based on blockchain. It uses a layered architecture and one can compose building blocks. DeFi does not depend on traditional centralized financial intermediaries such as banks, brokerages or exchanges etc. It utilizes smart contracts on blockchain (most commonly used is Ethereum). By using the DeFi platforms people can earn interest in savings like accounts, take risks on price movements on a range of assets using derivatives, insure against risks, trade cryptocurrencies.

These platforms also allow people to borrow or lend funds from others. Some of the DeFi applications endorse higher interest rates but are subject to high risks. Till January 2020 around 20.5 billion dollars were invested in DeFi and till October 2020, more than 11 billion dollars (worth in cryptocurrency) were deposited in several decentralized financial protocols.

2.4 Blockchain as Service (BaaS)

Blockchain as a service is an emerging trend that is currently integrated with various start-ups and organizations. It is a type of cloud based service where users are allowed to develop their own digital products with blockchain. Businesses are permitted to use these cloud based solutions and they can build, use and host their own smart contract and own blockchain apps. Businesses can use utilities on blockchain infrastructure developed by a vendor. It is similar to SaaS i.e. Software as a service, here software is provided on subscription basis.

There is no need for any business if they do not want to develop their own blockchain, here they can access a blockchain network with expected configuration. Businesses can even build in-house expertise on the projected subject. Blockchain only concentrated on organizations offering BaaS including Factom, Dragonchain, Blog and Keleido. Many cloud service providing organizations such as IBM, Microsoft, Oracle, SalesForce, Alibaba etc. now provide BaaS.

2.5 Hybrid Blockchain

One of the emerging concepts in blockchain is hybrid type of blockchain where it attempts to use the most suitable part of the private blockchain solutions along with public blockchains. It operates in a closed ecosystem and thus every bit of information which is on the network is secured. In hybrid blockchains the transactions are quickly verified and the total transaction costs are usually much less. This is because the influential nodes in the network make the process much simpler.

Along with cost effectiveness, it has additional advantage of security as it protects systems from hackers who are unable to gain access to the existing blockchain network and thus prevents more than fifty percent of attacks.

2.6 Central Bank Digital Currency (CBDC) Central Bank Digital Currency (CBDC) is based on blockchain and is a digital form of central bank money. This is a legal tender created and backed by the central bank. It is the virtual format of a fiat currency for a particular nation. It is regulated by its monetary authority and is a digital token of its official currency or in the form of electronic record.

The key benefits include the simplification and implementation of monetary policy along with the fiscal policy. It supports financial inclusion in an economy that is done by bringing the unbanked segment into the financial system. But as they are in centralized form of currency they can erode the privacy of the people or citizens; that is the key weakness of CBDC. In January 2021, the Indian Government released its national blockchain strategy along with a Bill to launch its own digital currency. Similarly, many CBDC pilot projects are underway worldwide.

2.7 Stable Coins

It can be forecasted that stable coins will dominate the crypto space and will be more visible. Cryptocurrencies are in existence because of blockchain technology and cryptocurrencies (like Bitcoin) operate on their own platforms. As compared to traditional assets prices, many of these cryptocurrencies' prices are more volatile. It is predicted that stable coins will tend to get all-time high as they are now in their initial phase. Because of this the stable coins are expected to gain attraction in times to come.

The word 'stable' suggests that these high value stable coins are steadier in nature and do not witness many fluctuations. Frequent currency clashes are prevented in stable coins thus allowing investors to invest more in cryptocurrencies. These are popularly in existence because of the highly volatile nature of few of

the cryptocurrencies and association of the stable value for each stable coin. Facebook introduced its cryptocurrency 'Libra' in 2020 and it is one of the driving forces for using stable coins.

2.8 Blockchain with AI

Blockchain technology is expected to perform better with its integration with artificial intelligence. A numbers of applications are supposed to increase with this integration. According to IDC (The International Data Corporation) by 2020 the worldwide spending on artificial intelligence is expected to reach 57.6 billion dollars. With blockchain integration with AI, around 51% of the businesses will be making the transition to AI.

Following are some important applications of blockchain with AI:

- ⊙ Smart computing power
- ⊙ Protection *de datos*
- ⊙ Trusting AI decision making
- ⊙ Data Monetization
- ⊙ Creating diverse data sets

Blockchain efficiency can be enhanced with the help of AI and this will be much better than standard computing. Also AI can be more understandable and coherent because of blockchain and hence it is a win-win situation for both technologies. This integration is beneficial as one can find out why the decisions are made in machine learning and we can better trace with the help of blockchain.

3. LIST OF OTHER EMERGING TRENDS IN BLOCKCHAIN

- i. Social networking problems meet blockchain solution
- ii. Interoperability and blockchain networks
- iii. Economy and finance will lead blockchain applications
- iv. Blockchain integration into Government agencies

The key advantages of blockchain technology include protection from cyber-attacks, help in maintaining user confidentiality, option to change the rules and lower transaction costs operated in a closed ecosystem

- v. Blockchain combines with IoT
- vi. Demand for blockchain experts
- vii. Content streaming to be more secure with blockchain
- viii. NFT's will revolutionize digital assets and digital art

4. FINAL THOUGHTS

As discussed above we can see numerous emerging trends in blockchain technology in various sectors and industries worldwide. The key advantages of blockchain technology include protection from cyber-attacks, help in maintaining user confidentiality, option to change the rules and lower transaction costs operated in a closed ecosystem.

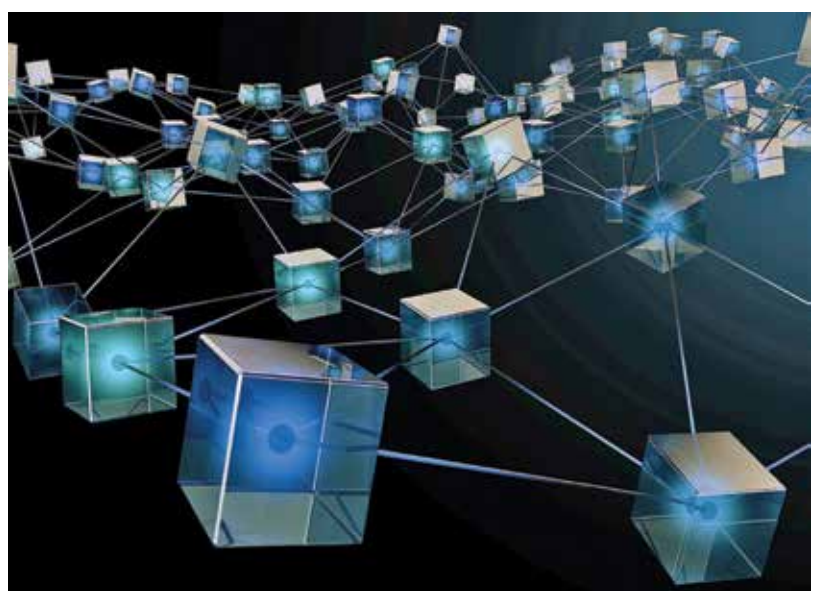
Experts are analyzing the faults in any existing technology and are trying to come up with the solutions.

Technology convergence will happen with integration of various other technologies like artificial intelligence with blockchain or IoT with blockchain etc. Thus undoubtedly blockchain technology will impact different sectors and verticals differently. Though the blockchain technology is still in the budding phase in India it has an enormous potential across the board.

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