

Co-creation & Co-action

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The theory of disruptive innovation was invented by the Harvard Professor Clayton M. Christensen in his book "The Innovator's Dilemma".

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Disruptive Innovation

Innovation is the buzzword of today's business and every business wants to be innovative. However it is least understood and often confused with invention. Innovation refers to changing or creating more effective and efficient processes, products and ideas, which would lead to growth and success of a business on one hand and on the other help a business to adapt and grow in the market place. Innovation is the key to competitive advantage.

Disruptive innovation is a concept that has taken center stage in the recent past, as businesses in one sector are disrupted due to an innovation in another sector or same sector. Disruptive inno-

ventions are those innovations that create new markets by discovering new categories



Disruptive Innovation – the way to growth

of customers.

Some of the examples of disruptive innovation are: personal computers (PCs)

(Mainframe and mini computers), cellular phones (fixed line telephony) Skype (long distance calls), iTunes (record stores), Google (Research libraries), eBay (local stores), etc.

Disruptive innovations usually find their first customers at the bottom of the market: as unproved, often unpolished products, they cannot command a high price. Incumbents are often complacent, slow to recognise the threat that their inferior competitors pose. But successive refinements improve them to the point that they start to steal customers, and end up reshaping entire industries.

A Note from the Editorial Team

"Co-creation and Co-action" is the e-newsletter of the Department of Management Studies, JSS Academy of Technical Education, NOIDA.

The first issue is being released on 15-08-2015 by the

Principal of the Academy. It is shaped by the contributions of the faculty and students of the department.

For our future issues, we would like to invite contributions from the practicing managers too.

Please mail your contributions and suggestions to: jss.dmsnewsletter@gmail.com

- The Editorial Team

Economic Round up



Image:
Hassan Rouhani,
President of Iran

How Iran Nuclear Deal Will Impact India and Corporates

The historic deal is likely to be positive for India and companies here. India's finances will improve because of a possible drop in oil prices; while the rupee may become less volatile even as the US Federal Reserve gears up to tighten monetary policy.

Various Indian companies (such as MRPL, Aban Offshore, ONGC) with business links to Iran, which has the world's fourth-largest oil reserve and second-largest gas reserve, may be revitalised by this deal. On the other hand, the deal could a cause of worries for companies, such as McLeod Russel (tea) and Kohinoor Foods (Rice), who would sell at a price

20% higher than global price, as Iran is a big buyer of basmati rice, soymeal, sugar, barley and meat. The deal will provide India with a plethora of economic opportunities, apart from strategic connectivity and meeting energy needs. The lifting of sanctions against Iran will enable Indian firms to participate in the road and rail projects.

Tax planning and Employee Remuneration

Tax planning /Employee Remuneration

Employee remuneration is the remuneration paid by the employer to employees in the form of wages and salaries. From the point of view of the employer, the employee's remuneration is treated as a business expense. However the employer has to deduct tax(TDS) before paying the remuneration to an employee, depending on the

taxable income of the employee as per the income tax rules and regulation. The TDS has to be deposited by the employer which is a statutory obligation. However the employer can undertake tax planning in such a manner, so that it will maximise the take home pay of the employee. The personal income tax rates in India are

on a slab basis with the lowest slab attracting no tax. So, for incomes upto INR 2,50,000 p.a there is no tax, the tax is 10% for income between INR 2,50,001- INR 5,00,000;the tax is 20% for income between INR 5,00,001-INR 10,00,000 and the tax rate for income above INR 10,00,000 is 30%

NTPC:
One of
the seven
P S U s
allowed
to issue
Tax-Free
Bonds



Deluge of Tax-Free Bonds

There will be a deluge of tax-free bonds for the investor to choose from. The finance ministry has mandated seven state-owned enterprises to raise debt-funds in the form of tax-free bonds amounting to INR. 40bil-

lion. These enterprises are: National Highways Authority of India, Indian Railways Finance Corporation, Housing and Urban Development Corporation, Indian Renewable Energy Development Agency, Power Finance Corporation, Rural Electrification Corporation and NTPC.

A golden opportunity awaits income tax payers and also those, who are averse to risk, to earn tax-free interest income and thereby boost their earnings. (Source: The Economic Times, New Delhi)

Economic Round up



Flipkart – India’s leading e-commerce portal

You Could Soon Pick Tickets from this Kart

Flipkart is in advanced talks with MakeMyTrip to launch a ticketing platform, the online retailer’s push into services as part of efforts to grow into a one stop shop for a range of offerings by the end of this year, just like

Amazon has tied up with IRCTC and Snapdeal has bought FreeCharge, offering pest control services, mobile & bill payment services and financial services, such as home and personal loans.

Food Service Chains Find a Recipe for Growth in Railway Revamp Plan

The central government’s decision to modernise 400 railway

stations in India has brightened the growth prospects for food service companies such as Travel Food Service (TFS), Lite Bite Foods, Jubilant Foodworks among others, within the travel retail sector. Indian Railways handle over 800 crore passengers a year -a huge captive business for companies. There are four kinds of F&B formats in railway stations -food courts, kiosks, vending and onboard catering -which are tendered by Indian Railway Catering and Tourism Corporation (IRCTC).

“The very essence of leadership is that you have to have vision. You can’t blow an uncertain trumpet.”
 – **Theodore M. Hesburgh**

Leadership Quotes

“Don’t tell people how to do things, tell them what to do and let them surprise you with their results.”

– **George S. Patton**

“The best executive is the one who has sense enough to pick good men to do what he wants done, and self-restraint to keep from med-

dling with them while they do it.”

– **Theodore Roosevelt**

“Success in almost any field depends more on energy and drive than it does on intelligence. This explains why we have so many stupid leaders.”

– **Sloan Wilson**

“Great leadership does not mean running away from reality. Sometimes the hard truths might just demoralize the company, but at other times sharing difficulties can inspire people to take action that will make the situation better.”

– **John Kotter**

What is Digital India?

Digital India is an E-governance project worth INR. 10,000 billion. It is an updated version of the National E-Governance Plan. The aim is ensure that all government services are available to citizens electronically. The government aims to complete the project by 2019.

As a part of the plan, the government will restructure the National Informatics Centre that rolls out the IT projects in government departments. The creation of Chief Information Officer in at least 10 key ministries and other senior IT positions is an integral part of the Digital India plan. They

will design, develop and implement various E-Governance projects speedily. (Source: Ascent, The Times of India, New Delhi, dated 22-07-2015)



Digital India – latest initiative of Government of India



JSS ACADEMY OF TECHNICAL
EDUCATION , NOIDA
Department Management Studies

Dr.Durgamohan M.

HoD

Room#I

Academic Block V

Phone: 0120-2400105, Ext.109

E-mail: hod.dms@jssaten.ac.in

jss.dmsnewsletter@gmail.com

**Aim for the stars and the sky will be
yours someday.**

The Department of Management studies started its journey in the year 2004 by offering the MBA program of the U.P. Technical University. Over the years it has transformed itself into a department that helps and supports the students in their all-round development. The key objective is to make the student industry-ready and employable. The department is organizing a one –day “National conference on Managing Business Enterprises in BRIC countries” (NCMBE 2015) on 14-11-2015

jss.dmsnewsletter@gmail.com

Knowledge Transfer

Bank Rate is the long term lending rate at which commercial banks and financial institutions take loan from the Central Bank (in case of India RBI).

REPO (Repurchase Agreement or Ready Forward Agreement) is the rate at or process in which commercial banks and financial institutions lend money to RBI overnight. This is same as CLBO (Collateralized Lending and Borrowing Obligation), where RBI lends money to commercial banks and financial institutions against G-Secs (Government securities) when they need it.

Reverse REPO (Reverse Repurchase Agreement or Ready Forward Agreement) is the opposite of REPO, where RBI takes loans from commercial banks and financial institutions overnight.

Here collaterals are not required to be submitted by RBI.

SLR (Statutory Liquidity Ratio) is the ratio of TDTL (Total Demand and Time Liabilities) maintained with commercial



**Reserve bank of India -
Bankers' banker.**

banks, which is to be kept in liquid form (or cash).

CRR (Cash Reserve Ratio) is the ratio of TDTL (Total Demand and Time Liabilities) maintained with commercial banks, which is to be kept with RBI as RBI is rendered to be the “lender of the last resort”.

PLR (Prime Lending Rate) is the rate at which commercial banks lend money to the customers whose credit standing is considered to be sufficiently fair.

CASA (Current Account and Savings Account) is the deposit which commercial banks prefer most as the rate of interest to be paid to the customers is fairly low.