



MARKETING

Marketing

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An Introduction



Today wherever you go everyone is talking about marketing. **Marketing is there in your life for each second.** You are getting marketing messages every time.

Marketing consists of a number of **interrelated activities** and the decision in one area affects the decision in other areas.

Pillars of Business/Functional Areas



Finance

Human Resource

Production

Marketing

What is Marketing



Marketing starts much **before the production of goods** and goes ahead/moves **after the selling and distribution of goods** also.

Marketing refers to **activities** a company undertakes to **promote the buying or selling** of a product or service.

It includes advertising, selling, and delivering products to consumers or other businesses.

There are lots of activities included in the marketing.

Few of them are:

- ✓ **Identifying** and selecting the **type of customer**, **understanding their needs** and desires;
- ✓ **Designing product** or services that suits the customers' desires;
- ✓ **Persuading customers to buy at the firm's offerings** and
- ✓ **Storing, moving, and displaying goods** after they leave the production site





Difference between Sales and Marketing

| Basis of Difference | Sales | Marketing |
|----------------------|--|--|
| Definition & Meaning | Sales refer to the transfer of ownership from seller to buyer. | Whereas marketing is about understanding the needs and wants of the customers. |
| Scope | Narrow (It includes only Selling of the product.) | Broader (Whereas marketing includes Advertisement, Sales, Research, Customer satisfaction, After sales services etc.) |
| Skills required | Selling skills | It required analytical skills |
| Orientation | Focus on Product | Focus on Customer |
| Objective | Prompting buyers in such a way that they turn out as buyers. | Main objective of the marketing is to identify the needs of customers and create products as per their requirement to satisfy those needs. |

Decisions taken by Marketing Manager



There are **various types of decision** taken by the marketing manager. These are related to **product, price, place and promotion.**

These are known by.....?

Marketing Mix



The whole **marketing** is based on **4 Ps**, commonly known as marketing mix. These 4 Ps are:

- ✓ **Product**
- ✓ **Price**
- ✓ **Promotion**
- ✓ **Place**

People
Process
Physical Evidences

One of the expert (Robert Lauterborn) has explained Marketing Mix in the form of 4Cs in the figure:1



Marketing-mix: 4P → 4C



E. Jerome McCarthy, 1960



Robert Lauterborn, 1990



(a) Product:

It deals with **physical attributes of the product** and the benefits associated with the product. The product should be properly **designed, coloured and packed.**

(b) Price :

Pricing means **fixing monetary value of the product.** While pricing a product, managers consider various factors such as costs, legal framework, prices charged by competitors and the prices that consumers are ready to pay. Managers must price the product to **recover the costs and earn a reasonable return on capital.**

(c) Promotion :

It refers to **firm's communication with the consumers** regarding the product. It motivates them to buy the goods. **Sales can be encouraged in various ways viz. (i) Advertisement, (ii) Personal Selling and (iii) Sales Promotion:** It includes holding contests, lotteries etc.

Assorted **combinations of sales promotion techniques** can be used.

(d) Place :

Place mix identifies the route through which **goods are transferred from sellers to buyers.** The seller may sell directly to the buyer or through intermediation of wholesalers and retailers. More than one channel of distribution can be adopted at the same time; **for example, a wholesaler can sell through retailers and also directly to consumers.**



A glimpse of the activities covered in Marketing Mix showed in the figure 02



**Product Mix
and
Product Line**

What is Product-Mix ?

- Set of all product offered for sale by a company.
- It consist of various product line.

Product Line

- A product line is a broad group of products, intended for essentially similar uses and possessing reasonable similar physical characteristics.

Product Mix of Hindustan Unilever Limited

Home & Personal Care

Beverages

Personal Wash

Lux

Lifebuoy

Liril

Hamam

Breeze

Dove

Pears

Rexona

Laundry

Surf excel

Rin

Wheel

Skin Care

Fair & Lovely

Ponds

Vaseline

Hair Care

Sunsilk

Clinic +

Oral Care

Pepsodent

Close-up

Deodorants

Axe

Rexona

Tea

Brooke Bond

Lipton

Coffee

Bru

Segmentation, Targeting and Positioning (STP): A Marketing Tool/ Model

The STP Process



Segmentation




Market Segmentation refers to the process of **creation of small groups (segments) within a large market** to bring together consumers who have similar requirements, needs and interests.

In simpler words **market segmentation can also be called as Grouping.**

Basis of Segmentation:

- **Demographics which focuses on the characteristics of the customer.** For ex. age, gender, income bracket, education, job and cultural background.
- **Psychographics which refers to the customer group's lifestyle.** For example, their social class, lifestyle, personality, opinions, and attitudes.
- **Behaviour which is based on customer behaviour.** For example, online shoppers, shopping centre customers, brand preference and prior purchases.
- **Geographical location** such as continent, country, state, city or rural that the customer group resides.

Targeting/Target your best customers



Once the marketer creates different segments within the market, he **then devises various marketing strategies and promotional schemes according to the tastes of the individuals of particular segment.** This process is called targeting.

Example: Companies selling life insurance for people close to retirement age may **target** people 50 and over.

Positioning/Position your offerings



Positioning is **developing a product and brand image in the minds of consumers.**

Means by which goods and services can be differentiated from others and so give consumers a reason to buy.

What else it includes...

It can also include **improving a customer's perception about the experience they will have** if they choose to purchase your product or service.

Example of STP

Garnier offers broad range of products for both men and women.

Each of their brands has been targeted well amongst the specific market segments. (Men, women, teenagers as well as older generation)

Men - Sunscreen lotions, Deodorant

Women - Daily skin care products, hair care products

Teenagers - Hair colour products, Garnier Light (Fairness cream)

Older Generation - Cream to fight signs of ageing, wrinkles

A female would never purchase a sunscreen lotion meant for men and vice a versa. That's brand positioning.

An another example:



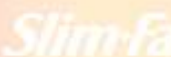
A pastry shop that specializes in custom-made freshly-baked desserts knows that its target market is mostly made up of local business owners and private party planners. Reaching this group can be done via vendor fairs and event hosting expos.



Brand...



Branding



Brands in our life; from Morning to Night



| | | | |
|-------|---|-------|--|
| 6.00 |  | | |
| 7.00 |  | 2.00 |  |
| 8.00 |  | 4.00 |  |
| 9.00 |  | 6.00 |  |
| 10.00 |  | 8.00 |  |
| 12.00 |  | 10.00 |  |

What is Brand ?

“A brand is **name, term, sign, symbol**, or a **combination** of them, intended to identify the goods and services of one seller or group of sellers and to **differentiate them from those of competition.**”



- LUX
- Lifebuoy
- Dove
- Hamam
- Pears
- Liril
- Breeze
- Rexona














There are few features of brand:



- Brand is Massive **asset**.
- Brand is **Promotional Tool**.
- Brand is Weapon to **Protect Market**.
- Brand is a **Means of Identification** for Customers.

➤ *According to <https://brandirectory.com/rankings/india/table>*

| 2020 | 2019 | Logo | Name | Country | 2020 | 2019 | 2020 | 2019 |
|------|------|---|---------------------|---|---|---|---|---|
| 1 = | 1 |  | TATA Group |  | \$20,001M | \$19,559M | AA+ | AA+ |
| 2 = | 2 |  | LIC |  | \$8,106M | \$7,322M | AAA- | AAA- |
| 3 ^ | 4 |  | Reliance |  | \$7,927M | \$6,332M | AA+ | AA+ |
| 4 v | 3 |  | Infosys |  | \$7,087M | \$6,501M | AA+ | AA+ |
| 5 = | 5 |  | State Bank of India |  | \$6,434M | \$5,973M | AA+ | AA+ |
| 6 ^ | 7 |  | HDFC Bank |  | \$5,927M | \$4,844M | AAA- | AAA |
| 7 v | 6 |  | Mahindra Group |  | \$5,735M | \$5,241M | AA+ | AA |
| 8 ^ | 15 |  | Indian Oil |  | \$4,970M | \$3,524M | AAA- | AAA |
| 9 = | 9 |  | HCL |  | \$4,889M | \$4,648M | AA+ | AA |
| 10 v | 8 |  | Airtel |  | \$4,460M | \$4,789M | AA+ | AAA- |
| 11 v | 10 |  | Wipro |  |  |  |  |  |

Branding



Branding is the **exercise of giving a specified name to a product** or group of product of one seller.

The process of finding and fixing the means of identification is called Branding.

In nut shell, **naming product, like a naming a baby, is known as branding.** Thus branding is management process by which product is named; i.e. branded.



Significance/ Importance of Branding

There are lots of advantages of Branding to the different people viz. **producers, middlemen, customers.**

Companies are putting lots of efforts/strategies to make the brand. Let's see..[..](#)

How to create a brand name?

1. Differentiated
2. Meaningful
3. Longevity
4. Imagery
5. Trademark-able



Don'ts in Brand Names



1. **Spelling-challenged:** Twyxt – Houzz - Svbtle
2. **Copycat:** Yammer
3. **Restrictive:** 24-Hour Fitness – 99c – Diapers.com
4. **Annoying:** combinations of initials.
5. **Curse of knowledge:** Mzinga – Eukanuba – SPQR restaurant
6. **Hard to pronounce:** Xobni



Term associated with Brand...

✓ Brand Image

Challenges Faced by the Marketer





Before we close...



Provision of Branding and Marketing

“PM Formalisation of Micro Food Processing Enterprises Scheme (PM FME Scheme)”



Registration

Registration



Handholding Support



DPR and FUPs



Application for the Subsidy



Banking Linkages



Technological Upgradation



Support to FPOs/
SHGs/ Cooperatives



Common Facilities



Branding & Marketing





❖ **Draft guidelines** minutely explains the provisions regarding Marketing and Branding support available under PMFME scheme from point no. 7.1 to 7.6.2.

❖ **Guidelines are available at niftem.ac.in**

Case in point.....of few micro enterprise (s)



- Importance of Market Research
- Turmeric powder Manufacturer.
- Case of the Paper Boat

A PROFESSOR EXPLAINED MARKETING TO MBA STUDENTS

1. You see gorgeous girl in party, you go to her & say I am rich marry me.
That's Direct Marketing.
2. You attend party & your friend goes to a girl & pointing at you tells her, He' is very rich, marry him..
" That's Advertising"
3. Girl walks to you & says u are rich, can u marry me?
"That's Brand Recognition"
4. You say I m very rich marry me & she slaps you
"That's Customer Feedback"
5. You say I m very rich marry me & she introduces you to her husband.
"That's Demand & Supply Gap"
6. Before you say I m rich, marry me, your wife arrives
That's Restriction from Entering New Market...





Thank You

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Marketing is really theater. It's like staging a performance. - [John](#)

Detailed Project Report (DPR) & Bank Basics

What is a DPR?

It is a formal document presented to the lender/investor containing details of the business aimed at establishing its credit worthiness.

Who uses the DPR

- **LENDERS** to decide whether to provide credit facilities.
- **INVESTORS** to decide whether to invest in the business.
- **OWNERS** to monitor performance in line with projections.

Benefits of understanding the DPR

- Develop a better understanding of the business with financial overview.
- Evaluate performance and identify relevant relationships.
- Achieve efficient management of cash flows.
- Be able to forecast future business growth supported by financial data.

What's inside a DPR?

Promoters' details

Technical Details

Market Study

Project Cost and Finance Structure

Financial projections and ratios

Sensitivity analysis

Risk analysis and mitigation

Competitive analysis

SWOC Analysis

Promoters' Details

Promoter's Qualification - *the academic or professional background of the promoter*

Experience - *the past experience of the applicant with all key details*

Legal History- *organization form, litigation issues if any*

Ownership- *details about the promoters (proprietor, partners, key shareholders etc)*

Past Performance - *key past achievements of the business financially as well as in other parameters*

Technical Details

Product - - *the technical details as well as its utility and any USP related to the product.*

Manufacturing Process & Technology - *the manufacturing process including sourcing of raw material, machinery used, plant layout and the technology used.*

Market & Industry Details

Industry - *Size, Growth rate, Long-term Prospects*

Market Segmentation- *Various segments and the target market*

Project Cost and Finance Structure

Capital Expenditure: *the amount of investment required in fixed assets or long term assets*

Working Capital: *funds required for everyday operations of the business*

Sources of Funding: *proposed sources of funds including bank finance*

Financial projections and ratios

Financial Statements: *projected income statement, balance sheet, cash flows*

Key Ratios: *depicting financial performance of the business*

Sensitivity analysis

Sensitivity analysis shows the impact on net profit if the sales forecast fluctuates from the projected figures. It can also be studied with respect to other key variables. As we can never be 100 percent accurate about any forecast due to the dynamic nature of the business environment, sensitivity analysis acts as a tool of risk measurement. This analysis is also termed as a ‘What-If’ analysis as it predicts the outcome under different conditions.

Risk analysis and mitigation

Types of risk associated with the business- financial, operational or economic depending upon the nature of the industry and strategies to reduce them should be explained.

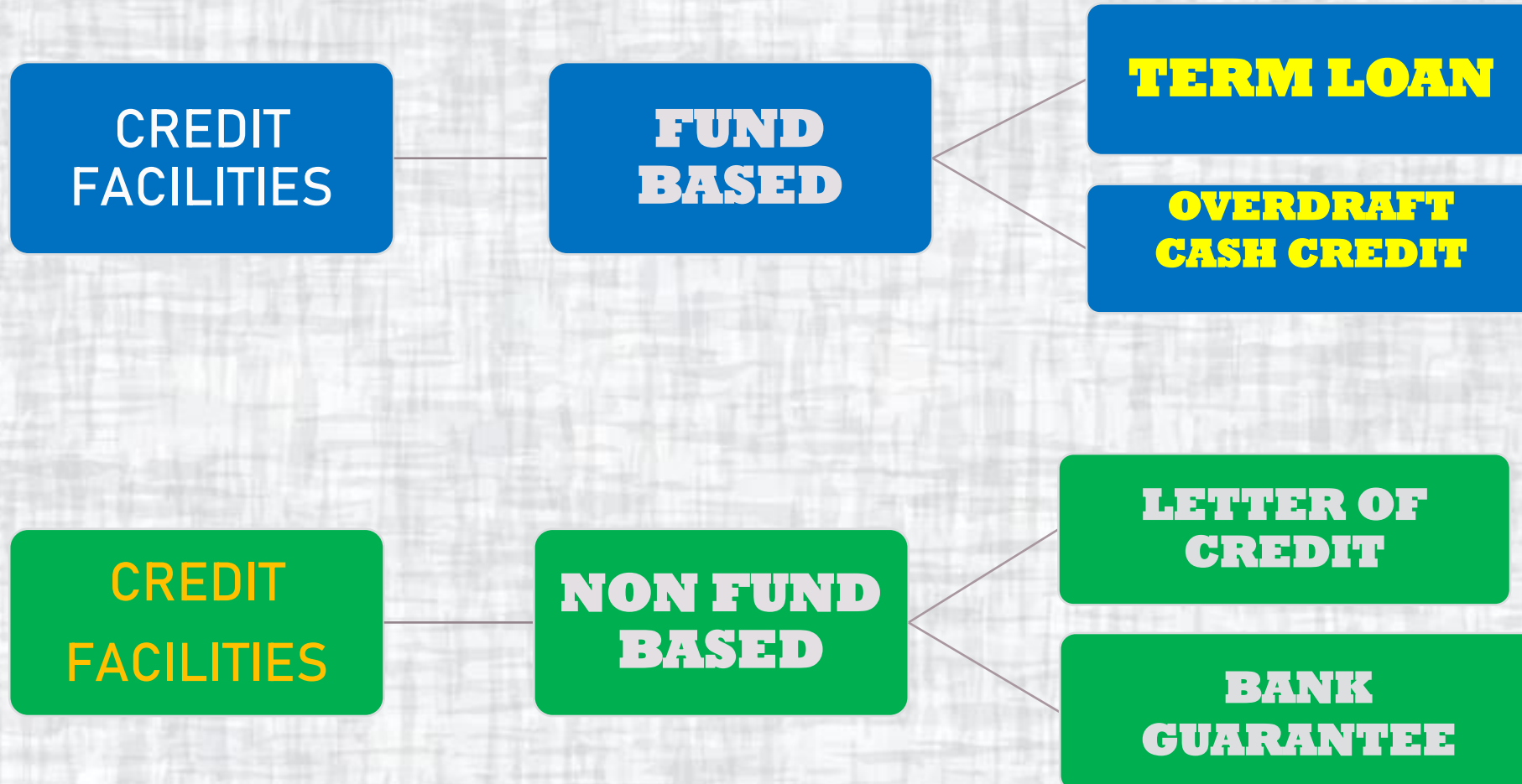
Competitive analysis

This section focuses on competitor analysis which describes present and possible competitors, impact of competition and strategy to face it. It is a separate section in bigger projects while in smaller projects , it may be mentioned under market scenario.

SWOC Analysis

Strengths, Weaknesses, Opportunities and Challenges for the business may be described for a better assessment of the future potential of the business.

TYPES OF BANK FINANCE



Fund based Credit Facilities

Term Loan: As the name suggests, it is a credit facility granted for a term. It is used to finance fixed or long term assets like building, plant & machinery, furniture and fixtures, vehicles etc.

Cash Credit: This facility is used to fund the working capital requirements of the firm like purchase of stock, holding of finished goods, financing of debtors (credit sales) etc.

Overdraft: This relates to overdrawing allowed by banks to meet trade exigencies.

Non-Fund based Credit Facilities

Letter of Credit: The Bank gives a guarantee of payment to the seller on fulfillment of all terms of sale and presentation of the related documents.

Bank Guarantee: The bank guarantees payment to the beneficiary on non fulfillment of contract terms by the customer.

ASSESSMENT OF CREDIT FACILITY

1. TERM LOAN

- **Term Loan assessment is done on the basis of projected cash flows which are dependent on earning capacity and life of the asset**
- **Loan period is between 5 to 7 years which in some cases may go up to 10 years.**
- **The decision is based upon Debt Service Coverage Ratio (DSCR) which should be between 1.5 to 2.**

ASSESSMENT OF CREDIT FACILITY

2. WORKING CAPITAL

- **Limits up to Rs.5 crores are normally assessed on the basis of turnover method.**
- **This method assumes CC limit requirement as 25% of the annual turnover.**
- **Bank will finance 80% of the assessed limit while the remaining 20% would be provided as margin.**
- **Operating Cycle may be used in case of seasonal businesses.**

FINANCIAL INFORMATION IN DPR



- 1. COST OF PROJECT**
- 2. MEANS OF FINANCE**
- 3. ASSUMPTIONS FOR COST AND SALES**
- 4. PROJECTED INCOME STATEMENT**
- 5. TERM LOAN REPAYMENT**
- 6. DEPRECIATION ON FIXED ASSETS**
- 7. BALANCE SHEET**
- 8. CASH FLOW STATEMENT**
- 9. DEBT SERVICE COVERAGE & OTHER KEY RATIOS**
- 10. BREAK EVEN ANALYSIS**

FINANCIAL INFORMATION IN DPR



1. COST OF PROJECT

Overall financial layout of the project

2. MEANS OF FINANCE

Sources of Funding- Self Contribution plus bank finance/other sources

3. ASSUMPTIONS FOR COST AND SALES

The basis for unit cost and unit sales

4. PROJECTED INCOME STATEMENT

Forecast of items of revenue and expenses for a particular time

5. TERM LOAN REPAYMENT

Repayment schedule of the term loan during the loan tenure

FINANCIAL INFORMATION IN DPR



DEPRECIATION ON FIXED ASSETS

Rate and schedule of deprecation of fixed assets

BALANCE SHEET

Statement of Assets, Equity and Liabilities

CASH FLOW STATEMENT

Inflow and outflow of cash under operating, investing and financing activities

DEBT SERVICE COVERAGE & OTHER KEY RATIOS

Ratios to analyze profitability, liquidity and solvency

BREAK EVEN ANALYSIS

The no profit-no loss level of operations

THREE FINANCIAL STATEMENTS- PAST & PROJECTED



Income Statement

- Revenues and Expenses related to the business

Cash Flow Statement

- Movement of Cash in and out from the business

Balance Sheet

- Assets and the sources of their finance



Why is the Income Statement Important?

- The items of revenue and expenses can give us good insight about a company's business performance.
- The net profit is a important figure as it leads to calculation of earnings per share which is a crucial figure for owners of the business and the prospective investors.
- This is also used as a key input for valuation of businesses.



Why is the Balance Sheet Important?

- The balance sheet shows the overall financial position of a business *on a given date*.
- It is used by shareholders, creditors and analysts to determine the risk profile as well as profitability position of the business.
- Various key analytical ratios are derived from this statement.



Why is the Cash Flow Important?

- This statement is important as it shows how cash has been handled throughout the year.
- It helps the finance manager to plan well in advance for cash so that there are no liquidity problems.
- Many times, the firm may show a large profit but a small cash balance. The cash flow statement can explain the reasons for this in a comprehensive manner.

THREE CRITICAL TESTS OF FINANCIAL HEALTH

LIQUIDITY ★ **PROFITABILITY** ★ **SOLVENCY**



- The ability to convert assets into cash in order to meet financial obligations.



- The ability to generate profit from operations.



- The optimal mix of debt and equity in the capital.

SIGNIFICANCE OF FINANCIAL RATIOS

- Ratios are used to gauge the financial health of business on all important parameters.
- They help in comparing performance with industry and competitors.
- They help the management to identify deficiencies in the firm's performance and take corrective action.
- They are used in making budgets and evaluating employee performance.

BASIC RATIOS FOR LIQUIDITY

Show a firm's ability to pay short term debt obligations

1. Current Ratio

Minimum 1.33 accepted by banks

Current Assets divided by **Current Liabilities**

The proportion of current assets relative to current liabilities. It hence shows the level of liquidity enjoyed by the business.

2. Quick/Acid Test Ratio

Current Assets less Inventory divided by **Current Liabilities**

Stock/Inventory is excluded from the current assets to get a more aggressive outlook of liquidity.

BASIC RATIOS FOR PROFITABILITY

Show a firm's ability to generate profit from operations/investment

1. Gross / Operating / Net Profit Ratio

Gross or Operating or Net Profit divided by Sales

Derived from the Income Statement, this ratio compares the amount of net /gross profit with total sales.

2. Return on Assets/Equity

Net Income divided by Total Assets or Total Equity

Here the profit is compared to the total assets employed in the business.

RATIOS FOR SOLVENCY

Show a firm's ability to service its debt obligations

1. Debt - Equity Ratio

Total debt divided by Total Equity

This ratio describes the proportion of long term outside liabilities to the equity contributed by the owners and is a measure of long term solvency.

2. Debt Service Coverage Ratio [DSCR]

Net Operating Income divided by Total Debt Obligation

It is a measure of how sufficient are the earnings of a firm with respect to its debt repayment obligations.

BREAK EVEN ANALYSIS

- It helps to determine the point of sales at which it can cover all the costs.
- It is important as it is required as a crucial input in operational planning.
- The break-even data can help us analyze the revenue, costs, profit or loss at different levels of production.

BANK DECISION TO SANCTION CREDIT INVOLVES EXAMINATION OF:

Prima Facie Acceptability

Bank's / RBI / Government Rules and regulations; Credit Report : Various Defaulter's List; Exposure Norms; Constitution of the Applicant; Take Over Norms; Various Licenses – Pollution Clearance Certificate; KYC Compliance & Market Report

Technical Feasibility

Selection and compatibility of Machines; Capacity of Machines – installed capacity and operating capacity; Input – output ratio of Raw Materials and Finished Products, Wastage, Availability of Raw Materials, Power, Water, Labour Etc; Factory Layout and accessibility; Disposal of wastes and effluents;

BANK DECISION TO SANCTION CREDIT INVOLVES EXAMINATION OF:

Economic Viability

Demand & Supply; Taste & Preference of users; Competition; Techno Economic Viability Report

Financial Feasibility

Cost of Project- Land & Land Development, Civil Constructions; Machineries; Furniture & Fixtures, Contingencies; Means of Finance : Bank Loan, Margin / Subsidy

Commercial Viability

Profitability Study; Break Even Analysis; DSCR analysis

BANK DECISION TO SANCTION CREDIT INVOLVES EXAMINATION OF:

Managerial Competence

4 Cs - Character, Capacity – Experience, Expertise, Capital-Sources, Collaterals- Value & Acceptability

Pre Sanction Inspection & Market Report

Personal Assets & Liabilities; Net Means; Market Report

SAMPLE DPRs

See and download

http://niftem.ac.in/site/Internal_NIFTEM.aspx?menulevel=2&MenuID=143

<http://iifpt.edu.in/ab-pmfme.php>

DEALING WITH THE BANK

ESSENTIAL DOCUMENTS FOR BANKS

- **Last 3 years Audited/Provisional Financials**
- **Current year performance and projected turnover on letterhead of the entity**
- **Income Tax returns of the borrowing entity (along with Computation of Income),**
- **Latest Bank Statements for last 6 months**
- **Project report containing cost of project, means of finance, expenditure incurred and projections along with justifiable details.**
- **Government approvals for power, Pollution, Building plan along with documentary proofs**
- **Invoices of assets to be purchased**

Cash Credit Accounts

1. Routing Sales and Purchases through Bank Account

The business should try to route maximum sale proceeds through bank account only which means that majority of the sale proceeds should be credited in the CC account. Even if cash sales are made, the same should be deposited in the account as it will provide evidence of sales and help you in putting your case for limit enhancement at the end of the year.

2. Do not mix personal expenses with those of business

Self drawn cheques are not allowed in Cash Credit Accounts.

Cash Credit Accounts

3. Do not overestimate your limit requirement

In order to keep surplus cash flow, businesses tend to overestimate limit requirement. This should be avoided as underutilization of limit will lead to commitment charges in the account.

4. Cash Credit limit is assessed annually and it can be increased or decreased depending upon the sales so timely renewal based upon documents is essential.

Since renewal takes time for the bank officials as they have to process the entire application based upon the past year performance, it is advised to present all related documents well before expiry of the limit. This will ensure timely renewal.

Cash Credit Accounts

5. Audited financials are required for turnover more than Rs. 1crore.

Timely audit must be conducted before submitting the financial statements to the bank and all deficiencies must be rectified.

6. The business should maintain the books of stock updated all the time as the business premises are subject to inspection by the bank periodically.

The books of stock are subject to inspection by the bank periodically. Upon inspection, if the physical stock does not tally with the records, the bank may seek an explanation regarding the same.

Cash Credit Accounts

7. Debtors more than three months old are generally not accepted.

The business unit should try to reduce their collection period. At the same time the record of debtors should be kept up to date.

8. Merely serving interest on limit is not enough.

The biggest misconception among the CC limit users is that they have to only serve the interest which is charged at the end of every month. This highly reduces the chance of enhancement of limit in the following years and also often assumed as diversion of funds by the bank.

Current Accounts

- If you have a existing current account in another bank then obtain an NOC from the former to open a new current account in another bank.
- Apply for cheque books at least 15 days in advance as they are printed with the accountholder's name.
- Avoid cash transactions in current account particularly of large size so that they are not reported as suspicious transactions.
- For small centres, inform bank branches in advance for any exceptional withdrawals as they keep cash at lower level to maintain cash retention.

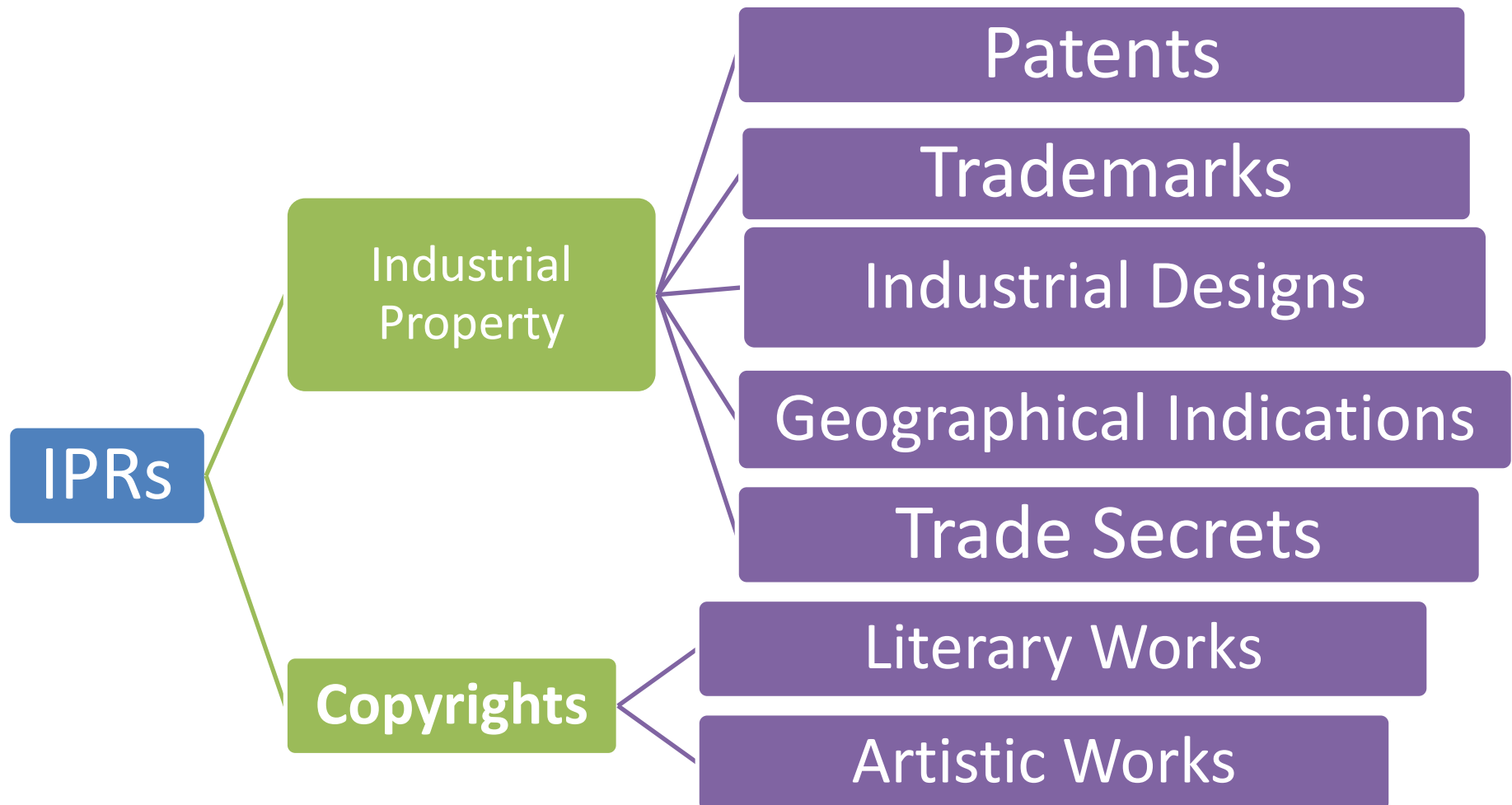
Discussion

INTELLECTUAL PROPERTY RIGHTS(IPRs) For ENTREPRENEURS

IPRs are the rights granted to the inventors of intellectual property.

Like Physical property, intellectual property also needs protection

Different Types of Intellectual Property



Exclusive rights granted to an individual for his/her invention (not discovery).

May be any product or process or both

Which offers an innovative (new) and none obvious method of doing something

Ex. : The functioning valve used in food and cosmetic products by companies like Heinz and Gerber was invented and got patented by Paul Brown in the year 1991.



Patentable subject matter

Invention must

- ◆ relates to a **Process or Product or both**
- ◆ be **new (Novel)**
- ◆ involves an **inventive step (not obvious to the person skilled in that art)**
- ◆ be **Capable of industrial application**
- ◆ **not fall under Section 3 and 4**

NEW MEANS:

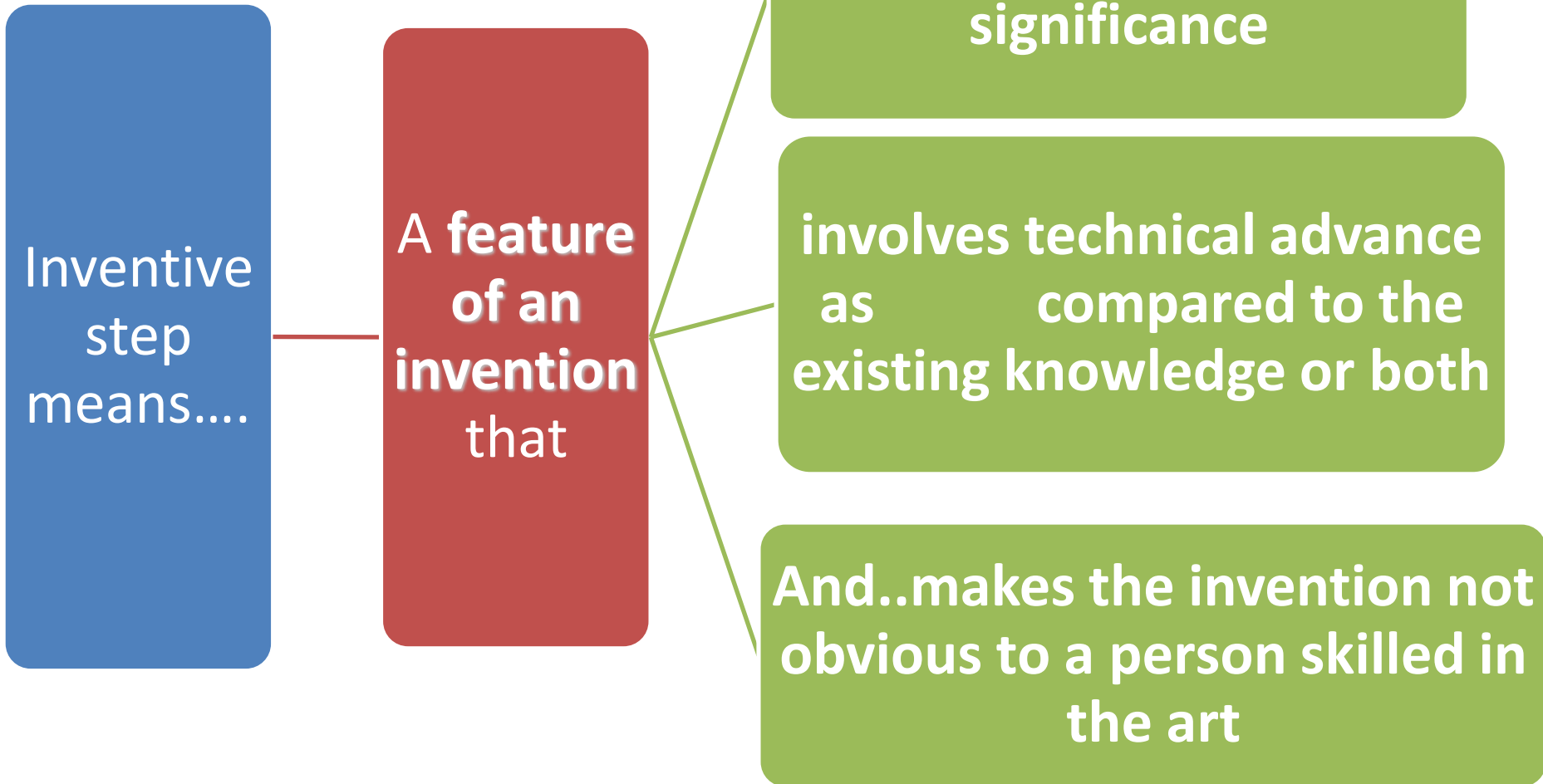
The invention must not be published anywhere either in India or elsewhere

Also, it must not be in prior public use or prior public knowledge.

The claims made in the patent specification must not be claimed before in any of the specifications.

Few exceptions are provided in the Indian Patent Act under which the patent application can be filed despite public disclosure, and such public disclosure will not be considered to have been anticipated.

1. Anticipation by previous publication (Sec. 29) (without your consent, somebody derived from you and published)
2. Anticipation by previous communication to the government (Sec. 30) (usually for examination purposes)
3. Anticipation by public display (Sec. 31) (within 12 months)
4. Anticipation by public working (Sec. 32)
5. Anticipation by use and publication after provisional specification (Sec. 33)



- To be patentable : an improvement on something known before or a combination of different matters already known,
 - should be something more than a mere workshop improvement;
 - must independently satisfy the test of invention or an ‘inventive step’
 - must produce a new result, or a new article or an improved or less costly article than before.

Novelty Vs Inventive Step

| S.No | Novelty | Inventive Step |
|------|--|---|
| 1 | Novelty deals with that whether the invention is new as compared to prior art. | The inventive step helps in determining the amount of improvement which is sufficient for a patent. |
| 2 | If in <u>any single document</u> , the exact citation is there which is similar to the claimed invention, then novelty is considered to be violated. | Obviousness is claimed, even if there are citations in multiple documents and not in a single document. |

- **A patent provides protection for the invention to the owner of the patent.**
- **The protection is granted for a limited period, generally 20 years.**
- **Patent Act 1970**

The following aspects need to be looked into while determining inventive step in the invention :

- What problem will be addressed by the invention?
- Is the problem existing since long?
- How impactful the problem looks?
- Which other solutions were presented for the problem in that period?

Lack of Inventive Step : Examples

- When there are only the equivalents of known art in the proposed invention.

Example- Proposed use of digital motor in place of already existing electric motor in a pump

- When the Invention tries to fill the existing gap in prior art, but the proposed invention becomes obvious to the skilled person.

Example- Suppose the patent is claimed for a building structure which is made from Aluminum and the prior art already shows such a structure which is made up of a light weight material, only the name Aluminium is missing.

Industrial
application
means

- Invention is capable of being made or used in any kind of industry

Few Examples from food

- A process for preparing tender coconut wine through fermentation of tender coconut water from tender coconuts ripened 7 months or below and further claims the produced wine to be highly healthy, hygienic and nutritional beverage.
- A process for preparing a soy curd comprising the steps of selecting soy bean, soaking the soy bean, grinding and preparation of soy milk, making of soy curd for the fermentation, and final processing of soy curd.

Wide range of *types* of recipes that have earned U.S. patent protection:

- **Microwavable:** Sponge cake that can rise when microwaved (6,410,074)
- **Shelf life:** Single-dough cookies that store well (4,344,969)
- **Flavoring:** Additive that improves chocolate flavor in baked goods (3,733,209)
- **Convenience:** Toaster cookies (6,093,437); ready-to-bake dough (5,560,946)
- **Appearance:** Confections that swim in a carbonated beverage (6,319,535)

Protection offered by Patents

- Patent protection means that the *invention cannot be*
 - commercially made
 - Used
 - distributed or
 - sold

without the patent owner's consent.

Rights of a patent owner

- ***A patent owner has the right to***
 - ***decide who may – or may not – use*** the patented invention for the period in which the invention is protected.
 - ***give permission or license to other parties*** - to use the invention on mutually agreed terms.
 - ***sell the right of the invention to someone else***, who will then become the new owner of the patent.

- **Once a patent expires, the protection ends, and an invention enters the public domain.**
- **The owner no longer holds exclusive rights to the invention, which becomes available to commercial exploitation by others.**

In India, the Patent rule says :

Its **'First to File'** who will get the patent, while in some countries, its **'First to Invent'** who gets the patent

Obtaining a Patent

- File an application for patent
 - With one of the patent offices based on territorial jurisdiction of the place of office or residence of the applicant /agent
- Information concerning application form and details of fee available at www.ipindia.nic.in
- Guidelines for applicants also available on this website

Provisional Specification (Section 9)

- When the applicant finds that his invention has reached a presentable form but not the final shape,
- May prepare a disclosure of the invention in the form of a written description and submit it to patent office as a **Provisional Specification**
- Period up to twelve months for filing the complete specification

Application needs to be submitted in Form 2. The first page of the Form 2 should contain-

- (a) Title of the invention, (within 15 words)
 - (b) Name, address and nationality of each of the applicants for the patent
 - (c) Preamble to the description
- A provisional specification is not a rough draft or a skeleton of the Complete specification.
 - A provisional specification application do not replace the latter.

Both are permanent and separate documents.

Provisional Specification should have :

- field of invention and containing the background of the invention,
- object of the invention,
- statement of the principle underlying the invention and
- general statement of the actual invention

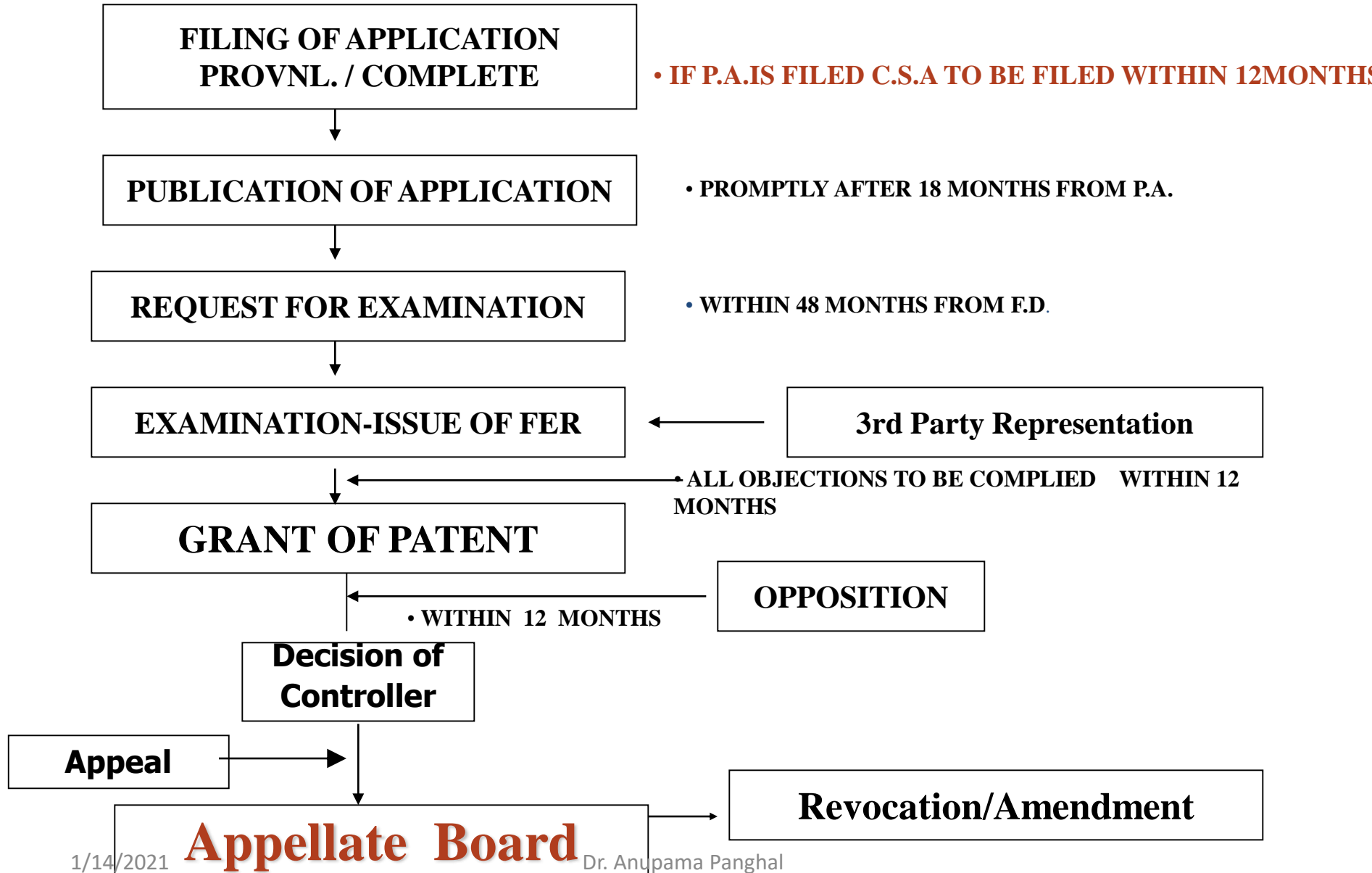
Complete Specification

The Complete specification is a techno-legal document which fully and particularly describes the invention and discloses the best method of performing it.

Complete Specification should have the following components:

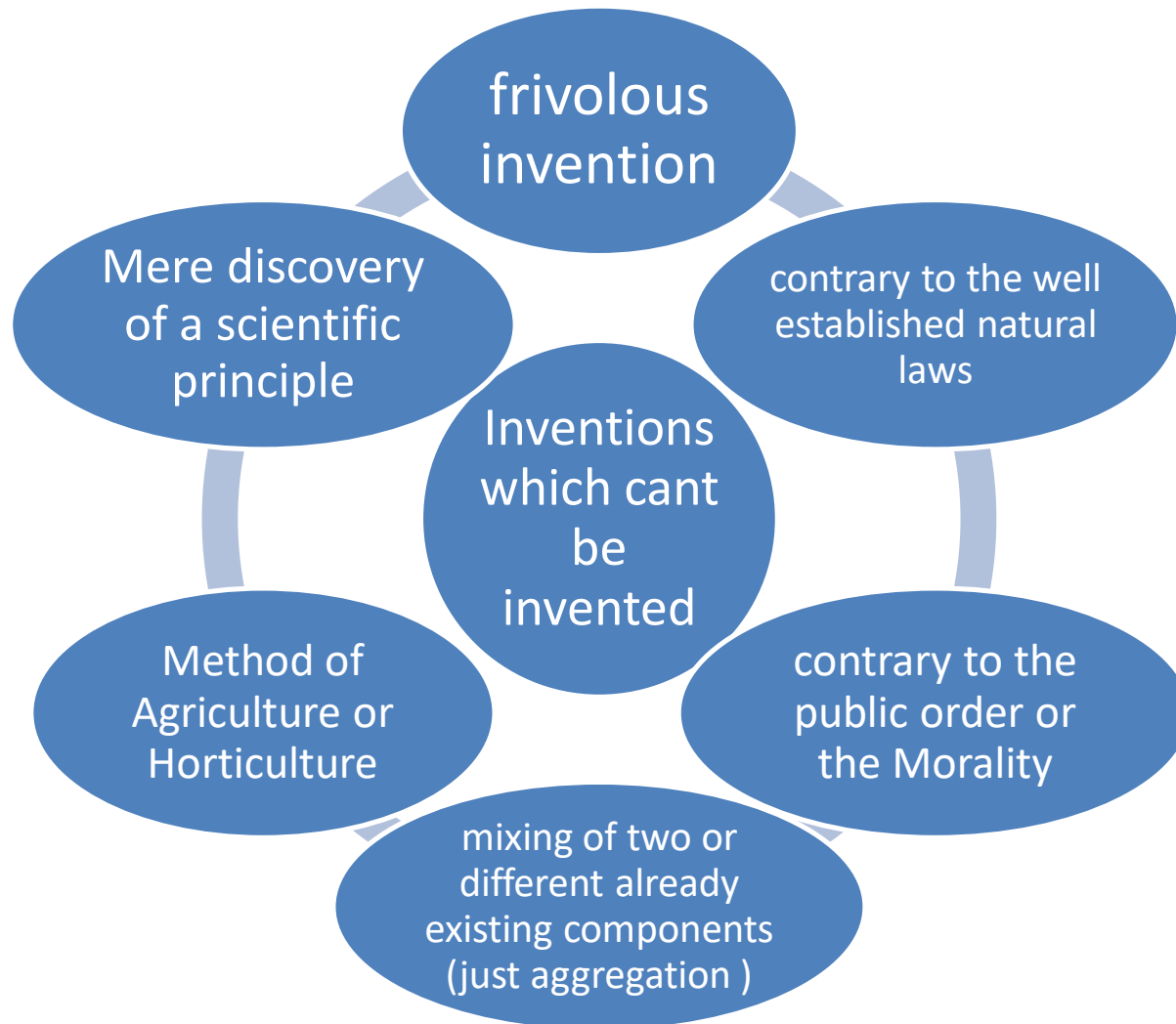
- a) **Field of Invention.**
- b) **Use of Invention : A brief statement of the advantages of the invention**
- c) **Prior Art**
- d) **Problem to be solved.**
- e) **Object of Invention(may be more than one)**
- f) **General statement of invention**
- g) **Detailed Description of Invention[with reference. to drawings , if any)**
- h) **Best method /example of working of the invention**
- i) **Statement of claims.**
- j) **Signature with date**
- k) **Drawings**
- l) **Abstract**

STAGES - FILING TO GRANT OF PATENT



Exceptions for Patents as per section

3 and 4 of Indian Act 1970



A sign or any combination of signs, which can distinguish a product or service from other products and services in the market, is (are) known as Trademarks.

- May be a **symbol** or **design** or **word** or **phrase** or a **combination of these**.
- Helps in identifying and distinguishing the source of products or services of one party.



Logos:

- Mcdonald : Golden arch



Pictures/Drawings:

- MSN's Butterfly



Combination of letters & designs:

IBM

Slogans:



TM



SM

Trademarks are granted for forever (renewal after every 10 years)

Compulsory Registration is not there

- An industrial design is the protection granted to the product (part or whole) because of its features like lines, shapes, patterns, colors, texture or material or its ornamentation.
- Designs are protected for 10 years from the registration date and may be extended to further 5 more years.
- Examples: Coca Cola's contour bottle, the pattern of writing polo on the tablet



1/14/2021

© Nestlé SA

Dr. Anupama Panghal



- Any information which is confidential and valuable for the business and is used as a secret to gain competitive economic advantage over others is known as trade secret.
- The secrets are maintained by companies by adopting their own ways and methods.
- Trade secrets cannot be registered anywhere.
- So, if any secret is leaked then the company cannot claim any type of right on that.
- For ex. The recipe and ingredients for Coca cola and Pepsi are maintained as secrets generation by generation and are never disclosed anywhere. The benefit of trade secret is that it never expires or there is no need of any type of renewal etc.



A geographical indication is a sign used on goods that have a specific geographical origin and possess qualities or reputation that are due to their place of origin.

- Uttarakhand tejpatta
- Nagpur Orange



1/14/2021

Dr. Anupama Panghal



Geographical Indications (GIs)

- ✓ GI is an indication of product origin
- ✓ Typically used to identify agricultural, natural or manufactured goods originating in a particular area
- ✓ Must have a special quality or characteristic or reputation based upon the **climatic** or **production** characteristics unique to the geographical location



Basmati Rice

1/14/2021

Geographical Indications

- GI identify goods but not a service
- GI cannot be created but **recognized**
- GI confirms the value of a product which already exists

The registration of a GI shall be for a period of **ten years** but may be renewed from time to time for an unlimited period, by payment of the renewal fees.

Copyright


Copyright is the protection granted to the ‘form of ideas’ created by an individual in the field of literary or artistic works.

Copyrights give protection only for physically expressed works and not to the unexpressed ideas.

It protects items such as paintings, drawings, sculptures, photographs, architecture, instruction manuals, software, databases, technical documentation, advertisements, maps, literary works, music, films or songs.

Two necessary conditions for grant for copyright is, that:

- It should originate from the creator itself (originality)
- It should be presented physically and not just a mere ideation

- No need of compulsory registration for the copyrights.
- The original creator can start using the symbol  on their piece of creation and it shows that it is protected by the claimant.
- Although it is always good to get the copyright registered so as to get much stronger protection.
- The copyrights get protection from the moment they are created till the death of author (creator) plus 60 more years after his or her death.

Kinds of Rights

- Economic rights
 - Cover the economic benefits from reproduction, broadcasting, public performance, adaptation, translation, public recitation, public display, distribution etc. to the creator and restricts other parties to perform any or all of these acts on his or her creation.
 - Grant the creator to restrict any type of distortion or modification to his or her creation, which may hamper his or her image or may showcase his or her creation in a morally wrong way, even after transfer of the economic rights or the end of copyright protection tenure.
- Moral rights

Thank You



Module-1 : Entrepreneurship

➤ What makes an entrepreneur - *Entrepreneurial?*

- **Managerial Thinking**
- **Strategic Thinking**
- **Entrepreneurial Thinking**

Managerial Thinking:

- Casual Reasoning
- Careful Planning and Subsequent Execution
- given set of means and seeks to identify the optimal, fastest, cheapest solution. eg: Make or Buy decision in Production

Strategic Thinking:

- Creative Casual Reasoning
- Creation of additional alternatives to achieve the given goal.

Entrepreneurial Thinking:

- Effectual Reasoning
- Customer oriented – who they are, what they know and whom they know.
- requires imagination, spontaneity, salesmanship

What Kind of Mindset Do You Have?



I can learn anything I want to.
When I'm frustrated, I persevere.
I want to challenge myself.
When I fail, I learn.
Tell me I try hard.
If you succeed, I'm inspired.
My effort and attitude determine everything.

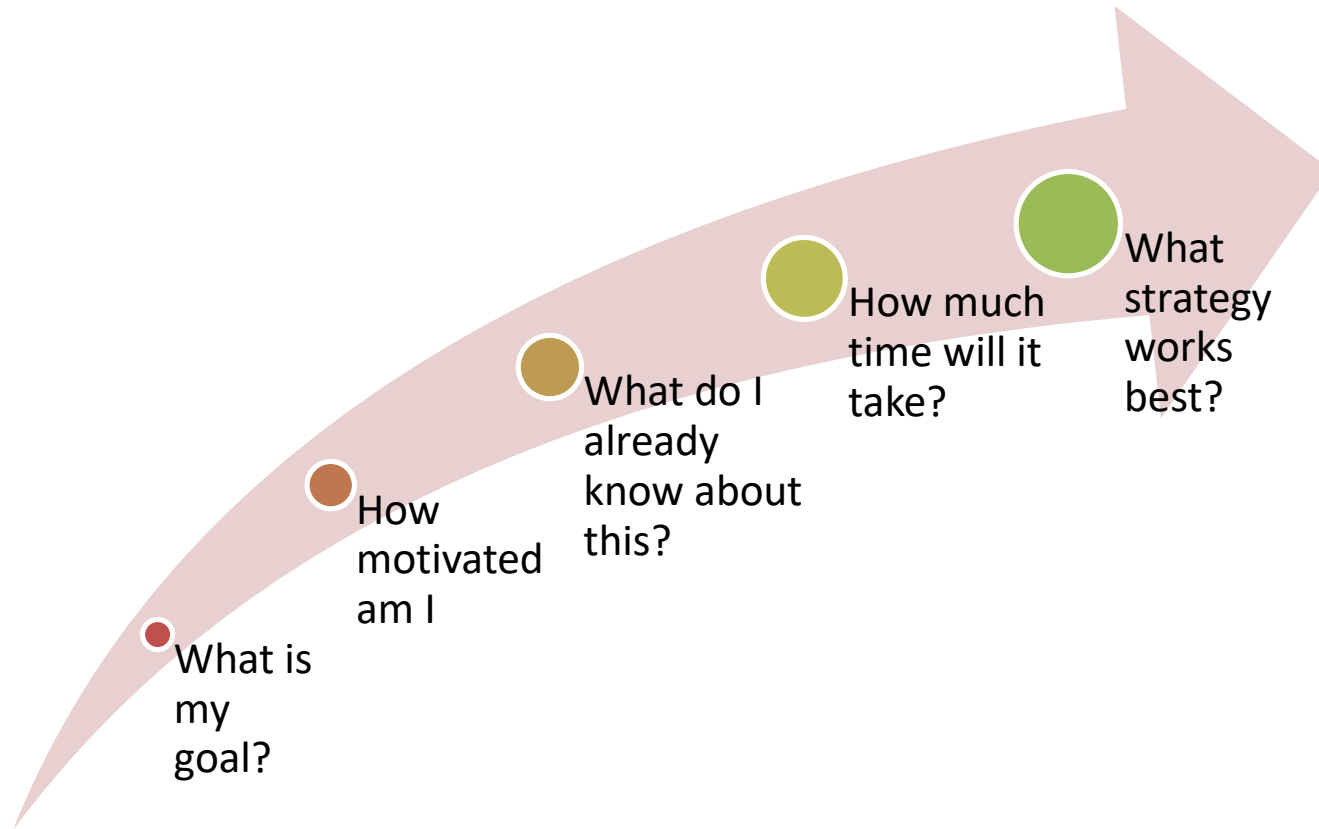


I'm either good at it, or I'm not.
When I'm frustrated, I give up.
I don't like to be challenged.
When I fail, I'm no good.
Tell me I'm smart.
If you succeed, I feel threatened.
My abilities determine everything.

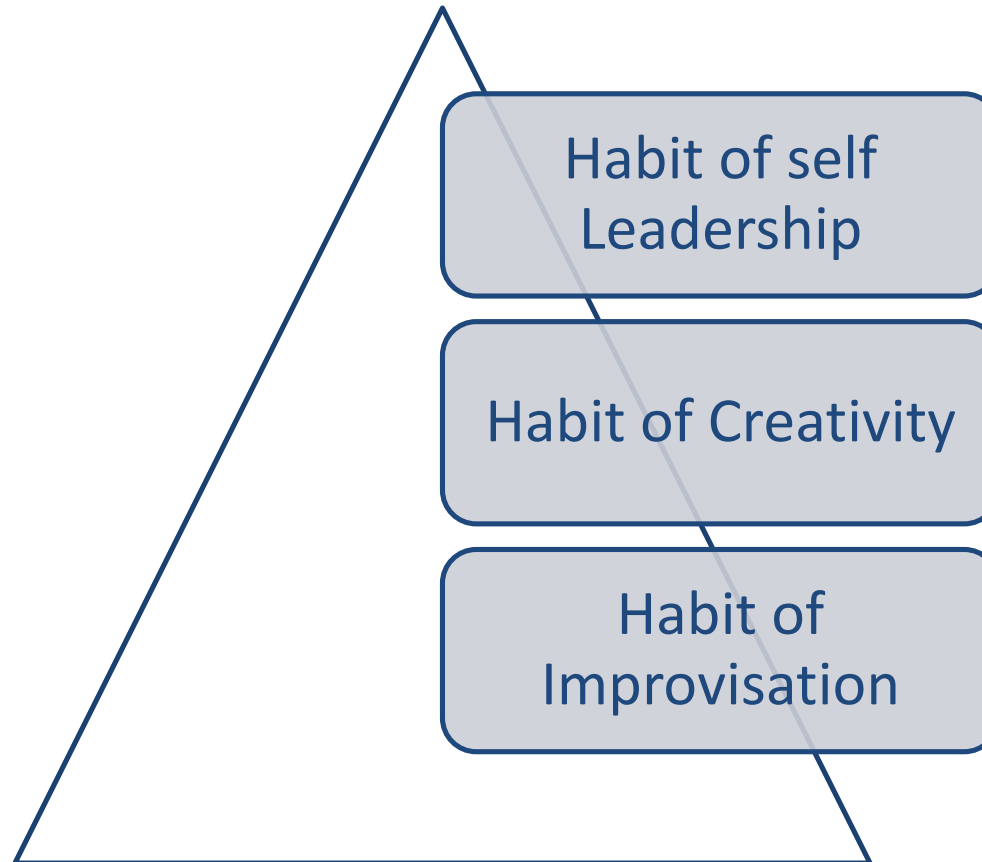
Created by: Reid Wilson @wayfaringpath ©🌐📧🌐 Icon from: thenounproject.com

Source: retrieved from <https://www.astridbaumgardner.com/>

Thinking about Yourself



Habits of Entrepreneurs



SELF – ASSESSMENT

- What gets you excited?
- What gives you energy?
- What motivates you to become entrepreneur?
- What do you want from your life?
- What do you want to be doing after one year, five year, ten years?
- What are your goals for your business and career?
- What are your priorities: family, friends, business?
- What are your core values for business?
- How much time your are willing and able to devote time in business?
- What drains out your energy?

**Personal Aspirations
and readiness for
entrepreneurial
readiness**

PERSONA CANVAS



NEGATIVE TRENDS
Negative trends from the environment

POSITIVE TRENDS
Positive trends from the environment

HEADACHES
Professional and work related issues

OPPORTUNITIES
Professional and work related positive outcomes

FEARS
Personal issues

HOPES
Personal goals and hopes

NEED
What does this person really want?

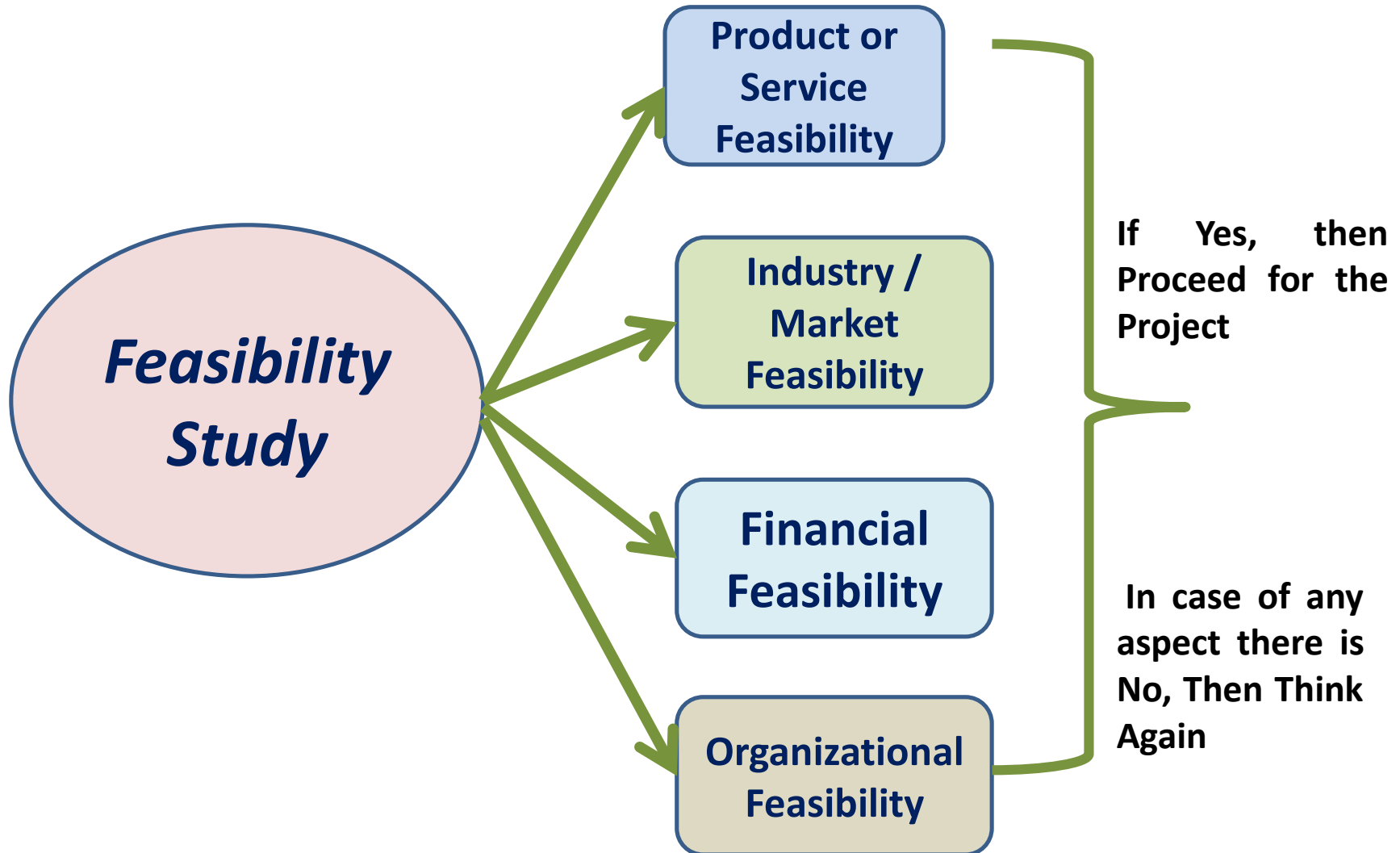
NAME _____

ROLE _____

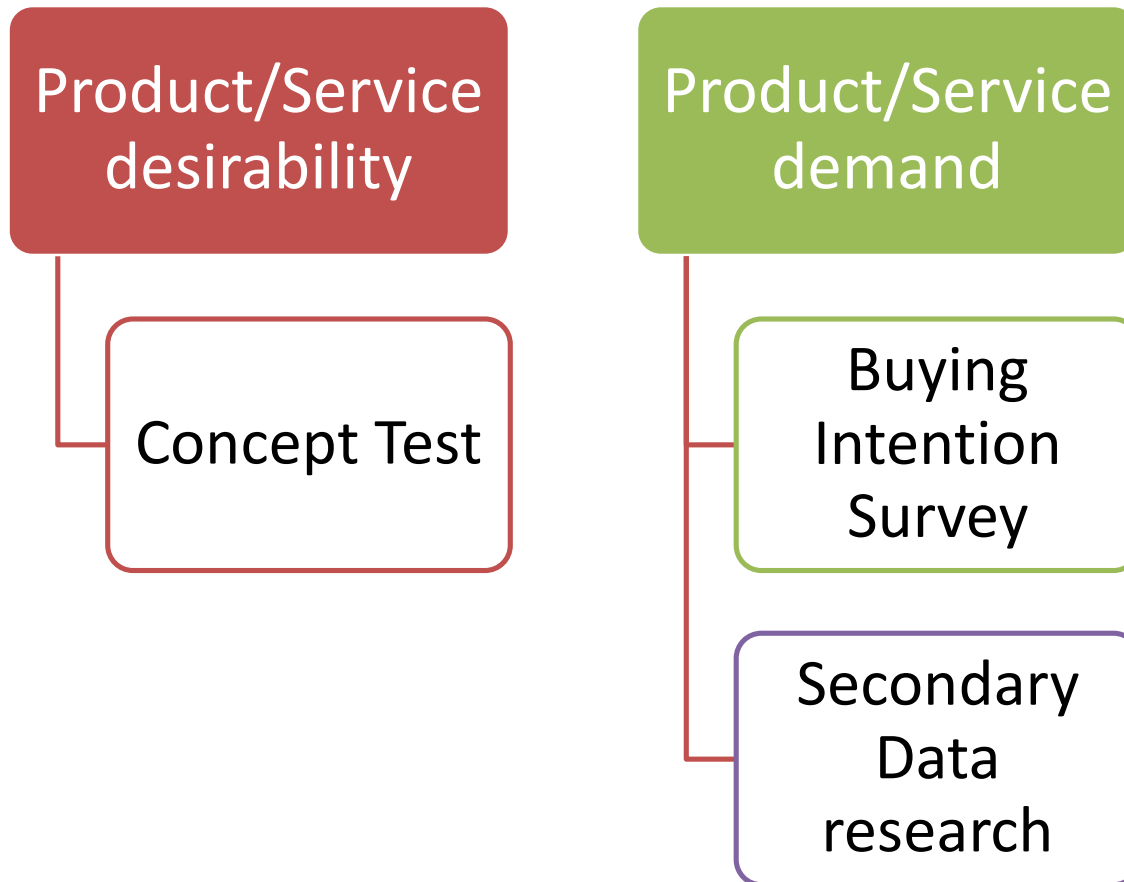
BY **DESIGNABETTERBUSINESS.COM**
This work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License. <http://creativecommons.org/licenses/by-sa/4.0/> or send a letter to Creative Commons, 171 Second Street, Suite 300, San Francisco, California, 94105, USA.

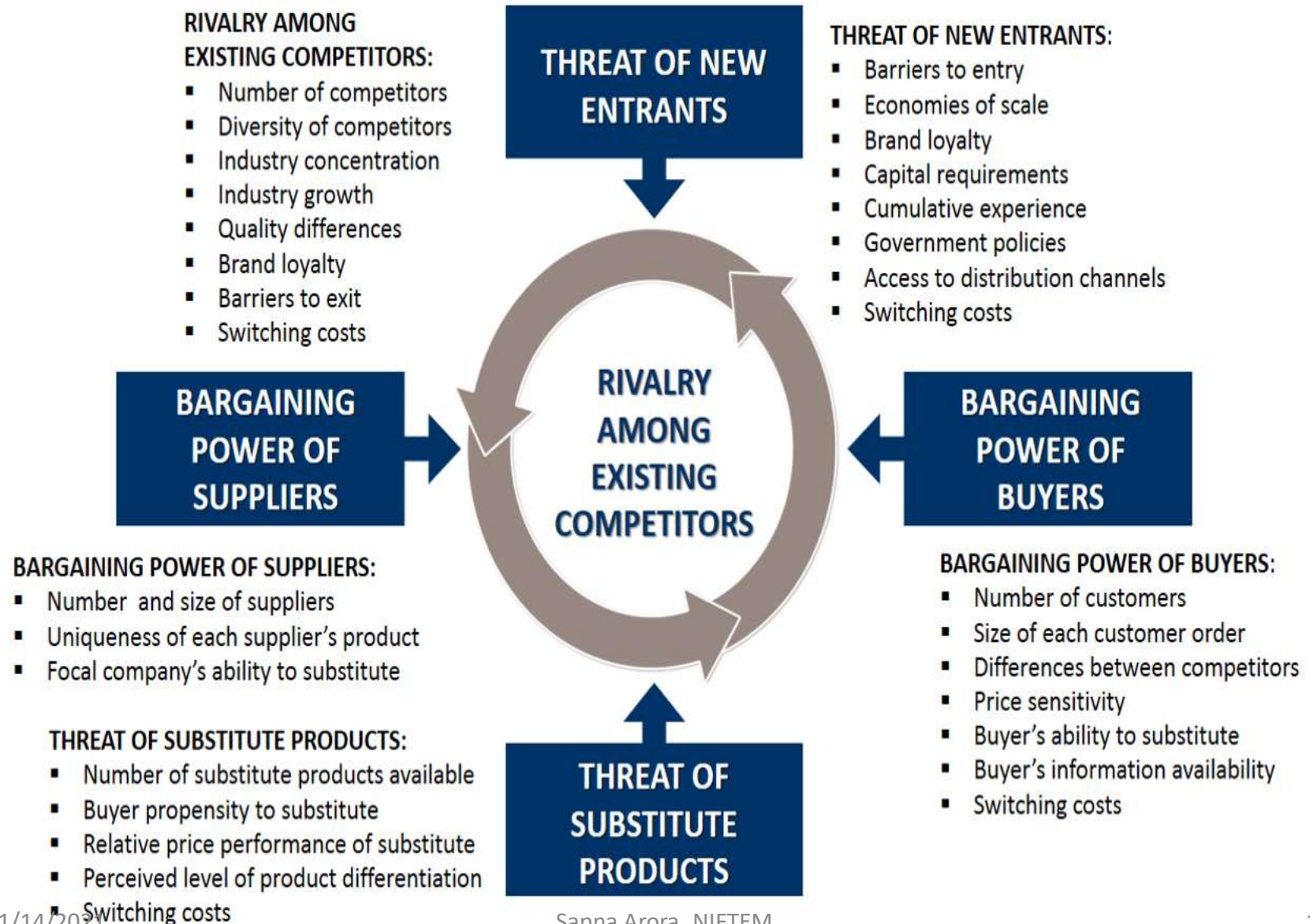
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Feasibility Study-Preparation



Product/Service Feasibility



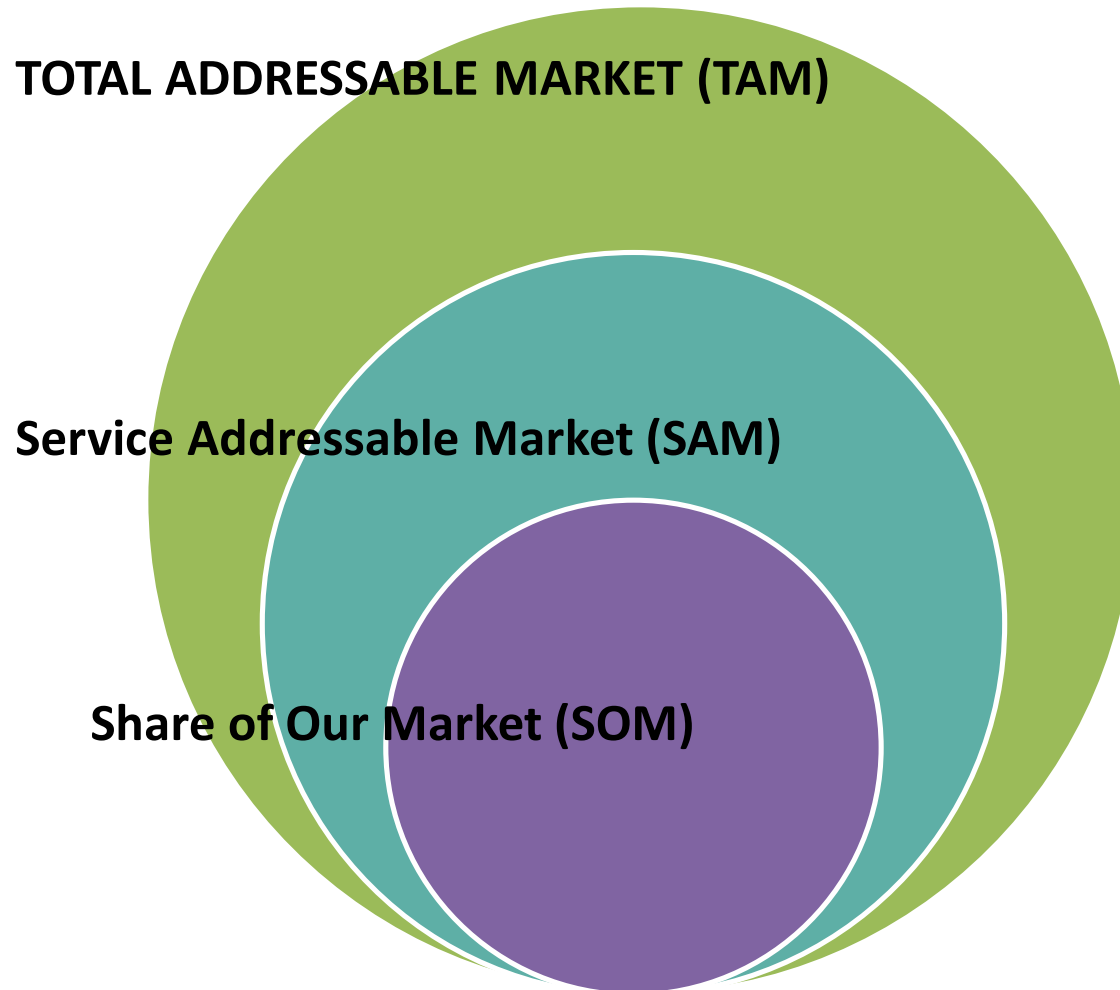


For Instance:

•**Attractive Industry:**

- Higher entry barriers
- Weak Bargaining power of Suppliers
- Weak Bargaining power of Suppliers
- Low competition
- Few substitutes are available

SUBSETs of YOUR MARKET



Financial Feasibility

- Total start up Cash Needed
- Estimated Earnings
- Time Out of cash
- Return on Investment
- Financial Performance of Similar Business

Organizational Feasibility

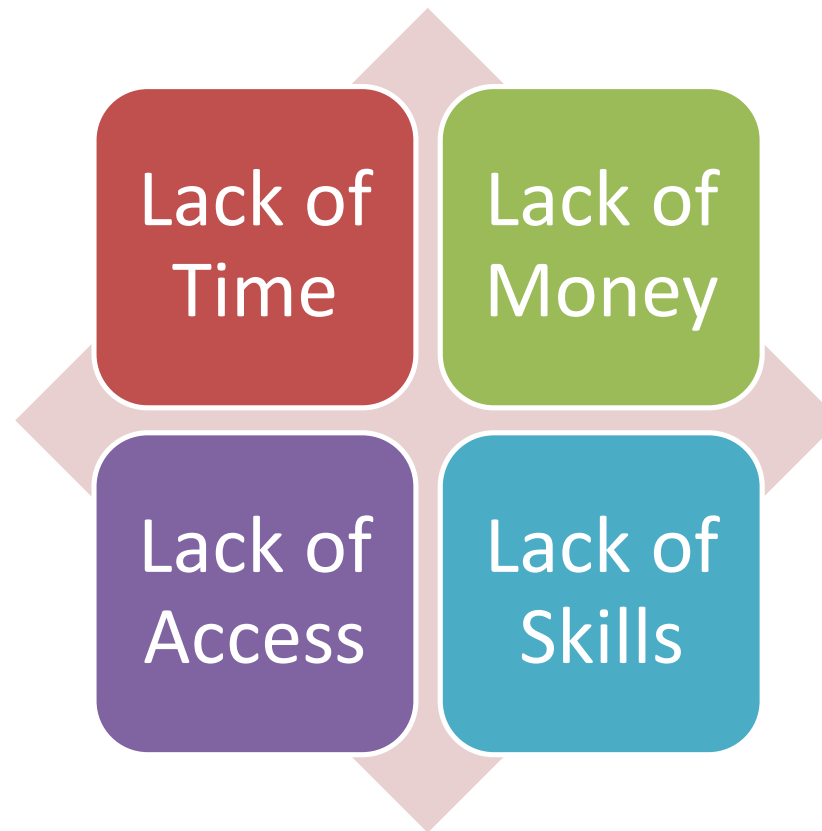
- Management Prowess
- Resource Sufficiency

Points to Check in Feasibility Study

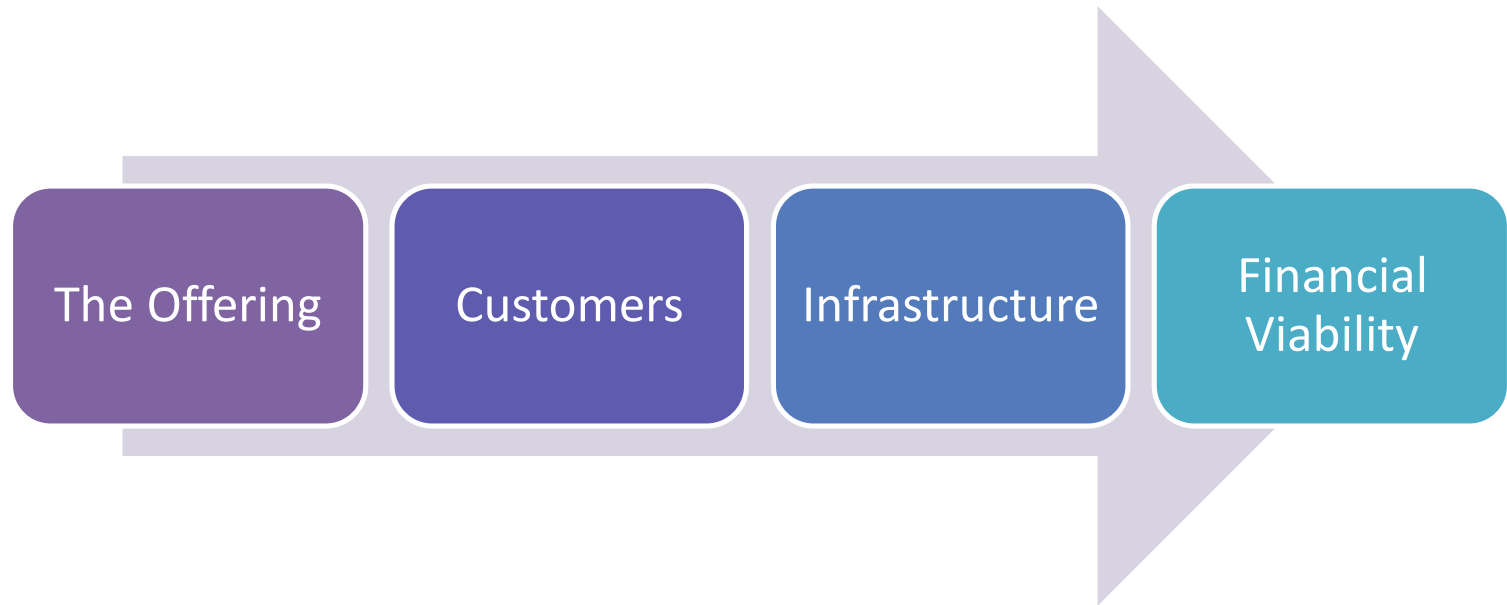
- Does this Idea fulfill a need or solve a big problem?
- What is Market Potential – Short Run and Long Run?
- Know your Audience – their need, willingness & ability to pay.
- Is their uniqueness in your product or service for competitiveness?
- Is Business Model Feasible and Viable?

Business Model Canvas

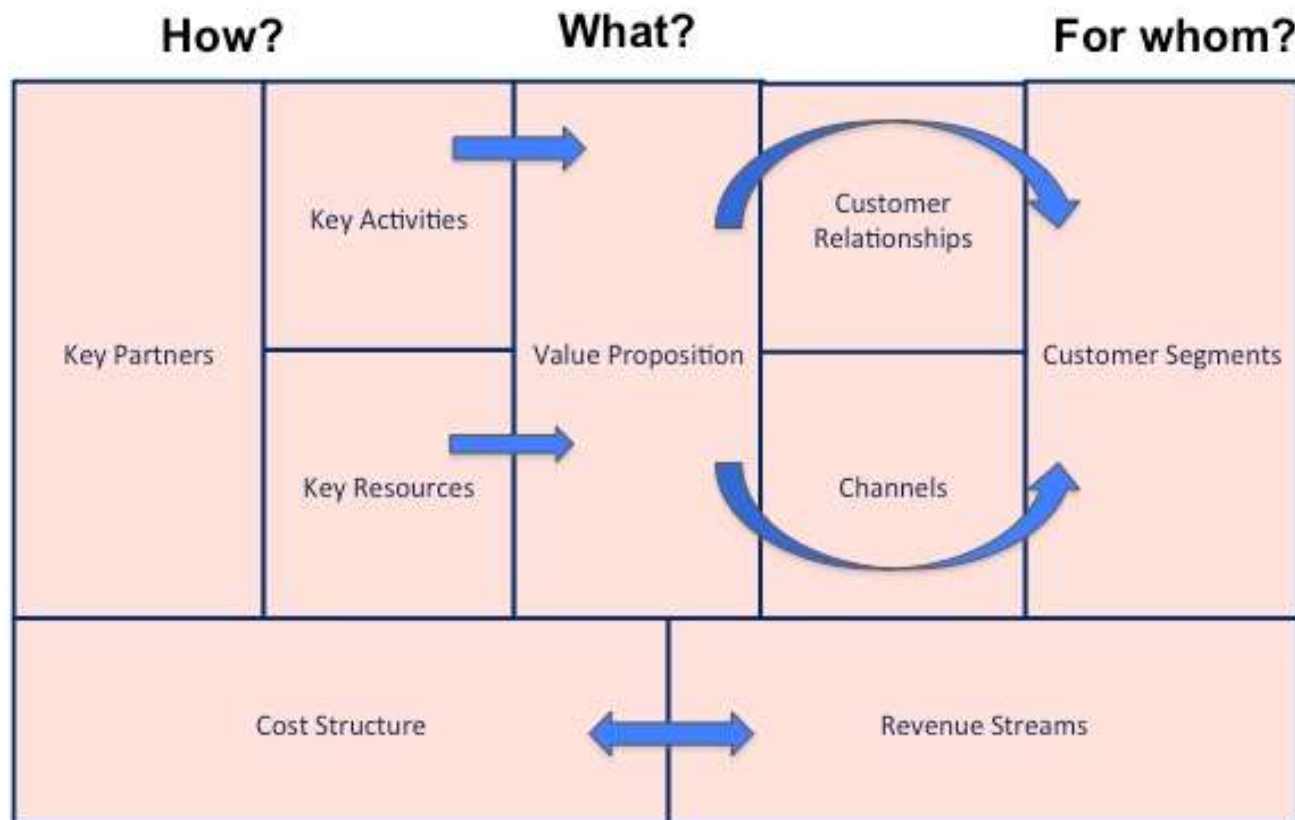
Four Problems Experienced by Customer



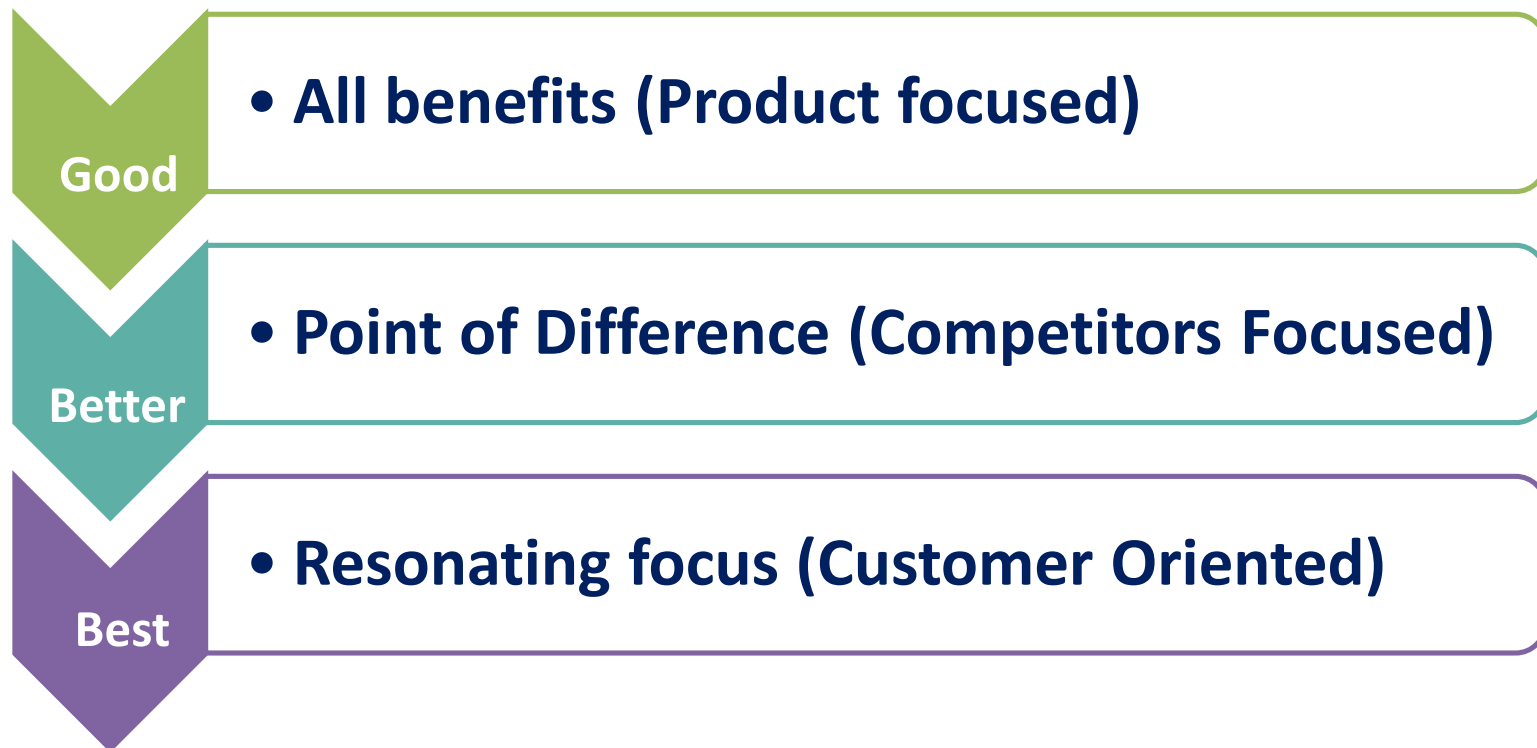
The Parts of Business Model



The Business Model Canvas



Types of Value Propositions



Critical Factors

What do my customer want



- ✓ Who are they?
- ✓ What is the buying behavior i.e. price sensitive, disposable income etc

How my firm will face the competition



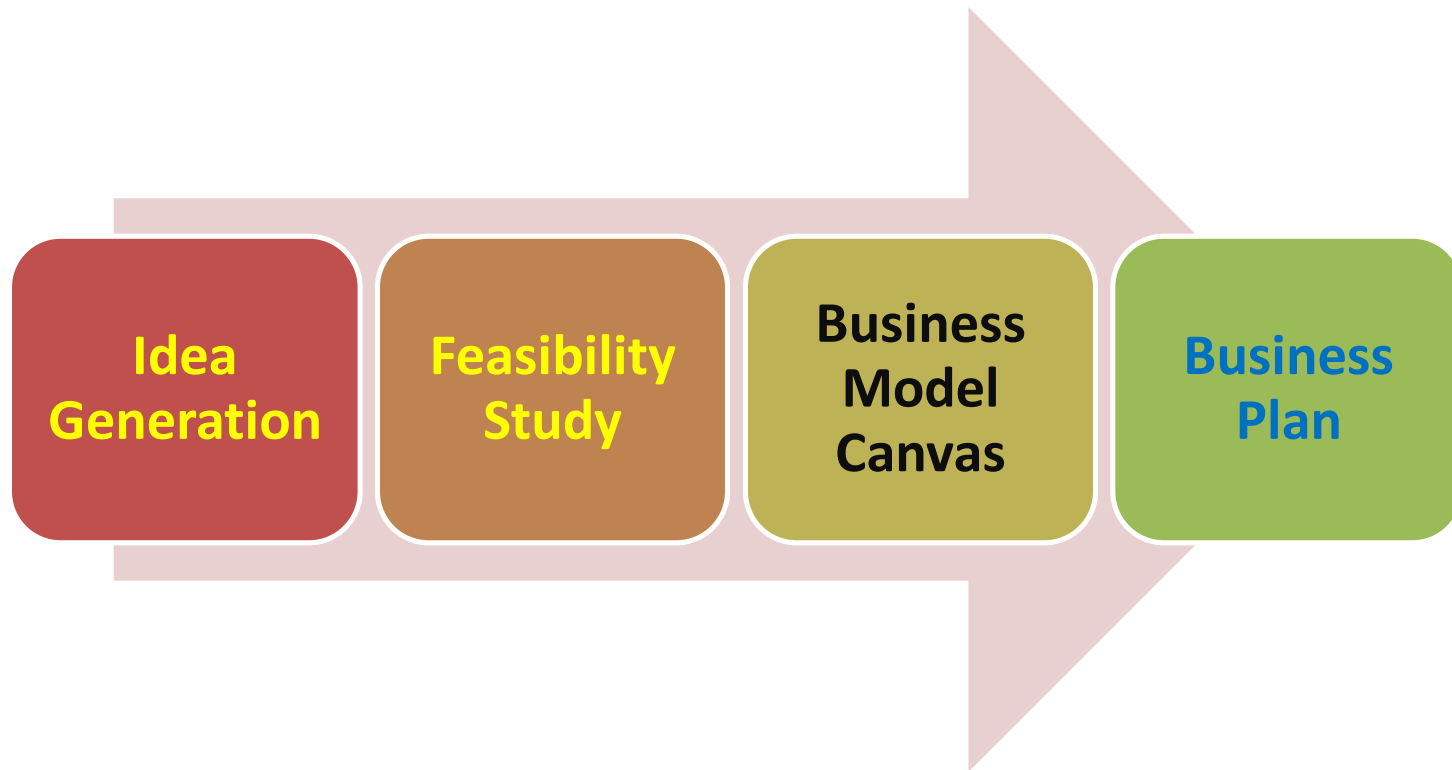
- ✓ What drives competition ?
- ✓ The intensity of competition
- ✓ How could my firm position itself to face competition

Business Plan

“The best business plan.....are like movies of the future”

William Sahlman, Harvard Business Review

Steps from Idea Generation to Business Plan



| Plan | Target audience | Purpose | Output |
|------------------------------|--------------------------------------|--|---|
| Business Model Canvas | Team Mates | To identify the gaps and creation of linkages between different components | More clarity about venture and business model |
| Feasibility Study | Team mates and early investor | To check the viability of the project | Feasibility report |
| Business Plan | Potential Investors, Banks | To get funding | Complete document to keep the business on track |

Sound Business Plan Criteria

- **Reality Test**
- **Competitive Test**
- **Value Test**

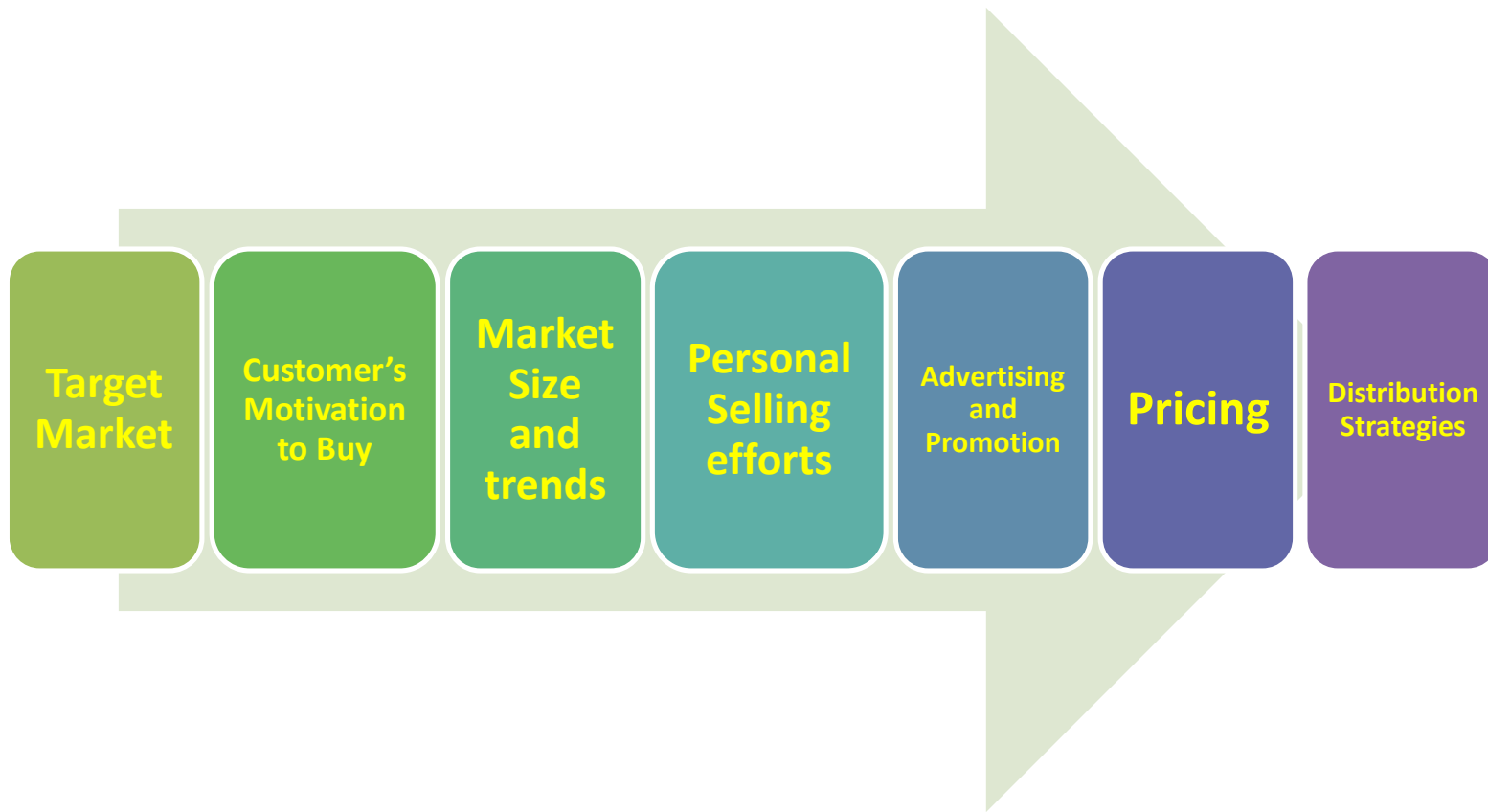
Structure of Business Plan

- I. Title page and table of Contents**
- II. Executive Summary**
- III. Industry Analysis**
- IV. Company's Description**
- V. Market Analysis**
- VI. Marketing plan**
- VII. Product or Service design and Development Plan**
- VIII. Operational Plan**
- IX. Management Team and Company Structure**
- X. Overall Schedule**
- XI. Financial Projections**
- XII. Appendix**

Company's Description

- Vision and Mission Statement
- Company History
- Business and industry profile
- Business Strategy
- Description of Firm's Product and Services

Marketing Analysis & Plan

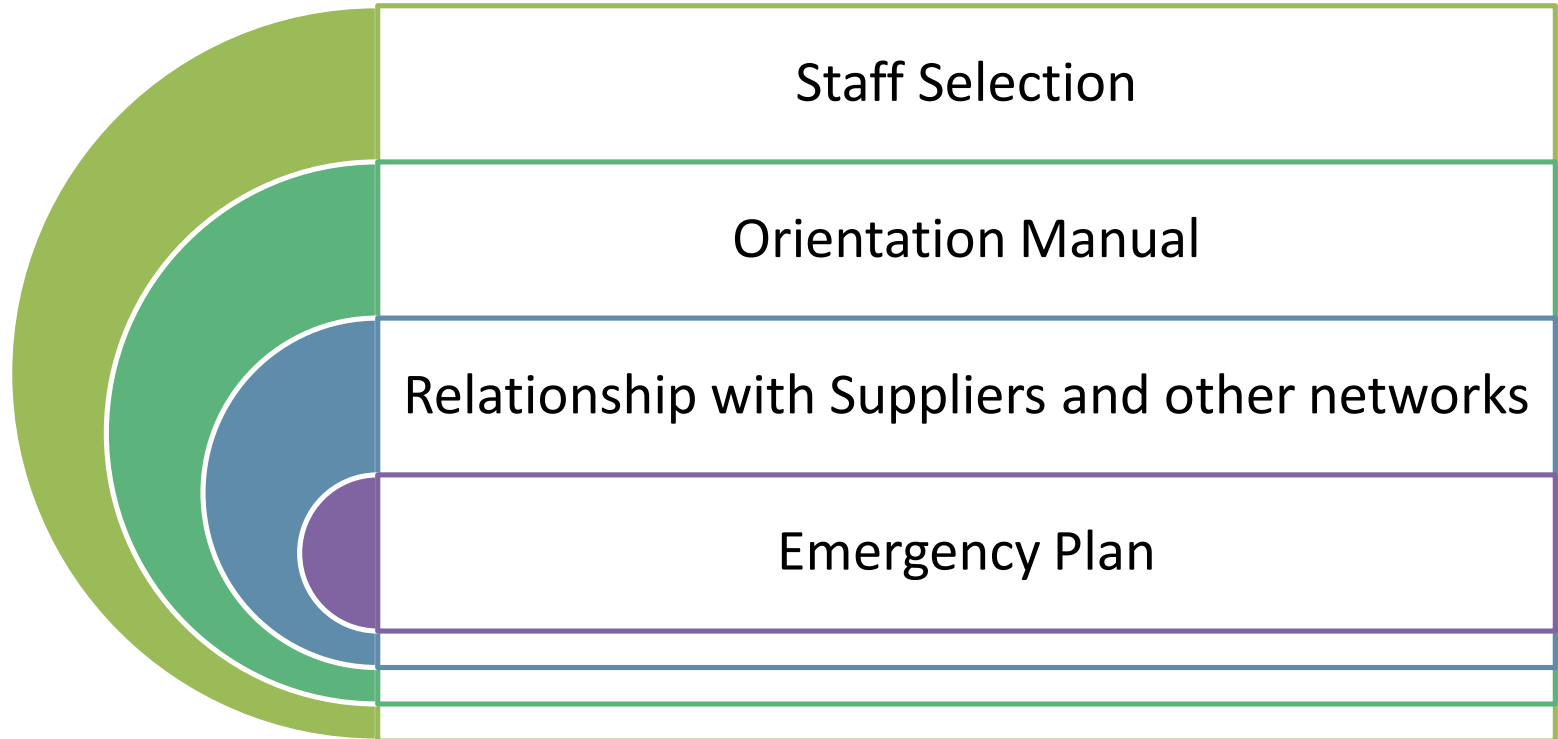


Marketing Plan

Pricing, Company Image and Perceived Quality

| | | | |
|-------|------|--|---|
| Price | High | <p>Contradictory Image</p> <p><i>Target is Unknown-Dangerous Situation</i></p> | <p>Upscale Image</p> <p><i>Target is those who want the best and are able to pay for it.</i></p> |
| | Low | <p>Bargain Image</p> <p><i>Target is Low prices are more important than quality</i></p> | <p>Value Image</p> <p><i>Target is Who are looking for value for what they spend</i></p> |
| | | Perceived Quality | |
| | | Low | High |

Operational Plan



Financial Feasibility and Requirement

Capital Requirements

- Seed Capital
- Fixed Assets
- Working capital

Estimated Earnings

- Projected Sales

Return on Investment

- EBIT analysis
- PBT Analysis

Financial Control

- Managing Cash Flow
- Managing Inventory
- Managing costs and Profits
- Managing Fixed Assets

Projected Financial Statements

Break Even Analysis

Loan or Investment Proposals

Evaluation of Creditworthiness

- Capital
- Capacity
- Collateral
- Character
- Conditions

Management Team

- Profile of Each member
- Board of Directors
- Board of Advisors
- Organizational Chart

Do's and Don't for Writing Business Plan

Do's

- ✓ **Be Realistic**
- ✓ **Present your Business Model, Product and Market Dynamics**
- ✓ **Be Clear, Crisp and Concrete**
- ✓ **Use Visuals**
- ✓ **Be Sensible for the Facts and Figure of your Business**
- ✓ **Be very specific on your Strategy to tackle Competition and risk.**

Do's and Don't for Writing Business Plan

Don'ts

- ✓ **Dismissal of the Competition**
- ✓ **Focusing Too Much on one Point**
- ✓ **Too Much Content**
- ✓ **Avoid Technical words or Jargons**
- ✓ **Don't make false and unrealistic claims**
- ✓ **Don't Hide Weaknesses if any**

Why do Some Business Fail in Introductory stage

- Unrealistic Goals
- Fail to address customer's problems and Needs
- Lack of experience
- Lack of professionalism



Your Queries Please!!!



What minimum should an entrepreneur know?

(Understanding Financial Statements)

Dr R Prasanth Kumar

Asst. Prof., Dept. of FBME

National Institute of Food Technology & Entrepreneurship

Sonipat (Delhi NCR)

Email: prasanth@niftem.ac.in

Contents

- Introduction
- Case study
- Objectives of Founder
- Setup & Execute
- Estimations Vs. Actuals
- Income Statement
- Balance Sheet
- Cash flow Statement

Not About Money!

- How it will take a customer to buy your product?
- How much cash flow you need reach milestone?
- How much to be spent on marketing to generate revenues?
- How to manage day today business?
- How are you?
- How were you?
- How will you be?

Finance is an Art!

- Understand business numbers
- Realisation of business numbers
- BMC – Rev & Cost
- Business Plan
- Estimations Vs. Actuals
- Analytical Decisions


The Business Model Canvas

Designed For: _____

Designed By: _____

Date: _____

Version: _____

| | | | | |
|--|--|--|--|---|
| <p>Key Partners </p> <p>Who are our Key Partners? Who are our Key Suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p>Value Propositions </p> <p>What value do we deliver to the customer? Which one of our customer's problems are we solving for them? What bundles of products and services are we offering to each customer segment? Which customer needs are we satisfying?</p> | <p>Key Activities </p> <p>What key activities do our Value Propositions depend on? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p>Value Propositions </p> <p>What value do we deliver to the customer? Which one of our customer's problems are we solving for them? What bundles of products and services are we offering to each customer segment? Which customer needs are we satisfying?</p> | <p>Value Propositions </p> <p>What value do we deliver to the customer? Which one of our customer's problems are we solving for them? What bundles of products and services are we offering to each customer segment? Which customer needs are we satisfying?</p> | <p>Customer Relationships </p> <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which relationships have we established? How are they integrated with the rest of our business model? How costly are they?</p> | <p>Customer Segments </p> <p>Who are we creating value for? Who are our most important customers?</p> |
| <p>Key Partners </p> <p>Who are our Key Partners? Who are our Key Suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> | <p>Key Resources </p> <p>What Key Resources do our Value Propositions depend on? Our Distribution Channels? Customer Relationships? Revenue streams?</p> | <p>Value Propositions </p> <p>What value do we deliver to the customer? Which one of our customer's problems are we solving for them? What bundles of products and services are we offering to each customer segment? Which customer needs are we satisfying?</p> | <p>Channels </p> <p>Through which Channels do our Customer Segments prefer to be reached? How are we reaching them now? How are our Channels being used? Which ones are best? Which ones are most cost-efficient? How are we integrating them with customer relations?</p> | <p>Customer Segments </p> <p>Who are we creating value for? Who are our most important customers?</p> |
| <p>Cost Structure </p> <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> | | <p>Revenue Streams </p> <p>For what value are our Customers really willing to pay? For what are they currently paying? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall financial health?</p> | | |



DESIGNED BY: Business Model Foundry AG
The experts of Business Model Innovation and Strategy

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Case study

- Gautam, XII, Trained in ice cream making, MH village
- Ice Cream Business
- Slow Day / Average Day / Busy Day
- How many boxes – Forenoon / Afternoon / Evening
- Adjust demand/revenue seasonally

Don't guess! Find out by observing!

Gautam's Objectives

| Objective / Quarter | Q1(1-3) | Q2(4-6) | Q3(7-9) | Q4(10-12) | Next Year |
|----------------------------|----------------|----------------|----------------|------------------|------------------------|
| Customer base | 0 | 100 | 150 | 250 | |
| Units setup | 1 | 0 | 0 | 0 | |
| Revenue (lacs) | 0 | 5 | 7.5 | 12.5 | |
| Investment (lacs) | 5 | 0 | 0 | 0 | |
| Bank Loan | | | | 2 | |
| Expansion | 0 | 0 | 0 | 0 | 1 (Branch / Franchise) |
| Sales in units | 0 | 100 | 150 | 250 | |

Ice Cream Business setup cost (Q1)

| Cost / Month | 1st | 2nd | 3rd |
|--------------------------|-------------|------------|-------------|
| Machinery and Equipments | 0 | 1.75 | 0.5 |
| Utensils & Tools | 0 | 0 | 1 |
| Furniture | 0 | 0.25 | 0.25 |
| Labour | 0.6 | 0.6 | 0.6 |
| Rent | 0.1 | 0.1 | 0.1 |
| Marketing | 0.15 | 0.2 | 0.25 |
| Travel | 0.2 | 0.2 | 0.2 |
| Printing & Stationery | 0 | 0.1 | 0.12 |
| Total | 1.05 | 3.2 | 3.02 |

Unit Cost Matrix

| Cost | Per box cost (100 cups) |
|-------------------------|--------------------------------|
| Raw material | 1000 |
| Labor | 500 |
| Manufacturing Overheads | 700 |
| Packing | 100 |
| Transport | 200 |
| Total Cost | 2500 |
| Selling Price (per Box) | 5000 |
| Profit per unit (Box) | 2500 |

Execution Cost (Q2)

| Cost | 4-6 Months |
|--------------------------|-------------|
| Raw material | 1 |
| Labor | 0.5 |
| Manufacturing Overheads | 0.7 |
| Packing | 0.1 |
| Transport | 0.2 |
| Rent | 0.3 |
| Marketing | 0.6 |
| Travel | 0.6 |
| Printing & Stationery | 0.25 |
| Total | 4.25 |
| Sales Revenue (75 Boxes) | 3.75 |

Execution Cost (Q3)

| Cost | 7-9 Months |
|---------------------------|------------|
| Raw material | 1.5 |
| Labor | 0.75 |
| Manufacturing Overheads | 1.05 |
| Packing | 0.15 |
| Transport | 0.3 |
| Rent | 0.3 |
| Marketing | 0.6 |
| Travel | 0.6 |
| Printing & Stationery | 0.25 |
| Total | 5.5 |
| Sales Revenue (125 Boxes) | 6.25 |

Execution Cost (Q4)

| Cost | 10-12 Months |
|---------------------------|---------------------|
| Raw material | 2.5 |
| Labor | 1.25 |
| Manufacturing Overheads | 1.75 |
| Packing | 0.25 |
| Transport | 0.5 |
| Rent | 0.3 |
| Marketing | 0.6 |
| Travel | 0.6 |
| Printing & Stationery | 0.25 |
| Total | 8.00 |
| Sales Revenue (250 Boxes) | 12.5 |

Estimation Vs. Actuals

| Objective | Utilised | Estimations | Actuals |
|------------------|----------------------|--------------------|----------------|
| Customer base | Sales Units | 500 boxes | 450 boxes |
| | Sales Value | 25 | 22.5 |
| Investment | Mach. and Equipments | 2.25 | 2.25 |
| Bank Loan | Utensils & Tools | 1.00 | 1.00 |
| | Furniture | 0.50 | 0.50 |
| | Raw material* | 5.00 | 5.00 |
| | Labor* | 4.3 | 4.3 |
| | Manufac Overheads* | 3.5 | 3.5 |
| | Packing* | 0.50 | 0.50 |
| | Transport* | 1.00 | 1.00 |
| | Rent | 1.20 | 1.20 |
| | Marketing | 0.60 | 0.60 |
| | Travel | 2.40 | 2.40 |
| | Printing | 0.07 | 0.07 |

Income Statement

- Introduction
 - Whether the products / services that a company provides are profitable?
- Art of finance , Art of making Profit

Profit Sovereign criterion of the enterprise

- Right on the money
- Charts its own course
- Run the way u want

If stops being profitable:

- Stakeholder poke their nose into enterprise
 - Unlikely to succeed
- Format of Income Statement

INCOME STATEMENT

For the Years Ending December 31, 2017

REVENUES:

| | |
|----------------------------------|------------|
| Sales Revenue | \$0 |
| Other Revenue | \$0 |
| (Less Sales Returns & Allowances | 0 |
| TOTAL REVENUES | \$0 |

| | |
|---------------------|------------|
| Cost of Goods Sold | 0 |
| GROSS PROFIT | \$0 |

EXPENSES:

| | |
|-----------------------|------------|
| Accounting | \$0 |
| Advertising | 0 |
| Amortization | 0 |
| Bad Debt | 0 |
| Depreciation | 0 |
| Employee Payroll Tax | 0 |
| Employee Wages | 0 |
| Entertainment | 0 |
| Insurance | 0 |
| Interest Expense | 0 |
| Miscellaneous | 0 |
| Rent | 0 |
| Software | 0 |
| Telephone | 0 |
| Utilities | 0 |
| Web Hosting | 0 |
| Vehicle Expense | 0 |
| - | 0 |
| - | 0 |
| - | 0 |
| - | 0 |
| TOTAL EXPENSES | \$0 |

| | |
|--------------------------------|------------|
| NET INCOME BEFORE TAXES | \$0 |
|--------------------------------|------------|

| | |
|-------------------------|---|
| Less Income Tax Expense | 0 |
|-------------------------|---|

| | |
|-------------------|------------|
| NET INCOME | \$0 |
|-------------------|------------|

R Prasanth Kumar

Income Statement of Gautam

| | | | Amount |
|-------------------|------------------------------------|--|---------------|
| Revenue: | | | |
| Sales Revenue | 450*5000 | | 22.5 |
| Other Revenue | | | |
| (-) Op Exp.: | Raw, Lab, M.OH, Pack, Transport | | 12.5 |
| Gross Profit/Loss | | | 10 |
| (-) Marketing | Marketing | | 0.60 |
| (-) Admin Exp | Rent, Travel | | 3.60 |
| (-) Office Exp | Printing | | 0.97 |
| (-) Fin. Exp | | | |
| Net Profit/Loss | | | 4.83 |

Analytical Information from Income Stat

- Product / Service Revenues
- Cost of Goods Sold
- Gross Profit
- Selling, General & Administrative Costs
- Operating Income
- Other Income
- Other Expenses
- Income tax expense
- Income from continuing operations
- Net income
- Extraordinary items

Balance Sheet

- Introduction
 - What does your company own, and what does it owe to others?
 - What are its sources of revenue, and how has it spent its money?
- Format



Name of the Entity

Balance Sheet as on 31st March, _____

| Liabilities | Amount | Assets | Amount |
|--------------------------------|--------|---------------------------------|--------|
| Capital | | Fixed/Non-Current Assets | |
| Add: Net profit | | Building | |
| interest on Capital | | Land | |
| Less: Drawings | | Plant & machine | |
| Net Loss | | Furniture & fixture | |
| | | Goodwill | |
| Non-Current Liabilities | | | |
| long terms loans | | Current Assets | |
| Debentures | | Inventories | |
| | | Bills payable | |
| Current Liabilities | | Sundry Debtors | |
| Trade Creditors | | Prepaid Expenses | |
| Bills Payable | | Accrued Incomes | |
| Outstanding Expenses | | Cash in hand | |
| Advance/Unearned Incomes | | Cash at Bank | |
| Short term loans | | | |
| | | | |

Balance Sheet of Gautam

| Liabilities | | Assets | |
|---------------|------|---------------|------|
| Capital | 5.00 | Fixed Assets: | |
| *NP | 4.83 | Machine | 2.25 |
| Long-term L: | | Equip | 1.00 |
| Bank Loan | 2.00 | Furniture | 0.50 |
| Current Liab: | | Current As: | |
| | | Cash | |
| | | A/c Rece. | |
| | | Inventory | |
| | | | |

Analytical Information from BS

- $\text{Assets} = \text{Liabilities} + \text{Equity}$
- Balance (Value) of Assets
- Balances (Value) Liabilities (Any loan against asset?)
- Growth of Equity
- Funding Advice
- Liquidity (Working Capital)
- Debt Solvency

Cash Flow Statement

- Diff. b/w two balance sheet
- Check Fuel Before Drive
- Format:
 - CFO
 - CFI
 - CFF

Example Corporation
Statement of Cash Flows
For the Year Ended December 31, 2016

Cash Flow from Operating Activities

| | |
|--|----------------|
| Net income | \$23,000 |
| Add: depreciation expense | 4,000 |
| Increase in accounts receivable | (6,000) |
| Decrease in inventory | 9,000 |
| Decrease in accounts payable | <u>(5,000)</u> |
| Cash provided (used) in operating activities | <u>25,000</u> |

Cash Flow from Investing Activities

| | |
|--|-----------------|
| Capital expenditures | (28,000) |
| Proceeds from sale of property | <u>7,000</u> |
| Cash provided (used) by investing activities | <u>(21,000)</u> |

Cash Flow from Financing Activities

| | |
|--|----------------|
| Borrowings of long-term debt | 10,000 |
| Cash dividends | (5,000) |
| Purchase of treasury stock | <u>(8,000)</u> |
| Cash provided (used) by financing activities | <u>(3,000)</u> |

| | |
|-----------------------------------|-----------------|
| Net increase in cash | 1,000 |
| Cash at the beginning of the year | 1,200 |
| Cash at the end of the year | <u>\$ 2,200</u> |

Analytical Information from CFS

- Actual Cash Position
- How much Cash comes in?
- How much Cash goes out?
- How much Cash at the end?



Business Opportunity Identification

How do you identify the right business opportunity?

Dr. Sarika Yadav

Assistant Professor

FBM&ED Department

National Institute of Food Technology Entrepreneurship and Management



“The Entrepreneur always searches for change, responds to it and exploits it as an opportunity”

-Peter Drucker

Opportunity identification has been identified as an essential capability of entrepreneurs and has become an important element of the study of entrepreneurship (Ray 2003)

How to select the right opportunity?

- Identify your business and personal goal
- Research your favorite industry (Five forces model)
- Identify promising industry segment (BCG matrix)
- Identify problem areas and brainstorm solutions
- Compare possible solutions with your objectives and opportunities in the market place
- Focus on the most promising opportunities

Udemy online learning platform for students and working professionals

The screenshot displays the Udemy website interface. At the top left is the Udemy logo with the tagline 'academy of you'. A search bar is located at the top right. The main content area features a course titled 'How to Start a Company' by Gagan Biyani, with 4 likes and a 'Subscribe' button. Below the title are navigation tabs: 'Home', 'About This Course', 'All Lectures (5)', 'Discussions', and 'Subscribers'. The central video player shows a lecture titled 'Founders Institute: Accounting for Startups' with a 'mint' logo. To the left of the video player is a sidebar with a 'Course Description' section, an 'Instructor' section for Gagan Biyani (Co-Founder, Udemy), and a 'Course Description' section. To the right of the video player is a 'Live Sessions' section for 'Udemy - The Best Place To Teach and Learn Online' on May 07, 2010, with a 'No time remaining' message and an 'Enter Lobby' button. Below the live sessions is a 'Share this course' section with social media sharing options for Facebook, Twitter, Email, Delicious, Stumble, and Digg.

Source: <https://productmint.com/the-udemy-business-model-how-does-udemy-make-money/> Retrieved on 17/12/20 at 17:15

- Gagan Biyani, Eren Bali and Caglar founder of Udemy found a promising opportunity in changing dimensions of education sector. This platform enables anyone to create courses online.
- They **differentiated** the online learning experiences by giving access to the students to interact amongst each other and their instructors.
- Students have a flexibility to learn on their own free time.

Source: https://yourstory.com/2010/08/gagan-biyani-founder-udemy?utm_pageloadtype=scroll Retrieved on 17/12/20 at 17:09

The best way is:

- Go where the problems are/ identify the problems

still
Life is beautiful.



We grew up. We looked back.

“A simpler time”, we said, a bit wistfully.

We looked back, wanted to touch it.

Reached out for it; longed for it.

The best way is cont...

- Go to the people
- Live with them
- Listen to them
- Learn from them
- What are the existing solutions?
- Study the competitors



InMotion

wheel of change

Founded by Durgesh Nandan and Saurabh Jaiswal

This successful startup in Lucknow provides a platform for auto-rickshaw drivers for seeking assistance in matters of education, healthcare, insurance, loans and welfare schemes.



While staying with your customer try to understand

Customer

What is your offer

Job

Products and services

Pain

pain relievers

Gain

Gain creators

The best way is cont...

- Review the ideas which are getting huge funding
- Check out ideas from successful entrepreneurs
- Look at your own problems
- Look at existing businesses and try removing a step from the process (Online payment system e.g., Paytm)
- Be quick (windows of opportunities)
- Be quick but never rush as it can lead to big mistakes and poor work.

Source: - www.startupcommons.org Retrieved on 17/12/20 at 17:40

- We can look back to the beginning of **E-Bay**, where they saw an opportunity to connect people through launching a virtual flea market. It offered a platform that connected buyers and sellers directly.
- **Flycast** is another company started by a former Wharton MBA student, Rick Thompson. It addressed issues of advertising on-line. All of these companies have one thing in common. They addressed an unmet need in the marketplace.
- There is no substitute for understanding the unmet needs of customers. That will allow you to discover whether you are able to supply those needs, at the price customers want to pay, and if you can still make a profit.

The entrepreneurs select their products or projects based on:

- Their own experience in that business line
- Government's promotional schemes
- Availability of inputs
- Diversification plan of ongoing business or
- Products reserved for Small scale industries etc.

How to evaluate an idea to identify viability of Entrepreneurial opportunities:

Timmons et.al (1987) in a study observed **four anchors** of superior opportunities:

1. Viable idea creates significant value to the end user
2. It solves a significant problem and meet the unmet need or wants of the customers

How to evaluate an idea to identify viability of Entrepreneurial opportunities:

3. They have a robust market, margin, and money making characteristics; and

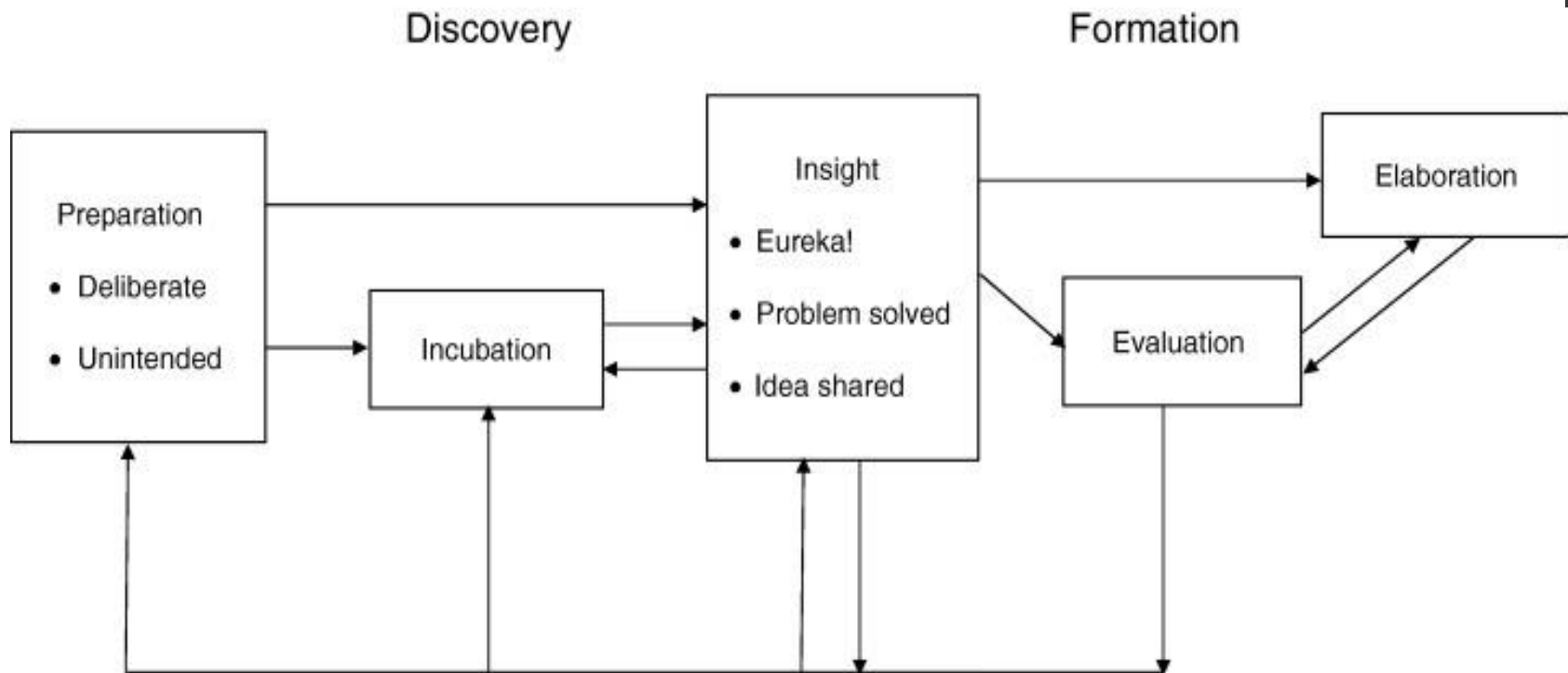
4. They are a good fit with the founders and management team, and in the marketplace, and with the risk/reward balance.

Tools to understand whether idea is viable for entrepreneurial opportunity: (Dobbins & Pettman)

- Clearly define what the new idea is;
- What is the benefit it produces;
- What does it do;
- What does it cost;
- Does it make at least a 10% difference to customers;
- Why should anybody buy this benefit from me;
- What else could produce exactly the same benefit;
- What does the alternative cost;

- Will it do the job it is intended to do;
- Is it at least 10% better than the existing alternative;
- Is it a significant improvement;
- Is it compatible with human nature;
- Would you recommend it to your family and friends;
- Would you buy it yourself;
- Is it too soon (or late) for this product;
- Is it worth the expense; and
- Will people (your target customers) understand it.

Opportunity identification process



*Based on Lumpkin, Hills, & Shrader, 2004; Hills, Shrader, & Lumpkin, 1999.

Opportunity identification/recognition process:

1. Preparation: Preparation refers to the background and experience that an entrepreneur brings to the opportunity recognition process. As per literature **50 to 90 percent of start-up ideas emerge from a person's previous work experience.** (Bygrave,1997 and Vesper,1980)

2. Incubation: At this various ideas might emerge. In this process an entrepreneur is contemplating an idea or a specific problem. It is typically an **intuitive and unintentional style of considering possibilities or options.**

Opportunity identification/recognition process:

3. Insight: Insight refers to the “eureka” experience. At this point the whole answer or core solution springs into awareness suddenly and spontaneously.

In this process three different types of insights may occur:

- **Experience of spontaneous identification of business opportunity.** Prior research suggests that entrepreneurs often have the experience of being immediately confident that an idea will work (Hills, 1995).
- **The occasion when a person gets the idea that solves the problem he has been considering.** In scholarly discussions of innovation, this is a frequently noted example of when creativity is most common (Nystrom, 1979).

- **A moment when an idea becomes available to you via your social network.** Entrepreneurs with a wider network of social contacts will identify more ideas and recognize more opportunities than entrepreneurs with fewer contacts (Singh, 1998).

4. Evaluation: In this process feasibility analysis is conducted to evaluate the viability of the idea.

5. Elaboration: Assuming that a business idea is viable, this is the stage when many details are worked out.

Basic approach to identify the need:

- The first step is to conduct **customer analysis**.

Consumer survey can be conducted to answer the following questions:

- Who is my customer?
- What does the customer want to buy?
- When the customer does want to buy?
- What price is the customer willing to pay?



- The second step is to conduct **competitor analysis and SWOT analysis.**
- In order to understand **white space, and point of difference** this is a must for entrepreneurs. That will help in understanding the points where one can differentiate from existing players in the market.

- For example, **Chai point**, a startup was founded by **Amuleek Singh** a business graduate from **Harvard University**

CHAI POINT

- Tea is an important beverage of Indians but no one could think of lack of clean and authentic place to have tea/chai.
- **Source:** <https://www.businessalligators.com> Retrieved on 18/12/2020 at 14:58



Second 
Shaadi.com
Start a New Life

- Next step is to conduct **Industry analysis** to understand attractiveness and intensity of competition within of the industry.
- In addition we need to look at **policies and regulations** that affect that industry.

- Once we analyze and understand these factors, it will provide an opportunity to tailor service or product to that market place.
- Successful business are built on **deep customer insight** about **unsolved problems of your prospective customers** so focus on your customer, get that insight, figure out problem and solve it. The chances of your success will multiply.

Do's and Don'ts

- Don't jump to the solution
- Challenge your assumption
- Don't rely on your own people
- Validate secondary data with your primary data
- No idea is a bad idea
- No business is bad business
- Big no to solution to problem approach
- The most frequent mistake that people tend to make is to think everybody in the market is like them. If they like the product, everybody else will.

Why businesses fail?

- Lack of prior experience
- Lack of a team
- Lack of fund
- Product can fail in the market if they do not reach the customers
- Distraction from the core objective (They should be focused and up to date about policies etc.)
- Example: - Doodhwala, a startup founded in 2015 by Akash Agarwal and Ebrahim Akbari could not succeed. They could not follow their dream due to lack of clear vision and perseverance.

Best opportunities are all around us, learn to recognize them

Naukri.com

Mr. Sanjeev Bhikhchandani, CEO and Founder of Naukri.com,
a job portal as well as the co founder of Ashoka University

- The idea to launch a job portal came to him sitting in his office. He used to work in a company as a brand manager. There were 8-10 brand managers who used to sit in a hall. It was an open hall so they could see what others are doing and hear what others are saying on phone. He used to observe that every time an office copy of Business India magazine came and circulated, everybody usually read business magazine back to front because the job ads appeared on the last pages and contains 30-40 pages appointment information for managers.

He came to a conclusion that:

- **Insight Jobs are very high interest category of information**
- **Most jobs are not advertise**

There are lakhs of jobs out there in a fragmented manner. If somebody build a database and make it accessible to public, magic will happen. He thought that if he could collect job ads on to one accessible platform, then he might be able to attract customers. In April 1997 he launched Nauktri.com with 1,000ads taken out of various magazines.

***Source:** How to identify a business opportunity? Sanjeev Bikhchandani, TEDx SRCC*

Pandemic has resulted in putting halt on businesses across the world, companies are finding various alternatives in order to utilize their resources and retain profitability.

- **Distilleries and wineries** have used their alcohol supplies in preparing **sanitizers and disinfectants** which fulfilled the consumer demand as there had been shortage of sanitizers and hand rubs.
- **Perfume industry** have also shifted their operational lines by utilizing their supplies in **sanitizers**.
- **Fashion industry** also utilized their apparel supplies in manufacturing **masks, surgical garments, gowns, PPE kits** etc.

Pandemic has resulted in putting halt on businesses across the world, companies are finding various alternatives in order to utilize their resources and retain profitability.

- **Automobile industry** had the chance of utilizing their machinery resources efficiently to manufacture Intensive Care Units, Ventilators and Respirators.
- Many **FMCG conglomerates** diverted their production lines in order to ensure timely delivery of goods, thereby shifting the workforce and resources from non-essential items to the essentials.

Operational shift of major brands in Pre- and Post-COVID times

| Company | Country of origin | Pre-COVID operation | Post-COVID operation | Source |
|---------------------------|-------------------|---------------------|--|--------------------------------------|
| Rolls- Royce Holdings Plc | UK | Automobile | Medical ventilators and Honey production | (NEWS I.2020)(Shah, 2020) |
| Nivea | Germany | Skincare products | Hand Sanitizers | (Online F. Financial Express , 2020) |
| Hero Motocorps | India | Automobile company | Mobile Ambulance | (Singh, 2020) |

Operational shift of major brands in Pre- and Post-COVID times

| | | | | |
|-------|-------|------------------------------------|--|-----------------|
| Dabur | India | Conglomerate | Hand Sanitizer | (Dabur, 2020) |
| ZARA | Spain | Apparel Industry | Hospital gowns | (Schmidt, 2020) |
| Nike | US | Sports, footwear and apparel brand | Full mask shields and powered air-purifying lenses | (nike, 2020) |

Thank You

EDP Training for Master Trainers Under PMFME (Dec 20, 2020)

By

Dr. Aman Dua

Assistant Professor

Topics Covered

- ✓ New Product Development
- ✓ Product Data management
- ✓ Product Life Cycle Management

New Product Development

Starting with Examples



Examples (shoes)

Types Of Shoes For Men

Derby

Monkstraps

Loafers

Oxford



Example(Wheat Flour)

The image is a screenshot of a web browser displaying the Aashirvaad website. The browser's address bar shows the URL aashirvaad.com/whole-wheat-atta.aspx. The website's header is red and contains the Aashirvaad logo on the left, a navigation menu with links for HOME, ABOUT US, PRODUCTS, RECIPES, BLOGS, QUALITY CONTROL, and CONTACT US in the center, and social media icons for Facebook and YouTube on the right. A green banner above the social media icons reads "For Health Care Professionals".

The main content area features a carousel of three wheat flour products, each with a corresponding bag image and text description:

- AASHIRVAAD AATA MULTIGRAINS**: Shown with a bag of multigrain flour.
- AASHIRVAAD SUGAR RELEASE CONTROL ATTA**: Shown with a bag of sugar-release control flour and a bowl of rotis.
- AASHIRVAAD FORTIFIED ATTA**: Shown with a bag of fortified flour.

Navigation arrows are visible on either side of the product carousel. On the right side of the carousel, there is a promotional graphic for the "AASHIRVAAD ATTA LOTTERY" with the text "No.1 ATTA and 12 more".

At the bottom of the page, there is a "Support" button on the left and a "Let's Chat!" button on the right. Below the product carousel, the word "Television" is visible, followed by the word "Advertisements" in a large, stylized font.

The browser's taskbar at the bottom shows several open applications: "Inbox - am...", "Session3(Pr...", "Whole Wh...", and "year 2019". The system tray on the right shows the time as 11:08 and the date as 10-09-2019.

New Product Development

- ✓ The goods or services is reason for existence of any firm. As society changes frequently, continuous introduction of new product is essential for a firm/organisation to be in existence.
- ✓ It is a method to bring new product to the market place. This is applicable for new products, innovation and modification in existing market.
- ✓ *The seven stages of new product development are shown in next slide*

- Academically it has been described as a set of information processing and problem solving activities in which the output of the process is to ensure the end product's ability to meet customer expectation.

Development project should be based on following three issues:

1. The capture and use of technical knowledge that enables development of the commercial product.
2. The capturing of market knowledge that enables the development of specification for product design.
3. The capabilities of the organization to effectively leverage this situation

Stages of Development

1. Concept

2. Feasibility study and design

3. Design and Development

4. Testify and verification

5. Validation

6. Manufacturing

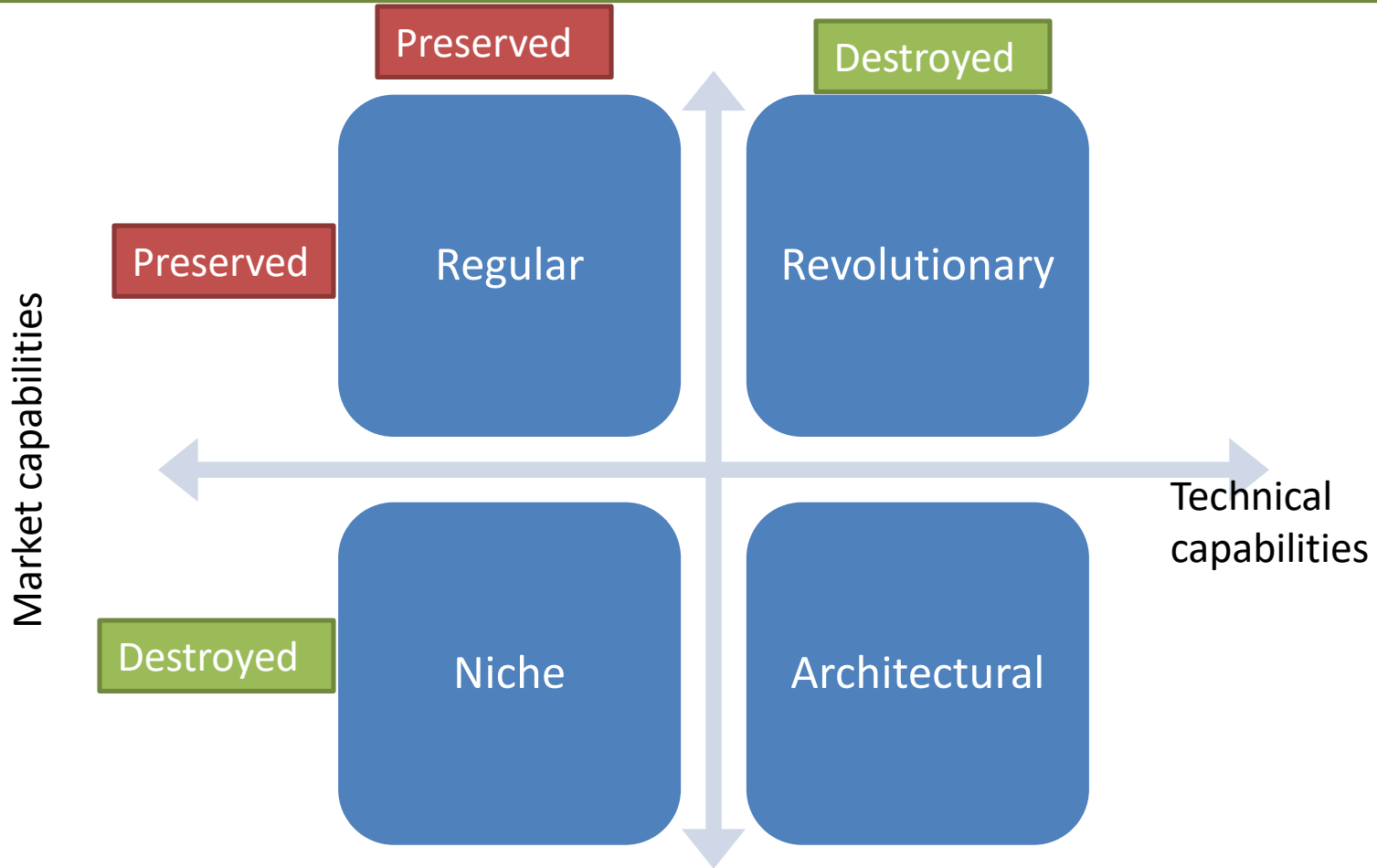
7. Improvements

Water Varieties in Market

1. Glacial water
2. Spring water
3. Volcanic Water
4. Mineral Water
5. Sparkling water
6. Exotic Water



Role of technological and market capabilities

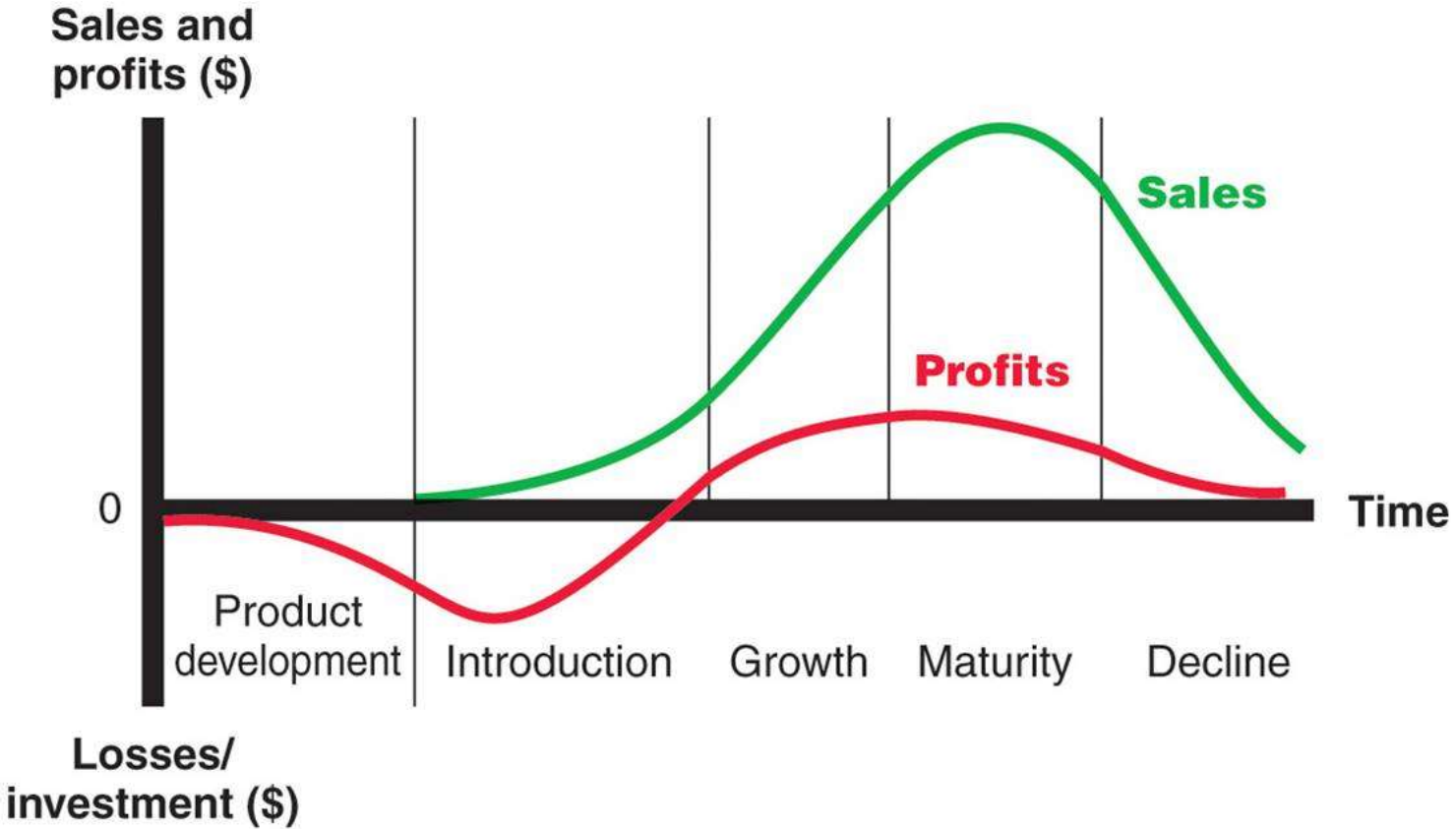


Product Life Cycle Management

Products are born. They live and they die. They live and they die. The phases of product life cycle are:

- **Introductory Phase:** the product is still being fine tuned for market as are their production techniques. The usual expenditures are, for research product development, Process modification enhancement and supplier development .
- **Growth Phase:** In this phase product is stabilized and Effective forecasting of capacity requirement is necessary. Adding of capacity may also be required.

- **Maturity Phase:** In this Phase the competitors are established. Innovation and high volume are needed. Reduction in options and paring down of the product line may be effective or necessary
- **Decline Phase:** It is necessary to end the product. Unless dying product make some unique contribution to the firm's reputation product line



Best Practices for the product development

The New Product development is multidimensional. The main factors effecting it are:

1. Strategy
2. Research
3. Commercialization
4. Processes
5. Project Climate
6. Company culture
7. Metrics and performance Measurement

Stages of new product development

Early

- ✓ Organizational goal: *seek truth*
- ✓ Organizational strength: *Establish novel product*
- ✓ Approach: have loyalty to experiment
- ✓ Focus on experiment
- ✓ Emphasize testing
- ✓ Low fixed cost
- ✓ Teams are small and based on experiment

Late

- ✓ Organizational goal: *seek success*
- ✓ Organizational strength: *Take product to Market*
- ✓ Approach: have loyalty to product
- ✓ Focus on commercialization
- ✓ Emphasize refining
- ✓ High Fixed cost
- ✓ Teams are large and based on product commercialization

Best Practices for Strategy

| S.n | Best Practices |
|-----|--|
| 1 | Clearly defined and company-visible NPD goals |
| 2 | The company views NPD as a long-term strategy |
| 3 | Mission and strategic plan help define strategic arenas for new opportunities |
| 4 | NPD goals are clearly aligned with company mission and strategic plan |
| 5 | NPD projects and programs are reviewed on a regular basis |
| 6 | Opportunity identification is ongoing and can redirect |
| 7 | the strategic plan in real-time to respond to market forces and new technologies |
| 8 | There is a ranking or prioritization of projects |
| 9 | There is keen consideration for balancing the number of projects and available resources |

Best Practices for research

| S.n | Best Practices |
|-----|---|
| 1 | Concept, product, and market testing are consistently undertaken and expected with all NPD projects |
| 2 | Customer/user is an integral part of the NPD process |
| 3 | Results of testing (concept, product, market) are formally evaluated |

Best Practices for Commercialization

| S.n | Best Practices |
|------------|---|
| 1 | The launch team is cross-functional in nature |
| 2 | Cross-functional teams make decisions concerning manufacturing, logistics, marketing, and sales |
| 3 | A project post-mortem meeting is held after the new product is launched |
| 4 | Logistics and marketing work closely together on new product launch |
| 5 | Customer service and support are part of the launch team |
| 6 | A standard protocol for planning a launch exists within the company |

Best Practices for Process

| S.n | Best Practices |
|-----|---|
| 1 | A common NPD process cuts across company groups |
| 2 | Go/No-Go criteria are clear and pre-defined for each review gate |
| 3 | The NPD process is flexible and adaptable to meet the needs, size, and risk of individual projects |
| 4 | The NPD process is visible and well-documented |
| 5 | An IT infrastructure with appropriate hardware, software, and technical support is available to all NPD personnel |
| 6 | A clear NPD process exists |

Best Practices for Project Climate

| S.n | Best Practices |
|------------|---|
| 1 | Each project has a core cross-functional team which remains on the project from beginning to end |
| 2 | Each project has a clearly identifiable project leader |
| 3 | NPD activities between functional areas are coordinated through formal and informal communication |

Best Practices for Company Culture

| S.n | Best Practices |
|-----|--|
| 1 | Top management supports the NPD process |
| 2 | The company actively works with customers to develop new solutions |

Best Practices for Metrics and Performance Measurement

| S.n | Best Practices |
|-----|--|
| 1 | Standard criteria exist for evaluating NPD projects |
| 2 | Standard criteria exist for evaluating the overall NPD effort |
| 3 | One person does not do all NPD project evaluations |
| 4 | Projects are never killed forever. Their form/objectives changes |

The Challenge with New Product Development

- Business manager often face the **confusion** in decision to continue or abandon new product development projects. This is a natural process of resource allocation.
- The “ Escalation of commitment” may turn irrational commitment.
- Continued allocation of resources on a new project may take a negative turn.

Product Data Management

Product Data Management

- It(PDM) manages all product related information-including electronic documents, digital file and data base records.
- PDM system helps to keep track of masses of information needed to design manufacture or build products and then to maintain them

PDM(Contd.)

- Companies in every industry segment that design and manufacture can benefit from the use of product data management. Some examples are: Aerospace, electrical, food and beverages and many more.
- In reality it is extension of techniques commonly known as engineering data management, document management, product information management, technical information management

PDM(Contd.)

- Many product development systems are geographically distributed with manufacturing or plant being in different building , city or country.
- Network interfaces allows these disperse users to access data from common data base.

Benefits of PDM

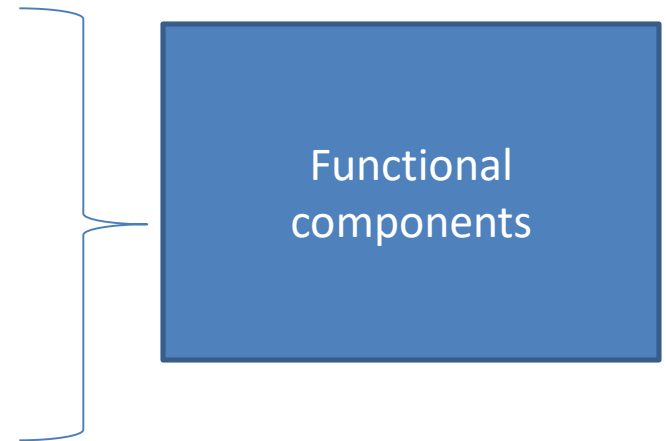
- The PDM system provides a structure in which all types of information used to define, manufacture and support products are stored, managed and controlled.
- Typically PDM will be used to work with electronic documents, digital files and database records.

- Any information needed through out the products life can be managed by a product data management system.
- PDM system uses a data base management system to maintain data , meta data product configuration, process and administrative information.

Components of PDM

A PDM system Comprise of

1. An electronic vault or data repository
2. A set of user function
3. A set of utility functions



Electronic Vault

It is used as repository to control all kinds of product information.

The vault is a data storage that contains some data with in it self and controls other externally generated data by managing access to it.

User Functions

It provides the users interface to Product data management like data storage retrieval and management.

Different users of PDM employ different functions subsets of user functions. These functions are divided into **five categories**:

1. Data vault and document management
2. Work-flow and process management
3. Product structure management.
4. Classification management
5. Programme Management

Utility functions

Simplify the system and provide support to user functions . Important utility functions are:

1. Communication and Notification
2. Data translation and transportation
3. Image Services
4. System administration

Ending note

- In many organization product data is dispersed among the computer systems and applications. A PDM must be able to deal with information across and among these system.
- Many type of computers are typically used during product life cycle. These machine may not be connected to a common network.
- A fully developed PDM should operate across systems and organizations

Ending note(contd.)

- PDM systems have evolved to support process definition, control and manage end to end processes.

-----End of PDM-----



Contact Line

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ENTREPRENEURSHIP DEVELOPMENT PROGRAMME –

TRAINING OF TRAINERS

CREATION OF ENTERPRISE

**Understanding Basic
Ingredients for
Business**

**Types of Organisation
Structures in India**

**Overview of
Session**

**Other Legal
Registrations to Start
Business**

**Practical Session-
Online Demo with your
Query-Our Solution**

STARTING BUSINESS VENTURE WITH GOVT. SUPPORT



Idea
Generation



Incorporation
of business
along with all
necessary
registrations



Business
Planning for
implementatio
n & Prepare
Project
Estimated
Report

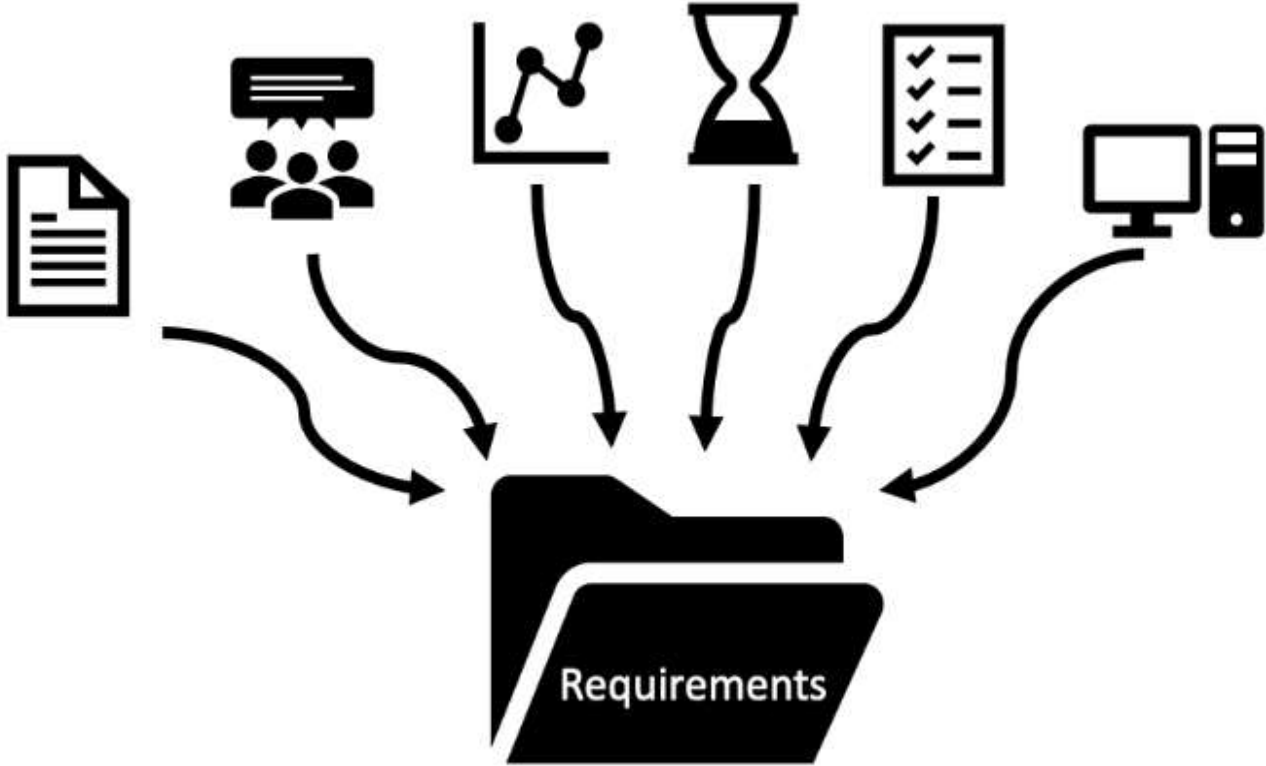


Submit the
Projected Plan
along with all
required
document to
respective
Dept./via
Online
Application

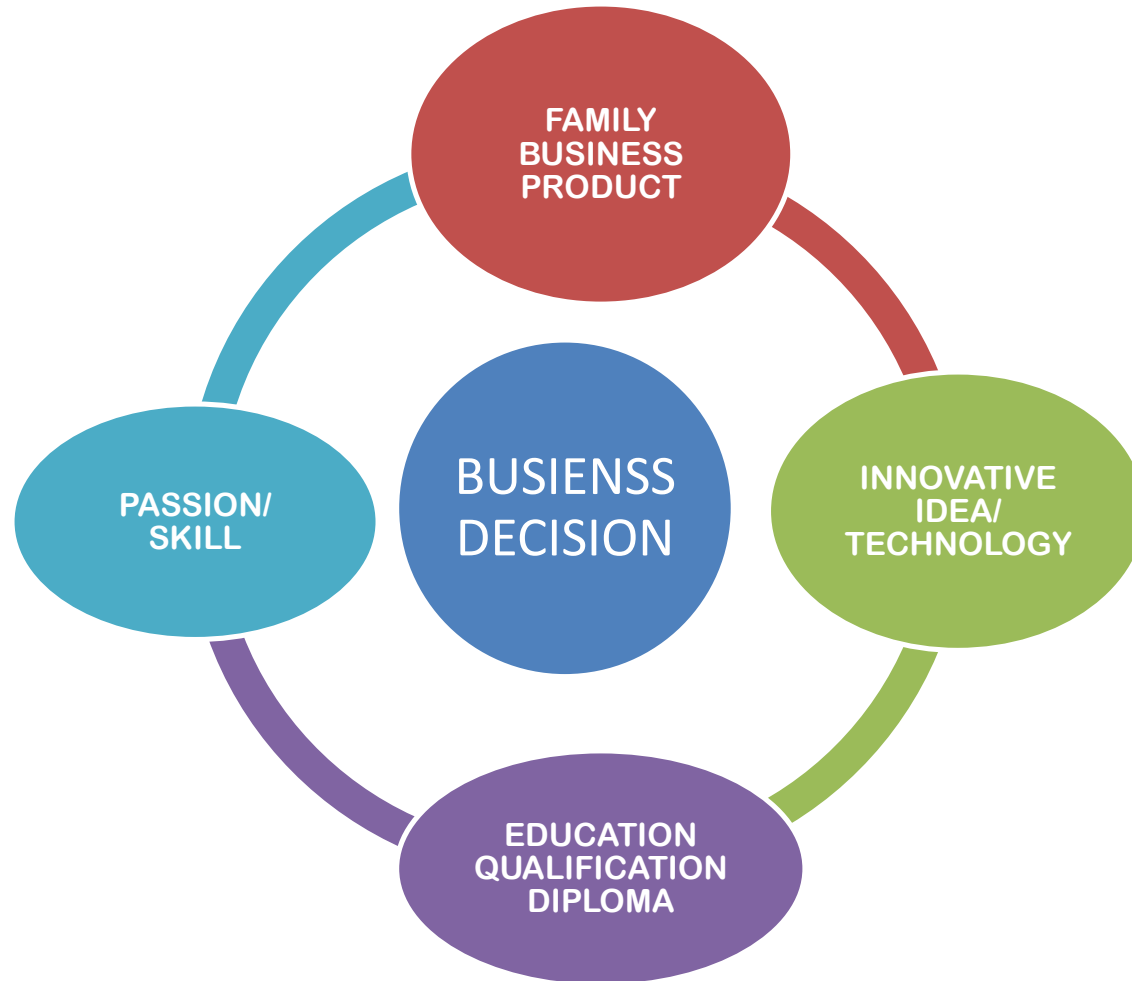


Get Credit
Facility under
appropriate
Govt. Scheme
and Start your
Business with
bootstrapped
fund

PART I- BASIC INGREDIENTS FOR BUSINESS



BASE TO DECIDE BUSINESS



STEP 1--

IDENTIFY THE PRODUCT/ SERVICE:

- **INDUSTRY/MARKET/
RESEARCH**
- **TRADING/ MANUFACTURING/EXPORT**



STEP 2--

- **NAME SELECTION OF PROPOSED ENTERPRISE**
 - Should be Identical/ Unique
 - To be checked with Trademark IPR Website

<https://ipindiaonline.gov.in/tmrpublicsearch/frmmain.aspx>

---To be checked with MCA Website

<http://www.mca.gov.in/>

INTERESTING - CLASSIFICATION

- Taste the thunder
- Har ghar kuch kehta hai
- World's Local Bank
- Always low prices. Always
- Brave New World.
- Your Potential. Our passion.
- The Taste of India
- Impossible is nothing.
- I'm lovin' it.



STEP 3--

- **TO DECIDE PLACE OF BUSINESS**
 - For Manuf. Set up
(NOC from PCB)
(NOC from Fire Dept.)
 - For all Set up
(Rent Agreement/
Utility Bill of
concerned Place)

- **TO DECIDE MAIN OBJECTS OF BUSINESS**
 - Only one class of business to select for an Enterprise
 - Should be specific/
to – the point/
inclusive all
business activities

STEP 4--

- **CAPITAL AMOUNT TO INVEST INTO BUSINESS**
 - **Availability of Own Funds**
 - **Road- mapping of Financial Plan of Business with following points:-**
 - Fixed Assets**
 - Goods & Material**
 - Working Capital**
 - Manpower Expenses**
 - Legal Expenses**

PART II- TYPES OF ORGANISATION STRUCTURES IN INDIA



ENTERPRISE FORMATION IN INDIA

- ❖ **SOLE PROPRIETORSHIP**
- ❖ **PARTNERSHIP FIRM**
- ❖ **COMPANY**
- ❖ **LIMITED LIABILITY PARTNERSHIP**

OTHER NOT FOR PROFIT FORMATIONS-

- ❖ **NGO----- SOCIETY/ CO-OPERATIVE SOCIETY/ TRUST/**
- ❖ **ASSOCIATION OF PERSONS**
- ❖ **BODY OF INDIVIDUALS**
- ❖ **ARTIFICIAL JUDICIAL PERSON**

ENTERPRISE CHARACTERISTICS

TYPES- BASE TO DECIDE

| | | | |
|---|--|--|--|
| <ul style="list-style-type: none"> • Sole Proprietorship - Single Ownership - Not much Capital Investment - Very minor Compliances - Firm PAN- N.A. - Informal Business Nature - Business Expansion- Not Possible - Liability- Unlimited | <ul style="list-style-type: none"> • Partnership - Joint Ownership - Not much Capital Investment - Less Compliances - Firm PAN- Must - Informal Business Nature - Business Expansion- Possible up to a certain extent* - Liability- Unlimited | <ul style="list-style-type: none"> • Company - Joint Ownership - More Capital Investment - Regular Compliances - Company PAN- Must - Corporate Business Nature - Business Expansion- Possible in a wider way - Liability- Limited | <ul style="list-style-type: none"> • LLP - Joint Ownership - More Capital Investment - Regular Compliances - LLP PAN- Must - Corporate Business Nature - Business Expansion- Possible in a wider way - Liability- Limited |
|---|--|--|--|

1. SOLE PROPRIETORSHIP

| SR. NO. | CHECK- POINT | SOLE-PROPRITORSHIP |
|---------|--|---|
| 1. | Governing Act | Shop & Establishment Act 1958 |
| 2. | Registration | Not Mandatory |
| 3. | Concerned Department | Labour Department |
| 4. | Mode of registration (online/offline) | State-wise |
| 5. | No. of Persons reqd. | Only 1 |
| 6. | Minimum Capital reqd. | Not specified |
| 7. | Documents reqd. | KYC, Latest Utility Bill of proposed address/ rent agreement or registry copy |

2. PARTNERSHIP FIRM

| SR. NO. | CHECK- POINT | PARTNERSHIP FIRM |
|---------|---------------------------------------|---|
| | | |
| 1. | Governing Act | Indian Partnership Act 1932 |
| 2. | Registration | Not Mandatory |
| 3. | Concerned Department | Registrar of Firms of related State |
| 4. | Mode of registration (online/offline) | State-wise |
| 5. | No. of Persons reqd. | Min. 2 – Max- 20 |
| 6. | Minimum Capital reqd. | Not specified |
| 7. | Informations reqd. | P&L Ratio between partners/ Capital contribution by each partner/ Authorised partner for registration process |
| 8. | Documents reqd. | Draft of Partnership Deed/ KYC, Latest Utility Bill of proposed address/ rent agreement or registry copy |

Continued.....

| | | |
|-----|------------------------|--|
| 7. | No. of Directors reqd. | For OPC- Min.- 1 Only Max.- 15 For Pvt Ltd- Min.- 2 Max- 15 For Public Ltd Min- 3 Max- 15 |
| 8. | Minimum Capital reqd. | Not specified for OPC & Pvt Company Rs. 5,00,000/- in case of Public Company |
| 9. | Informations reqd. | No. of shares to be held by each shareholder/ 2 proposed name of Company/ Objects of company/ minimum authorized capital/ Authorised director for registration process |
| 10. | Documents reqd. | Draft of MOA & AOA/ KYC, Latest Utility Bill of proposed address/ rent agreement or registry copy/ Latest utility bill of proposed directors and so on |

4. LIMITED LIABILITY PARTNERSHIP

| SR. NO. | CHECK- POINT | LIMITED LIABILITY PARTNERSHIP |
|---------|---------------------------------------|--|
| 1. | Governing Act | Limited Liability Partnership Act 2008 |
| 2. | Registration | 100% Mandatory |
| 3. | Concerned Department | Registrar of Companies of related State |
| 4. | Mode of registration (online/offline) | www.mca.gov.in |
| 5. | No. of Persons reqd. | Min. 2 – Max- No Limit |
| 6. | Minimum Capital reqd. | Not specified |
| 7. | Informations reqd. | P&L Ratio between designated partners/ Capital contribution by each partner/ Authorised partner for registration process / objects of LLP |
| 8. | Documents reqd. | Draft of LLP Agreement/ KYCs, Latest Utility Bill of proposed address/ rent agreement or registry copy |

OTHER ENTERPRISES- NOT FOR PROFIT

- **Society-**
 - Min 7 persons required
 - More than 50% should not be of blood relation
 - Applicable Act- Indian Societies Act
 - Registration- Registrar of Firms & Societies in Every District
- **Trust-**
 - Min 2 persons required
 - Applicable Act- Indian Trust Act/ Registration
 - Registrar of Trust in Every District
- **Section 8 Company-**
 - Min 2 persons required
 - Applicable Act- Indian Companies Act, 2013
 - Registration- Registrar of Companies in Every District

PART III- OTHER LEGAL REGISTRATIONS TO START BUSINESS



1. REGISTRATION WITH TAX AUTHORITIES

Income Tax Department-

- Obtain PAN Card
- Obtain TAN
- <https://tin.tin.nsdl.com/pan/index.html>

Goods & Service Tax Department-

- For Inter- State Supply of Goods or Services
- For every business – where turnover of Supply of Goods amount exceed Rs. 40 Lakhs / Supply of Services amount exceeds Rs. 20 Lakhs
- <https://www.gst.gov.in/>

2. OBTAIN REGISTRATION/ LICENSE FROM CONCERNED MINISTRY

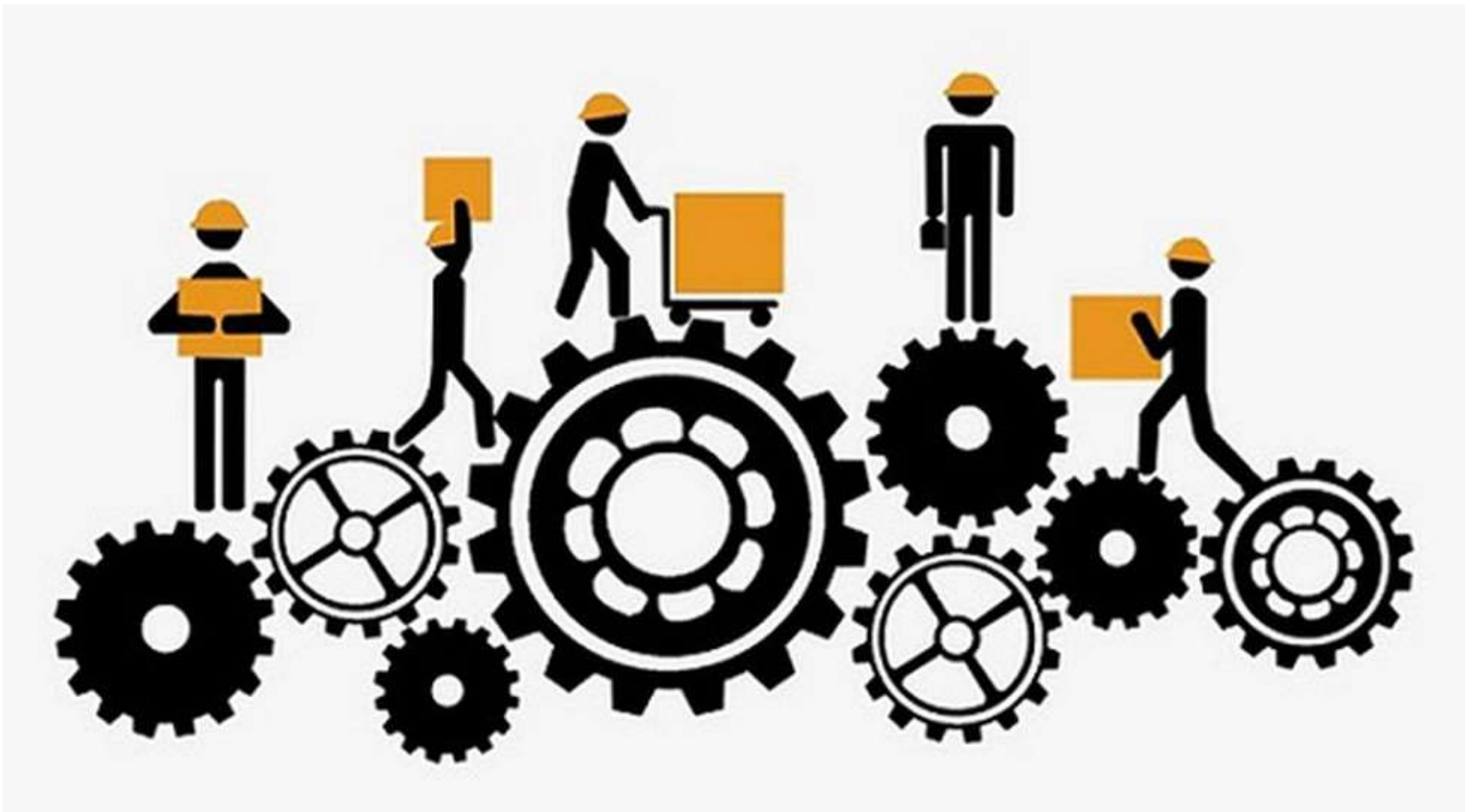
- There are so many business opportunities in India covered by overall 51 Ministries of Govt. of India-

http://goidirectory.nic.in/union_categories.php?ct=E002

- For Example for Food Business: FSSAI reqd.

<https://foodlicensing.fssai.gov.in/index.aspx>

3. OBTAINING MSME REGISTRATION (UDYAM REGISTRATION) FOR VALUE ADDITION



MSME UNIT- BENEFITS

FINANCIAL
SUPPORT

MARKETING
SUPPORT

TECHNOLOGY
SUPPORT

SKILL
TRAINING
SUPPORT

INFRASTRUCTURE
UPPORT



MSME DEFINITION

WHAT IS MSME- MICRO, SMALL & MEDIUM ENTERPRISES

All Manufacturing Enterprises and Enterprises rendering Services-----

(Having Investment in Plant & Machinery/ Equipment & Annual Turnover)

| MICRO | SMALL | MEDIUM |
|------------------------------|-------------------------------|-------------------------------|
| Investment <i>upto</i> 1 Cr. | Investment <i>upto</i> 10 cr. | Investment <i>upto</i> 50 Cr. |
| Turnover <i>upto</i> 5 Cr. | Turnover <i>upto</i> 50 Cr. | Turnover <i>upto</i> 250 Cr. |

UDHYAM REGISTRATION- CHECKLIST

NEW ENTERPRISES

- ✓ <https://udyamregistration.gov.in/>
- ✓ Aadhar number is mandatory to apply for Udyam registration.
- ✓ In case of Company/ LLP/ Society/ Co-operative society/ Trust- GSTN & PAN will be required.
- ✓ Bank A/c details of Enterprise
- ✓ NIC

EXISTING ENTERPRISES

- ✓ <https://udyamregistration.gov.in/>
- ✓ All Enterprises already registered with EM Part-I or UAM shall re-register themselves on Udyam regd. portal of MSME.
- ✓ Last date of conversion into URN - 31.03.2021
- ✓ UAN is compulsory to convert into Udyam registration.

4. OBTAINING IEC CODE FOR INTERNATIONAL BUSINESS

- Concerned Ministry- Ministry of Commerce & Industry
- <https://www.dgft.gov.in/CP/>
- For Importers & Exporters both
- Based upon – PAN No. of Enterprise

#startupindia



BRIEF DETAILS

- **Governing Body-** DPIIT under Ministry of Commerce & Industry
- **Website Link-** www.startupindia.gov.in
- **Eligibility Criteria-**

Registered
not prior to
10 Years

Pvt.
Ltd./Regd.
Partnership
Firm/LLP

Annual Turnover
not exceeding
100 Cr. In any
F/Y since
incorporation

Should not be
Split off/
Reconstruction
of any existing
business

Towards
Innovation/developmen
t/employment/product
improvement/wealth
creation/technology
innovation

START UP-INITIATIVES

Self Certification

*Relaxation under 9
Environmental & Labour Laws*

IPR PROTECTION

*Fast Track & Rebate in
filing application for IPR*

Tax Exemption To Start-ups

*Income Tax exemptions for 3
consecutive years and exemption on capital gain
& investments above Fair Market Value*

Easier Public Procurement Norms

*Exemption on EMD &
qualifying criteria*

Easy Closure

*Winding up of business within
90 days under IBC Code*

SIDBI Funds of Funds

*Funds for investment into
Startup through Alternate
Investment Funds*

GEM REGISTRATION



GeM
Government
e Marketplace

One Stop Government e Marketplace

BRIEF DETAILS

- **Governing Body-** National Public Procurement Portal
- **Website Link-** www.gem.gov.in
- **Eligibility Criteria-**

Single Point
Online Portal
of Govt. of
India

Any
Entrepreneur
can become
Seller

Reqd. Docs-
PAN/ URN/
GST/Bank A/c
Details/
Cancelled
Cheque Copy

Product/
Service Basis
Categorisation

Dynamic
Pricing
Concept

GEM PORTAL INITIATIVES

- **For Buyers-**

- Variety of Catalogue Products
- Online Purchase Anytime
- Customer-friendly Approach
- Ensure Continuous Vendor Rating System

- **For Sellers-**

- Direct Reach to all Govt. Divisions.
- Benefit for Small Traders for E-bidding, Reverse E-auction & Demand Aggregation
- Transparent & Fair Auctioning
- Dynamic Pricing



Q&A

IV. PRACTICAL DISCUSSION– YOUE QUERY– OUR SOLUTION

Summary:

There may be many views & questions in your mind after going through all presentation. We are ready to clear all your doubts and will do our best effort to make you Entrepreneur.

SITUATION 1

- Mr. A & Mr. B want to start restaurant In CP-Delhi in Joint Venture sharing P&L in equal ratio. Please let us know about-
 - Kind of organisation framework
 - Where to approach for registration
 - Documents reqd.
 - Any 5 Key Points – for Agreement

SITUATION 2

- Ms. X want to start her Taro Card Reading business having Rs. 50,000/- fund corpus to introduce into business. She would be having foreign clients and want to completely hold the business position. Please let us know about-
 - Recommended business structure
 - Where to approach for registration
 - Documents reqd.
 - All registrations requirements after formation

**THANK
YOU**

**STAYS SAFE
AND STAY
POSITIVE**

**BY CS KANIKA GUPTA
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cskanika.15@gmail.com**

A Practical Approach to

Digital Marketing and Lead Generation for Micro and Small Businesses

Dr. Hari Shankar Shyam





What is Digital Marketing

Digital marketing refers to advertising delivered through digital channels such as search engines, websites, social media, email, and mobile apps. While this term covers a wide range of marketing activities, all of which are not universally agreed upon.





Traditional / Digital Marketing

Digital Marketing

- **Real-Time**
- **Measurable**
- **User Generated Content**
- **Low Cost**
- **Reachability**
- **Deep Analytics**

Traditional Marketing

- **Unmeasurable**
- **High Budget**
- **Professional Contents**
- **Unassured Reachability**
- **Limited Audience**
- **Poor Analytics**



Digital Marketing Channels

- **Search Engine Optimization**
- **Email Marketing**
- **Social Media Marketing**
- **Search Engine Marketing**
- **Web Analytics**
- **Content Marketing**
- **Affiliate Marketing**
- **Mobile Marketing**





What is Search Engine Optimization

- **Search engine optimization (SEO) is a technique for enhancing the website traffic quantity and quality mainly through organic search engine results. Selection of keywords becomes very important in SEO.**



What is **Email Marketing**

- **Email marketing is a form of marketing where bulk and customized mails can be sent to the target audience. In email marketing one can see the complete analytics which can help us to redesign our campaign for email marketing. It also helps in communicating some announcements, new product arrivals, discounts and other services.**



What is **Social Media Marketing**

- **Social media marketing is the promotion of an organization's products and services through different social media platforms. The key social media platforms are Facebook, Whatsapp, LinkedIn, Twitter, Instagram, Youtube, Pinterest etc. This is one of the fastest ways to connect with the target audience. This also helps in generating many quality leads.**



What is Search Engine Marketing

- **Search engine marketing is also like SEO but the only difference is that here we are getting traffic on the website or landing page through paid advertisements. By this method one can come very fast on the top searches on search engines. Companies or organizations can get a lot of paid leads by using search engine marketing. PPC (Pay Per Click) is also one of the part of Search Engine Marketing.**



What is **Content Marketing**

- **Content marketing is a strategic marketing approach and gained significant importance in the last couple of years. This marketing organization has to create online contents like videos, images, creatives, blogs etc. to promote the product and services of any organization. In content marketing the purpose is to stimulate interest of the target audience for the desired action by the marketer.**



What is **Affiliate Marketing**

- **Affiliate Marketing is growing very fast and attracting lots of youngsters to become affiliate marketers. These Affiliate Marketers earned good commission by registering themselves to some affiliate marketing sites or they can directly promote some organization's product and services by becoming affiliate marketer. These marketers promote through their contents and try to drive the audience to the landing page created by the organization.**



What is **Mobile Marketing**

- **Mobile Marketing is growing quite big and one can experience from their mobile that now promotion is not only limited to sms, mms or other mobile messaging but promotion in In-App advertising, web advertising etc. It has a very fast reach to the target audience.**



How Digital Marketing **Helps**

- **Branding**
- **Advertising**
- **Lead Generation**
- **Customer Relationship Management**
- **Increasing Sales**

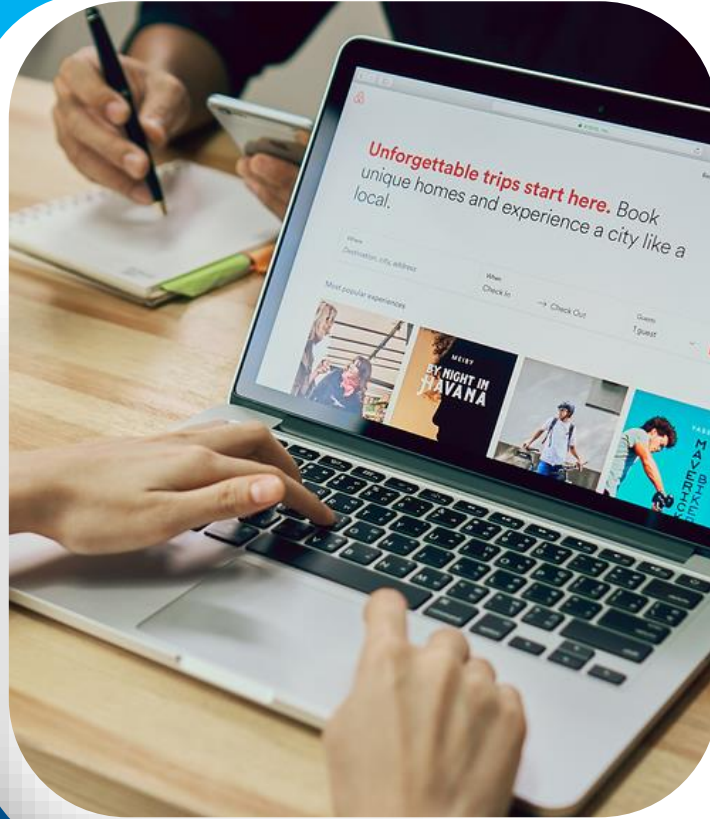




How Digital Marketing Help Individuals

- **Social Proof**
- **Networking**
- **Personal Branding**
- **Personal Portfolio Management**
- **Influencer Opportunity**





Reasons why You get bad leads

- Irrelevant Target Audience
- Poor Need Analysis
- Low Quality Content
- Poor Use of Analytics or No Analytics
- Instable Online Presence
- No Customer Journey Mapping



Fundamentals of Lead Generation

- **Defining Buyer Persona**
- **Developing Target Audience**
- **Identifying effective channels**
- **Creating a Lead Funnel**
- **Developing Content Materials**
- **Effective Lead Nurturing**
- **Strong Customer Relationship Management**





Defining Buyer Persona

JASPER FREEDMAN

BUYER PERSONA TEMPLATE

AGE 45

OCCUPATION Planning Director

EDUCATION Engineering Degree, MBA

PERSONALITY Extrovert

STATUS Married

AMBITIOUS

FOCUSED



BIO

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Maecenas porttitor congue massa. Fusce posuere, magna sed pulvinar ultricies, purus lectus malesuada libero, sit amet commodo magna eros quis urna. Nunc viverra imperdiet enim. Fusce est. Vivamus a tellus.

Extrovert Introvert

Sensing Intuition

Thinking Feeling

Judging Perceiving



MOTIVATIONS

INCENTIVE

FEAR

ACHIEVEMENT

GROWTH

POWER

SOCIAL

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Maecenas porttitor congue massa. Fusce posuere, magna sed pulvinar ultricies, purus lectus malesuada libero, sit amet commodo magna eros quis urna.



FRUSTRATIONS

- Pellentesque habitant morbi tristique senectus
- Netus et malesuada fames ac turpis egestas.
- Proin pharetra nonummy pede. Mauris et orci.



GOALS

- Lorem ipsum dolor sit amet
- Maecenas porttitor congue massa posuere.
- Massa posuere, magna sed pulvinar
- Nunc viverra imperdiet enim. Fusce est.



Developing Target Audience

- Geographic
- Sociographic
- Psychographic
- Demographic
- Behavioural





Identifying Effective Channels

Online

- Social Media
- Search Engines
- PPC Ads
- Surveys
- Coupon Registrations
- Event Registrations
- Referrals



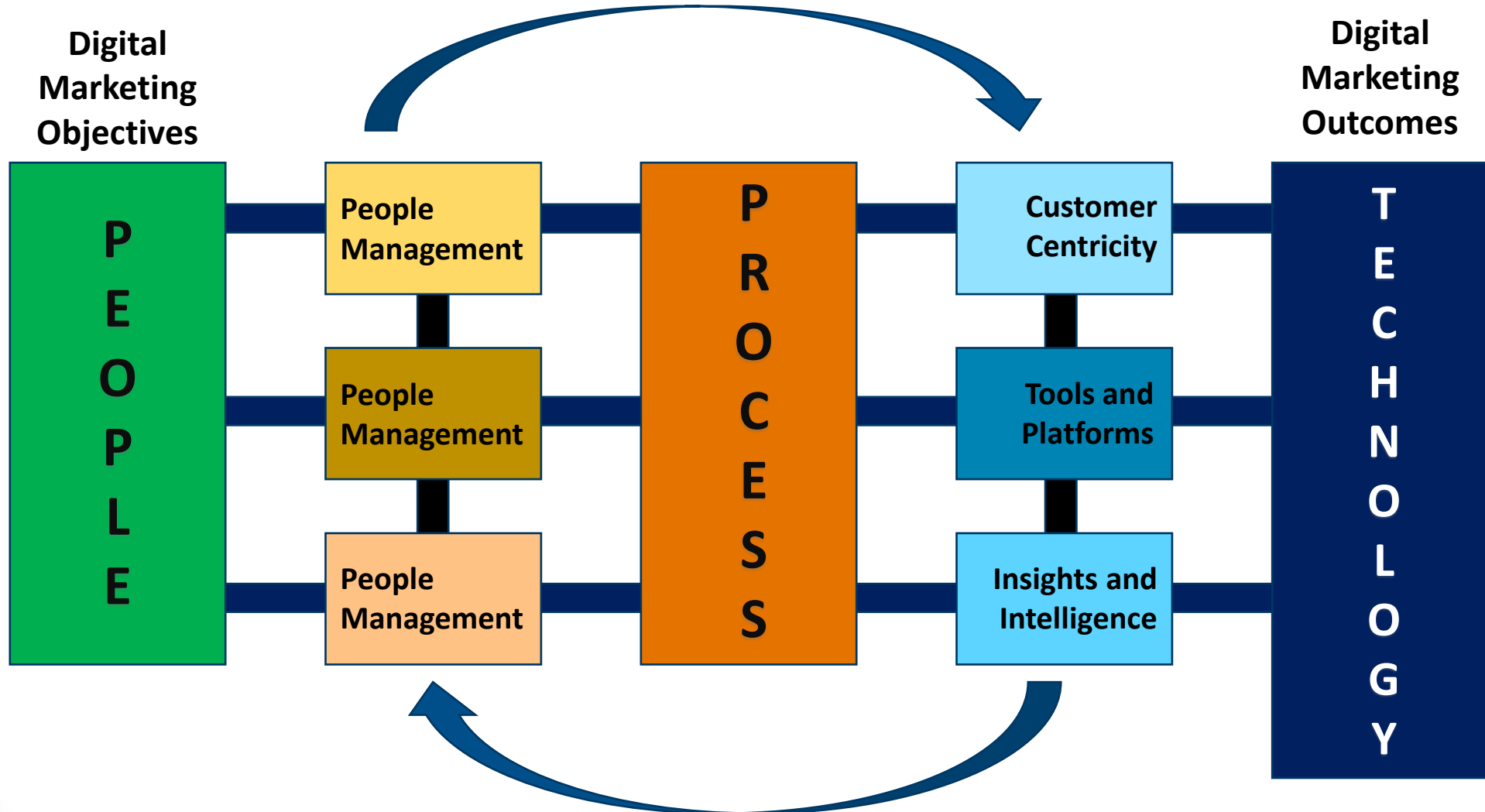


Creating a Lead Funnel





The Power of Digital Center of Excellence





Developing Content Material

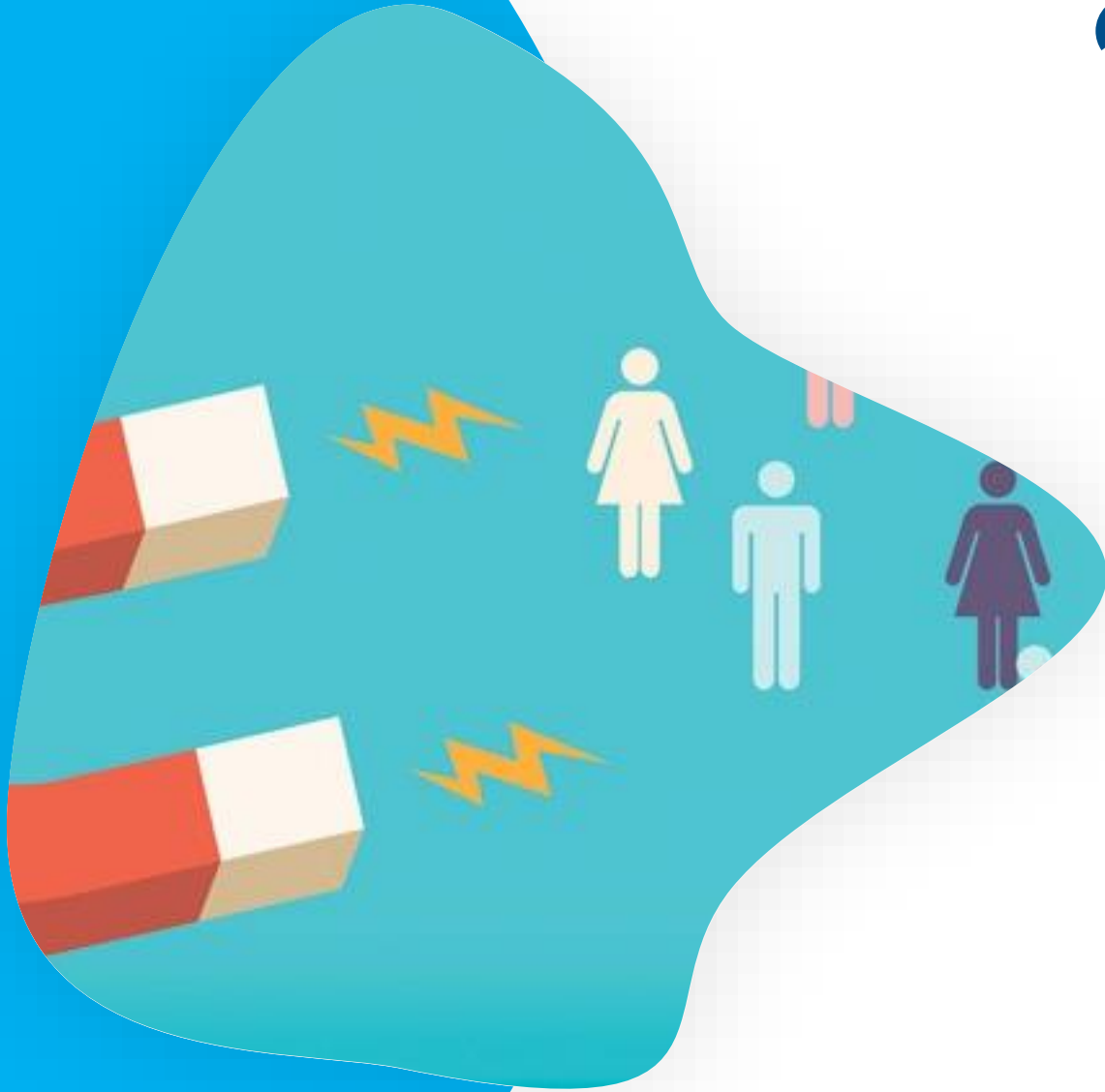
- Product Brochures
- Graphic Posts
- Offer Pamphlets
- Product/Service Videos
- Customer Testimonials
- Product/Service Video Manuals
- Festive Promotional Posts
- Loyalty Offers
- Influencer Connect





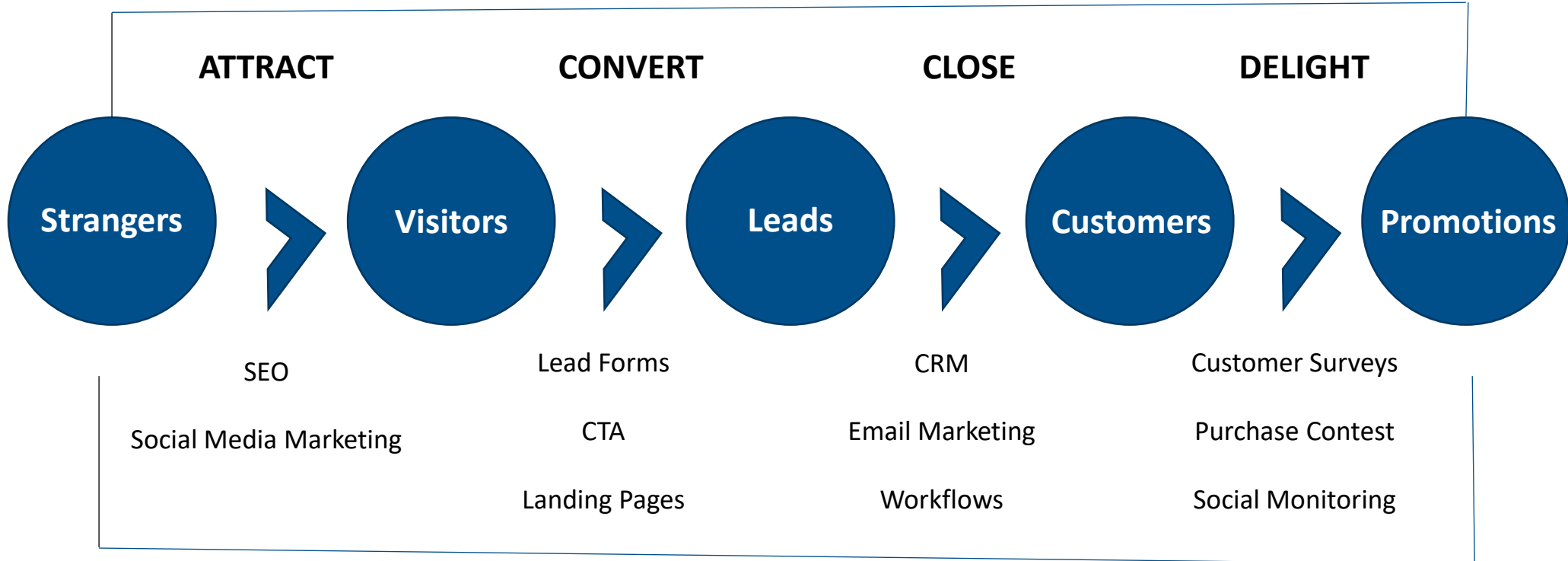
Effective Lead Nurturing

- Email Follow-ups
- Retargeting & LTV Nurturing
- Ad Personalization
- 1 to 1 Face Interaction
- Customer Surveys as part of need analysis.





Lead Generation Foundation Model





Local SEO

- 46% of the Google Search are Local SEO
- Near Me Searches have increased by over 500% since 2018
- Voice Searches are getting popular to search local businesses
- 50% of the users visits the store within 48 hrs of their search
- Local Searches are the first visibility area on Google Search



Content Marketing

- **Using relevant content to promote your business, helps the audience develop a visual memory for the brand.**
- **Content consists of images, videos, audios, infographics that are relevant to the brand's objective.**
- **Viral Marketing – a part of content marketing is one of the most popular marketing method on today's digital age.**





Types of **Visual Contents**

- **GIFs**
- **Image Designs**
- **Cover Images**
- **Videos**
- **Infographic**
- **Infographic Videos**
- **Text Videos**
- **Theme Contents**



Essential of **Visual Contents**

- **Usage of Colors**
- **Font Style and Size**
- **Non-Cluttered**
- **Color Theme**
- **Image Relevance**
- **Designing Depth**
- **Image Size**
- **Usage of Tools**
- **Copywriting Intensity**



The New Age of Guest Posting

Guest Post are any post that you upload on relevant web channels to increase trust amongst customers.

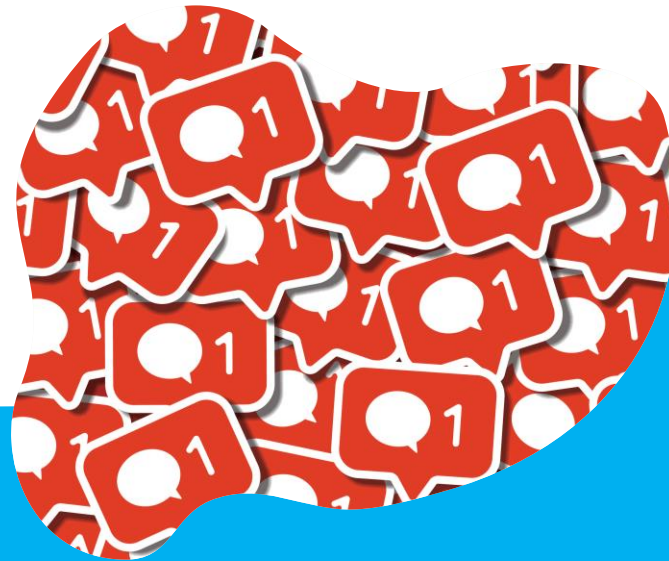
- Uploading a blog on top tier blog channels.
- Submitting a promotional post on a popular and reputed Facebook Group
- Getting endorsement of your product by a popular online influencer on their channel.





Active Social Media Campaigns

- Helps you generated targeted leads at lower costs.
 - Convenient way to spread awareness.
- Highest Audience segregation is on the social media.
- Acts as a Digital Asset to showcase your products and services.





Why Social Media Marketing

- The Internet has democratized information flow.
- Consumers have the power & choice to communicate, discuss, share, transact through various social & location-aware tools.
- Brands & companies need to innovate & offer new, relevant ways to live, work & play.



Social Media Channels

- Facebook
- Twitter
- LinkedIn
- Pinterest
- Instagram
- Snapchat
- Quora
- WhatsApp





Using PPC Ads

- Oldest most effective online marketing techniques.
- Lowest Cost and High Quality Targeted Leads
- Cost charged on performance basis establishes security against wastage of funds.
- Effective way to target local leads.
- Targets on keywords increases its relevancy ratio.
- Targets both text searches and voice searches at the same time.
- Integrates a large number of mobile network.



Product Surveys

- Helps the brand reduce the customer gap.
- The best way for need analysis.
- Helps you with data for targeting audience on the online marketplace.
- Gives an in-depth understand for the 4Ws – Who, Where, What and Why
- Connects emotionally with the audience and helps developing a reputed brand perception.





Coupon Registration

- Increases loyalty of the customers towards the brand.
- Low Cost campaigns for prime customers.
- Can be done through both paid and free channels effectively.
- Nurtures Retargeting Campaigns
- Increases Customer Life Time Value
- Increase chances for re-sales and referrals by customers.



Event Registrations

- Participating on Online Events helps increase recognition for the brand to a larger audience.
- Organizing live events to promote your services helps people engage with your product well.
- Few popular social channels to stream live is Facebook, Youtube and Instagram





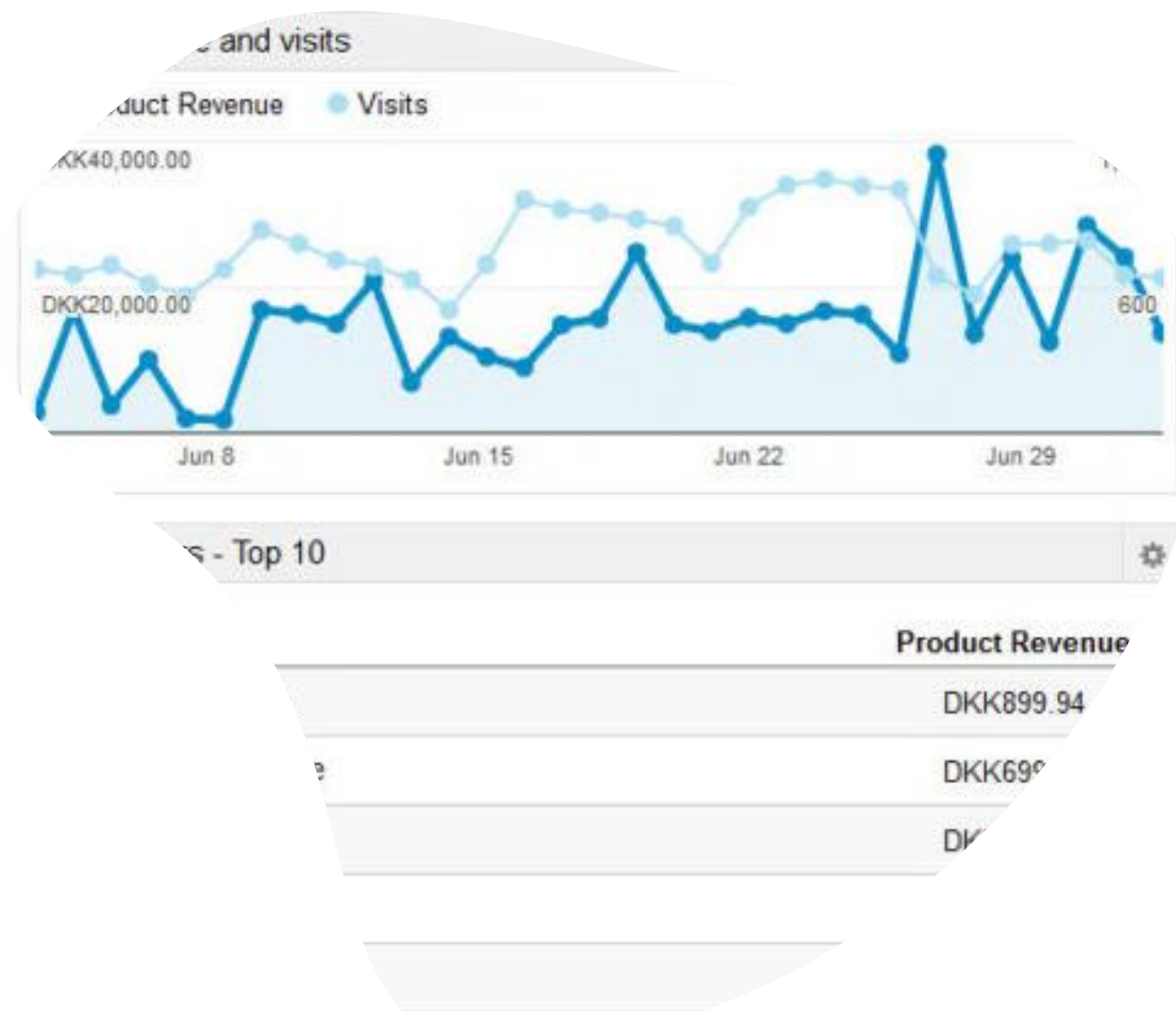
Developing Strong Referrals

- Request customers to provide reviews to your store on Google and Facebook.
- Share customer success stories on your digital channels.
- Provide your customer reviews on the website.
- If you are into service industry, LinkedIn should be your holy grail to network with strangers and develop leads and then ask for reviews on LinkedIn to develop referrals.



Critical Lead Analytics Metrics

- Click through Rate
- Conversion Rate
- Total Session Timings
- Return on Investment
- Cost Per Click
- Time Per Page
- Bounce Rate





Lead Generation Tools

- Google Maps Results
- Email Marketing Local Database
- Whatsapp Marketing
- Hunter
- Email Extractor for Chrome
- Lead Ads on Google and Social Media
- Unbounce
- Send In Blue
- Hubspot





Lead Landing Page **Fundamentals**



- Catchy Headline
- Good Pictures or Videos
- Guarantee for Authenticity
- Lead Form
- Engaging Content about the Product
- Active Call to Action
- Simple yet Attractive Design
- Point of Direct Contact
- Persuasive Call to Action
- Customer Centred Page Planning



Customer Retention



- **Use Customer Analytics**
- **Plan a Defined Customer Experience**
- **Persistent Social Communication**
- **Loyalty Programs**
- **Identify Risk Customers**
- **Follow Back with Lost Customers**
- **Introduce Discount, Bundled, Upgrade and Tailored Offer**
- **Net Promoter Score**
- **Improve Brand Perception**
- **Lower Customer Retention Cost**





WhatsApp Hacks

- Avoid regular promotional message deployment to avoid getting blocked and blacklisted.
- Use weekly offers to connect with the WhatsApp audience.
- To promote regularly use a Telegram Group
- Don't just send promotional messages, try sending more tips related to the products or services.
- Be highly-active during festivals.
- Always use WhatsApp business.
- Always use an alternate contact number for promotions.



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ENTREPRENEURSHIP DEVELOPMENT PROGRAMME + TRAINING OF TRAINERS



LEGAL ASPECTS & COMPLIANCES

**Main Applicable Laws/ Acts
on Micro Enterprises In
India**

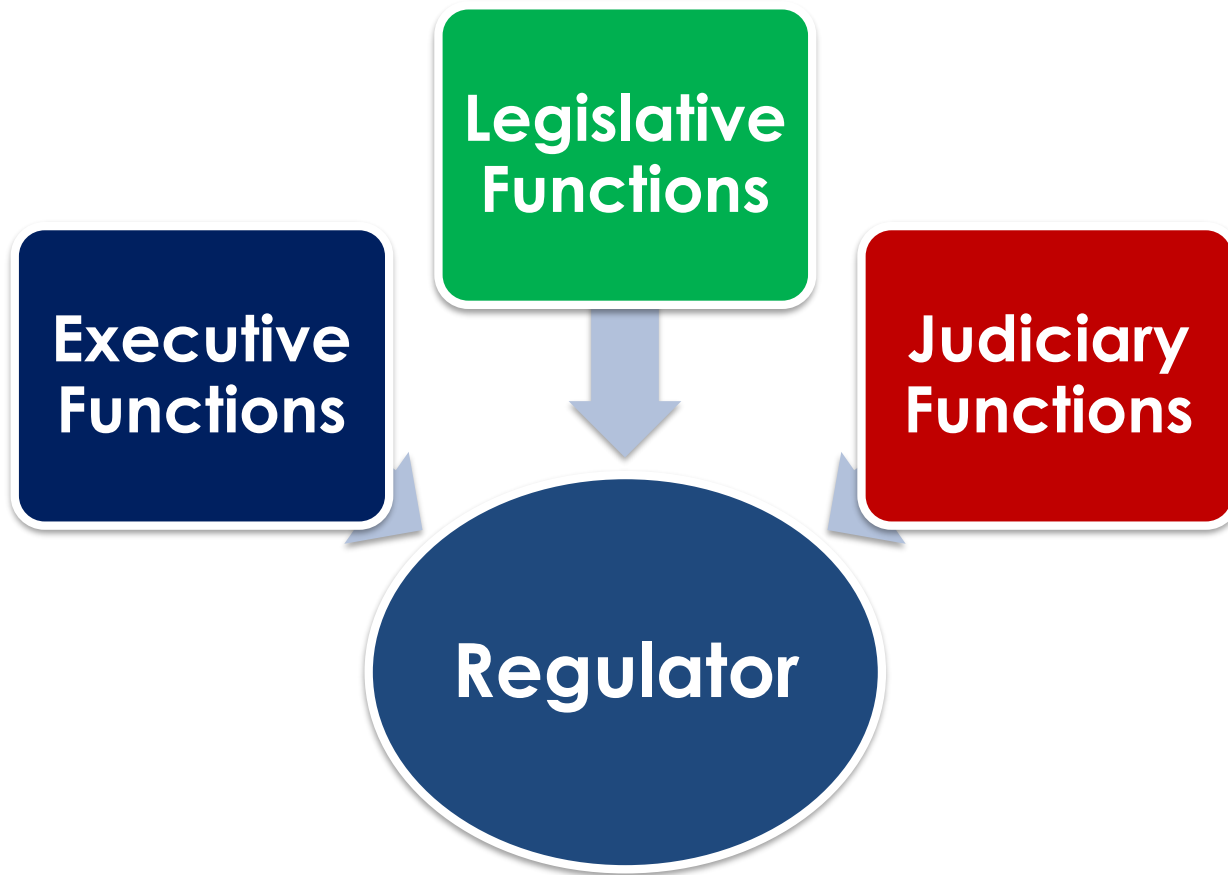
**Legal Framework of
Business Enterprise (From
Inception to Running Phase)**

**Overview of
Session**

**Latest Compliance Calendar
for an Enterprise (monthly/
quarterly/ half-yearly/
yearly basis)**

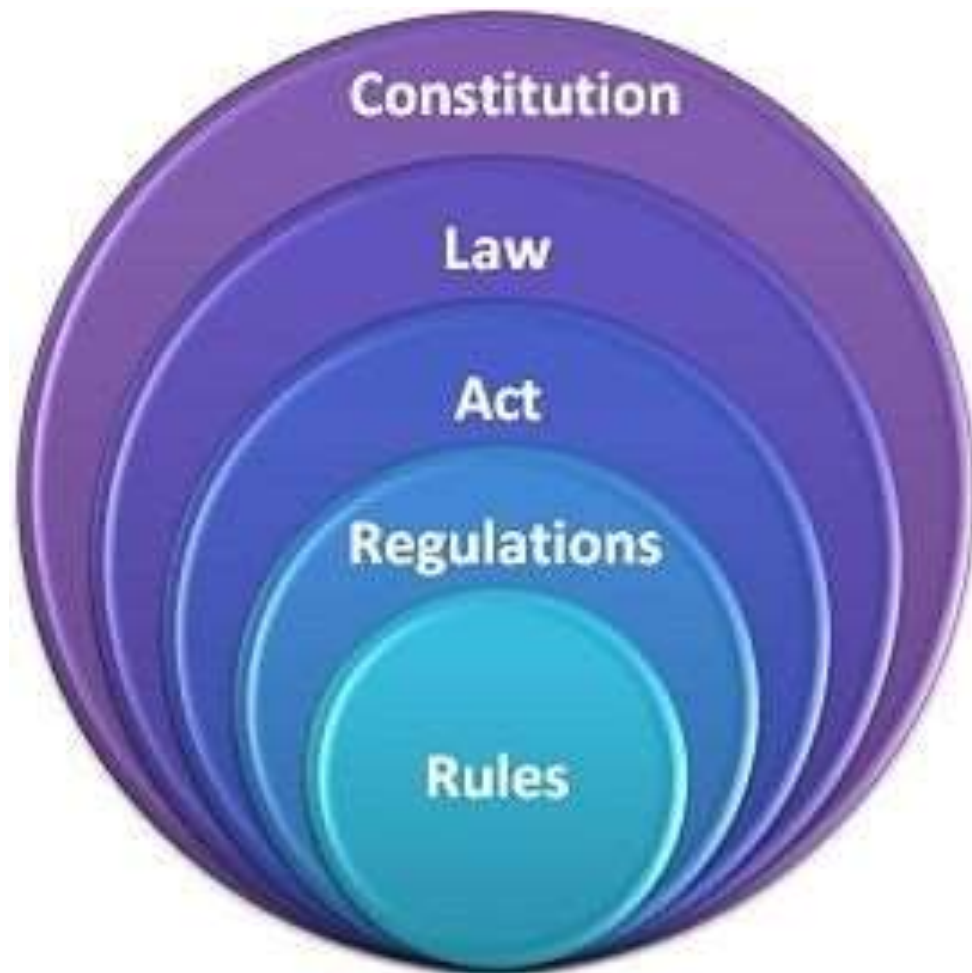
**Practical Session- on Legal
Concerns**

REGULATOR'S ROLE



UNDERSTANDING IMPORTANT TERMS

- LAWS
- ACTS
- REGULATIONS
- POLICIES
- SCHEMES



IMPORTANT – WEBSITES OF GOI

❑ MINISTRY OF COMMERCE & INDUSTRY

www.commerce.nic.in

❑ MINISTRY OF FINANCE

www.finmin.nic.in

❑ MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES

www.msme.gov.in

❑ MINISTRY OF EXTERNAL AFFAIRS

www.mea.gov.in

ACTS, RULES & POLICIES INTERNATIONAL BUSINESS

- ITC (HS) CODES
- CUSTOM HANDBOOK PROCEDURES
- EXIM POLICIES
- EXPORT-IMPORT- INPUT OUTPUT NORMS
- FEMA & FERA
- EXPORT PREPAREDNESS INDEX- PO
BUSINESS ECOSYSTEM, EXPORT
ECOSYSTEM, EXPORT PERFORMANCE



INDIAN FINANCIAL MARKET REGULATORS

| | | |
|---|--|---|
| 1 | Reserve Bank of India (RBI) | Banking Companies & NBFC |
| 2 | Securities and Exchange Board of India (SEBI) | Listed Companies, CIS, Mutual Funds, Deemed Public Issues & Deemed CIS, Commodities Derivatives |
| 3 | Insurance Regulatory and Development Authority (IRDA) | Life Insurance & Non-Life Insurance Products |
| 4 | Pension Fund Regulatory and Development Authority (PFRDA) | Pensions Funds, NPS |
| 5 | Ministry of Corporate Affairs | Company Deposits, Nidhi Companies, Mutual Benefit Companies etc. |
| 6 | State Government | Chit Funds, Prize Chits & Money Circulation Schemes, Co-operative Societies, MLM |
| 7 | National Housing Bank (NHB) | Housing Finance Companies |

LETS DO SOME ACTIVITY



TAGLINES TO IDENTIFY

- **INDIA'S CENTRAL BANK**
- **HAR INVESTOR KI TAQAT**
- **BIMA BEMISAAL**
- **ONE NATION – ONE TAX- ONE MARKET**
- **KOSH MOOLO DAND**
- **Y AISH SAPTESHU JAGRATI**
- **NARI KI PRAGATI, DESH KI UNNATI,
EMPOWERING WOMEN, EMPOWERING INDIA**

PART I- MAIN APPLICABLE LAWS/ ACTS ON MICRO ENTERPRISES IN INDIA



SOME IMPORTANT FACTS ON BUSINESS LAWS IN INDIA

- There are more than 1000 laws in India, related to business sector.
- Indian laws may be complex, but in many cases they are much easier than many foreign country laws
- Through MAKE IN INDIA scheme, Govt of India has taken steps to liberalise Foreign Direct investment Laws.

A silhouette of a tiger, the national animal of India, is depicted. The tiger's body is intricately filled with a complex arrangement of various mechanical gears, cogs, and pulleys of different sizes and orientations, symbolizing industry and manufacturing. The background is a soft gradient of orange on the left and green on the right, with a white central area. The text "MAKE IN INDIA" is superimposed in white, bold, uppercase letters across the middle of the tiger's body.

MAKE IN INDIA

BRIEF DETAILS

- **Governing Body-** DPIIT under Ministry of Commerce & Industry
- **Website Link-** <http://www.makeinindia.com/home>
- **Eligible Sectors -**

| | | |
|-----------------------|-------------------------|-------------------------|
| Automobiles | Food Processing | Renewable Energy |
| Automobile Components | IT and BPM | Roads and highways |
| Aviation | Leather | Space |
| Biotechnology | Media and Entertainment | Textiles and garments |
| Chemicals | Mining | Thermal Power |
| Construction | Oil and Gas | Tourism and Hospitality |
| Defence manufacturing | Pharmaceuticals | Wellness |
| Electrical Machinery | Ports | |
| Electronic Systems | Railways | |

MAKE IN INDIA - INITIATIVES

FDI new doors
from railways,
insurance,
defence, medical
device sectors

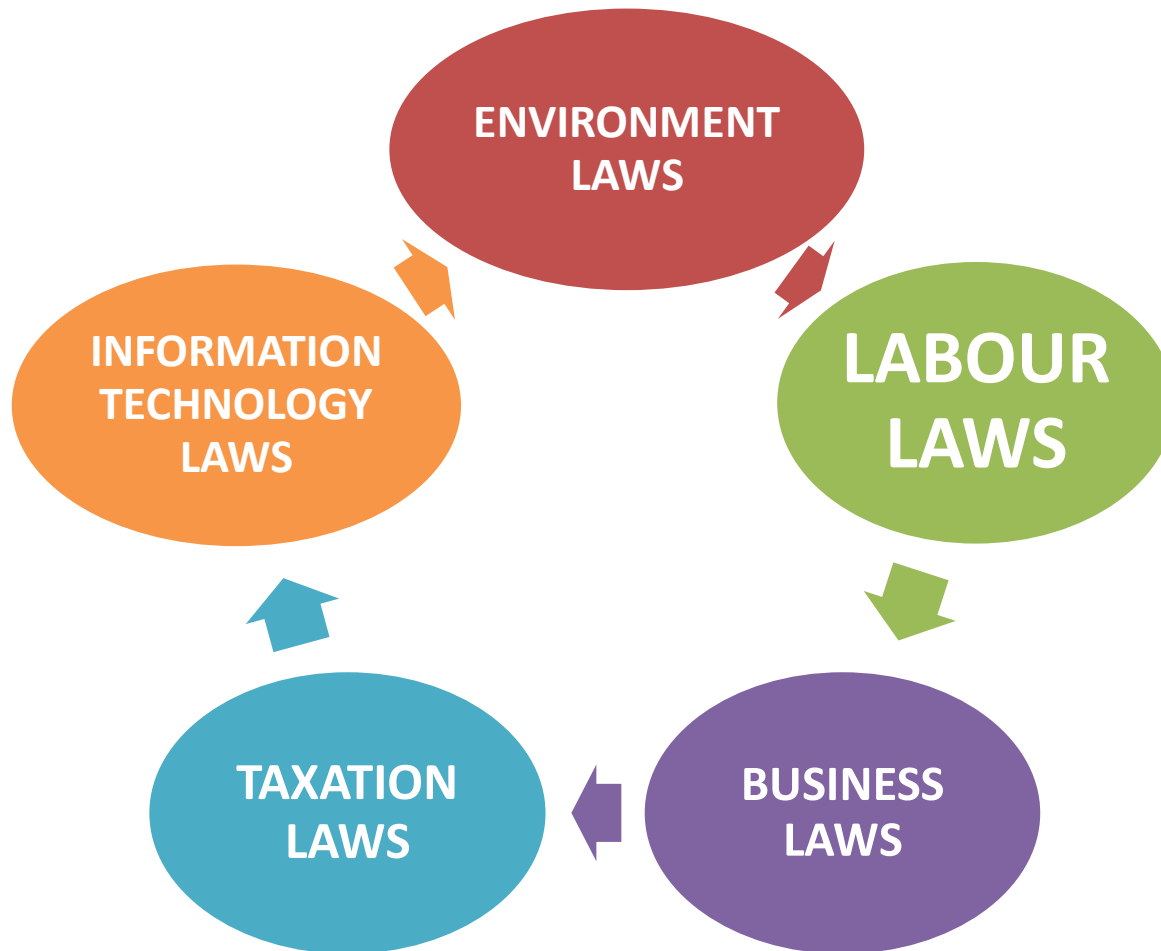
In construction and
specified rail
infrastructure
projects, 100% FDI
under the automatic
route

PPP Model of
Investment

The Shram
Suvidha Portal,
eBiz portal, etc.
have been
launched

Time-bound clearances of foreign
investors applications, automation of
processes for registration with the ESIC
and the EPF, decreasing the number of
documents for exports, and ensuring
compliance through peer evaluation,
self-certification, etc.

CATEGORISATION OF VARIOUS LAWS IN INDIA



CHECKLIST FOR TRADING CONCERN UNDER LEGAL FRAMEWORK

- Get registered as member in respective Trade Union
- Complied with Shop & Establishment Act Rules
- Get Water/ Electricity board clearance
- Amend in GST registration in case of opening new branch of business
- Maintain records/ registers/ challan for supply of goods

CHECKLIST FOR MANUFACTURING CONCERN UNDER LEGAL FRAMEWORK

- Get Industrial Land- use approvals
- Factory License from local Authority
- NOC from Deputy Commissioner of Industries
- NOC from Pollution Control Board
- NOC from Fire Department
- Electricity Connection from State Electricity Board
- Water Connection from State Water Board
- After Factory setup- register for EPF/ ESI

CHECKLIST FOR SERVICE PROVIDER ENTITY UNDER LEGAL FRAMEWORK

- Do compliance with any bank under Secure payment gateway method
- Register domain first in case of website related work
- Register in MSME
- GET Water/ Electricity Board approvals

MAIN APPLICABLE ACTS ON ANY BUSINESS ENTERPRISE IN INDIA

| | | GOVERNING ACT |
|--|-----------------------|---|
| For Enterprise Registration | Sole – Proprietorship | Shop & Establishment Act, 1958 |
| | Partnership | Indian Partnership Act, 1932 |
| | Company | Indian Companies Act, 2013 |
| | LLP | Limited Liability Partnership Act, 2008 |
| For Name/ Logo/Word mark Registration | | Trademarks Act, 1999 |
| For Income Tax Registration | | Income Tax Act, 1961 |
| For GST Registration | | Goods & Services Tax Act, 2017 |

MAIN APPLICABLE ACTS ON ANY BUSINESS ENTERPRISE IN INDIA

| | | |
|--|--|---|
| For Factory License | | Factories Act, 1948 |
| For Employees future protection | | Employees Provident Fund & Miscellaneous Provisions Act, 1952 |
| For Casualty Cases | | Employees State Insurance Act, 1948 |
| For Employees Wages Security | | Minimum Wages Act, 1948 |
| For Bonus provisions | | Payment of Bonus Act, 1965 |
| For Online Transactions | | Information technology Act, 2000 |
| For Financial Transactions | | Banking Regulation Act, 1949 |
| For any business contract | | Indian Contract Act, 1872 |
| For E commerce activities | | Consumer protection (E Commerce) Rules, 2020 |

PART II- LEGAL FRAMEWORK OF BUSINESS ENTERPRISE (FROM INCEPTION TO RUNNING PHASE)



IMPORTANT COMPLIANCE PARAMETERS FOR ENTERPRISE

- Environment Protection
- Customer Satisfaction
- Manpower Rights
- Casualty Precautions
- Taxation Deadlines
- Retirement Benefits
- Female Security
- Corporate Social Responsibility
- Cyber Security
- IPR Protection

LEGAL FRAMEWORK OF ENTERPRISE

INCEPTION PHASE

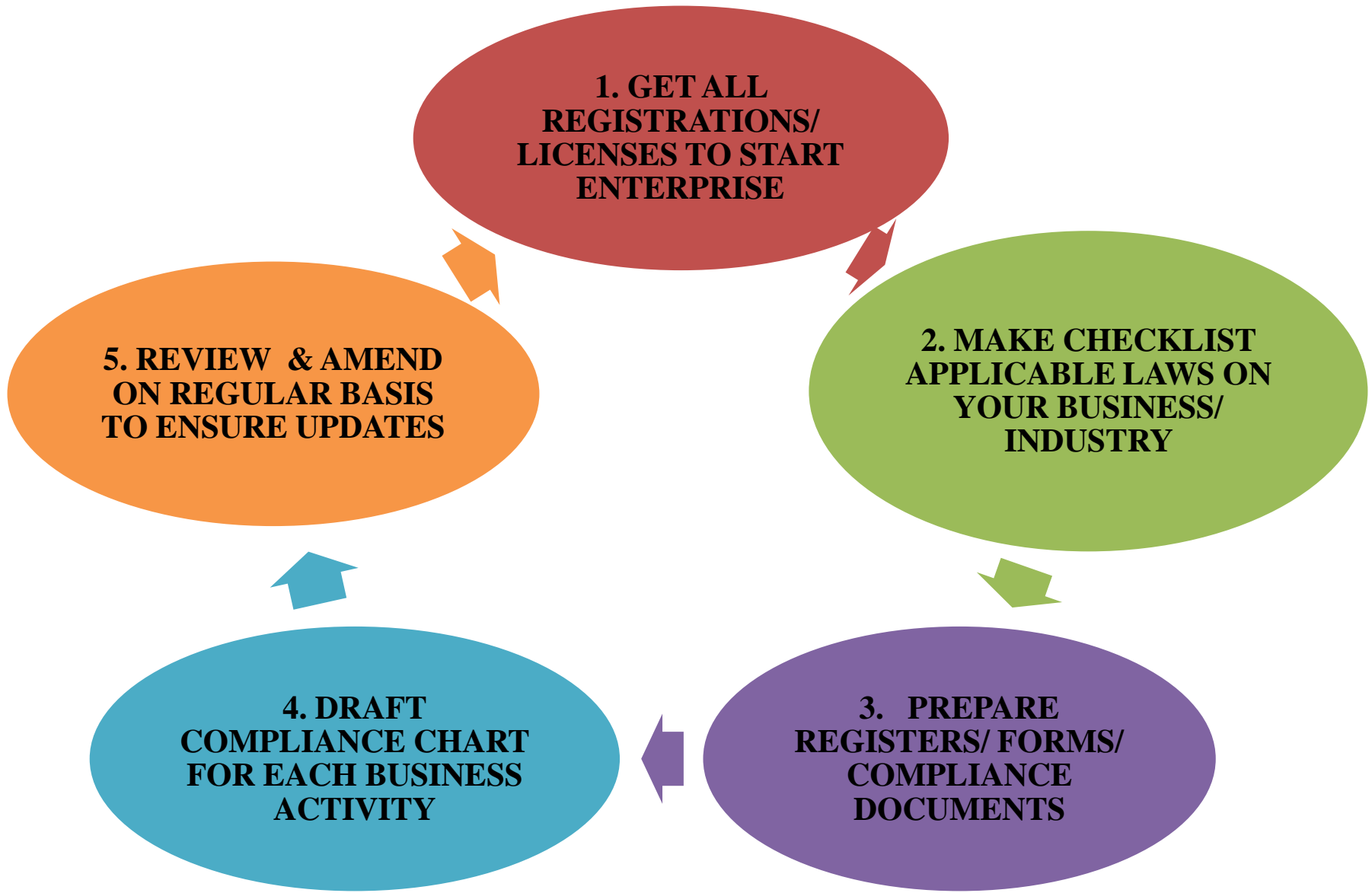
- Register your Business Organisation with Unique name and valid registered address
- Register in IT, GST, MSME, Open Bank A/c
- Get License as per Industry Law
- In case, export oriented business– get IEC Code from DGFT/
License from DGFT
- Get approval from Water & Electricity Board
- Register in PF(If 20 or more persons are employed in Enterprise)
- Register in ESI (If 10 or more persons are employed in Enterprise & salary not more than 21000 p.m.

LEGAL FRAMEWORK OF ENTERPRISE

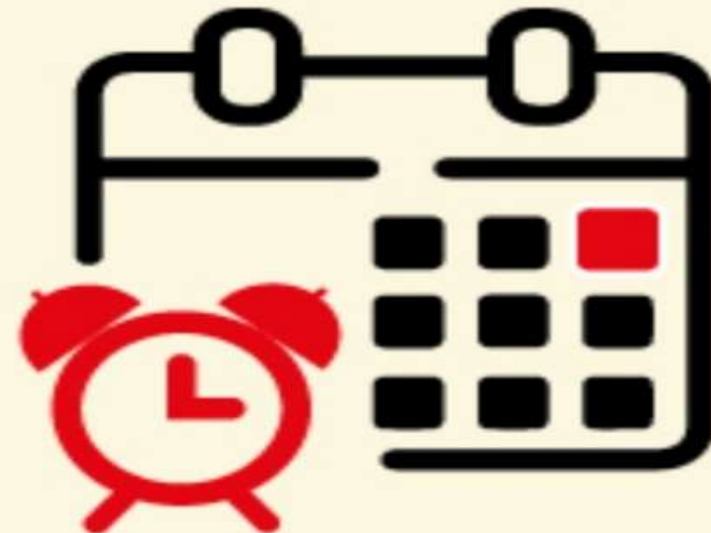
RUNNING PHASE

- Pay Employees Salary/Wages/ Bonus/ Perquisites as per related Compliance Acts
- Pay monthly/ quarterly / yearly tax amounts/ file returns on time
- Export goods/ services as per Indian Customs
- Check Business Turnover/ no. of employees/ capital/ expansion of Enterprise on quarterly basis (as some Acts becomes applicable on reaching a specific limit)

LEGAL ROAD-MAP OF AN ENTERPRISE



PART III- LATEST COMPLIANCE CALENDAR FOR AN ENTERPRISE (MONTHLY/ QUARTELY/ HALF-YEARLY/ YEARLY BASIS)



LEGAL COMPLIANCES REQUIREMENTS



UNDERSTANDING COMPLIANCES

- Compliances means adhering to Rules & Regulations applicable to your business Enterprise.
- These can be categorized as below-
 - HR Compliances
 - Taxation Compliances
 - Finance Compliances
 - Labour Compliances
 - Accounts Compliances
 - Company Legal Compliances
 - Factory Statutory Compliances

COMPLIANCES – ADVANTAGES TO ENTERPRISE



Avoids penalty & fines- because of timely payments.



Protects the organisation from unreasonable wages or benefits demands of Trade Unions.



Prevents legal troubles as the enterprise is fully compliant.



Mitigates risks and increase awareness about compliance.



Low risk of adverse incidents.

COMPLIANCE CHECKLIST

| SPECIFIC HEAD | PERIOD | DUE DATE |
|--------------------------|-----------------|---|
| INCOME TAX - | | |
| TDS/TCS Payment | Monthly basis | 7 th of Following Month (30 TH April for TDS/TCS Payment till 30 th march of F.Y.) |
| TDS Return Filing | Quarterly basis | 31 st of Following Quarter (31 st May for Last Quarter of F.Y.) |
| TCS Return Filing | Quarterly basis | 15 th of Following Quarter (15 TH May for Last Quarter of F.Y.) |
| Income Tax Return | Yearly basis | 31 st July of A.Y.- Individual/ HUF |
| | | 30 TH September of A.Y. – For other persons |

COMPLIANCE CHECKLIST

| Advance Tax Payment | Quarterly basis | 15 days before end of Quarter (Installment – wise) |
|----------------------------|------------------------|---|
| | | |
| GST- | | |
| GSTR-1 | Monthly basis | 10 th of Following month |
| GSTR-3/3B | Monthly basis | 20 st of Following month |
| GSTR-9 | Yearly basis | 31 st December of following year |
| GSTR-7-TDS DECUCTOR | Monthly basis | 10 TH of Following month |
| | | |
| EPF- | | |
| PF Payment | Monthly basis | 15 th of Following month |
| PF Return | Monthly basis | 25 th of Following month |
| PF Return Annual | Yearly basis | 25 th April of Following year |

COMPLIANCE CHECKLIST

| | | |
|----------------------------------|-------------------|--|
| ESIC- | | |
| ESIC Payment | Monthly basis | 21 st of Following month |
| ESIC Return | Half-yearly basis | -12 th November (April-September) |
| | | - 12 th May (October – March) |
| ROC - | | |
| Filing of Annual Accounts | Yearly basis | 31 st October of Following year |
| Filing of Annual Return | Yearly basis | 30 th November of Following year |
| Director KYC Verification | Yearly basis | 30 th April of Following year |
| LLP- | | |
| Filing of Annual Accounts | Yearly basis | 31 st October of Following year |



RELIEF IN STATUTORY COMPLIANCES

ANNOUNCEMENT FOR RELIEF IN TAX COMPLIANCES

Last date for filing IT Return for F/Y 2019-20 has been extended to 31st December, 2020 (instead of 31st July 2020 for Individuals & HUF & for persons (except companies) not covered under Tax Audit as per Section 44AD & 44AB of Income Tax Act

Last date for filing IT Return for F/Y 2019-20 has been extended to 30 November, 2020 (instead of 31st January 2021 for Companies & persons covered under Tax Audit as per Section 44AD & 44AB of Income Tax Act

Due date of Tax Audit for F/Y 2019-20 has been extended to 31st December, 2020 (instead of 30th September, 2020)

TDS Rates for non-salaried specific payments (Commission, contract, professional fee, interest, rent, dividend etc) & TCS Rates for specific receipts for F/Y 2020-21 have been reduced by 25% of existing rates

ANNOUNCEMENT FOR RELIEF IN TAX COMPLIANCES

Last date for filing IT Return for F/Y 2018-19 has been extended to 30th June, 2020 along with late fee (instead of 31st March, 2020).

Last Date to file GST Returns for March, April, May 2020 (monthly/quarterly) has been extended to end of June, 2020.

Date of assessment getting barred on 30th September, 2020/31st March 2021 has been extended to 31st December, 2020/30th September 2021.

Period of VIVAS SE VISHWAS SCHEME for making payment without additional amount has been extended to 31st December, 2020.

ANNOUNCEMENT FOR RELIEF IN COMPANY LAW COMPLIANCES

Mandatory Board Meetings of Companies has been extended by 60 days till 30th September, 2020

Extraordinary General Meeting of companies have been allowed to conduct through Video-conferencing with E-voting.

Ease of doing business approach through Independent Directors Databank/ Integrated Web-based incorporation Form/withdrawal of more than 14000 prosecutions/Decriminalisation of Companies Act Defaults

Rationalization of Related Party Transactions related provisions / resolving number of cases under IBC, 2016

ANNOUNCEMENT FOR RELIEF IN OTHER SEGMENTS

24*7 Custom Clearance
till 30th June, 2020

Premium due by 31st
March 2020 of Motor
Vehicle & Health
Insurance Policies has
been extended to pay
till 15th May, 2020.

PART IV- PRACTICAL SESSION- ON LEGAL CONCERNS

1. Mr. A & B has started food online business on 12.05.2018 in the name of M/s AB FOOD CORNER LLP... What will be due dates of:

M/s AB Food Corner LLP – Income tax return

Mr. A – Income tax return

2. Mr. A, B, C want to start a START-UP Venture on processing pickles for Export. They have registered a partnership firm for that. They have taken GST only. What registrations are required as they want to grow their business for-

- Selling goods to African Countries
- Selling goods to Railway Department
- Want to purchase latest machineries through subsidy loans

**THANK
YOU**

**STAYS SAFE
AND STAY
POSITIVE**

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Guidance to Food Safety, Weights & Measures

Hygiene Issues Specific to Food Processing Sector, FSSAI Standards, Weights & Measures Regulations and Registration

Trainer : Yashi Shrivastava (Auditor, Trainer, Nlrp FSSAI)

Director – Yari QualiTech

Food

“Food” means any substance,
**whether processed, partially
processed or unprocessed,**
which is **intended for human
consumption.**

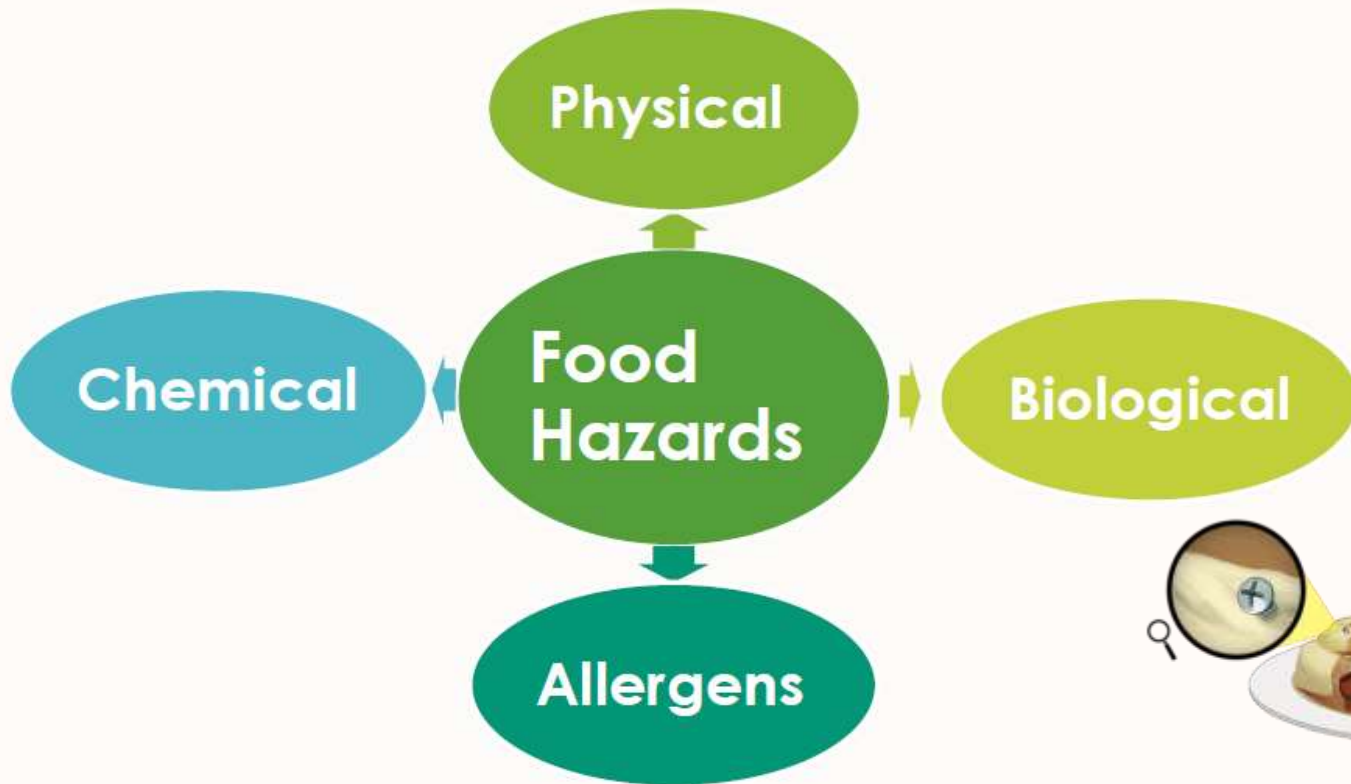


Safety

“**Food safety**” means assurance that food is acceptable for human consumption according to its intended use.

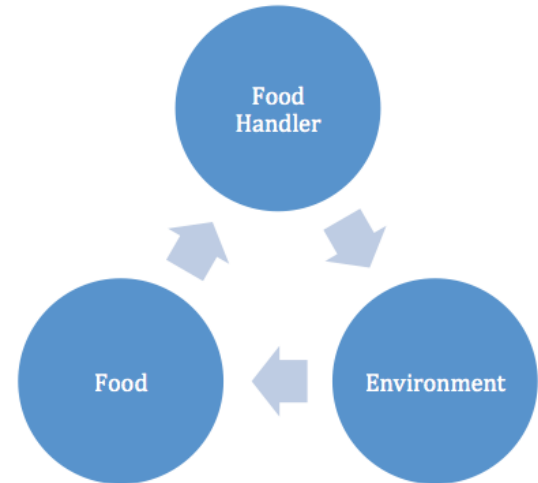


Food Safety Hazards



Schedule 4: Part-II

General Requirements on Hygienic and Sanitary Practices to be followed by all Food Business Operators applying for License



Schedule 4: Part-II

The establishment in which food is being handled, processed, manufactured, packed, stored, and distributed by the food business operator and the persons handling them should conform to the sanitary and hygienic requirement, food safety measures and other standards as specified below.

It shall also be deemed to be the responsibility of the food business operator to ensure adherence to necessary requirements



S4-P2-01: LOCATION AND SURROUNDINGS

- Food Establishment shall ideally be located away from environmental pollution and industrial activities that pose a threat of contaminating food areas that are prone to infestations of pests or where wastes, either solid or liquid, cannot be removed effectively.
- In case there are hazards of other environment polluting industry located nearby, appropriate measures should be taken to protect the manufacturing area from any potential contamination.
- The manufacturing premise should not have direct access to any residential area.

S4-P2-01: LOCATION AND SURROUNDINGS



Fig.2.2 Premises with tarred and concrete to avoid dust



Fig.2.3 Plant entrance with hygiene station



Fig.2.6 Stagnant water near the surroundings



Fig.2.4 Clearly defined walkways



Fig.2.5 Vegetation growth near premises

S4-P2-02: LAYOUT AND DESIGN OF FOOD ESTABLISHMENT PREMISES

- As far as possible, the layout of the food establishment shall be such that food preparation / manufacturing processes are not amenable to cross-contamination from other pre and post manufacturing operations like goods receiving, pre-processing (viz. packaging, washing / portioning of ready-to-eat food etc).



S4-P2-02: LAYOUT AND DESIGN OF FOOD ESTABLISHMENT PREMISES

- Floors, ceilings and walls must be maintained in a sound condition. Should be made of impervious material and should be smooth and easy to clean with no flaking paint or plaster.
- Doors shall also be made of smooth and non-absorbent surfaces.
- Adequate and proper drainage facility should be there and the drainage shall flow in a direction opposite to the direction of food preparation / manufacturing process flow.
- Adequate control measures should be in place to prevent pests from entering the processing area from drains.
- Windows, doors & all other openings to outside environment shall be well screened.
- No person shall manufacture, store or expose for sale or permit the sale of any article of food in any premises not effectively separated to the satisfaction of the licensing authority from any privy, urinal, sullage, drain or place of storage of foul and waste matter.

S4-P2-02: LAYOUT AND DESIGN OF FOOD ESTABLISHMENT PREMISES



Fig.2.7 Clean, durable, impervious to moisture



Fig.2.8 Cracks allow bacteria and moulds to accumulate.



Fig.2.11 PVC Strip curtains



Fig.2.12 Automatic closing spring door



Fig.2.9 Fungal growth on the walls



Fig.2.10 Ceiling made of impervious material

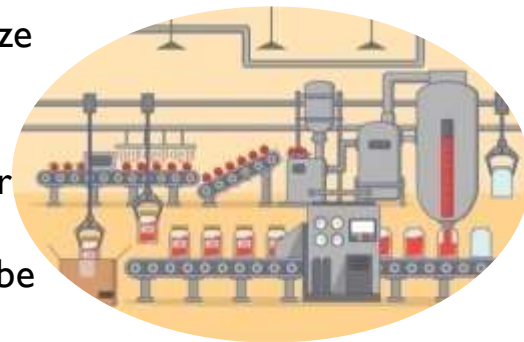


door

Fig.2.13 Air curtain

S4-P2-03: EQUIPMENT & CONTAINERS

- made of corrosion free materials and should be easy to clean and /or disinfect.
- kept at all times in good order and repair and in a clean and sanitary condition.
- either provided with a properly fitted cover/lid or with a clean gauze net.
- it permits necessary maintenance and cleaning functions.
- Appropriate facilities for the cleaning and disinfecting and wherever possible cleaning in place (CIP) system shall be adopted.
- for waste, by-products and inedible or dangerous substances, shall be specifically identifiable and suitably constructed.
- If required, a waste water disposal system / effluent treatment plant shall be put in place.



S4-P2-04: FACILITIES

- Potable water supply
- Adequate facilities for cleaning, disinfecting of utensils and equipments
- Adequate facilities for washing of raw food
- Proper Drainage and waste disposal
- Personnel facilities and toilets
- Air quality and ventilation
- Lighting



S4-P2-04: FACILITIES



Fig.2.14 Special stone flooring to avoid slippery and easy cleaning with machines to improve hygiene



Fig.2.15 Epoxy and smooth flooring in operation, easy for cleaning and avoids dust and microbial contamination



S4-P2-04: FACILITIES



Fig.2.28 Hand-wash stations



Fig.2.29 Locker room



| Sc. No. | Material | Dustbin Colour | SYMBOL |
|---------|--------------------------------|----------------|---|
| 1 | Oily Cotton Waste | Red |  |
| 2 | Paper | Green |  |
| 3 | Plastic Jars, Sampling Bottles | Blue |  |
| 4 | Plastic Bags | Yellow |  |
| 5 | Polish Filter | Grey |  |
| 6 | Food Waste | Orange |  |
| 7 | Glass Bottles | Black |  |

Fig.2.27 Example of waste categorization with dedicated containers



Fig.2.24 Colour coding of water pipes to avoid contamination



S4-P2-05: FOOD OPERATIONS AND CONTROLS

- Procurement of raw materials
- Storage of raw materials and food
- Food Processing / Preparation, Packaging and Distribution / Service
 - Time and temperature control
- Food Packaging
- Food Distribution / Service



S4-P2-05: FOOD OPERATIONS AND CONTROLS

Procurement of raw materials

- ❑ Purchased from reliable and known suppliers. label a warranty in Form E. i.e. Form of Guarantee.
- ❑ Conform to all the Regulations and standards laid down under the Food Safety & Standard Act, 2006.
- ❑ Records of raw materials & source of procurement
- ❑ Checked for visible deterioration & off- odour and for any foreign matter.
- ❑ Tankers (for e.g. milk, oil, water, etc.), it should be checked for seal integrity and mostly dedicated tankers shall be used.
- ❑ Purchased in quantities that correspond to storage/preservation capacity of the establishment.
- ❑ Checked for 'expiry date'/ 'best before'/ 'use by date, packaging integrity and storage conditions.

S4-P2-05: FOOD OPERATIONS AND CONTROLS

STORAGE OF RAW MATERIALS & FOOD

- 1. **Storage instructions** over food packaging should be followed.
- 2. **Temperature and humidity** requisite for respective food materials / products shall be maintained, to enhance shelf life.
- 3. **FIFO** (First In First Out) & **FEFO** (First Expire First Out) stock rotation system as applicable, shall be followed in storage areas, work-in-progress and processed/cooked or packaged food products.
- 4. The food materials shall be stored on **racks / pallets**, well above the floor level and away from the wall.

S4-P2-05: FOOD OPERATIONS AND CONTROLS

Red Tag Area

Storage of Raw Material & Food

Storage of raw materials and food



No space between wall and stacks may lead to unhygienic conditions & pest infestation



Proper stacking of raw material on pallets



No space between wall and stacks may lead to unhygienic conditions & pest infestation



Proper stacking of raw material away from wall



S4-P2-06: Management and Supervision

- A detailed Standard Operating Procedure (SOP) for the processing of food as well as its packing, despatch and storage will be developed for proper management which in turn would help in identifying any problem and the exact point, so that damage control would be faster.
- The Food Business shall ensure that technical managers and supervisors have appropriate qualifications, knowledge and skills on food hygiene principles and practices to be able to ensure food safety and quality of its products, judge food hazards, take appropriate preventive and corrective action, and to ensure effective monitoring and supervision.



S4-P2-07: Food Testing Facilities

- A well equipped, laboratory for testing of food materials / food for physical, microbiological and chemical analysis in accordance with the specification/standards laid down under the rules and regulations shall be in place inside the premise for regular / periodic testing and when ever required.
- In case of any suspicion or possible contamination, food materials / food shall be tested before dispatch from the factory.
- If there is no in house laboratory facility, then regular testing shall be done through an accredited lab notified by FSSAI . In case of complaints received and if so required, the company shall voluntarily do the testing either in the in-house laboratory or an accredited lab or lab notified by FSSAI.



S4-P2-09: SANITATION AND MAINTENANCE OF ESTABLISHMENT PREMISES

- **Cleaning and Maintenance**
- **Pest Control Systems**

Some of the pest control methods (4 D's Approach)



Deny entry



Deny food



Deny shelter

**PEST
CONTROL**



Destruction

S4-P2-09: SANITATION AND MAINTENANCE OF ESTABLISHMENT PREMISES

Dos and Don'ts

1. **Never store chemicals near food**, food storage areas or any tools or equipment that will touch food. Keep them under lock in a designated area only for cleaning tools and chemicals.
2. **Never leave chemicals on or near a food preparation area.** That includes on top of counters, stoves, etc.
3. **Do not store chemicals above** food prep areas, kitchen sinks or drain boards.
4. **Store chemicals in their originally labelled containers** and make sure they are closed properly.
5. Never use food storage containers to store, transport or mix chemicals.
6. Always read the instructions on the label before use, even if it's a product you use regularly. You don't want to accidentally use the product in the wrong area or use it incorrectly.
7. Use safety posters or graphics to warn employees about chemical safety precautions. In businesses where language barriers could be a problem, create materials that are either bilingual or use pictures that don't require further descriptions.
8. Always spray chemicals holding the spray nozzle away from you.
9. Never mix two different chemicals together.
10. Always wear protective gloves and goggles when recommended.

S4-P2-I0: PERSONAL HYGIENE

- **Health Status**
- **Personal Cleanliness**
- **Visitors**

S4-P2-I0: PERSONAL HYGIENE

HEALTH STATUS

- No personnel suffering from a disease shall be allowed to enter into any food handling area. Any person suffering from a disease shall immediately report illness to the management and medical examination of a food handler shall be carried out immediately.
- All personnel shall be medically examined once in a year. All the personnel shall be compulsorily inoculated against the enteric group of diseases. In case of an epidemic, all workers are to be vaccinated irrespective of the scheduled vaccination.
- Medical examination to be concluded –
 - 1. Physical examination
 - 2. Eye Test
 - 3. Skin examination
 - 4. *Compliance with schedule of vaccine to be inoculated against enteric group of diseases
 - 5. Any test required to confirm any communicable or infectious disease which the person suspected to be suffering from on clinical examination

S4-P2-I0: PERSONAL HYGIENE

BEHAVIOURAL & PERSONAL CLEANLINESS

- ❖ wear suitable clean protective **clothing**, head covering, face mask, gloves and footwear.
- ❖ always wash their hands with **soap and clean potable water**, disinfect their hands and then dry with hand drier or clean cloth towel or disposable paper.
- ❖ always wash their hands at the **beginning of food handling activities** immediately **after handling raw food** or any **contaminated material, tools, equipment or work surface**, where this could result in contamination of other food items or after using the toilet.
- ❖ No smoking, spitting, chewing, sneezing or coughing over any food and eating in food preparation and food service areas.
- ❖ Trim their nails and hair periodically
- ❖ avoid certain hand habits such as scratching nose
- ❖ Street shoes inside the food preparation area should not be worn
- ❖ not handle soiled currency notes/cards to avoid cross contamination .

S4-P2-10: PERSONAL HYGIENE

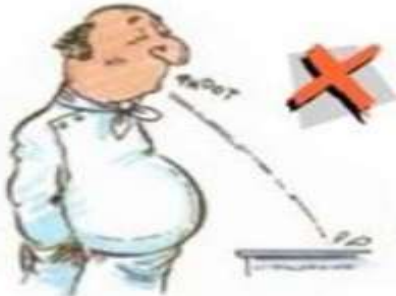


Food handlers should **NOT EAT CHEWING GUM OR PAN MASALA** in food handling area

Food handlers should **NOT EAT OR TASTE FOOD** in food handling area



Staff with cough and sneezes must **NOT HANDLE FOOD**, alternatively must wear a face mask



SPITTING is prohibited in food handling area



DO NOT SMOKE

S4-P2-10: PERSONAL HYGIENE

Do (क्या करें)

Hair should be properly tucked inside the cap
बाल अच्छी तरह टोपी से दूकें

No earrings or necklace/chains
कान की बालियाँ, गले का हार नहीं पहनना है

No outer pockets
बाहरी जेब न रखें।

wear neat and clean clothes
साफ़ सुथरे कपड़े पहनें

No wrist watch / rings
घड़ी और अंगूठी न पहनें

Cover all wounds
जखम पर पट्टी लगाएँ

Nails should be short and clean
नाखून छोटे और स्वच्छ रखें

Torn clothes should be repaired or replaced
फटे हुए कपड़े न पहनें

Wear clogs and safety shoes
सोपटी बाले जूते पहनें

Don't (क्या न करें)

Hair Coming outside the cap
टोपी से बाहर निकलते हुए बाल

Earring and necklace / Chains
कान की बालियाँ और गले का हार

Outer pockets and contents
बाहरी जेब और सामान

Dirty clothes
गंदे कपड़े

Wrist watch/Rings
घड़ी/गहने

Open and bleeding wounds
खुले जखम

Long and painted nails
बड़े और रंगे हुए नाखून

Torn clothes
फटे हुए कपड़े

Bare feet/slippers
खुले पैर/चप्पल



S4-P2-10: PERSONAL HYGIENE



After Using the Toilet, Urinal or anytime you visit the restroom for any reason

Before and After Handling or Preparing any Food Item



Before and After handling raw meats, raw poultry or other raw foods

After Sneezing, Coughing or Scratching Any Part of Your Body



Before Serving Food, Beverages, Setting or Waiting Tables

After Handling a Tissue or Handkerchief



Employees are required to wash your hands **BEFORE** beginning work, **BEFORE** working with foods and **AFTER** any activity that could contaminate the food and equipment you are working with.



After Cleaning, Washing Dishes or Bussing Tables

After Touching Your Face, Hair, Clothes or Any Part of Your Body



Before Putting Gloves on, or Anytime You Take Gloves Off

After Eating, Drinking and After Breaks



After Smoking, Chewing Gum or Chewing

S4-P2-10: PERSONAL HYGIENE

START →



1. Wet hands



6. Turn off taps with towel



5. Paper Towel Dry

HAND WASHING STEPS



2. Soap (20 seconds)



3. Scrub backs of hands, wrists, between fingers, under fingernails.



4. Rinse

S4-P2-I0: PERSONAL HYGIENE



1
Palm to palm



2
Between fingers



3
Back of hands



4
Base of thumbs



5
Back of fingers



6
Fingernails



7
Wrists



8
Rinse and wipe dry

S4-P2-I0: PERSONAL HYGIENE



Do not wear loose clothing, watches or jewellery

No jewellery allowed



Nails should be trim with no nail paint



Hair should be trim with hair net



No perfume allowed



Open Cut



Open Cut being dressed

Cuts should be dressed



Do not use mobile phones

No mobile phone allowed

S4-P2-10: PERSONAL HYGIENE

Visitor Management

1. Generally, visitors should be **discouraged from going inside** the food handling areas.
2. Visitors when entering food manufacturing, cooking, preparation and storage or handling areas shall **wear protective clothing**, footwear.
3. Visitors shall adhere to the **personal hygiene provisions** as mandate for food handlers.



Visitor policy shall be documented



Visitor shall be given visitor card with restricted entry



Visitor shall wear protective clothing & footwear and shall adhere to food safety provisions as mandate.

S4-P2-11: PRODUCT INFORMATION AND CONSUMER AWARENESS

- All packaged food products shall carry a label and requisite information as per provisions of Food Safety and Standards Act, 2006 and Regulations made there under so as to ensure that adequate and accessible information is available to the each person in the food chain to enable them to handle, store, process, prepare and display the food products safely and correctly and that the lot or batch can be easily traced and recalled if necessary.

S4-P2-11: PRODUCT INFORMATION AND CONSUMER AWARENESS

Manner of Declaration

General Conditions

- Any information / pictorial device / graphic matter on label shall not be in conflict with the regulations
- Declarations shall be legible, conspicuous, clear, bold and in contrast to the background color

Height of Numerical in the Declaration-

| Sr. No. | Net Qty. | Minimum Ht. of numeral |
|---------|------------------------------|------------------------|
| 1 | Up to 50 g/ml | 1 mm |
| 2 | Above 50 g/ml up to 200 g/ml | 2 mm |
| 3 | Above 200 g/ml up to 1 kg/L | 4 mm |
| 4 | Above 1 kg/L | 6 mm |

S4-P2-11: PRODUCT INFORMATION AND CONSUMER AWARENESS

Labelling General Requirement –

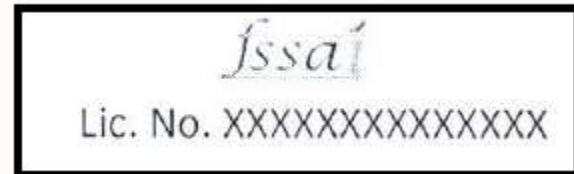
Every pre-packaged food shall carry a label containing information as required hereunder unless otherwise provided, namely –

- The particulars of declaration required under these Regulations to be specified on the label shall be in **English or Hindi** in Devanagari script; Provided that nothing herein contained shall prevent the use of any other language in addition to the language required under this regulation.
- Pre-packaged food shall not be described or presented on any label or in any labelling manner that is **false, misleading or deceptive** or is likely to create an erroneous impression regarding its character in any respect.
- Labels in pre-packaged foods shall be applied in such a manner that they will not **become separated from the container**.

S4-P2-11: PRODUCT INFORMATION AND CONSUMER AWARENESS

Labelling General Requirement –

- Contents on the label shall be **clear, prominent, indelible and readily legible** by the consumer **under normal conditions** of purchase and use.
- Where the container is **covered by a wrapper**, the wrapper shall carry the necessary information or the label on the container shall be readily legible through the outer wrapper and not obscured by it.
- License number shall be displayed on the principal display panel in the following format



S4-P2-11: PRODUCT INFORMATION AND CONSUMER AWARENESS

Labelling of Pre-packaged Foods

In addition to the General Labelling requirements specified above every package of food shall carry the following information on the label, namely –

- Name of the food
- List of ingredients in descending order
- Nutritional information
- Declaration regarding veg or non-veg
- Declaration regarding food additives
- Name and complete address of manufacturer or packer
- Net content by weight or volume
- Date of Manufacture / Packing
- Lot / Code / Batch identification
- Best Before Date
- Instructions for use
- Importer details and Country of origin for imported products

S4-P2-11: PRODUCT INFORMATION AND CONSUMER AWARENESS

A label or the primary pack of a food article must carry the following declarations

1. The name of the food, which includes the trade name or description of the food in the package. It should be provided in bold type, clear and in distinct contrast with the background.
2. The ingredient or list of ingredients - Ingredient listing must carry a proper title namely “Ingredients” and the ingredients must be listed in descending order of prominence in product composition.
3. Nutrition information - must be declared on the label in numerical terms per 100 gm or 100 ml or per serving of the food. The information must include energy value (kcal), protein (gm), carbohydrate (along with sugar) and fat (gm), saturated fat, trans-fat, minerals and vitamins in metric units, nutrient for which a claim is made. When claim is made on amount or type of fatty acid or amount of cholesterol, the amount of SFA, MUFA, and PUFA (in gm), trans-fat (in gm) and cholesterol (in mg) needs to be declared.

S4-P2-11: PRODUCT INFORMATION AND CONSUMER AWARENESS

4. If any food additives are used, the class title of the food additive along with the INS number as given in the rules must be given.

5. The vegetarian logo consisting of green-coloured filled circle within a square with green outline shall be declared on the package. This logo must appear close to the brand name and the dimensions must be as follows –

| Sr. No. | Area of Principal display panel | Minimum size of diameter | Minimum size of the side of square |
|---------|-----------------------------------|--------------------------|------------------------------------|
| 1 | Up to 100 sq.cm | 3 mm | 6 mm |
| 2 | Above 100 sq.cm. upto 500 sq.cm. | 4 mm | 8 mm |
| 3 | Above 500 sq.cm. upto 2500 sq.cm. | 6 mm | 12 mm |
| 4 | Above 2500 sq.cm. | 8mm | 16mm |

S4-P2-11: PRODUCT INFORMATION AND CONSUMER AWARENESS

6. Name and address of the manufacturer and complete address of the manufacturing unit/premises
7. Where the manufacturer is not the packer the name and complete address of the packer must be printed on the label.
8. Every Manufacturer and Packer address must carry the valid License number, with prefix: License No.
9. The Manufacturer License No. should be mentioned in the FSSAI logo

S4-P2-12: TRAINING

- The Food Business shall ensure that all food handlers are
 - aware of their role and responsibility in protecting food from contamination or deterioration and have the necessary knowledge and skills.
 - instructed and trained in food hygiene and food safety aspects along with personal hygiene requirements commensurate.
- Periodic assessments of the effectiveness of training.
- Training programmes shall be routinely reviewed and updated wherever necessary.

FSSAI Standards & Regulations

fssai

- Food Safety Standards Act 2006
- Food Safety Standards Regulations 2011

The **Food Safety & Standards Act 2006** is Act to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India for laying down science based standards for articles of food and to regulate their manufacture, storage distribution, sale and import, to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto.

- Prevention of Food Adulteration Act, 1954
- Fruit Products Order, 1955
- Meat Food Products Order, 1973
- Vegetable Oil Products (Control) Order, 1947
- Edible Oils Packaging (Regulation) Order, 1988
- Solvent Extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967
- Milk and Milk Products Order, 1992
- Any order under Essential Commodities Act, 1955 relating to food

FSSAI



Inspiring Trust, Assuring Safe & Nutritious Food

- Total 21 Regulations.
- Six principal regulations were notified in the gazette of India on 1st August, 2011 and came into force on 5th August, 2011.
- 5 New regulations were notified in 2016 & 2017.
- Another 11 regulations were added between 2018 & 2020.

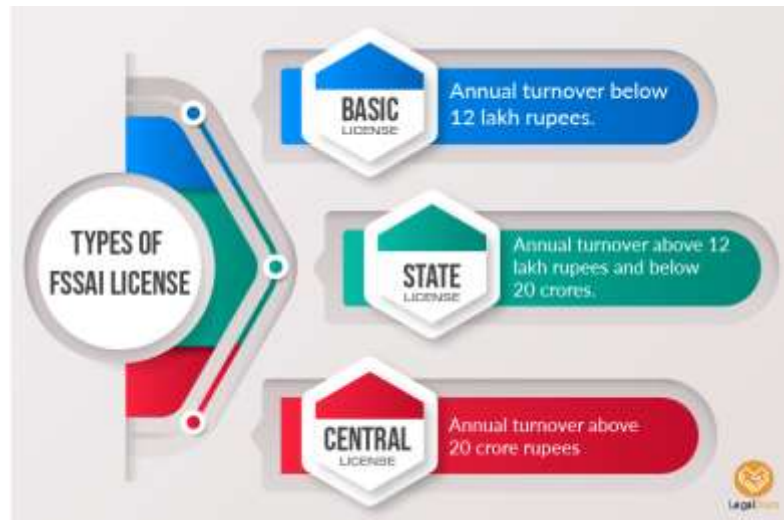
Regulation I

Licensing and Registration of Food Businesses (Regulation, 2011)

- This regulation came in force on 5th August, 2011
- Subject to Regulation, no person shall commence any food business unless he possesses a valid license/ registration.
- Sanitary and hygienic requirements for food manufacturer/ processor/ handler

Regulation I

Licensing and Registration of Food Businesses (Regulation, 2011)



Regulation 2

Food Products Standards and Food Additives (Regulation, 2011)

- This standard describes product and provide specification of every ingredient.
- This regulation provides detailed **standards** of various **food products**, It prescribes the limits of various **food additives** used across different **food** groups; and lays down microbiological requirement for different **foods**. It essentially consists of physical, chemical and microbiological **standards** of different **foods**.

Regulation 3

Prohibition and Restriction of Sales (Regulation, 2011)

This regulation gives a guidelines defined which product has restriction for sale or not allowed to sale.

Regulation 4

Packaging and Labeling (Regulation, 2011)

- This standard is about packaging and labeling requirement.
- Mandatory printing articles.
- With the growing concern over the health risks that are involved in the consumption of packaged food, the **FSSAI** is now stringent on the regulatory norms related to FSSAI packaging and labeling requirements.

Regulation 5

Contaminants, Toxins and Residues (Regulation, 2011)

- This regulation provide information on maximum residual limits of Contaminants, Toxins and Residues.
- prescribes that the chemicals as described in the monograph of Indian Pharmacopoeia when used in food shall not contain metal **contaminants** beyond the limit prescribed therein.

Regulation 6

Laboratory and Sampling Analysis (Regulation, 2011)

- This regulation provide procedure of sampling and analysis along with sample size of various article of food.

Regulation 7

Food or Health Supplements, Nutraceuticals, Foods for Special Dietary Uses, Foods for Special Medical Purpose, Functional Foods and Novel Food (Regulations, 2016)

- These regulations cover eight categories of Functional foods, namely, Health Supplements, Nutraceuticals, Food for Special Dietary Use, Food for Special Medical Purpose, Specialty food containing plant or botanicals, Foods containing Probiotics, Foods containing Prebiotics and Novel Foods.

Regulation 8

Food Recall Procedure (Regulation, 2017)

- These regulations shall apply to the food or food products that are determined or prima facie considered unsafe and/or as may be specified by the Food Authority from time to time.
- **Recall** can be defined as an action to remove **food** products from market at any stage of the **food** chain, including that possessed by consumer, which may pose a threat to the public health or **food** that violate the Act, or the **rules** or **regulations** made there under.

Regulation 9

Import (Regulation, 2017)

- This regulation describe about Licensing of Food Importers.
- Clearance of Imported Food by the Food Authority.
- Section 25 of the Food Safety & Standard Act, 2006, stipulates that all **imports** of articles of food are subject to the provisions of the Act. Selective sampling & testing of food articles on the basis of risk profiling done by **FSSAI** is implemented at the Customs ICEGATE.

Regulation 10

Approval for Non-Specific Food and Food Ingredients (Regulation, 2017)

This regulation describe process for approval of novel food, food not having specification laid down in FSSR, 2011.

In the new **regulation**, FSSAI has defined **Non-specified food** as “any **food** other than proprietary **food** or **food ingredients**, including additives, processing aids and enzymes for which standards have **not** been **specified** in any **regulation** made under the Act.”

Regulation I I

Organic Food (Regulation, 2017)

- These Regulations recognizes two systems of certification i.e. Participatory Guarantee System (PGS) implemented by Ministry of Agriculture and Farmers Welfare and National Programme for Organic Production (NPOP) implemented by Ministry of Commerce and Industry.
- These regulations ensure integrity of the Organic Food products, and help in controlling unscrupulous practices in the market.

Regulation 12

Alcoholic Beverages (Regulation, 2018)

- Specifying the standards for Alcoholic beverages namely Distilled Alcoholic Beverage, Wines and, Beer.
- It also specifies the specific requirement for labelling of Alcoholic Beverages in addition to the labelling requirements of FSS (Packaging and Labelling) Regulations, 2011.
- The specific labelling requirements are declaration of alcohol content, labeling of standard drink, not to contain any nutritional information, no health claim, restriction on words 'non-intoxicating' or words implying similar meaning on label of beverage containing more than 0.5 per cent alcohol by volume, Labelling of wine, Allergen warning, statutory warning etc.

Regulation 14

Food Safety Auditing (Regulation, 2018)

- To strengthen the food safety surveillance system, FSSAI has envisaged audits of Food Business Operators through Private Auditing Agencies.
- In order to cultivate and foster the growth of compliance culture, FSSAI is enabling compliance through private recognized Auditing Agencies.
- Food Safety Audits will reduce the regulatory Food Safety Inspections conducted by Central or State Licensing Authorities.
- Satisfactory Audits will lead to less frequent regulatory inspections by Central or State Licensing Authority except the regulatory sampling. This will strengthen food safety surveillance system and encourage self-compliance while at the same time assuring safe food to the consumers.

Regulation 15

Recognition and Notification of Laboratories (Regulation, 2018)

- Food Testing and analysis is an essential part of the food safety ecosystem to assure that the food is safe to consume.
- For the same, FSSAI recognizes and notifies NABL accredited food laboratories under Section 43 of FSS Act, 2006.
- FSSAI is also recognizing foreign laboratories to reduce the time in clearance of food consignments at ports.
- FSSAI approved notified laboratories as National Reference Laboratories (NRLs) and as ancillary facility of NRLs (ANRLs) for specific purpose.

Regulation 16

Advertising and Claims (Regulation, 2018)

- These **regulations** are aimed at establishing fairness in **claims** and **advertisements** of food products and make food businesses accountable for such **claims /advertisements** so as to protect consumer interests.
- As per these regulations, firms running food businesses cannot use words or phrases such as natural, fresh, original, traditional, authentic, genuine, real on the food labels, barring some exceptions.
- Such restrictions are primarily aimed at restricting an open-ended use of these words by food businesses on frivolous grounds

Regulation 17

Packaging (Regulation, 2018)

- The General Requirements have been laid down regarding packaging materials used for packing food.
- The Regulations lay down specific requirements regarding the materials and substances that are intended to come in contact with food products.
- This describe the specification of material which can be used as a packing material of food article.

Regulation 18

Recovery and Distribution of Surplus food (Regulation, 2019)

- To establish a uniform national **regulation** to protect organizations and individuals when they donate **food** in good faith.
- To encourage the donation of **food** and grocery products to non-profit organizations for **distribution** to needy individuals.
- This describes about how surplus food can be distributed, considering both food safety and food wastage.

Regulation 19

Safe food and balanced diets for children in school (Regulation, 2020)

- It provides the fundamental idea and makes clear what foods are healthy and what is not healthy for school children to consume.
- Responsibilities of School Authority to ensure safe food and balanced diets on school premises.
- Promotion of safe food and balanced diet in and around school campus.
- Food marketing and advertisement and selling to children in school.

Regulation 20

Foods for Infant Nutrition (Regulation, 2020)

- This regulation include standards for Infant formula for special medical purpose especially food for infants inborn with Errors of Metabolism (IEM).
- Standards for Premature infant milk substitutes, Lactose-free and Lactose and sucrose free infant milk substitutes under infant formula for special medical purposes.
- There are also standards for food for infants based on traditional food ingredients.

Regulation 21

Labelling and Display (Regulation, 2020)

- These regulations prescribe the labelling requirements of pre-packaged foods and display of essential information on premises where food is manufactured, processed, served and stored.
- Food service establishments with central license or outlets at 10 or more locations will have to mention the calorific value (in kcal per serving and serving size) against the food items displayed on the menu cards or boards or booklets.
- Proposed colour-coded labelling which was intended to enable consumers to identify products that are high in fat, salt and sugar (HFSS) products.
- Functional classes for food additives shall be declared together with the specific name(s) or recognized International Numbering System (INS) as specified in FSS (Food Product Standards and Food Additives) Regulations, 2011 in the list of the ingredients.

WEIGHTS & MEASURES ACT

An Act to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto.



LEGISLATIONS

The Standards of Weights & Measures Act, 1976

The Standards of Weights & Measures (Packaged Commodities) Rules, 1977

The Standards of Weights & Measures (Enforcement) Act, 1985

The Standards of Weights & Measures (General) Rules, 1988

Legal Metrology Act, 2009

- The Legal Metrology Act 2009 has come into effect after its publication in the Official Gazette on the 14th January 2010.
- **It replaces The Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985.**
- Appointment of Government approved Test Centers for verification of weights and measures.
- Companies to nominate a person who will be held responsible for breach of provisions of the Act
- simplified definition of "Packaged Commodity"
- More stringent punishment for violation of provisions are some of the new features of the Act.

The Legal Metrology (Packaged Commodities) Rules, 2011

- **Rule 2(h)** of Packaged Commodities Rules 2011 defines “Principal Display Panel” in relation to a package, means the total surface area of the package where the information required under these rules are to be given in the following manner, namely;
 - (i) all the information could be grouped together and given at one place; or
 - (ii) the pre-printed information could be grouped together and given in one place and on line information grouped together in other place;

Principal Display Panel

Information on Label Panels



Information Panel

| |
|--|
| <p>Nutrition Facts</p> <div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto;"></div> |
| <p>Ingredients: Tomatoes, Water, High Fructose Corn Syrup, Salt, Partially Hydrogenated Soybean Oil, Natural Flavoring</p> |
| <p>Any Soup Company Somewhere, NJ 09000</p> |

Principal Display Panel

Principal Display Panel

Product Name

Net Quantity of Contents

"Perishable Keep Refrigerated" (if applicable)

Information Panel

Nutrition Facts

Ingredients List

Name and Address of the responsible firm



**PRINCIPAL
DISPLAY
PANEL**

The Legal Metrology (Packaged Commodities) Rules, 2011

- **Mandatory declarations**
 - Name and address of the manufacturer/ packer/ importer;
 - Common or generic name of the commodity;
 - Net quantity;
 - Month and year of manufacture/ pack/ import
 - Retail sale price in the form of Maximum Retail Price Inclusive of all taxes;
 - Consumer care details;
 - Country of origin.

The Legal Metrology (Packaged Commodities) Rules, 2011

- **Rule 18(5)** No wholesale dealer or retail dealer or other person shall obliterate, smudge or alter the retail sale price



The Legal Metrology (Packaged Commodities) Rules, 2011

Do's and Don'ts

NAME & ADDRESS [MANUFACTURER] / [IMPORTER] / [PACKER] / [EXPORTER] / [DEALER]

⚙ CORRECT EXAMPLE

| | |
|--|---|
| Name & Address of Manufacturer & Packer | Usha International Limited, at West Bengal (Complete address of factory) |
| Marketed by | Usha International Limited 19, KG Marg, New Delhi-110001* |
| Name & Address of Manufacturer & Packer | For Usha International Limited by _____ at _____(Factory address). |

⚙ INCORRECT EXAMPLE

| | |
|-----------------------------------|---|
| Marketed & Imported By | Usha International Limited, Registered office at 19, KG Marg, New Delhi-110001 |
| Country of Origin | MADE IN CHINA |

Note: Here name and address of Manufacturer is missing.

The Legal Metrology (Packaged Commodities) Rules, 2011

Do's and Don'ts

NAME OF PRODUCT

⚙ Correct Example:

| | |
|--------------|--------------------------|
| Name: | Diesel Engine Oil |
|--------------|--------------------------|

| | |
|-------|------------|
| Name: | Toothpaste |
|-------|------------|

⚙ Incorrect Example:

| | |
|--------------|---------------------------|
| Name: | Joshila Diesel Oil |
|--------------|---------------------------|

| | |
|-------|----------------|
| Name: | Refreshing Gel |
|-------|----------------|

The Legal Metrology (Packaged Commodities) Rules, 2011

Do's and Don'ts

QUANTITY OF COMMODITY AND DETAIL OF COMPONENTS

- ⊗ The declaration of quantity shall not contain the words “less than”, “more than”, “average”, “approximately” etc. which are misleading and give false impression.
- ⊗ Statement of Unit of Weight or Measure

| QUANTITY LESS THAN | UNIT OF WEIGHT SHALL BE |
|---------------------|-------------------------|
| One kilogram | Gram |
| One metre | Centimetre |
| One square metre | Square decimetre |
| One cubic metre | One cubic centimetre |
| One cubic decimetre | Cubic centimetre |
| One litre | Millilitre |

- ⊗ No number called the dozen, score, gross; great gross or the like shall be indicated on any package.
- ⊗ Except International System, no other system of units shall be followed in declaring net quantity.

The Legal Metrology (Packaged Commodities) Rules, 2011

Do's and Don'ts

QUANTITY OF COMMODITY AND DETAIL OF COMPONENTS

- ⚙ In case of fabric (in any form or by any name) the number and dimensions of finished size of such commodities shall be declared.

INTERNATIONAL SYSTEM OF UNIT

| UNIT OF MEASUREMENT | SYMBOL OF UNIT |
|---------------------|----------------|
| Kilogram | kg |
| Litre | l |
| Metre | m |
| Centimeter | Cm |

The Legal Metrology (Packaged Commodities) Rules, 2011

Do's and Don'ts

Month and Year Declaration

⚙ Correct Example

| | |
|---------------------------------|-----------------------|
| Month & Year of Mfg. | November, 2011 |
|---------------------------------|-----------------------|

⚙ Incorrect Example

| | |
|------------------------|-------------|
| Manufactured in | 2011 |
|------------------------|-------------|

| | |
|------------------------------------|-----------------------|
| Month & Year of Packing | November, 2011 |
|------------------------------------|-----------------------|

The Legal Metrology (Packaged Commodities) Rules, 2011

Do's and Don'ts

Maximum Retail Price [MRP]

- Maximum price at which the commodity can be sold.
- MRP shall not be written in fractions in case fraction is less than 50 paise.
- Except in the case of revision of MRP on lower side, using individual stickers for affixing the label is prohibited.

○ **Correct Example:**

| | |
|----------------------|--------------------------------|
| Maximum Retail Price | Rs. 386/- (Incl. of all taxes) |
|----------------------|--------------------------------|

○ **Incorrect Examples:**

| | |
|-----------------------------|-----------------------------|
| Maximum Retail Price | Rs. 386 (Local taxes Extra) |
| Maximum Retail Price | Rs. 386.87 |

New provisions w.e.f. 1st January, 2018:

| Serial Number | Area of Principal display panel in square centimeters (A) | Minimum height of numerals and letters in millimeters | Minimum height of numerals and letters when blown, formed or molded on surface of container in millimeters |
|---------------|---|---|--|
| | (1) | (2) | (3) |
| 1 | $A \leq 50$ | 1.0 | 2.0 (corrigendum issued) |
| 2 | $50 < A \leq 100$ | 1.5 | 3.0 |
| 3 | $100 < A \leq 500$ | 2.5 | 4.0 |
| 4 | $500 < A \leq 2500$ | 4.0 | 6.0 |
| 5 | $2500 < A$ | 6.0 | 6.0”; |

Maximum permissible error in net quantities

| Sl. No. | Declared quantity g or ml | Maximum permissible error in <i>excess</i> or in <i>deficiency</i> | |
|---------|------------------------------|---|---------|
| | | As percentage of declared quantity | g or ml |
| (i) | up to 50 | 9 | - |
| (ii) | 50 to 100 | - | 4.5 |
| (iii) | 100 to 200 | 4.5 | - |
| (iv) | 200 to 300 | - | 9 |
| (v) | 300 to 500 | 3 | - |
| (vi) | 500 to 1000 | - | 15 |
| (vii) | 1000 to 10000 | 1.5 | - |
| (viii) | 10000 to 15000 | - | 150 |
| (ix) | More than 15000 | 1.0 | - |

THANKS

For More Details Please Contact

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