

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.,

Open J-Gate, India [link of the same is duly available at Infilbnet of University Grants Commission (U.G.C.)],

The American Economic Association's electronic bibliography, EconLit, U.S.A.,

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 3770 Cities in 175 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	MAHATMA GANDHI NREGS: TOWARDS EMBRACING FINANCIAL INCLUSION <i>V.AMBILIKUMAR, M.S.RAJU, MATHEW SEBASTIAN & ANUSREE H.</i>	1
2.	PROBLEMS AND PROSPECTS OF FRUIT PROCESSING INDUSTRY: A STUDY WITH REFERENCE TO CHITTOOR DISTRICT OF ANDHRA PRADESH <i>G. SURESH BABU & MAMILLA.RAJASEKHAR</i>	5
3.	ORGANIZATION JUSTICE TOWARDS COUNTERPRODUCTIVE WORK BEHAVIOR IN BANKING SECTOR <i>PIAR CHAND & PAWAN KUMAR CHAND</i>	10
4.	COLLEGE STUDENTS ATTITUDE TOWARDS GREEN PRODUCTS IN TIRUNELVELI CITY <i>DR. S. RAJAMOHAN & D. JOEL JEBADURAI</i>	19
5.	COMPARATIVE PERFORMANCE EVALUATION OF SELECTED AUTOMOBILE COMPANIES IN INDIA USING EVA AND MVA MEASURES <i>DR. KULDEEP KUMAR</i>	25
6.	MUTUAL FUND PERFORMANCE: AN EMPIRICAL INVESTIGATION OF SELECTED EQUITY DIVERSIFIED SCHEMES IN INDIA <i>AKSHATHA SUVARNA & DR. ISHWARA P.</i>	30
7.	COMPOSITIONAL CHANGES IN IRANIAN TRADE BASKET OF LIVESTOCK SECTOR <i>MASSOUMEH N. ZADEH, BITAN MONDAL, RAKA SAXENA & SMITA SIROHI</i>	37
8.	CUSTOMERS' SATISFACTION REGARDING LIQUIDITY IN MUTUAL FUND: A STUDY <i>DR. SANJEET KUMAR & VIVEK JANGID</i>	43
9.	LIFE OF AND CHALLENGES FACED BY AFRICAN STUDENTS IN TAMIL NADU, INDIA: A QUALITATIVE STUDY <i>DR. G. YOGANANDAN</i>	47
10.	UNORGANIZED INFORMAL SECTOR AND FEMALE LABOUR IN REFERENCE TO CITIES OF UTTAR PRADESH <i>DR. VANDANA MITTAL</i>	50
11.	WAGNER'S LAW IN INDIA: AN EMPIRICAL ANALYSIS <i>AMITA</i>	54
12.	A STUDY ON MONOPOLY PROCUREMENT SYSTEM OF PADDY IN TIRUVARUR DISTRICT, TAMIL NADU <i>DR. C. PRAKASH</i>	60
13.	A STUDY OF CSR IN INDIA <i>KOMAL CHAUDHARY</i>	63
14.	ASSESSMENT OF SMALL SCALE FISHERS' LIVELIHOOD STATUS IN THE BATTICALOA DISTRICT OF SRI LANKA <i>SARAVANAMUTTHU JEYARAJAH & SELVARATHNAM SANTHIRASEGARAM</i>	66
15.	CRITICAL SUCCESS FACTORS FOR INNOVATION: AN EMPIRICAL ANALYSIS ON TEA INDUSTRY IN SRI LANKA <i>K.M.V. SACHITRA & DR. P.J. KUMARASINGHE</i>	69
16.	FINANCIAL DEVELOPMENT AND ECONOMIC GROWTH IN DEVELOPING COUNTRY <i>MACAULAY ONOVUGHAKPO AUGUSTINE & KASIMU ABUDU</i>	75
17.	PROSPECTS OF ECOTOURISM IN BIHAR <i>VAIBHAV KUMAR CHAUHAN</i>	82
18.	PROMOTING FINANCIAL INCLUSION IN RURAL AREAS THROUGH CO-OPERATIVE BANKS: WITH SPECIAL REFERENCE TO DCCB, PADERU AGENCY <i>S. KANAKA DURGA DEVI</i>	85
19.	ECONOMIC IMPACT OF TOURISM ON RESIDENTS OF JAMMU AND KASHMIR STATE <i>SUTINDER SINGH</i>	89
20.	A CONCEPTUAL PAPER ON CROWDFUNDING WITH REFERENCE TO ENTREPRENEURS AND INVESTORS IN INDIA <i>DARSHANA THAKER</i>	91
	REQUEST FOR FEEDBACK & DISCLAIMER	94

CHIEF PATRON

PROF. K. K. AGGARWAL

Chairman, Malaviya National Institute of Technology, Jaipur
(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)
Chancellor, K. R. Mangalam University, Gurgaon
Chancellor, Lingaya's University, Faridabad
Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON

LATE SH. RAM BHAJAN AGGARWAL

Former State Minister for Home & Tourism, Government of Haryana
Former Vice-President, Dadri Education Society, Charkhi Dadri
Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

CO-ORDINATOR

DR. BHAVET

Faculty, Shree Ram Institute of Business & Management, Urjani

ADVISORS

DR. PRIYA RANJAN TRIVEDI

Chancellor, The Global Open University, Nagaland

PROF. M. S. SENAM RAJU

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

PROF. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR

PROF. R. K. SHARMA

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

CO-EDITOR

DR. SAMBHAV GARG

Faculty, Shree Ram Institute of Business & Management, Urjani

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SIKANDER KUMAR

Chairman, Department of Economics, Himachal Pradesh University, Shimla, Himachal Pradesh

PROF. SANJIV MITTAL

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

PROF. RAJENDER GUPTA

Convener, Board of Studies in Economics, University of Jammu, Jammu

PROF. NAWAB ALI KHAN

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

PROF. S. P. TIWARI

Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

DR. ANIL CHANDHOK

Professor, Faculty of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

DR. ASHOK KUMAR CHAUHAN

Reader, Department of Economics, Kurukshetra University, Kurukshetra

DR. SAMBHAVNA

Faculty, I.I.T.M., Delhi

DR. MOHENDER KUMAR GUPTA

Associate Professor, P.J.L.N. Government College, Faridabad

DR. VIVEK CHAWLA

Associate Professor, Kurukshetra University, Kurukshetra

DR. SHIVAKUMAR DEENE

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

ASSOCIATE EDITORS

PROF. ABHAY BANSAL

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

PARVEEN KHURANA

Associate Professor, Mukand Lal National College, Yamuna Nagar

SHASHI KHURANA

Associate Professor, S.M.S. Khalsa Lubana Girls College, Barara, Ambala

SUNIL KUMAR KARWASRA

Principal, Aakash College of Education, ChanderKalan, Tohana, Fatehabad

DR. VIKAS CHOUDHARY

Asst. Professor, N.I.T. (University), Kurukshetra

TECHNICAL ADVISOR

AMITA

Faculty, Government M. S., Mohali

FINANCIAL ADVISORS

DICKIN GOYAL

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS

JITENDER S. CHAHAL

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT

SURENDER KUMAR POONIA

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript anytime** in ***M.S. Word format*** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website ([FOR ONLINE SUBMISSION, CLICK HERE](#)).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR
IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF.

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled ' _____ ' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR:

Designation:
Affiliation with full address, contact numbers & Pin Code:
Residential address with Pin Code:
Mobile Number (s):
Landline Number (s):
E-mail Address:
Alternate E-mail Address:

NOTES:

- a) The whole manuscript is required to be in **ONE MS WORD FILE** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
- b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:
New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
- c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
- d) The total size of the file containing the manuscript is required to be below **500 KB**.
- e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
- f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS:** The author (s) **full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
6. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should follow the following sequence:

INTRODUCTION**REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESES****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****SCOPE FOR FURTHER RESEARCH****ACKNOWLEDGMENTS****REFERENCES****APPENDIX/ANNEXURE**

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure. Sources of data should be mentioned below the table/figure.** It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:
 - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use **(ed.)** for one editor, and **(ed.s)** for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parentheses.
 - The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:**BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19-22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

A CONCEPTUAL PAPER ON CROWDFUNDING WITH REFERENCE TO ENTREPRENEURS AND INVESTORS IN INDIA

**DARSHANA THAKER
RESEARCH SCHOLAR
SAURASHTRA UNIVERSITY
RAJKOT**

ABSTRACT

Today we live in hyper connected where era, where social networking plays very important role even in business. Many a time, raising funds from traditional sources becomes very difficult for the entrepreneurs and hence crowd funding is the best option for small and new start ups. The paper basically focuses on the conceptual side of the concept from the view point of entrepreneurs and investors in India based on the secondary data. With the increasing usage of internet, crowd funding will be the one of the best option to raise funds.

KEYWORDS

Crowd funding, investors, least cost.

INTRODUCTION

The Indian entrepreneurs are ready to float their new idea in the market but unfortunately they don't have money for the same. The lack funds lead no business. Generally entrepreneur gets funds from the venture capitalist, angel investors, or banks for starting up their business. To get funds from these, the entrepreneur has to prepare the budget including the data related to market demand, revenue and expenditure for the minimum periods of five years and this paper work must be done in such a way that it attracts the investors for funding the particular project. Many a times entrepreneurs are not good at such kind of paper work and could not get funds from these investors. Crowd funding is basically an easy way to raise funds from investors for small business or start up entrepreneurs.

Today we live in a hyper connected era of digital revolution. The social media users are increasing day by day and entrepreneurs wants to take an advantage of advance technology in obtaining the main factors - labour, capital and talent. The entrepreneurs want their project to be successful by obtaining capital from the use of social media. The entrepreneurs want to use the social networking websites as a platform for raising the funds from a crowd for a specific project. This digital era has lead to evolution of crowdfunding and crowd sourcing. However, involving this crowd requires changes in the policies and mindset. Crowdfunding markets have just appeared as an alternative for obtaining capital to support new ventures. This paper will focus on crowd funding as a source of capital from the view point of entrepreneurs as well as from the view point of investors and of course the regulators.

OBJECTIVES

1. To understand about crowdfunding scenario in India
2. To identify the advantages and disadvantages
3. Legal issues related to crowd funding
4. Issues related to investor protection
5. Risk associated with crowd funding

RESEARCH METHODOLOGY

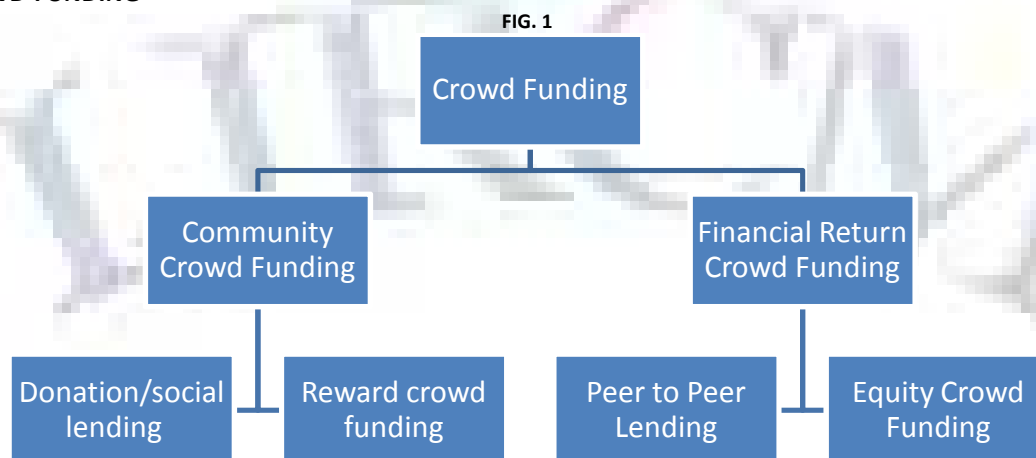
The research is based on secondary data which has been collected from different websites and journals and it is descriptive in nature.

WHAT IS CROWDFUNDING?

Crowd funding is an alternative method of raising small amount of funds from multiple investors through a web based platform or social networking sites for a particular project, business venture or social cause.

Crowdfunding model involves three parties: the project initiator who proposes idea, individuals who supports the projects and provide fund, the 'platform' that brings party together to launch the project.

TYPES OF CROWD-FUNDING



(Source: IOSCO staff working paper)

Donation crowd funding is raising funds for some social, artistic or charitable purpose and not in exchange of any tangible value. For example: bitgiving, Kickstarter, Indiegogo etc are platform for raising funds for social purpose.

Reward crowd funding is similar to donation but reward crowd funding offers some reward in form of product or membership. The websites which supports donation crowd funding offers reward crowd funding also.

In Peer to Peer lending, an online platform matches borrower and lender in order to provide non secure loan and interest rate is fixed by an online platform.

In equity crowd funding, equity shares of the companies are issued to the lenders. Generally, the start ups will raise funds by this method and they will advertise online by crowd funding platform.

HISTORY OF CROWD FUNDING

The emergence of crowd funding activities could be traced out from 17th centuries. The Irish Loan Funds were created by Jonathan Swift for low income families who had no credit facilities and little collateral but could still be considered creditworthy. Thus, this fund was used by small businessman and farmers to push up their business.

By 1800, more than 300 programs were loaning small amount of funds for short period and 20% of households were using this in Ireland.

In 1976, the Noble Prize winner, Dr. Mohammad Yunus, launched programme to provide banking opportunity low income residents in Bangladesh. Initial loan of \$27 to 42 women was given and in five years, program has 30,000 members. In 1983, the said program was transformed to Grameen Bank. The bank now has more than 8 million borrowers, with 97% of the money given to women operated business.

In 1997, the U.S. tours of the British rock band Marillion was funded by their US fan base by raising \$60,000 themselves online to give to the band.

In 2000, the 'aristShare', the first documented crowdfunding site for music was launched. In 2005, 'Kiva' gave, individual the chance to provide small loans to entrepreneurs in poor areas around the world. In 2006, Prosper, the first peer to peer lending platform was launched. In 2006, Michael Sullivan, founder of 'FundVlog', coined the term 'crowdfunding'.

In 2008, 'indiegogo' enabled the people to donate without middleman and in 'peerbackers' came with financial return crowdfunding. In 2011, the U.S. president Obama unveils the 'Startup America Initiative' and in 2012 the first equity crowdfunding platform was launched named, 'Fundable' in conjunction with the JOBS Act.

REVIEW OF LITERATURE

Quing Guo (2010): 'The Practical use of Crowd funding: Two cases illustration' focuses on analyzing the application of crowd funding by studying two prime movers in the industry. According to the author, Kickstarter and IndieGoGo experienced an increasing growth. Further, study gives an idea about the views of platform creator and investors of two illustrated cases.

Ordanini Andrea, Lucia Miceli, Marta Pizzetti, & A.Parasurman (2011): The authors have considered three crowdfunding cases viz. Sellaband in music business, Trampoline in financial services and Kapipal in non profit service. The research basically focuses on two question - (i) how and why do consumers turn into crowdfunding participant? (ii) how and why do service provider set up crowdfunding initiative?

Hemer Joachim (2011) : 'A snapshot on crowd funding- working paper' analyses the different crowdfunding initiatives, investors and success rate of projects. The paper analyses the success rate of the projects initiated by crowd funding. It also enumerates the characteristics, advantages and risk factors associated with crowdfunding.

Agrawal Ajay & Avi Goldfarb (2011): 'The Geography of crowdfunding' analyses about the geographic territory of crowdfunding. Apparently, there is no geographic boundary for crowdfunding as fund is raised online through internet but the researchers have concluded that the local investors are motivated early to invest in the project initiated by the person of their territory compare to other investors. Thus the geographic limit of crowd funding is personal connection of an investor to the entrepreneur.

Ethan Mollic (2013): In the paper titled 'The dynamics of crowdfunding: An exploratory study' the author has described the underlying dynamics of success and failure among crowd funded ventures. The quality of the project and personal connections are the main determinants for the success of crowd funded project.

S. Nagalakshmi & U. Gana Cecilia (2014) : The paper focuses on the emerging trends in crowd funding in India and theoretical aspect of the same.

From the above detailed reviewed literature it was found that very few researchers have focused the crowdfunding in India.

ADVANTAGES OF CROWD FUNDING

It is an alternative to raise funds from the traditional way at a lesser cost compare to public issue of securities. Thus, crowdfunding provides access to capital for startups and expansion of project.

- ❖ Investors will invest in the project only when the idea is different and unique. So, crowdfunding provides proof for validity of an idea.
- ❖ It is easier to raise funds from crowds funding than traditional ways like bank loan. The process is very simple that the entrepreneur has to create campaign for his project which will be displayed on crowd funding platform thus it does not require do any paper work and it does not consume too much time.
- ❖ It provides opportunity for pre-selling the product or concept which is not yet launched in the market and entrepreneur can have reactions of the users before actually launching it in the market.

DISADVANTAGES OF CROWD FUNDING

- ❖ The biggest disadvantage of crowdfunding is stealing of an idea. While creating the campaign for crowd funding project the entrepreneur has to provide information in such a way that it attracts potential investors but does not lead to giving information to competitors and thus it becomes difficult.
- ❖ The venture capitalist or angle investors will not be ready to invest in such project in future because of so many small contributors and hence it creates negative impression for the future finance options.
- ❖ In crowdfunding, investors generally expects quick and timely return which creates unnecessary pressure on the entrepreneur.

LEGAL ISSUES FOR CROWD FUNDING IN INDIA

- ❖ One of the biggest issue is how should crowd funding be registered in India. The firm which raises funds from IPO or FPO are registered with SEBI and stock exchange also. The firms are required to fulfill the SEBI Act, Companies Act and rules of the stock exchange. No such kind of procedure could be made possible for the crowd funding.
- ❖ In the entire process of crowd funding internet plays crucial role so another problem is related to safety and surety of the data.
- ❖ It may lead to increase in willful defaulters. The entrepreneurs may collect fund from crowd funding and may involve in willful defaulter.
- ❖ Whether the crowd funding platform be registered as a broker?
- ❖ The investor protection will be crucial as there so many small investors contributing to large projects.
- ❖ Basic disclosure requirements for the crowd funding platform and the project
- ❖ Taxations issues related to crowd funding

CROWD FUNDING SCENARIO IN INDIA

Today's India has become the global popular destination for investments by moving on off the license tradition of past. Every month one new crowd funding website is launched in India shows the future prospects of the industry. Recently, Indian Boxer, Mary Kom, has announced about rising of funds through crowdfunding for creating Boxing academy in Imphal. Thus the crowdfunding scenario in India has completely changed.

At present, community crowd funding is allowed in India. The equity or debt based crowd funding is funding requires to ensure the protection of retail investors. In June 2014, SEBI has issued consultation paper on crowd funding in India. SEBI may allow equity/debt crowd funding with following proposed rules.

- ❖ Crowdfunding platform can be provided by only SEBI registered entities, while companies can raise up to Rs.10 crore in a year with maximum 200 individual investors

- ❖ Only accredited investors shall be allowed to participate in crowdfunding activities which include institutional investors, HNIs, and retail investors advised by portfolio managers or investment advisors.
- ❖ Retail investors can invest maximum up to Rs. 60000 or 10% of their net worth
- ❖ A company being in existence for four or more years or companies listed on stock exchange shall not be permissible to raise funds from this route
- ❖ Only the entities which are not associated with business group having turnover of more than Rs.25 crore shall be allowed to raise funds from crowdfunding
- ❖ The entities engaged in real estate or financial sector shall be barred

CONCLUSION

Crowdfunding is very good concept to implement but the problem lies with protection of investors and to make rules accordingly which helps entrepreneurs to raise funds easily with least cost. The future of this industry will be tremendous in India as there is no geographic barrier for investors as well as entrepreneurs.

REFERENCES

- 1 Elenor Kirby and Shane Worner (2014): Crowd Funding and Infant Industry growing fast, staff working paper of IOSCO Research Department No. (SWP3/2014)
- 2 Hemer, Joachim (2011): A snapshot on crowdfunding, Working papers firms and region, No. R2/2011
- 3 Ralph Van & Jessica Ryan (2011) : Fighting for funds : An exploratory study into the field of crowd funding
- 4 SEBI Consultation Paper on Crowdfunding in India

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, Economics & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail infoijrcm@gmail.com for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-
Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, nor its publishers/Editors/Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal is exclusively of the author (s) concerned.

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

