श्रद्धावान लभते ज्ञानम्

PURSUITS

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Peer Reviewed

Edited by

Prof. (Dr.) Sukanti Dutta

City College of Commerce & Business Administration
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"When one door of happiness closes, another opens; but often we look so long at the closed door that we do not see the one which has been opened for us."
– Helen Keller

"A friend is one that knows you as you are, understands where you have been, accepts what you have become, and still, gently allows you to grow."
– William Shakespeare

"Those who dare to fail miserably can achieve greatly." **– John F. Kennedy**

"Let us always meet each other with smile, for the smile is the beginning of love."
– Mother Theresa

"Only put off until tomorrow what you are willing to die having left undone."
– Pablo Picasso

"If you want to live a happy life, tie it to a goal, not to people or things."
– Albert Einstein

"Your time is limited, so don't waste it living someone else's life. Don't be trapped by dogma – which is living with the results of other people's thinking."
– Steve Jobs

"In three words I can sum up everything I've learned about life: It goes on."
– Robert Frost

"Life isn't about finding yourself. Life is about creating yourself."
– George Bernard Shaw

"Always forgive your enemies; nothing annoys them so much."
– Oscar Wilde

"Life would be tragic if it weren't funny." **– Stephen Hawking**

"The dream crossed twilight between birth and dying." **– T. S. Eliot**

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Principal's Address

When something very near your heart remains at a distance, your heart misses a beat. It happened with me, with all of us, who have been associated with ***Pursuits*** since its very birth. This time the college has been going through a very difficult phase at various levels of activities, both academic and administrative. The research journal, which usually sees daylight within the first four months every year, was left in the lurch and was for sometime left in the cold storage. We felt awful because it was the academic flagship of our institution, something to set store by. However, the Board of Editors stuck to its gun and we heaved a collective sigh of relief when the learned Referees were generous enough to review the articles despite severe time constraints. While it is true that in a couple of cases the procedure got stuck because the Referees had their hands full, it is equally true that their response was, in most cases, positive.

But all that is history now! Any academic exercise worth its name must set a ceiling for qualitative excellence, and ***Pursuits*** tries its utmost to work to this end. We encourage research papers from teachers who have just started their career not because they are encouraged and enthused by an opportunity to showcase their potential, nor because a publication in an ISSN-labelled journal might stand them in good stead in interviews, but chiefly because they are able to gain a foothold in the academic world, to evaluate themselves, to check where their moorings lie. We have a rich pool of talent in our institution, but we are very happy to invite scholars from other institutions because such juxtaposition enriches this journal, for that matter any journal, a hundredfold.

I do not have any precise idea about how the journal will shape or whether it will find a place in the UGC approved list of journals, where it is going to try to gain access in. I can only wish the very best to the journal, the Board of Editors, the contributors and the readers at large!

Editors' Desk

It is always pleasant to write this page every year before another edition of *Pursuits* sees daylight. However, this time we are running much behind schedule and are faced with the difficult task of bringing out the next issue at the year end. This inordinate delay may be attributed to several factors ranging from some technical snags to some changes in the academic set-up of the institution to availability of some of the learned Referees, who have doubtlessly to perform the unenviable task of reviewing articles in the midst of a packed schedule, for which we remain much beholden to them. However, as they say, 'Better late than never'! So, all this delay notwithstanding, the research journal has weathered the storm and is ready for publication.

A few facts, however, are required to be shared with all closely or remotely connected with *Pursuits*. Since the journal is yet to feature on the list of UGC approved journals (owing to some unavoidable circumstances, we missed the deadline by a whisker the last time around), young scholars eager to make a mark in the academic field, might feel a little confused about their contributions to the journal. However, to obviate any apprehensions about the issue, we might mention here at this juncture that quite a few papers written by such scholars and reviewed by learned Peers have found their place in the journal, which is going to be placed for UGC approval in a short while. With a view to gaining such approval and on the advice of the learned Referees, we have decided to be a little more stringent in our selection of papers and articles this time around. It is not that the contributions which have failed to make the cut are qualitatively inferior to others; it is rather the repetitive nature of their themes which has moved some articles out of reckoning. This approach has been adopted to keep in sync with evolving ideas and thought patterns and to find out ways and means to explore newer territories. Hence, we would like to receive feedback from the readers in regard to the drawbacks and lacunae of our venture and request them to offer suggestions so that we can upgrade the standard of our journal.

Finally, we intend to get back to our usual practice and bring out the next issue of *Pursuits* (2019 Edition, Vol. 7) by 30th April, 2020, where we will try to accommodate a Students' Section to give them enough scope to tap their academic resources and hone their talents.

We can always hope for the best!

Contents

Towards a Broader value:
A Discourse on Unified Value-Added

Dr. Umasankar Saha

Abstract

A discourse on Unified Value-added (UVA) towards the broader value for human resource (HR) resonates with powerful economic growth (EG) focusing on human factors which tend to be characterized by economic benefits and costs. Existing models of structural change typically assume that all of the investments are done so far in agricultural and manufacturing sectors. This assumption is significantly counterfactual: since independence in India, the share of services value-added in investment expenditure has been steadily growing and it now exceeds 0.6; HR is the pivotal element for EG. According to the studies over the globe that have created counterfactual scenario, the pivotal element is HR which is being grossly exploited over the globe. The UVA approach signifies that all investment reflects value-added from all sectors. The UVA approach can remove significant counterfactual scenario. Astonishingly, the contributors of value-added are being significantly reflected in terms of the restricted employment of HR and the poor release of compensation in terms of wages. The GDP approach strategically overlooks ascertainment of the real development of HR.

This discourse has been organized into five sections- **Sections: I**: Introduction; **Section-II**: Conceptual Discourse of UVA; **Section-III**: Global Perspectives Towards greater values; **Section-IV**: Discourse of UVA in the scenario of our Home state; **Section-V**: Concluding Observations and Suggestions.

Key words : *Unified Value-added (UVA)1, value-added (VA)2, value-creation (VC)3, human capital (HC)4, velocity circulation of money (VCM)5; marginal propensity to consume (MPC)6; marginal propensity to save (MPS)7, Economic Value-Added (EVA)8, Socio-Economic-Techno-Political Entrepreneurs (SETPEs)9, Endogenous Theory10, Human Development Index (HDI)11, Competitive Advantage12.*

Section-I : Introduction

HR contributes to UVA. The benefits are derived from UVA by means of HR which have been exploited to build up various forms of capital. The counterfactual scenario is made by the GDP approach just exploiting the employment of HR in every sector of production of goods and services. The huge pool of the unemployed educated HC can be deployed through the development of the primary, secondary as well as tertiary sectors. All sectors are based on skilled, unskilled, semi-skilled, and knowledge-based HC, which creates UVA. Rapid pace of economic development for a sustainable economic growth in terms of UVA, in primary and in both the secondary and tertiary sectors needs appropriate leveraging of ***competitive advantages by means of effective HR management*** along with huge ***investment***. Our SETPEs are used to present counterfactual national employment policies that retard the development of HR. This is why enormous emphasis on "***HR employment policies***" is

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of utmost urgently needed to be addressed through the absolutely free and fair democratic public voting system, which is the most crying need of the hour in our country. But development of the HR issue remains to be unaddressed in the democratic manifesto.

Competitive advantage is the attribute that allows an organization to outperform its competitors. A competitive advantage may include access to natural resources, such as high-grade ores or a low-cost power source, highly skilled labour, geographic location, high entry barriers, and access to new technology. In order to gain competitive advantages, **HR management** (**HRM**) is the strategic approach for effective management of man power. Competitive advantage owing to our HR is the most important value creating motivator.

HR is primarily concerned with the management of HR within organizations, focusing on policies and on systems. HR also concerns itself with organizational changes and industrial relations, that is, the balancing of organizational practices with requirements arising from collective bargaining and from governmental policies. Advertising products or services with lower prices or higher quality protect the interest of consumers. Target markets recognize these unique products or services. This is the reason behind brand loyalty, or why customers prefer one particular product or service over another. Value proposition is most important in the process of understanding competitive advantages. If the value proposition is effective, that is, if the value proposition offers clients better and greater value, it can produce a competitive advantage in product or service. The value proposition can increase customer expectations and choices. Michael Porter defined the two ways in which an organization can achieve competitive advantage over its rivals: cost advantage and differentiation advantage. Cost advantage is when a business provides the same products and services as its competitors, albeit at a lesser cost. Differentiation advantage is when a business provides better products and services as its competitors. In Porter's view, strategic management should be concerned with building and sustaining competitive advantages.

In any country revenue comes from the process of VC as well as UVA and through the process of marketing and demand-supply chain logistics. UVA is functionally dependent on the process of VC which comes from the process of employment of HR of different skills in the means of production of goods and services. Goods can be of different formats and services can be produced through the deployment of money capital as well as HC in any industry. UVA by means of deployed HR is a continuous process in any economy. In order to maintain the process of continuous sustainable economic development and growth constant money supply is the life blood for survival in the global economy. Effect of money supply in all sectors of our economy depends on the amount of money in circulation and the VCM. Considering advent of technological innovations in any sector, the volume of employment of HR in all sectors and the awarded purchasing power of the deployed HR is a very crucial aspect to accelerate pace of economic growth.

Sound domestic capital formation in a country will lead to the sustainable economic growth which must be shining with the deployed delightful HR. Sound deployment of HR in a country has a significant effect on the EG. The VCM is not a constant value, as many researchers in their researches consider and many factors affect the changing of velocity of money. Changes in the rate of employment of HR, their earnings and their savings, the level of monetization have a statistically significant impact on the change in VCM.

Section-II: Conceptual Discourse of UVA

We need to build a new model based on the Keynesian model, which takes a unified approach to structural changes in investment and consumption. The unified approach leads to new insights: technological changes are endogenously investment specific; having constant growth in all sectors is inconsistent with structural changes and aggregate balanced growth occurring jointly; the sector with a sluggish growth absorbs all resources asymptomatically. In reality UVA propels an economy. UVA is created by HR. All inputs are transformed into end product by HR. So, Economic growth (EG) is a function of HR, i.e., EG = f(HR). UVA is a function of HR. i.e., UVA = f(HR). If employment of HR goes down or is restricted to a strategic limit by economic policies, EG has to be slowed down. The greater the number of employed HR, the better is the economy. Employment of HR in the process of creating effective entrepreneurship in various need-based innovative productions vindicates an enormous economic development which ensures high level of UVA and value-creation (VC).

According to Lord John Maynerd Keynes, MPC is less than one; MPC determines the value of the multiplier (K). The higher the MPC, the higher is the multiplier and vice versa. The relationship between the multiplier and the propensity to consume is derived as, $Y = C + I$; $\Delta Y = \Delta C + \Delta I$; $\Delta Y = c\Delta Y + \Delta I$; where, c is the MPC; $\Delta Y - c\Delta Y = \Delta I$; $\Delta Y(1- c) = \Delta I$; $\Delta Y = \Delta I/(1 - c)$; $\Delta Y/\Delta I = 1/(1 - c)$; K = 1/MPS which is known as the multiplier. Since c is the MPC, the multiplier K is, by definition, equal to 1/(1-MPC). The multiplier can also be derived from MPS (marginal propensity to save) and it is the reciprocal of MPS, K = 1/MPS. Multiplier $K = \Delta Y/\Delta I$. The VCM depends on the MPC and MPS. The MPC absolutely depends on the purchasing power of the HR in all sectors. Formation of sound capital in a country like ours is absolutely a function of HR. The MPS is a significant function of the MPC. The MPC and MPS are inversely proportional, (MPC◎ and MPS◎). Higher the MPS, higher is the propensity to grow with the scope of accelerating pace of domestic capital formation.

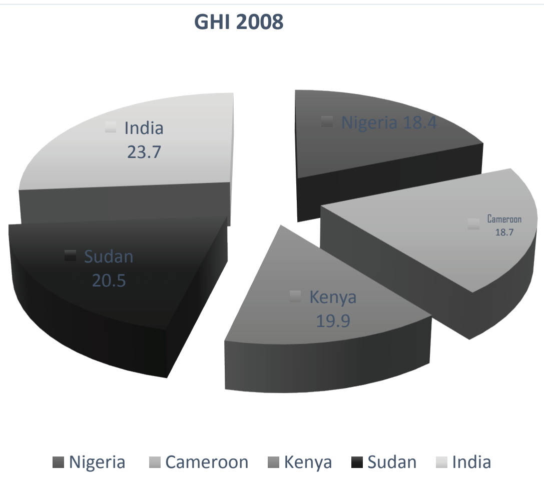
Similarly, $U = W + I$; $\Delta U = \Delta W + \Delta I$; $\Delta U = w\Delta U + \Delta I$; where, w is the Marginal Propensity to pay wages for deployed HR; $\Delta U - w\Delta U = \Delta I$; $\Delta U(1- w) = \Delta I$; $\Delta U = \Delta I/(1 - w)$; $\Delta U/\Delta I = 1/(1 - w)$; $\sigma = 1/\beta$. Where, unified value-added = U; total payment for HR = W; total investment by means of creation of domestic capital = I; σ is the multiplier ($\Delta U/\Delta I$); $\Delta U = \sigma\Delta I$; (or) $\Delta U=1/\beta\Delta I$. β is the propensity to create domestic capital which means propensity to make domestic investment out of domestic capital formation. The essence of the multiplier here is that total increase in purchasing power or employment of HR is many times the original increase in investment. For example, if domestic investment equal to Rs. 1000 crores is made, the income will not increase by Rs. 1000 crores only, but a multiple of it. Simply for all sectors of an economy this concept of unified value-added is workable in an economy in order to assess the development of domestic capital out of value-added and ascertainment of employment of HR. A systematic data base for the UVA is of utmost urgent necessity in order to bring changes in the economic policy for the employment of HR.

Section- III: Global Perspectives Towards greater values:

Study by researchers at the Overseas Development Institute (ODI) of 24 countries that experienced growth found that in 18 cases, poverty was alleviated. However, employment is no guarantee for escaping poverty. The International Labour Organization (ILO) estimates that as many as 40% of workers are poor, not earning enough to keep their families above the $2 a day poverty line. For instance, in India most of the chronically poor are wage earners in formal employment, because their jobs are insecure and low paid and offer no chance to accumulate wealth to get rid of risks. It is observed that the result of an affirmative relationship between creation of employment of HR and augmentative economic growth in productivity is required to reduce poverty. But UVA and wages for deployed HR in all sectors are not at all systematically exhibited in the global data base. Counterfactual presentation of global economic data is noticed.

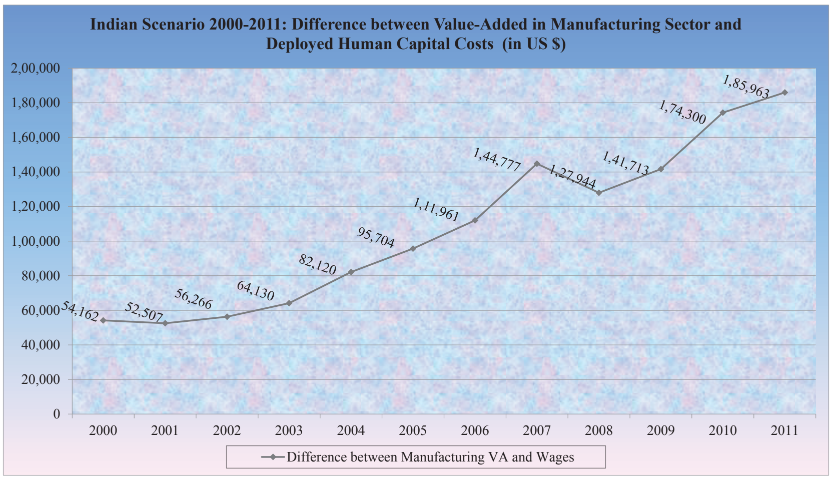
Endogenous growth theorists did not remain to be unsatisfied with accounting for empirical regularities in the growth process of developed economies over the last hundred years. The unified Growth Theory was introduced by Oded Galor and his co-authors to address the issues of the inability of the endogenous growth theory to explain key empirical regularities in the growth processes of individual economies and the world economy as a whole. Unified growth theories as well as endogenous growth theories are consistent with the entire process of development since the period of the Malthusian stagnation in the era of sustained economic growth. All growth theories in economics are required to be concerned with UVA instead of GDP measures. In global economic parlance the author has observed that capital formation is done with some forms e.g., intellectual capital13, human capital, structural capital14, organizational capital15, relational capital16, but the estimation and representation of the economic growth highlighting the development of deployed human resource in terms of UVA is very far from the right path as such.

The strategic use of HC and sustainable economic growth by UVA wealth is essentially dependent on the economic policy adopted by the management by value-added (MBVA) (**Saha, 1995**). In the global scenario Kolkata is coming up very fast in the global scenario with the changing language of democracy in terms of development of secondary and tertiary sectors. West Bengal is rich in HC and it has got the potential for boosting up economic development. The UVA is shared between capital and labour (as the factors of production), and this sharing gives rise to issues of distribution. The GDP method and measurements are also being utilized as the contribution made by the deployed HR in various sectors of production of goods and services. The VC process of any entrepreneurial activity is significantly related to the aspects of Intellectual Capital (IC). The additional value of the output is representing the value contributed by the IC assets as it is well known fact that human wants is the mother of all demands. Investment activities for obvious reasons focus towards the vast pool of HC and develop linkages with IC and try to appreciate the dynamics of HC development in the era of information technology-enabled services (ITeS). The present study has, inter alia, made a modest attempt to appreciate the nature of growth by UVA with an intensive focus on a unified theory of value-added (UTVA). With the advent of information communication technology (ICT) India stands for software entrepreneurship development in the era of ITeS because of her superb stock of power of knowledge capital. Service-centric goods and services (ScGS) are mostly intangible and related to tertiary activities, which are instantly perishable with its inherent characteristics. Addition/erosion in values associated with production-centric activities brings about economic changes. Socio-economic-techno-political-entrepreneurs (SETPEs) are obliged to decide what is appropriate for UVA for the nation at large. VC and UVA are mostly associated with every aspect of HR development in a nation. Without much emphasis on every aspect of HR development in a nation UVA will have to be at a low-ebb. Economic change/reform is in crying need for VC of national importance. In this context, we must accept that economic growth in the formal shape of UVA and development of deployed HC are two sides of the same coin. It is an interesting question; *what are values and ethics*? SETPEs are expected to be modeled by values and ethics. To keep parity between words and actions based on values and ethics UVA envisages values and ethics in economic activities rendered. UVA measurement contemplates development of the deployed HR.



Values guide us to perform in economic activities. Values drive our attitudes towards achievement of goals. Values bring satisfaction for stakeholders. Values and Ethics act as an integral part of EG. Setting up benchmarks is consistent with creating values in the system of production with respect to business ethics. EG excluding values and ethics will lead to the euphoric. We are poor because we are poor in values and ethics. A vicious circle of poverty, introduced by Nurkse, has very aptly stated that poverty and low wages lead to low investment, and low productivity of labour leads to poverty. Similarly, a low rate of employment of HR leads to low motivation towards productivity, low productivity leads to low purchasing power which leads to low propensity to consume and save. Low VCM is the resultant effect of such a vicious circle prevailing in the economy. *Value is more than profit/personal gains*. Value is entirely growth oriented. The ethics of every theory of economics and management studies is concentrated in values. Values of HC as well as for every production of goods and services are most pertinent here. Without the motto of VC no economy gears up for advancement with the effect of HC. Value creating activities contemplate values and ethics. It is important to identify the value-adding activities that will support more investments in research and development, processing and marketing. The theorists are always favouring the ethical standards in terms of value-added progress. However, GVA of the total economy usually accounts for about 90 % of GDP. A study reveals the fact about how much of this 90% of GDP is being spent out globally with an insight into the development of deployed HC in the industrial sector vis-à-vis the manufacturing sector. The quality of work life with reference to this benchmark India is far behind the developed countries and the fact is true for China too although China's UVA or (GVA) growth rate is much higher than that of India. EG by means of UVA wealth is a potential means to alleviate poverty in India, as a result of a simultaneous increase in employment opportunities and increase in labour productivity. India has consistently ranked poorly on the Global Hunger Index (GHI). GHI 2008 (von Grebmer et al. 2008) reveals India's continued lacklustre performance at eradicating hunger; India ranks 66th out of the 88 developing countries and countries in transition for which the index has been calculated. It ranks slightly above Bangladesh and below all other South Asian nations. India is a vast country owing to the unique feature of her HR next to the global position of China as it is depicted in the Pie-Chart. The UVA approach in the measurement of economic growth can drive out hiding factors of GHI. Thinking about *value* is syllogistic in terms of UVA and profit is entailed in UVA. Value of an entity signifies beyond its financial performance and entails high socio-economic-techno-political strategic performance to the economy. Value is recognized important in varying degrees by companies, individuals and countries. Strategically important enough, UVA has a strong financial performance and high socio-economic-techno-political impact on HR development. It was assumed in early economic theories, reflecting the context, i.e., the **primary sector17** as well as the **secondary sector of the economy**18 was producing much higher than the **tertiary sector**19**.** All sectors in the economy have huge potential for value-adding activities that have to be linked with the concept of UVA. Deployment of HR has a functional relationship with UVA. In common parlance, adding value is the process of changing/transforming raw inputs from its original state to a more want-satisfying state. India also ranks below several countries in Sub-Saharan Africa, such as Cameroon, Kenya, Nigeria, and Sudan; even though per capita income in these Sub-Saharan African countries is much lower than in India.

The undernoted line-chart exhibits the difference between value-added in the manufacturing sector and deployed HC costs in terms of US $ which has been very steadily rising upwards which signifies the exploitation of deployed HR. Just as land became recognized as natural capital and an asset in itself, and human factors of production were raised from this simple analysis to HC. In modern technical financial analysis, the term "balanced growth" refers to the goal of equal growth of both aggregate human capabilities and physical assets that produce goods and services. In today's globally competitive landscape entrepreneurs involved in value-adding enterprising activities are inventors, innovators, global supply chain managers and service providers. Entrepreneurial production-centric activities have evolved, but understanding of measurement and disclosure through UVA has not yet turned into high human want satisfactions. Manufacturing has a strong future next to the service sector in India because of huge HC, sound domestic segmented marketing and huge untapped/underemployed resources.



Source: *Author has compiled data from World Bank data series*

It is noted from the depicted Pie-Chart below that the GDP per capita in US $ for India is $2753 which is a little higher than that of Nigeria, Sudan, Cameroon, and Kenya. With a view to objectively determining UVA, per capita in US $ with an intensive focus on the development of deployed human resource in every sector of the economy is the need of the hour. An urgent pragmatic economic strategy has to be adopted by the political custodians of our socio-economic-techno-political resources to accept the shifting the measurement of exactness of economic growth in the light of deployed human resources in all sectors in terms of UVA instead of GDP. That measurement will definitely capture the insight of Indian economic growth. The recorded and published economic data since independence are not at all exposed up to the mark in order to assess the insight development of deployed delightful human resources in terms of UVA.

The value of the changed/transformed inputs is the *added value*. William Petty20 of England, the founder of modern political economy, conceived of VA that entails both goods and services. The realizable value of goods and services in terms of currency from the market entails gross VA. It is observed in the significant study which was contributed to by Biju Varkkey, Rupa Korde, and Sunny Wadhwaniya in 2017. The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA, 2005) aims at enhancing the livelihood security of rural people in India by a guaranteed hundred days' work-employment in a financial year, which has become a big political maneuvering agenda. The author has presented the conclusions (Biju Varkkey and others) which were extracted from websites for easy understanding the role of wages and wage indicators in India.

Results and Conclusion

- A complex system of MW implementation has made its MW administration difficult. However, the New Labour Code on Wages Bill (passed by the parliament in August,2017) seeks to empower the Government to fix a universal minimum wage for workers across the country. The new law is expected to benefit over 4 crore employees across the country
- The Minimum Wages Act is poorly implemented, particularly in rural areas, and a large proportion of agricultural workers continue to get less than the prescribed minimum wages.
- The indexation of MGNREGA wages in order to meet the inflationary pressures has shown positive results. In most states, the inflation adjusted MGNREGA wages are above the lowest official MW are below the MW with only few exceptions- Andhra Pradesh, Andaman & Nicobar, Sikkim, Punjab, Mizoram, Uttrakhand and Karnataka.
- The law insist that MW rates have to be reviewed and revised every 5 years or earlier if required, but the revisions do not follow a regular pattern in some states (Arunachal Pradesh and Manipur)
- WageIndicator has contributed significantly for creating awareness about MW in India through it's various research studies on Wages and working conditions in the Indian -ICT sector, Finance Sector, manufacturing sector, garment industry, women's work and employment conditions, Status of Minimum wage in Asian countries , official representation of MW in Asian countries.
- Paycheck India, part of the worldwide WageIndicator foundation, provides the single dissemination point of MW in India and is widely consulted by different stakeholders.
- A situation in which all workers in India are eligible for the right MW and are assured its receipt has to be attained, if India is to become an economic powerhouse and ensure sustainable development

Source: Biju Varkkey, Rupa Korde, and Sunny Wadhwaniya in 2017 (extracted).

Section-IV: In the Discourse of our Home State's scenario

It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the age of winning of Nobel Prize in the subject of Economics that the Nobel Laureates in Economics assumed all the basic factors of production (viz., land, labour, capital, organization, and information) would be growing at the same rates over the longer periods of times, but the hurdles of acquisition of lands for industrialization and urbanization as we see in the case of the state of West Bengal were not at all taken care of in the discourse of UVA. The problems created by political dichotomies remain to be an exception to the rule/law/order of the society. Of course, the land hungry state of West Bengal is the tiniest example in the eye of global recognition of the Nobel Laureates in Economics. The Nobel Laureates can never be derecognized when their theories are not at all applicable as panacea for solving the land issues over the global village. These are all exceptions to all socio-economic-techno-political theories so far as the Nobel Prizes are concerned. The theories in economics which won Nobel Prizes cannot solve all dichotomies in political economies on the globe. The theoretical discourses are adopting measures of economic performance in terms of UVA having all socio-economic-techno-political constraints regarding land. ***The core factor of all productions is the land***. Land is limited to its size and scarce in global villages, but are unique in nature. But huge employment generation is only feasible in heavy manufacturing industries that need a huge amount of land. Having to depart from Singur due to Bengal's political imbroglio, Singur's Tata Motors Nano Factory has burnt up the hopes of huge employment generation as it got linked to the fact of 600 acres of land acquisition controversy. UVA growth is getting sluggish in Bengal. Questions come up as to how productions through value-added manufacturing set-ups come into effect where a unified solution to the socio-economic-techno-political controversies does not come up in the state of West Bengal. Is it the brightest form of the language of democracy? Is it an obscurity in UVA growth in terms of militancy?

It is a time of utter foolishness that the land starved and debt ridden state of West Bengal is simply offering blanket invitations to the large scale investment-oriented industrialists to invest in employment generation projects instead of creating socio-economic-techno-political friendly environment by adopting a transparent land acquisition policy. The investors are really afraid of making investments in employment generating huge manufacturing industries in the state of West Bengal. Industry-friendly environment is entirely abolished by means of political controversies. Hence, the sluggishness of economic growth in terms of UVA and employment of HR is bound to happen.

Over the decades unscrupulous SETPEs or custodians of all resources by means of the democratic voting system in the state of West Bengal have delivered an utterly unfriendly message to the industrialists and investors (Saha. 2000) West Bengal is over-burdened with huge debts since 2000-2001. The SETPEs are to take most urgently pragmatic steps in order to deliver good governance and most welcoming industry-friendly package vis-à-vis message so as to ensure faster UVA growth having a significant impact of high leveraging effects of debt capital and owned capital. Being debt-ridden is not a major problem; rather the industrial and land policy under the socio-economic-techno-political language has become most critical that hinders growth in manufacturing and industrial investment in the state. Most importantly, *Solow's model21* of economic development and growth by means of creating skilled HC and growth of capital formation in the field of service generating industries, hotel industries, and information technology-centric service sector is feasible. In the state of West Bengal value-added economic growth is sustainable only by means of those industries that ought to be equipped with technologies, simultaneously generating huge employment of HC vis-à-vis knowledge capital on the small pieces of land while being frugal in the application of large plot areas of land.

Significantly, leveraging debts with domestic capital can gear up the economy to attain sustainable growth by GDP. 'Growth in a Time of Debt', by Carmen Reinhart has raised a controversy. Importantly, 'Growth in a Time of Debt', by Carmen Reinhart and Kenneth Rogoff, two internationally acclaimed economists from Harvard University, who are also known as Reinhart-Rogoff, is an influential economics paper published in 2010 in *American Economic Review* amidst Great Recession; it is one of the most cited papers in the aftermath of Financial Crisis of 2007-08, providing intellectual foundation for austerity as a reasonable public policy response to it. Carmen Reinhart and Kenneth Rogoff have argued that when *"gross external debt reaches 60 percent of GDP"* the country's annual growth declines by two percent and *"for levels of external debt in excess of 90 percent"* the GDP growth is *"roughly cut in half."* Reinhart and Rogoff were criticized for the paper from the beginning with complaints that they did not provide data that would enable others to peer review it. In 2013, University of Massachusetts economists Thomas Herndon, Michael Ash, and Robert Pollin were able for the first time to replicate the Reinhart-Rogoff results in their paper "*Does High Public Debt Consistently Stifle Economic Growth? A Critique of Reinhart and Rogoff*", but only by repeating selective omissions and coding errors made by Reinhart-Rogoff in Excel spreadsheet used for calculating GDP growth slowdown. An Excel Error endangers economics. An influential paper behind a popular economic theory is flawed (*Sunday Times of India*, Times Curator of the 21st April, 2013, p-15). In brief, the paper argued that high debt-to-GDP ratios, specifically countries with debt levels greater than or equal to 90 per cent of GDP- will see their GDPs decline. Unfortunately, Reinhart-Rogoff's conclusions- or more accurately, the conclusions drawn by those who quote the paper arguing for spending cuts as a driver of economic growth- may be erroneous.

Three scholars at the University of Massachusetts have observed that the Reinhart-Rogoff result is based on an opportunistic exclusion of Commonwealth data in the late 1940s, and most of all a sloppy Excel coding error. Thomas Herdon, Michael Ash, and Robert Pollin, economists at the University of Massachusetts, have reached out to their Harvard counterparts and asked them if they could share the spreadsheet containing the data on which their conclusions were based. The most egregious mistake was something that anyone who has worked on complicated spreadsheet is familiar with, an Excel formula error: instead of calculating average values for twenty countries- rows L30 to L49- the formula computed averages for fifteen.

The result of this calculating error led to the negative GDP growth figure. The correct formula would have shown a positive growth figure of 2.2 per cent, which, while not high- is far from the economic contraction shown by the Reinhart-Rogoff study. Their work draws an erroneous conclusion and becomes irrelevant. It can be emphatically said that with the effective leveraging of debt-capital, value-added economic growth is feasible, because Reinhart-Rogoff's conclusion was wrong. In spite of being debt-ridden and land-hungry the state of West Bengal can play a dominant role by leveraging competitive advantages of the IT sector, which is mostly 'knowledge workers'' intensity that holds little promise for semi-skilled and unskilled human forces. So, revival of the economic status of West Bengal urgently needs those investors who are equipped with modernized technologies and huge capital so that they can invest their funds in large scale manufacturing industries in small pieces of land and capable of converting small land holdings into effectively large ones vertically and grow with the increasing rate of per capita output.

Large-scale heavy industries being equipped with technologies have to be hugely labour- intensive and are utmost needed in the land hungry overpopulated state. The large industrial investors need to enjoy some positive benefits e.g., tax rebates, water, electricity, roads, and others besides land. We see recently the hotel industries in remote natural tourist spots are benefitting in generating huge employment of semi-skilled and unskilled human forces. The hotel industries are expected to work well in small pieces of land because of the fact that they grow vertically. As we see Chhattisgarh is an emerging gem on the global tourism map. Consistently constructive steps to highlight and tap the tourisms resources of the state's cultural heritage zones for developing a value-adding tourism industry has started to bear fruit with major global players seeing Chhattisgarh as a region entirely blessed with natural beauties that offer immense tourism delights.

The tourism industry in Chhattisgarh has emerged as value-creating sources of revenue generation in the state. Hence, this is the right way of leveraging own resources and power by policy measures that can bring about economic development and growth. Reams have been written about opening up of the economy under P.V. Narasimha Rao, the then Prime Minister of India, and winds of global change started to blow into our economy. Policy measures were adopted to flourish the innovative entrepreneurs in all sectors of the economy. The socio-economic reforms started since 1990 which was initiated by the then Finance Minister of India who is none other than Dr. Manmohan Singh (ex-The Prime Minister of India). Our socio-economic-techno-political changes are hugely influenced by a multiparty political cultural ethos. This is proved that our Finance Minister's vision for economic reforms by implementation of economic liberalization has achieved success through the shinning Indian economic growth in the era of tertiary economic activities.

Economic reforms are mostly affected by the movements of multi parties in a democratic setup. Strikes vis-à-vis 'Dharmaghats' in India are frequently promulgated by the political parties causing a staggering amount of financial losses as well as losses of man-days which cannot be avoided until and unless class struggles are alleviated by driving out oppressions. Development of deployed HC is achievable by minimizing the wide gap in the purchasing power between the rich and the poor and maximizing the trickling down benefits of UVA growth.

The basic concept to focus on the determination of economic advancement and financial performance of any business entity is the value-added created by deployed HC in course of production activities. Measurement of financial performance of any enterprising entity has to be reported through value-added statement. UVA is a meaningful measure of economic performance of any enterprising entity which has a fairly long history in economic literature. This is recognized as augmentation in wealth by economic activities.

It is not at all an easy task to set India's wheel of economic progress in the right path by means of socio-economic-financial reforms. The then F.M achieved that task successfully. Indian overall socio-economic progress is still being achieved through the right path of socio-economic reforms and that has to be done keeping our all eyes towards the set goals of achieving the higher HDI by means of maintaining purchasing power parity (PPP) in terms of higher per capita value-added growth. Ours is a vast economy consisting of 132 billions of HR having skilled, semi-skilled, and unskilled labour forces. HR is most valuable to create value-added wealth in the multi-sector economy. India has primary (agriculture and mining), secondary (manufacturing and mining), and tertiary sectors (service generating).

When India attained independence in 1947, the national economy was backward, predominantly agricultural and featured by massive poverty because the British ruled over the economy more than 200 years having no concern for the purchasing power parity in terms of gross domestic product (GDP) for the oppressed Indians. The wheel of progress was merely based on cart driven by farmers. There was no policy at governmental levels to focus on the gender-based oppressions. The wheel of progress was not at all set excepting the agriculture where disguised unemployment is a traditional feature of the economy. Seventy years passed since independence, but women still have a marginal status in India. A bleak picture observed in urban and rural areas is that a overwhelming majority of women in India is severely disempowered. It is sad that as much as half of the population faces systematic discrimination because of the gender factor. Around 40% of women have no access to the money power in India. As far as contribution to India's economy is concerned, more women (26.1%) worked in rural India than in urban areas (13.8%), 32.5% women have been registered in employment exchanges while the female share of central government employment stood at 10% in accordance with the new report on 'Men and Women in India 2012' (Govt. of India Report, Times of India, 04th December 2012). It is relevant to note that the HDI stands at 0.547 whereas the same in China is 0.687 in 2011 by IMF Report, 2011-2012. In order to raise HDI empowerment of working women in India through the creation employment opportunities is of utmost importance. Although various data sources vary, the basic corollary becomes the same as the Census data commensurate with the NSSO data revealed by the fact that over 65 per cent of all working women are in agriculture. While rural women participate in the workforce at double the rate of urban women to manage their livelihood, it is rural women who are being hit the hardest. Most of the Indian leading cities are still shy of creating more job opportunities for the working women force. Keeping in mind the socio-economic relevance, the present study attempts to focus on the value-adding activities in different sectors (primary, secondary, and tertiary (PST sectors) of the economy and role of management by value-added (MBVA) in the development of *HDI*. The HDI depends on the socio-economic factors of the economy, but it is observed that the sharing of value-added wealth in terms of wages amongst the deployed working force in the PST sectors is yet to be made in a just and equitable manner so far as the purchasing power as well as HDI is concerned. Purchasing power parity (PPP) of the deployed men and women is far away from the optimum level of achievement in terms of sharing of value-added GDP growth in India and over the globe.

Distribution of the optimum level of purchasing power amongst the poor and employment of huge HR will certainly boost up HDI in India. The poorest of the poor at the lower level of the pyramid of the total HC structure needs purchasing power. Their capability will be boosted through the *trickling down effects of value-added wealth* (TDEVAW). The lower base of the pyramid of HC is our greatest opportunity to get a strong foothold for economic advancement. Our socio-economic structure must avail of that opportunity by means of value-added manufacturing and marketing. But it is unfortunate enough to observe immediately over the past number of years that the responsible custodian of the national government of India has not yet taken up any pragmatic step to deploy our knowledge-based HR in various sectors of employment and that adopted policy is really the stumbling block of HR development in India as such.

Indian manufacturing is a diverse and vibrant industry that plays a significant role in the economy. The industry deploys close to one million HC that adds enormous value-added wealth. Manufacturing is also an important driver of innovation in industry through research and development activities. The industry faces both challenges and opportunities such as globalization, aging workforce, transfer of human capital, shortage of key inputs, crisis of markets etc. Technology, such as information and communication technologies, communication technologies, is also driving disruptive changes, providing major opportunities and challenges in product and product innovation which will enable the Indian manufacturing industry to respond positively to the challenges and opportunities. A robust manufacturing sector of the future requires more skilled HC befitting the sophisticated technologically innovative production processes. This is only possible in manufacturing entities that are knowledgeable, innovative and well managed, and which have ample access to skills as well as capital. These assets provide the absorptive capacity needed by successful manufacturing entities to embrace new knowledge, technology and innovative practices to increase innovative practices to increase value-added productivity and competitiveness.

Section-V: Concluding Observation and Suggestion

In a corollary, creation of incremental value-added economic growth to the nation is hidden within the lower base of the pyramid of HC and in the knowledge capital at middle and upper levels of HR in India. It is utmost necessary to steer up activities in the planning premises and at the implementation levels to take care of the trickling down effects of value-added wealth at the lower base of the pyramid of HC which is our greatest opportunity to develop our own economy.

The investors are really afraid of making investments in employment generating huge manufacturing industries in the state of West Bengal. Industry-friendly environment is entirely abolished by means of political barbs. VC culture largely depends on the positive work culture of the labour force which has been almost tarnished over the decades only for short-term political gains in favour of a few numbers of SETPEs in state of West Bengal. Solow's model22, most importantly, of economic development and growth by means of creating skilled human capital and growth of capital formation in the field of service generating industries, hotel industries, and information technology-centric service sector is feasible.

The greater the degree of per capita venture capital productivity, the greater is the degree of 'capability and entitlement' of every human being (**Saha**, 1999). Venture capital productivity is proved to be substantiated by higher value-added economic growth so far as deployed knowledgeable human forces are concerned. A dramatic increase in venture capital deployment in computer-related information technology, mainly engaged in software development, gives no pain to take-up a self-reliance strategy for India (Saha, 1999). The lack of adequate venture capital probably is the most common obstacle to the birth and success of new and technology-based companies (Manohar, 1988). Venture capitalists take an equity stake in the firms they finance, sharing in both upside and downside risks (Gompers, 1994). A dramatic increase in informal venture capital financing in computer-related information technology mainly engaged in software development-oriented enterprises, gives no pain to take up a self-reliance strategy in India by means of adequate deployed knowledgeable human forces (Saha, 2000).

The militant political philosophy disfavouring the private capital has percolated in the minds of the deployed human forces. Most frequently called industrial strikes have frightened the industrialists in Bengal and have not shown the right path of employment generation, rather creating a huge unemployment of the deployed human forces. **UVA** provides a better measure of economic activity because **GDP** can record a sharp increase just on the account of increased tax collections due to better compliance/coverage and not necessarily due to increase in output. Shifting from GDP to UVA measurement is better as UVA is more suitable for determining sectoral performances. UVA can give insights into the structural bottlenecks of economy. UVA carries significance as a better indicator of real economic activity, reflective of productivity/ competitiveness and is useful in sector specific policymaking. GDP remains a key measure to make cross country analysis and compare the incomes of different economies. GDP must be replaced by UVA in the public domain of economic growth ascertainment in terms of deployed HR.

It can be concluded by drawing a simplified chart to understand the discourse of unified theory of value-added lucidly as to how UVA is involved in many theories of socio-economic studies of the recent past. HR is recognized as the part and parcel component of every facet of life and in operating any form of business as well as industrial activities over the globe. Previously the man power planning was being managed and controlled by the personnel management, but at the end of the twentieth century the importance of HR management has been receiving enormous importance over the global parlance only because of the fact that management of HR is not at all a static functional subject of studies, but of very broader philosophical, emotional and motivational studies. **HR** creates multidimensional wants and needs for goods and services in the economy that have to be satisfied by their consumption capabilities. Their consumption capabilities depend on their purchasing power by means of employment. Their employment obviously creates VA by boosting up productivity and utility value of goods and services. VCM in an economy is largely propelled through the important two wheels i.e. MPC and MPS. These wheels are very much moving and functionally dependent on the volume of employment of HR in the economy. If the VCM and MPS are sound in an economy, both short-term as well as long-term internal capital formation must be sound and healthy for sustainable economic growth and development. Truly speaking, the economy can achieve sustainable economic growth and development with the application of UVA; delightfully deployed quality HR in a country obviously gains the competitive advantage to accelerate economic growth by means of value-adding multiplier (VAM) effect (Saha, 1998, Management By Value Added, Research Bulletin, ICWAI, Vol.xvi, July 1998- Dec 1998). UVA contemplates the value of HR; the components of HDI viz, Life Expectancy Index, Education Index and Income Index are directly related to Human Capital formation within the nation. Implicitly, HDI reveals that the higher the human capital formation due to good standard of health and education, the higher is the per capita income of the nation (Amartya Sen, 1998).

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Footnotes:

1 **UVA (or GVA)** is a productivity metric that measures the contribution made by HR to an economy. UVA is created by the deployed human resource in all sectors of the economy. UVA provides a dollar value for the amount of goods and services produced in all sectors of the economy, less the cost of all inputs, raw materials, and deployed human resource that are directly attributable to that production of goods and services.

2 **Value-added**: It is the idea that at each stage along a chain of production or chain of supply, something contributes (adds) utility (value) to a good or service that produces fruits in the value of the finished good being more than the raw materials and labour cost put into it. It is simple to illustrate like a bakery raw ingredients (eggs, milk, flour, labor etc) all have some value, albeit a low one. A basic cake (say the materials plus labor cost £10) might sell for £18. That £8 is the added value. All inputs have been

transformed into a complete cake that has utility value to end consumers and that utility value in the form of value-added which has been created due to efficiency of human capital. Competitive advantage is also resonance of efficiency of human capital deployed into the production processes.

3 Business propels with ***value creation***. The wisdom of business is to value creation. The actions which intend to perform with a view to increasing the worth of goods, services or even a business. Many business operators now focus on value creation both in the context of creating better value for customers purchasing its products and services, as well as for shareholders in the business who want to see their stake appreciate in value. The part and parcel objective of business is to create and deliver value in an efficient enough way that it will generate profit after cost. Value creation is the starting point for all businesses, successful or not, it's a fundamental concept to understand. A pattern of matter, energy, and/or information has economic value if the following three conditions are jointly met: *1)* ***Irreversibility:*** All value-creating economic transformations and transactions are thermodynamically irreversible; *2)* ***Entropy:*** All value-creating economic transformations and transactions reduce entropy locally within the economic system, while increasing entropy globally; *3)* ***Fitness:*** All value-creating economic transformations and transactions produce artifacts and/or actions that are fit for ***human purposes***.

4 ***Human capital*** is the stock of competencies, **knowledge**, social and personality attributes, including **creativity**, embodied in the ability to perform **labour** so as to produce **economic value**. Human capital is much talked about economic component in both neoclassical and endogenous growth models. A country's level of human capital is created at home, at school, and on the job. Many theoretical and empirical analyses of economic growth attribute a major role to a country's level of human capital, defined as the skills of the population or the work force. Many theories explicitly connect investment in human capital development to education, and the role of human capital in economic development, productivity growth, and innovation has frequently been cited as a justification for government subsidies for education and job skills training. Economists have attempted to measure human capital using numerous proxies, including the population's level of literacy, its level of numeracy, its level of book production/capita, its average level of formal schooling, its average test score on international tests, and its cumulative depreciated investment in formal schooling. Theodore Breton has shown that this measure can represent human capital in log-linear growth models because across countries UVA(or GVA)/adult has a log-linear relationship to average years of schooling, which is consistent with the log-linear relationship between workers' personal incomes and years of schooling in the **Mincer model**. Eric Hanushek and Dennis Kimko introduced measures of students' mathematics and science skills from international assessments into growth analysis. They found that this measure of human capital was very significantly related to economic growth. Theodore Breton shows that the correlation between economic growth and students' average test scores analyses is actually due to the relationship in countries with less than eight years of schooling. He shows that economic growth is not correlated with average scores in more educated countries. Hanushek and Wößmann further investigate whether the relationship of knowledge capital to economic growth is causal. They show that the level of students' cognitive skills can explain the slow growth in Latin America and the rapid growth in East Asia. The most commonly-used measure of human capital is the level (average years) of school attainment in a country, building upon the data development of Robert Barro and Jong-Wha Lee. This measure is widely used because Barro and Lee provide data for numerous countries in five-year intervals for a long period of time. One problem with the schooling attainment measure is that the amount of human capital acquired in a year of schooling is not the same at all levels of schooling and is not the same in all countries. This measure also presumes that human capital is only developed in formal schooling, contrary to the extensive evidence that families, neighborhoods, peers, and health also contribute to the development of human capital.

5 Velocity Circulation of Money (VCM): For a given period of time, consider an economy consisting of two individuals, X and Y, who have \$10000 each. X buys a car from Y for \$10000. Then Y purchases a home from X for \$9000. Y has kids and enlists X's help in adding new construction to his home. For his efforts, Y pays X \$1000. X also sells the car he bought from Y back to him for \$9000. Thus, both parties in the economy have made transactions worth \$40000, even though they only initially possessed \$10000 each. This multiplication in the value of goods and services exchanged is made possible through the velocity of money in an economy. So, the formula for calculating VCM stands to be as under. VCM = PQ/M; PQ is the value for goods and services bought (Nominal GDP for the economy at large); M is the average amount of money in circulation in the economy. An increase in the money supply should theoretically lead to a commensurate increase in prices because there is more money chasing the same level of goods and services in the economy. The opposite should happen with a decrease in money supply. Critics, on the other hand, argue that in the *short term*, the velocity of money is highly variable, and prices are resistant to change, resulting in a weak and indirect link between money supply and inflation. It was also said that the *single digit inflation* in an economy always effective for economic growth and development. So, Velocity of Circulation refers to the average number of times a single unit of money changes hands in an economy during a given period of time. It can also be referred to as velocity of money or *velocity of circulation of money*. It is the frequency with which the total money supply in the economy turns over in a given period of time. The money supply in the economy must be linked with the UVA.

6 **Marginal propensity to consume (MPC):** The marginal propensity to consume (MPC) is the proportion of an aggregate raise in pay that a consumer spends on the consumption of goods and services, as opposed to saving it. MPC is a component of Keynesian macroeconomic theory and is calculated as the change in consumption divided by the change in income. MPC is depicted by a consumption line, which is a sloped line created by plotting change in consumption on the vertical "Y" axis and change in income on the horizontal "X" axis. Obviously, MPC is the concept that the increase in personal consumer spending

(consumption) occurs with an increase in disposable income (income after taxes and transfers). The proportion of disposable income which individuals spend on consumption is known as propensity to consume. MPC is the proportion of additional income that an individual consumes. For example, if a household earns one extra dollar of disposable income, and the marginal propensity to consume is 0.90, then of that dollar, the household will spend 90 cents and save 10 cents. Obviously, the household cannot spend *more* than the extra dollar (without borrowing).

7 The **marginal propensity to save** (**MPS**) is the fraction of an increase in income that is not spent on an increase in consumption. That is, the marginal propensity to save is the proportion of each additional dollar of household income that is used for saving. It is the slope of the line plotting saving against income. For example, if a household earns one extra dollar, and the marginal propensity to save is 0.10, then of that dollar, the household will spend 90 cents and save 10 cents. Likewise, it is the fractional decrease in saving that result from a decrease in income. The MPS plays a central role in Keynesian economics as it quantifies the saving-income relation, which is the flip side of the consumption-income relation, and according to Keynes it reflects the fundamental psychological law. The marginal propensity to save is also a key variable in determining the value of the multiplier.

8 **Economic Value Added (EVA)** is an estimate of a firm's economic profit. The value created in excess of the required return expected by the investors (being shareholders and debt holders) is termed as EVA. Quite simply, EVA is the profit earned by the firm less the cost of financing the firm's capital.

9 ***Socio-economic-techno-political entrepreneur*** is a term which has been carefully used in the research work entitled "a study of the role of venture capital in the development of software enterprises in Calcutta" (**Saha, U**., 2002).The term itself connotes some new persons having strong visionary objectives in their mindset come forward through the language of democratic changes to bring about radical paradigm shift in the economy which ultimately leads to *socio-economic-techno-political developments in terms of value-added wealth in driving out deprivation, poverty and inequality.* Socio-economic-techno-political entrepreneurs are the engine of sustainable economic growth and innovation in nations. Under proper governance and encouraging environment, they can make a pivotal contribution to the socio-economic development of the nation. However, genuine entrepreneurs, particularly owning Small and Medium Enterprises (SMEs), have continued confronting formidable challenges. This is due to the new reality marked by increasing international business interactions and socio-economic and technological inter-dependency affecting all developed and developing economies around the globe. The socio-economic-techno-political entrepreneurs are genuinely different from others because of their visionary powers in mindset. They always think positively to bring changes in the economy despite the strong criticisms coming up from the dissidents. Genuine venture-oriented entrepreneurs in a nation get positive help and confidence from such visionary men.

10 **Endogenous growth theory**, initiated by Romer (1986, 1990) and Lucas (1988), focuses on explaining the Solow's model. Technological changes become endogenous to the model and are a result of the allocative choices of economic agents (Veloso and Soto, 2001). Technological progress is driven by R&D activities which in turn are fuelled by private firms' aim to earn enormous profit from inventions. This is absolutely a monopoly motive of earning super profit owing to the fact of innovation.

11 ***Human Development Index (HDI***) is the combination of "Life Expectancy Index (LEI)", "Education Index (EI)" and "Income Index." The Life expectancy index reveals the standard of health of the population in the country; education index reveals the educational standard and the literacy ratio of the population; and the income index reveals the standard of living of the population. If all these indices have the rising trend over a long period of time, it is reflected into rising trend in HDI. The Human Capital is developed by health, education and quality of Standard of Living (SoL).

12 **Competitive advantages:** Competitive advantages are conditions that allow a company or a country to produce a goods or services of equal value at lower competitive prices or in a more desirable fashion. These conditions allow the productive entity to generate more sales or superior margins compared to its market rivals. Competitive advantages are attributed to a variety of factors including cost structure, branding, quality of products and distribution network, intellectual property, and customer service. Competitive advantage is the leverage that a business has over its competitors. This can be gained by offering the end users better and greater value.

13 ***Intellectual capital*** is normally classified as: ***Human capital*** is the value that the employees of a business provide through the application of skills, know-how and expertise. Human capital is an organization's combined human capability for solving business problems. Human capital is inherent in people and cannot be owned by an organization. Therefore, human capital can leave an organization when man power leave. Human capital also encompasses how effectively an organization uses its man power resources as measured by creativity and innovation.

14 **Structural capital** is the supportive infrastructure, processes and databases of the organisation that enable human capital to function. Structural capital includes such traditional things as buildings, hardware, software, processes, patents, and trademarks. In addition, structural capital includes such things as the organization's image, organization, information system, and proprietary databases. Because of its diverse components, structural capital can be classified further into organization, process and innovation capital.

15 **Organizational capital** includes the organization philosophy and systems for leveraging the organization's capability. Process capital includes the techniques, procedures, and programs that implement and enhance the delivery of goods and services. Innovation capital includes intellectual properties such as patents, trademarks and copyrights, and intangible assets. Intellectual properties are protected commercial rights such as copyrights and trademarks. Intangible assets are all of the other talents and theory by which an organization is run.

16 ***Relational capital*** consists of customer relationships, supplier relationships, trademarks and trade names (which have value only by virtue of customer relationships) licences, and franchises. The notion that customer capital is separate from human and structural capital indicates its central importance to an organization's worth. Briefly, *Intellectual capital* is the difference in value between tangible assets (physical and financial) and market value. This contrasts with physical and financial forms of capital; all three make up the value of an enterprise. Measuring the real value and the total performance of intellectual capital›s components is often a critical part of running a company in the knowledge economy and Information Age, to optimize the stock price using the leverage of intellectual assets.

17 ***The primary sector*** includes all those activities the end purpose of which consists in exploiting natural resources: agriculture, fishing, forestry, mining, deposits. The classification is not rigid; according to the point of view, the mining industries can be also classified in the secondary sector.

18 ***Secondary sector of the economy*** is that includes light and heavy industrial activities which manufactures finished goods and products from raw materials with the use of machines and technologies for which huge industrial wastes are created to jeopardize natural environment.

19 The **tertiary sector** or **service sector** is the third of the three economic sectors of the three-sector theory. The others are the secondary sector (approximately the same as manufacturing), and the primary sector (raw materials). The service sector consists of the production of services instead of end products. Services (also known as "intangible goods") include attention, advice, access, experience, and affective labor. The production of information has long been regarded as a service, but some economists now attribute it to a fourth sector, the quaternary sector. The tertiary sector of industry involves the provision of services to other businesses as well as final consumers. Services may involve the transport, distribution and sale of goods from producer to a consumer, as may happen in wholesaling and retailing, pest control or entertainment. The goods may be transformed in the process of providing the service, as happens in the restaurant industry. However, the focus is on people interacting with people and serving the customer rather than transforming physical goods.

20 **Sir William Petty** was the son of a clothier at Romsey in Hampshire. After education at the Romsey Grammar School, he continued his studies at Caen in Normandy. FRS (26 May 1623 – 16 December 1687) was an English economist, scientist and philosopher. Karl Marx thought him 'the founder of political economy', and economists and historians of economics. Briefly, Petty said that value-added wealth is created by adding value to raw materials, products and services through the use of labour and capital.

21 The model of economic growth of the Massachusetts Institute of Technology Nobel Laureate **Robert M. Solow** is revisited by exploring the possible industrialization in the land hungry state, Dipankar Das Gupta, The Telegraph, Tuesday 1 January 2013, Vol. XXXI NO. 174, p-10. Most importantly, *Solow's model* of economic development and growth by means of creating skilled human capital and growth of capital formation in the field of service generating industries, hotel industries, and information technology-centric service sector is feasible. In the state of West Bengal value-added economic growth is sustainable only by means of those industries that ought to be equipped with technologies and simultaneously generating huge employment of human capital vis-à-vis knowledge capital on the small pieces of land and frugal in the application of large plot area of land.

Foreign Trade Policy - After Rollout of GST

Dr. Partha Pratim Ghosh
Mohit Kumar Agarwal

Abstract :

The Imports & Exports (Control) Act came into force in 1947. Heavy customs duty was imposed to discourage imports. Further, liberal import and export policy was introduced in the year 1991. The new foreign trade policy i.e. FTP 2015-20 has been notified by the Central Government w.e.f. 1-4-15. This policy states that exports shall be free, except when regulated by way of prohibition, restrictions or exclusive trading through State Trading Enterprises. This article is an attempt to analyze the merits and demerits of implementation of GST and its impact on Foreign Trade, Indian economy and the government policies thereof.

Introduction:

India's biggest tax reform is now a reality. Goods and Services Tax (GST) is the giant indirect tax structure designed to support and enhance the growth of Indian economy. It is destination based and is expected to unite the country economically thereby realizing the concept of ***'One Tax, One Market, One Nation'*** as it has subsumed various forms of taxes that were earlier levied at different points. A comprehensive Goods and Services Tax (GST) has replaced the multiple indirect tax structure with effect from the 1st day of July, 2017. It paved the way for realization of ***'One Tax, One Market, One Nation'*** and India has completed an year and a half of the implementation of the said tax regime.

India's foreign trade policy (FTP) is undergoing a bold makeover under GST. There has been a reduction in the footprint of the Directorate General of Foreign Trade (DGFT) with regard to India's international trade. FTP was announced in 2015, and thereafter a mid-term review was conducted in September, 2017 to see whether any tweaking is required in the policy to promote shipments. This amended FTP has been effective from 5th December, 2017 and shall remain in force up to 31st March, 2020.

Necessity of GST:

GST was necessitated in the Indian Economy because of the inefficiency of the erstwhile Indirect Tax regime. With the implementation of GST, the cascading effect of taxes has been ruled out. Earlier, multiple taxes were charged on the same goods or services. For example, a manufacturer used to charge excise duty on production of goods. Further, the same value was subjected to VAT/CST when the goods were sold by manufacturers to the next level of the supply chain. However, such double taxation of goods or services does not exist under the GST regime. The level of transparency has been enhanced and GST enactment is formulated for the economy to cater the global needs.

According to the World Bank's bi-annual India Development Update report, most countries in the world have a single rate of GST: "49 countries use a single rate, 28 use two rates and only five countries including India use four rates." Although India currently has four rates of GST, the

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government is trying to bring down the different categories of goods and services to revenue a neutral rate (i.e., 12 per cent and 18 per cent). But it is not just the tax rates that differentiate India's GST structure from the rest of the world. According to the World Bank report, the fiscal threshold for businesses is the highest among the comparable countries that fall under the GST impact. The benefits of new tax regime are expected to be higher than its overall cost in the long-run.

Concept and Importance of FTP:

Foreign trade policies are formulated by the government to regulate the imports to and export from the country. It is also known as EXIM policy (Export Import Policy). The motive behind such policies is to regulate the trade between different countries. These include tariffs and quotas so as to restrict import to the country and also include subsidies to promote exports from the country. For a developing economy like India, it is very significant for the economy to develop a robust and efficient trade policy so that the required balance between import and export can be maintained.

Foreign Trade Policy helps to maintain the reserves of foreign exchange which can be used for productive purposes. It expands the market and also encourages the local producers. It helps to mobilize the national income of the country which in turn enhances the GNP (Gross National Product) of the economy. It enables the economy to reduce price level fluctuations and stabilize them to a larger extent. A well formulated policy increases the productivity of labour and capital in the economy as well.

Highlights of mid-term review of FTP:

While restoring the benefits under the export promotion schemes of duty-free imports under Advanced Authorization, Export Promotion Capital Goods and 100 per cent Export Oriented Units and thus resolving the problem of blocked working capital for exporters following the rollout of GST, the FTP review has focused on increasing the incentives for labour-intensive MSME sectors. The following are the highlights of significant revisions made in the mid-term review of FTP:

Duty-free procurement of inputs: A new scheme of Self-Assessment based duty-free procurement of inputs required for exports was introduced. There will be no need for standard Input Output Norms in such cases thereby eliminating delays. Exporters will self-certify the requirement of duty-free raw materials/ inputs. The scheme would initially be available to the Authorized Economic Operators (AEOs) and will get expanded as more exporters join the AEO program. This scheme has been introduced with a view to improving *Ease of Doing Business*.

Online interaction with traders: DGFT service has been launched on the DGFT website as a single window contact point for exporters and importers for resolving all foreign trade-related issues and also to give suggestions. Exporters/Importers can track status of their queries through the assigned reference number. Feedback mechanism has also been provided to ensure high-level monitoring at all levels.

Change in Logistics Division: A new Logistics Division has been created in the Department of Commerce to develop and coordinate the integrated development of the logistics sector, by way of policy changes, improvement in existing procedures, identification of bottlenecks and gaps, and the introduction of technology-based interventions in this sector. These steps would improve India's ranking in the Logistics Performance Index (LPI) and promote exports thereby enhancing the growth of the overall economy.

Focus on Ease of Trading : The focus will be given to the Ease of Trading across borders. A professional team has been made to assist and support exporters in their export-related problems, accessing export market and meeting regulatory requirements. The team will also examine the procedures and processes in clearances related to trading across borders for their simplification, rationalization and track progress. Support to the Export Credit Guarantee Corporation is also being enhanced to increase insurance cover for exporters particularly MSME's exploring new or difficult markets.

Impact on Textile Industry:

The textile industry had welcomed the mid-term review of Foreign Trade Policy (FTP) 2015-20. They called it as a "progressive and growth oriented one" and appreciated the amendments that had been made for relaxation of the overall industry.

The introduction of new scheme called as "Merchandise Exports from India Scheme (MEIS)" replaced the schemes of existing FTP (Focus Product Scheme, Market Linked Focus Product Scheme, Focus Market Scheme, Agri. Infrastructure Incentive Scrip and VKGUY). This has in a way rewarded the textile and merchandise exports to a great extent. Products supported under MEIS include 396 lines of readymade garments, which are women centric products, i.e. women constitute a majority among workers producing these items. There would not be any conditions attached to any duty credit scrips issued under MEIS and such scrips are fully transferable.

In order to give boost to the textile industry, Government has introduced special packages for apparel and made-ups sector in June, 2016 and December, 2016 respectively. The scope of merchandise has been expanded to 110 new tariff lines and increase rates or country coverage or both has been expanded for 2228 existing tariff lines. Interest rate subvention for pre and post shipment credit for the textile sector has been restored. These all will further enable the government to modernize textile industry, increase production and global competitiveness.

Textile and Apparel Exports from India

	Exports in 2013-14 (USD bn.)	**Exports in 2014-15 (USD bn.)**	**Exports in 2015-16 (USD bn.)**	**Exports in 2016-17 (USD bn.)**	**Exports in 2017-18 (USD bn.) [Apr-Jan]**
Total T&A Exports including Handicrafts	38.48	40.37	39.25	39.56	32.47
India's Overall Exports	314.41	310.34	262.29	276.55	246.91
Share of T&A in India's Total Exports	12.24%	13.01%	14.96%	14.30%	13.15%

Source: Foreign Trade Statistics of India (Principal Commodities and Countries), DGCI&S

Impact of GST on Economy:

The implementation of the game-changing GST seeks to transfigure India into a unified market. One of the most significant and boldest reforms attempted had both positive as well as adverse impact on the Foreign Trade of the country. No wonder, it has led to all the hype and buzz around thereby creating chaos among the people at different levels. The mid-term review of the Foreign Trade Policy (FTP) 2015-20 is expected to leverage the long-term advantages of the historic reform of the GST, in terms of reduced compliance and logistics cost.

When the FTP 2015-20 was announced in 2015, it had set a target of taking India's exports of goods and services to US$ 900 billion by 2020. The 5-year foreign trade policy (2015-20) provides a framework for boosting exports of goods and services besides creation of employment and increasing value addition. The policy focuses on exports from labour intensive and MSME sectors by way of increased incentives in order to increase employment opportunities. The major emphasis is given on 'Ease of Trading' across borders. A State-of-the-Art Trade Analytics Division is implemented to ensure Information based policy interventions. While on the one hand, share in traditional products and markets is maintained, the focus on new products and new markets is also made on the other hand. The Ministry focused on transparency and trust with the industry and maintenance of Quality Standards to succeed in the international market.

The revised FTP has been formulated to make Indian exports more competitive. Under the dynamic and visionary leadership of the Hon'ble Prime Minister, the government has made schemes to boost up manufacturing and exports.

Positive Impact of GST:

The following are the probable positive impact after one year of the implementation of GST –

Import-Export Parity: It was feared and widely expected that GST would have adverse impact on foreign trade. However, the same did not take place as the government considered a suggestion to treat import and export on parity in the revised FTP since many of the import items are used as inputs for export goods. The government realised that import should not be looked upon as disconnected from exports. The sole motive of the economy is not to encourage exports, but also to encourage trade worldwide. Hence, FTP was accordingly formulated to promote both import as well as export.

SME sector: The implementation of GST and thereafter formulation of the revised FTP focused on ways of promoting the Small and Medium Enterprises Sector in order to generate employment in the revised FTP. The commerce ministry also considered proposals to enhance the scope of rupee-based trade so that currency swap model could be adopted.

Increase in incentives: Export incentives under Merchandise Exports from India (MEIS) have been increased by 2 per cent across the board for labour-intensive MSME sectors leading to the additional annual incentive of Rs. 4,567 crores. This is in addition to the already announced increase in MEIS incentives from 2 per cent to 4 per cent for Ready-made Garments and Made Ups in the labour intensive Textiles Sector with an additional annual incentive of Rs. 2,743 crores. Further, incentives under Services Exports from India Scheme (SEIS) have also been increased by 2 per cent leading to the additional annual incentive of Rs. 1,140 crore. Thus, incentives under the two schemes have been increased by 33.8 per cent (Rs. 8,450 cr) from the existing incentives of Rs. 25,000 crore leading to boost in exports from the labour intensive sectors and increased employment opportunities.

Negative Impact of GST:

The following are the probable negative impact after one year of the implementation of GST –

Delays in tax refund and locking up of funds: The major drawback faced in the foreign trade was the delay in tax refund to the corporate houses. This in turn led to locking up of funds that could be invested in the form of working capital in the business. The small entrepreneurs had to bear the extra cost of bringing in additional working capital in spite of their own funds blocked with the department due to delay in tax refund. As per estimates, over Rs. 1.85 lakh crores working capital of exporters may get stuck annually with the government under the GST. Blocking of this amount would push up the manufacturing cost of exporters as they have to borrow more from banks.

Frequent amendments: GST reform has undergone frequent and continuous amendments over the period of one year. Such frequent amendments are by and large detrimental to the industry thereby making it tedious for the businessmen to operate.

Exports and Refunds: The GST law came up with the concept of zero-rating for exports with or without payment of integrated tax. To avail the facility for exports without payment of tax, taxpayers were required to obtain a letter of undertaking (LUT) / bond manually. However, confusion prevailed over supporting documentation required to be submitted in different tax jurisdictions, which made obtaining LUT / bond, a tedious and cumbersome process. Industry also expressed its dissent towards mechanism of disbursal of refunds since there was considerable delay in the integration of the customs and GST database.

Changes in Advance Authorisation Scheme: Under the GST regime, no exemption from payment of IGST and Compensation Cess would be available for imports under Advance Authorisation. Importers would need to pay IGST and take Input Tax Credit as applicable under GST rules.

However, imports under Advance Authorisation would continue to be exempted from payment of basic Customs Duty and other additional duties, wherever applicable.

Conclusion :

It may be concluded that the Goods and Services Tax (GST) is one of the undertakings that is expected to provide the much needed stimulant for economic growth in India by transforming the earlier base of indirect taxation towards the free flow of goods and services.

The GST regime may impede growth in the short-term as big companies reorganize their businesses and small firms lose revenue. The overall GST is helpful for the development of Indian economy as it will be very much helpful in improving the Gross Domestic Product of the country and is expected to strengthen rupee in the world market.

Foreign trade is still evolving and continues to face certain issues. All the same, the government has taken steps to address these concerns. Necessary notification, circulars and FAQs are being issued to clarify the legal positions and remove the procedural hurdles.

India is projected to play an important role in the world economy in the years to come. The expectation of GST is high not only within the country, but also within neighboring countries and developed economies of the world. It is noteworthy that the foreign trade of country is also getting influenced by the successful implementation of GST.

Over the last 10 years, exports have grown at a CAGR of 8 per cent, which is fairly creditable. The government recognizes that the Medium and Small scale industries require handholding and thus rates for MEIS for such sectors have been enhanced. An important consideration in framing this Policy has been the need to ensure that the FTP is aligned with India's interests in trade negotiations, as well as its obligations and commitments under various WTO agreements.

The government has been very sensitive towards exporters. The export package was approved by the GST Council resolving the problem of blockage of working capital. ITC and IGST refunds for exporters are being expedited and explained in detail. GST is expected to be beneficial for exporters in the long run. The Ministry of Finance is continually working in collaboration with the Department of Commerce and exporters to address their operational issues.

GST implementation is expected to push up the GDP of the economy in due course. The redefined tax structure is expected to become a ***blessing*** for the entire economy.

Abbreviations:

FTP	Foreign Trade policy.
DGFT	Directorate General of Foreign Trade.
EXIM	Export Import Policy.
MSME	Micro, Small and Medium Enterprises.
AEO	Authorized Economic Operators.
MEIS	Merchandise Exports from India Scheme.
VKUGY	Vishesh Krishi and Gram Udyog Yojana.
WTO	World Trade Organisation.
IGST	Integrated Goods and Service Tax.
CAGR	Compounded Annual Growth rate
FAQ	Frequently Asked Questions
ITC	Input Tax Credit.

LUT	Letter of Undertaking.
SEIS	Services Exports from India Scheme.
LPI	Logistics Performance Index.

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Impact of Growth of Mutual Fund on Investors – Study on Metro Cities

Dr. Barun Kumar Das

I. Introduction

There are three basic needs in our life to survive in the society i.e. food, cloth and residence. To survive in the society we need money and to earn money we search for the best secure earning sources i.e. a secure job. After fulfilling the basic needs the surplus money is required to invest in a place which is secure and we will get maximum return for future safeguard. In this situation it is required to increase knowledge about different investment schemes. But we have no time in our hand. That's why mutual fund is the best investment area for securing our savings, since this fund is operated by professionals and our money is judiciously invested in the capital market for getting a secure maximum return.

To increase the knowledge about mutual fund among both expected as well as existing investors in the society and to give assurance for future security for their savings through investment in mutual fund, an empirical study on different attributes of mutual funds is reruired.

II. Concept of Mutual Fund:

A mutual fund is a pool of money from numerous investors who wish to save or make money just like you. Investing in a mutual fund can be a lot easier than buying and selling individual stocks and bonds on your own. Investors can sell their shares when they want.

This section deals with the various concepts and terms used in this study that may carry different meanings in another context.

Professional Management: Each fund's investments are chosen and monitored by qualified professionals who use this money to create a portfolio. That portfolio could consist of stocks, bonds, money market instruments or a combination of those.

Fund Ownership: As an investor, you own shares of the mutual fund, not the individual securities. Mutual funds permit you to invest small amounts of money, however much you would like, but even so, you can benefit from being involved in a large pool of cash invested by other people. All shareholders share in the fund' s gains and losses on an equal basis, proportionately to the amount they've invested.

Mutual Funds are Diversified: By investing in mutual funds, you could diversify your portfolio across a large number of securities so as to minimise risk. By spreading your money over numerous securities, which is what a mutual fund does, you need not worry about the fluctuation of the individual securities in the fund's portfolio.

Asset Under Management (AUM): The net assets under the management of a mutual fund as of the close of the calendar year.

Net Asset Value (NAV): The amount of buying and selling that happens within a mutual fund during the year as a percentage of the total value of the mutual fund at the beginning of the year.

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The NAV ratio is reported in percentages that represent the replacement of stocks in the portfolio divided by its net assets.

III. Brief review of the Literature :

Since the inception and use of mutual funds, financial academics and practitioners have sought to describe their behaviour. With billions of dollars invested for a short period of time, mutual funds have come to play an integral role in an investor's portfolio. Countless studies have been conducted attempting to describe the behaviour of these mutual funds. This section introduces the various mutual fund attributes and their roles in influencing mutual fund performance. The literature can be split into three distinct categories.

The first category examines the characteristics of mutual fund managers themselves. This part of the literature examines whether or not mutual fund managers have great skill in selecting securities and timing markets successfully. Researchers such as Ferson and Schadt (1996), Henricksson (1984), and Treynor and Mazuy (1966) have examined the ability of mutual fund managers to select securities and time markets successfully, but there is little evidence that supports the notion that they possess such skills.

The second segment of the literature deals with performance persistence, where past performance could possibly predict immediate future returns. This phenomenon is also known as the "hot hands" phenomenon. The topic of persistence is a subject for debate because there are many conflicting views among researchers (Cahart, 1997; Grinblatt et al., 1992; Hendricks et al., 1993).

The third segment of the literature deals with the predictive attributes of mutual funds, excluding past performance. According to Peterson et al. (2001), this segment of the literature is much sparser than its other two segments, which examine the persistence and market timing/securities selection skills of the mutual fund manager. The relatively small number of studies that examine mutual fund attributes and their effects on performance demonstrate this. Although the two segments of the literature not dealing with mutual fund attributes are noteworthy, this study agrees with the researchers examining the attribute/performance relationship who claim that a better understanding of these relationships will give practical value to lay investors as well as contributing to the literature and attracting more research into this field of study.

IV. Research Objective:

The purpose of the study is to determine whether mutual fund attributes affect sales of mutual fund. Attributes such as past record, net asset value, asset under management, brand name, customer satisfaction, service quality, service time are examined. Since there are many mutual fund attributes, it is difficult to make a general statement that these mutual fund attributes unequivocally do or do not affect mutual fund performance. In short we could summarize the objective of research as;

1. To examine the relation between different modes of customer satisfaction on sales of mutual fund.
2. To study the relation between Information Technology and customer satisfaction.
3. To examine the relation between varions qualities of service on sales of mutual fund.
4. To study the relation between kinds of Information Technology on quality of service.
5. To study the relation between kinds of brand-name and sales of mutual fund.
6. To examine the relation between asset under management and sales of mutual fund.
7. To study the relation between net asset value on sales of mutual fund.

V. Research Methodology:

- ❑ Area of the Research : Customers of Indian Mutual Fund Companies of metro cities.
- ❑ Sample Size : 175 from each of the four tier one city i.e. Kolkata, Mumbai, Delhi and Chennai.

- ❑ Sample Technique: Simple Random Sampling.
- ❑ Tools for Data Collection :
  - *Primary Data-* : Simple Survey Technique i.e. through personal interview and questionnaire method personally.
  - *Secondary Data* – Different books, articles, Journals, different websites, news papers, etc.
- ❑ Method of Analysis :
  - Questionnaire.
  - Pie Charts.
  - Statistical Instrument: Mean, Chi-Square Test, Correlation and Regression Analysis, etc.

Vi. Research Framework:

Formulate an Analysis Plan: Every hypothesis test requires the analyst to state a null hypothesis and an alternative hypothesis. The hypotheses are stated in such a way that they are mutually exclusive. That is, if one is true, the other must be false; and vice versa. The analysis plan describes how to use sample data to accept or reject the null hypothesis. It should specify the following elements.

- Significance level. Often, researchers choose significance levels equal to 0.01, 0.05, or 0.10; but any value between 0 and 1 can be used.
- Test method. Use the one-sample z-test to determine whether the hypothesized population proportion differs significantly from the observed sample proportion.

Hypothesis Formation:

Null Hypothesis (H01) : *"Customer Satisfaction does not have an impact on Sales of Mutual Fund"*

Null Hypothesis (H02) : *"Information Technology does not have an impact on Customer Satisfaction"*

Null Hypothesis (H03) : *"Quality of Service does not have an impact on Sales of Mutual Fund"*

Null Hypothesis (H04) : *"Information Technology does not have an impact on Quality of Service"*

Null Hypothesis (H05) : *"Brand-name does not have an impact on Sales of Mutual Fund"*

Null Hypothesis (H06) : *"Asset Under Management does not have an impact on Sales of Mutual Fund"*

Null Hypothesis (H07) : *"Net Asset Value does not have an impact on Sales of Mutual Fund"*

VII. Data Presentation & Data Analysis:

1. Cross tabulation between satisfaction services provided by company and Sales

$X^2=469.04$; df=9; p=0.019; $\lambda=.002$			SALE				
			<50000	<100000	<50000000	5	Total
CS_COMP	STRONGLY AGREE	Count	54	135	80	81	350
		% within CS_COMP	15.4%	38.6%	22.9%	23.1%	100.0%
		% within SALE	100.0%	33.4%	49.7%	100.0%	50.0%
		% of Total	7.7%	19.3%	11.4%	11.6%	50.0%
	AGREE	Count	0	135	81	0	216
		% within CS_COMP	.0%	62.5%	37.5%	.0%	100.0%
		% within SALE	.0%	33.4%	50.3%	.0%	30.9%
		% of Total	.0%	19.3%	11.6%	.0%	30.9%
	NEUTRAL	Count	0	80	0	0	80
		% within CS_COMP	.0%	100.0%	.0%	.0%	100.0%
		% within SALE	.0%	19.8%	.0%	.0%	11.4%
		% of Total	.0%	11.4%	.0%	.0%	11.4%
	DISAGREE	Count	0	54	0	0	54
		% within CS_COMP	.0%	100.0%	.0%	.0%	100.0%
		% within SALE	.0%	13.4%	.0%	.0%	7.7%
		% of Total	.0%	7.7%	.0%	.0%	7.7%
Total		Count	54	404	161	81	700
		% within CS_COMP	7.7%	57.7%	23.0%	11.6%	100.0%
		% within SALE	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	7.7%	57.7%	23.0%	11.6%	100.0%

The cross-tabulation of respondents, shows that satisfaction services provided by company with respect to amount of purchase. There are 50% and 30.9% of investors in various categories who strongly agree and agree respectively that they are satisfied with services provided by company. However 11.4% and 7.7% an insignificant percentage of investors in various categories disagree and strongly disagree with the fact that services provided by company are satisfactory.

This clearly indicates that the majority of investors are satisfied with services provided by a company. This is an important inference as it is one of the parameters which indicates the influence of customer satisfaction on sales. Thereby it is inferred that the **first null hypothesis is rejected.**

2. Satisfaction with IT & IT Enabled Services.

$\chi 2=189$; df=9; p=0.039; λ=.423			SALE				
			<50000	<100000	<50000000	5	Total
S_IT	STRONGLY AGREE	Count	0	216	81	0	297
		% within S_IT	.0%	72.7%	27.3%	.0%	100.0%
		% within SALE	.0%	53.5%	50.3%	.0%	42.4%
		% of Total	.0%	30.9%	11.6%	.0%	42.4%
	AGREE	Count	54	188	0	0	242
		% within S_IT	22.3%	77.7%	.0%	.0%	100.0%
		% within SALE	100.0%	46.5%	.0%	.0%	34.6%
		% of Total	7.7%	26.9%	.0%	.0%	34.6%
	DISAGREE	Count	0	0	80	0	80
		% within S_IT	.0%	.0%	100.0%	.0%	100.0%
		% within SALE	.0%	.0%	49.7%	.0%	11.4%
		% of Total	.0%	.0%	11.4%	.0%	11.4%
	STRONGLY DISAGREE	Count	0	0	0	81	81
		% within S_IT	.0%	.0%	.0%	100.0%	100.0%
		% within SALE	.0%	.0%	.0%	100.0%	11.6%
		% of Total	.0%	.0%	.0%	11.6%	11.6%
Total		Count	54	404	161	81	700
		% within S_IT	7.7%	57.7%	23.0%	11.6%	100.0%
		% within SALE	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	7.7%	57.7%	23.0%	11.6%	100.0%

Cross tabulation between satisfaction with IT and Sales

The cross-tabulation of respondents, shown above is based on satisfaction with IT & IT Enabled Services with respect to amount of purchase. There are 42.4% and 36.6% of investors in various categories who strongly agree and agree respectively that they are satisfied with IT & IT Enabled Services. However 11.4% and 11.6% an insignificant percentage of investors in various categories disagree and strongly disagree with the fact that IT & IT Enabled Services provided by mutual fund company are satisfactory. This clearly indicates that the majority of investors are satisfied with IT & IT Enabled Services. This is an important inference as it is one of the parameters which indicates the influence of IT on customer satisfaction. Thereby it is inferred that the **second null hypothesis is rejected**.

3. Investment Based on Quality of Services

Cross tabulation between Quality of Service and Sales

χ^2=266. df=9. p=0.028. λ=.375			SALE				
			<50000	<100000	<50000000	5	Total
QOS	STRONGLY AGREE	Count	54	215	81	0	350
		% within QOS	15.4%	61.4%	23.1%	0%	100.0%
		% within SALE	100.0%	53.2%	50.3%	0%	50.0%
		% of Total	7.7%	30.7%	11.6%	0%	50.0%
	AGREE	Count	0	189	0	0	189
		% within QOS	.0%	100.0%	0%	0%	100.0%
		% within SALE	.0%	46.8%	.0%	0%	27.0%
		% of Total	.0%	27.0%	.0%	0%	27.0%
	DISAGREE	Count	0	0	0	81	81
		% within QOS	.0%	.0%	.0%	100.0%	100.0%
		% within SALE	.0%	.0%	.0%	100.0%	11.6%
		% of Total	.0%	.0%	.0%	11.6%	11.6%
	STRONGLY DISAGREE	Count	0	0	80	0	80
		% within QOS	.0%	.0%	100.0%	0%	100.0%
		% within SALE	.0%	.0%	49.7%	0%	11.4%
		% of Total	.0%	.0%	11.4%	0%	11.4%
Total		Count	54	404	161	81	700
		% within QOS	7.7%	57.7%	23.0%	11.6%	100.0%
		% within SALE	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	7.7%	57.7%	23.0%	11.6%	100.0%

The cross-tabulation of respondents, shown above is based on quality of service with respect to amount of purchase. There are 27% of investors with investment in the range of 1 lakh who agree with considering quality of service as a parameter for investment along with other three categories which strongly agrees, having 7.7%, 30.7% and 11.6% each, with investments less than 50 thousand, less than 1 lakh and in range of 1 lakh to 5crore respectively. However, an insignificant percentage of investor with investment in the range of 1lakh to 5crore and less than 5crore disagree with the fact that quality of service is a parameter for investment 11.4% and 11.6% respectively. This clearly indicates that quality of service is considered as a parameter for investment. Thereby it is inferred that the **third null hypothesis is rejected.**

4. Investment Based on Brand name

Cross tabulation between Brand name and Sales

χ^2=279.18; df=12; p=0.044; λ=.386			SALE				Total
			<50000	<100000	<50000000	>50000000	
BRANDNAME	STRONGLY AGREE	Count	0	54	0	0	54
		% within BRANDNAME	.0%	100.0%	.0%	.0%	100.0%
		% within SALE	.0%	13.4%	.0%	.0%	7.7%
		% of Total	.0%	7.7%	.0%	.0%	7.7%
	AGREE	Count	54	0	0	0	54
		% within BRANDNAME	100.0%	.0%	.0%	.0%	100.0%
		% within SALE	100.0%	.0%	.0%	.0%	7.7%
		% of Total	7.7%	.0%	.0%	.0%	7.7%
	NEUTRAL	Count	0	0	81	0	81
		% within BRANDNAME	.0%	.0%	100.0%	.0%	100.0%
		% within SALE	.0%	.0%	50.3%	.0%	11.6%
		% of Total	.0%	.0%	11.6%	.0%	11.6%
	DISAGREE	Count	0	135	80	81	296
		% within BRANDNAME	.0%	45.6%	27.0%	27.4%	100.0%
		% within SALE	.0%	33.4%	49.7%	100.0%	42.3%
		% of Total	.0%	19.3%	11.4%	11.6%	42.3%
	STRONGLY DISAGREE	Count	0	215	0	0	215
		% within BRANDNAME	.0%	100.0%	.0%	.0%	100.0%
		% within SALE	.0%	53.2%	.0%	.0%	30.7%
		% of Total	.0%	30.7%	.0%	.0%	30.7%
Total		Count	54	404	161	81	700
		% within BRANDNAME	7.7%	57.7%	23.0%	11.6%	100.0%
		% within SALE	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	7.7%	57.7%	23.0%	11.6%	100.0%

The cross-tabulation of respondents shown above is based on brand name with respect to amount of purchase. There are 30.7% of investors with investment in the range of 1 lakh who strongly disagree with the fact that they consider the brand name as a parameter for investment along with other two categories having 19.3%, 11.4% and 11.6% with investments in range of 1 lakh, 1 lakh to 5crore and above 5 crore respectively. However an insignificant percentage of investors with investment less than 50 thousand and less than 1 lakh consider the brand name as a parameter for investment with percentage of 7.7%, respectively. This clearly indicates that the brand name is not considered as a parameter before making an investment. Thereby it is inferred that the **fifth null hypothesis is accepted**.

5. Investment Based on AUM

Cross tabulation between AUM and Sales

χ2=468.64; df=9; p=0.047; λ=.428			SALE				
			<50000	<100000	<50000000	5	Total
AUM	STRONGLY AGREE	Count	0	108	0	0	108
		% within AUM	.0%	100.0%	.0%	.0%	100.0%
		% within SALE	.0%	26.7%	.0%	.0%	15.4%
		% of Total	.0%	15.4%	.0%	.0%	15.4%
	AGREE	Count	54	296	81	0	431
		% within AUM	12.5%	68.7%	18.8%	.0%	100.0%
		% within SALE	100.0%	73.3%	50.3%	.0%	61.6%
		% of Total	7.7%	42.3%	11.6%	.0%	61.6%
	NEUTRAL	Count	0	0	80	0	80
		% within AUM	.0%	.0%	100.0%	.0%	100.0%
		% within SALE	.0%	.0%	49.7%	.0%	11.4%
		% of Total	.0%	.0%	11.4%	.0%	11.4%
	DISAGREE	Count	0	0	0	81	81
		% within AUM	.0%	.0%	.0%	100.0%	100.0%
		% within SALE	.0%	.0%	.0%	100.0%	11.6%
		% of Total	.0%	.0%	.0%	11.6%	11.6%
Total		Count	54	404	161	81	700
		% within AUM	7.7%	57.7%	23.0%	11.6%	100.0%
		% within SALE	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	7.7%	57.7%	23.0%	11.6%	100.0%

The cross-tabulation of respondents shown above is based on AUM with respect to the amount of purchase. There are 15.4% of investors with investment in the range of 1 lakh who strongly agree with the fact that they consider AUM as a parameter for investment along with other three categories having 7.7%, 42.3% and 11.6% with investments in range of less than 50 thousand, less than 1 lakh and 1 lakh to 5crore respectively. However an insignificant percentage of investors with investment more than 5 crore do not consider AUM as a parameter for investment with the percentage of 11.6%. This clearly indicates that AUM is considered as a parameter before making an investment. Thereby it is inferred that the **sixth null hypothesis is rejected.**

6. Investment based on NAV

Cross tabulation between NAV and Sales

$\chi 2$=295.206; df=12; p=0.031; λ=.512			SALE <50000	<100000	<50000000	5	Total
NAV	STRONGLY AGREE	Count	0	135	0	0	135
		% within NAV	.0%	100.0%	.0%	.0%	100.0%
		% within SALE	.0%	33.4%	.0%	.0%	19.3%
		% of Total	.0%	19.3%	.0%	.0%	19.3%
	AGREE	Count	0	135	0	0	135
		% within NAV	.0%	100.0%	.0%	.0%	100.0%
		% within SALE	.0%	33.4%	.0%	.0%	19.3%
		% of Total	.0%	19.3%	.0%	.0%	19.3%
	NEUTRAL	Count	0	54	0	81	135
		% within NAV	.0%	40.0%	.0%	60.0%	100.0%
		% within SALE	.0%	13.4%	.0%	100.0%	19.3%
		% of Total	.0%	7.7%	.0%	11.6%	19.3%
	DISAGREE	Count	54	0	161	0	215
		% within NAV	25.1%	.0%	74.9%	.0%	100.0%
		% within SALE	100.0%	.0%	100.0%	.0%	30.7%
		% of Total	7.7%	.0%	23.0%	.0%	30.7%
	STRONGLY DISAGREE	Count	0	80	0	0	80
		% within NAV	.0%	100.0%	.0%	.0%	100.0%
		% within SALE	.0%	19.8%	.0%	.0%	11.4%
		% of Total	.0%	11.4%	.0%	.0%	11.4%
Total		Count	54	404	161	81	700
		% within NAV	7.7%	57.7%	23.0%	11.6%	100.0%
		% within SALE	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	7.7%	57.7%	23.0%	11.6%	100.0%

The cross-tabulation of respondents shown above is based on NAV with respect to amount of purchase. There are 19.3% of investors with investment in the range of 1 lakh strongly agree with the fact that they consider NAV as a parameter for investment along with one other category having 19.3% with investments in the range of less than 1 lakh. A similar type of investors in various category are neutral on this with total percentage of 19.3% However a significant percentage of investor with investment less than 50 thousand and in the range of 1lakh to 5 crore do not consider NAV as a parameter for investment with percentage of 7.7% and 23% respectively. In addition investors with investment in the range of 1 lakh strongly disagree with the fact that they consider NAV as a parameter for investment with percentage of 11.4% .This clearly indicates that NAV is not considered as a parameter before making an investment. There by it is inferred that the **seventh null hypothesis is accepted**.

7. Perception of quality of service in IT & IT Enabled Services.

Cross tabulation between excellent IT QoS and Sales

$\chi 2$= 304.12; df=12; p=0.029; λ=.208			SALE				
			<50000	<100000	<50000000	5	Total
ES_IT	STRONGLY AGREE	Count	0	54	80	0	134
		% within ES_IT	.0%	40.3%	59.7%	.0%	100.0%
		% within SALE	.0%	13.4%	49.7%	.0%	19.1%
		% of Total	.0%	7.7%	11.4%	.0%	19.1%
	AGREE	Count	0	189	81	81	351
		% within ES_IT	.0%	53.8%	23.1%	23.1%	100.0%
		% within SALE	.0%	46.8%	50.3%	100.0%	50.1%
		% of Total	.0%	27.0%	11.6%	11.6%	50.1%
	NEUTRAL	Count	0	81	0	0	81
		% within ES_IT	.0%	100.0%	.0%	.0%	100.0%
		% within SALE	.0%	20.0%	.0%	.0%	11.6%
		% of Total	.0%	11.6%	.0%	.0%	11.6%
	DISAGREE	Count	54	0	0	0	54
		% within ES_IT	100.0%	.0%	.0%	.0%	100.0%
		% within SALE	100.0%	.0%	.0%	.0%	7.7%
		% of Total	7.7%	.0%	.0%	.0%	7.7%
	STRONGLY DISAGREE	Count	0	80	0	0	80
		% within ES_IT	.0%	100.0%	.0%	.0%	100.0%
		% within SALE	.0%	19.8%	.0%	.0%	11.4%
		% of Total	.0%	11.4%	.0%	.0%	11.4%
Total		Count	54	404	161	81	700
		% within ES_IT	7.7%	57.7%	23.0%	11.6%	100.0%
		% within SALE	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	7.7%	57.7%	23.0%	11.6%	100.0%

The cross-tabulation of respondents, shown above is based on perception of excellent quality of services in using IT & IT Enabled Services with respect to amount of purchase. There are 19.1% and 50.1% of investors in various categories who strongly agree and agree respectively with the perception of excellent quality of services in using IT & IT Enabled Services. However, an insignificant percentage of investors with investment in the range of less than 50 thousand strongly disagree with the perception of excellent quality of services in using IT & IT Enabled Services, with a percentage of 7.7%. This clearly indicates that the perception of excellent quality of services in using IT & IT Enabled Services is high. This is an important inference as it is one of the parameters which indicates the influence of IT on service quality as per Parsuraman's SERVQUAL Model. The **forth null hypothesis is rejected**.

Summary of Hypothesis Testing

	$\chi 2$	Df	p-Value	Null Hypothesis
Customer Satisfaction has impact on Sales of Mutual Funds	469.04	3	O.019	NA
Information Technology has an impact on Customer satisfaction	182	3	O.039	NA
Service Quality has an impact on sales of Mutual Funds	266	2	O.028	NA
Information Technology Enabled services has an impact on service quality	304.12	3	O.029	NA

	$\chi 2$	Df	p-Value	Null Hypothesis
Brand name has an impact on sales of Mutual Funds	279.18	2	O.44	A
Asset under management has an impact on sales of Mutual Funds	478.64	3	O.047	NA
Net Asset value has an impact on Sales of Mutual Funds	395.206	2	O.31	A

A => Null Hypothesis is accepted at the significance level of 0.05.

NA => Null Hypothesis is not accepted at the significance level of 0.05.

VIII. Findings:

- It is observed statistically that there exists a significant relation between Customer Satisfaction and sales of Mutual Fund Company. The Goodness of Fit is 0.9 which indicates that model fit was acceptable. The $\chi 2$-test has a value of 469.04 for the sample of 700. The p - value of 0.019 indicates that there exists a relationship between Customer Satisfaction and sales of Mutual Fund Company as the significance level of 0.05 is used. Customer Satisfaction shows a positive correlation with the sales of Mutual Fund Company. Also based on the statistical results the first null hypothesis is rejected. Thus it is inferred that Customer Satisfaction does have an impact on the sales of Mutual Fund Company.
- It is observed statistically that there exists a significant relation between Information Technology Enabled Services and customer satisfaction. The Goodness of Fit is 0.89 which indicates that model fit was acceptable. The $\chi 2$-test has a value of 189 for the sample of 700. The p - value of 0.039 indicates that there exist relationship between Information Technology Enabled Services and customer satisfaction as the significance level of 0.05 is used. IT Services shows a positive correlation with customer satisfaction. Also based on the statistical results the second null hypothesis is rejected. Thus it is inferred that Information Technology Enabled Services does have an impact on customer satisfaction
- It is observed statistically that there exists a significant relation between Services Quality and Sales of Mutual Funds. The Goodness of Fit is 0.88 indicates that model fit was acceptable. The $\chi 2$-test has a value of 266 for the sample of 700. The p-value of 0.028 indicates that there exists a relationship between Service Quality and Sales as the significance level of 0.05 is used. Service Quality shows a positive correlation with Sales. Also based on the statistical results the third null hypothesis is rejected. Thus it is inferred that Service Quality does have an impact on the Sales of Mutual Funds.
- It is observed statistically that there exists a significant relation between Information Technology Enabled Services and Service Quality. The Goodness of Fit is 0.89 which indicates that model fit was acceptable. The $\chi 2$-test has a value of 304.12 for the sample of 700. The p - value of 0.029 indicates that there exists relationship between IT Services and Service Quality as the significance level of 0.05 is used. Service Quality shows a positive correlation with Sales. Also based the on statistical results the fourth null hypothesis is rejected. Thus it is inferred that Information Technology Enabled Services does have an impact on Service Quality.
- It is observed statistically that there exists a significant relation between Brand name and Sales of Mutual Funds. The Goodness of Fit is 0.88 which indicates that model fit was acceptable. The $\chi 2$-test has a value of 279.18 for the sample of 700. The p - value of 0.44 indicates that there is no relationship between Brand name and Sales of Mutual Funds as the significance level of 0.05 is used. A Brand name shows no correlation with Sales of Mutual Funds. Also based on statistical results the fifth null hypothesis is accepted. Thus it is inferred that Brand name does not have an impact on the Sales of Mutual Funds.
- It is observed statistically that there exists a significant relation between Asset under Management and Sales of Mutual Funds. The Goodness of Fit is 0.88 which indicates that model fit was acceptable. The $\chi 2$-test has a value of 468.64 for the sample of 700. The p - value of 0.047 indicates that there exists a relationship between Asset Under Management and Sales of Mutual Funds as the significance level of 0.05 is used. Asset under Management

shows a positive correlation with Sales of Mutual Funds. Also based on statistical results the sixth null hypothesis is rejected. Thus it is inferred that Asset Under Management does have an impact on the Sales of Mutual Funds

- It is observed statistically that there exist a significant relation between Net Asset Values and Sales of Mutual Funds. The Goodness of Fit is 0.88 which indicates that model fit was acceptable. The $\chi 2$-test has a value of 295.206 for sample of 700. The p-value of 0.31 indicates that there is no relationship between NAV and sales of mutual fund company as the significance level of 0.05 is used. Net Asset Value shows no significant correlation with sales. Also based on statistical results the seventh null hypothesis is accepted. Thus it is inferred that the Net Asset Value does not have an impact on sales of Mutual Funds Company.

IX. Conclusion:

- This study adds to the existing literature by bringing an awareness of the importance of the impact of three basic factors namely Financial Factors, Brand name and most importantly Information Technology and Information Technology Enabled Services on customer satisfaction and service quality in the financial service industry in India.
- It confirms previous studies that indicate that highly satisfied customers are, indeed, more loyal customers and help in increased sales of mutual fund Company, by either in the form of additional purchase or by referring to a friend.
- It also suggests that more empirical study needs to be done to understand the true relationship between customer satisfaction, service quality and loyalty and what each segment of a customer base expects from its financial services firms and its partners.

X. Limitations:

The data used in this study was obtained from a 26 financial service firm with an average of 30 customers from each company. It might be more beneficial to obtain large sample data from various firms in the industry to test whether this model can be generalized throughout the industry worldwide and to test whether it can be useful for measuring customer satisfaction, service quality and loyalty levels and shows moderating effects in other industries.

This study concentrated on selected demographic characteristics of individual customers. A number of other personality traits (e.g., uncertainty orientation of a customer, purchase decision involvement) that were not considered here could have impacts on customer satisfaction, on loyalty and on the relationship between the two concepts. And, as women in our society become increasingly more responsible for their family’s financial status, it is possible that females will become more objective in their evaluation of services than has traditionally been the case.

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Global Meltdown and its Impact on Select Indian Companies-Pharmaceutical as a Case

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Abstract

The paper is based to study on the impact of global meltdown on the pharmaceutical companies. Though it was a common macroeconomic analysis that India has suffered less for the global financial crisis took place in 2008, still there are industries which depend on the international finance and market has been distinctly affected. Pharmaceutical companies are of that nature. So it will be interesting to study the impact of meltdown on those. The study has been done in two parts. The first one is regarded with the quantitative issues with some financial indicators and the other part deals with the perceptions about the meltdown of the people who are related with the industries. The inferences show that in some aspects the growth is negative in the performance yardstick and the availability of finance was not plausible in that period. The perception of the employees is very poor about the derivatives and modern fund raising techniques. It may create barriers to guard themselves in future from such occasions. The research may be more fruitful if it can be done throughout all major industries and for a long period. As a part of a UGC based minor project the study is done with ten export oriented major pharmaceutical companies for seven years covering the meltdown years. It is relevant to mention here that financial debacle is a repetitive phenomenon and there are several crises already occurred after the meltdown in different countries. It could be a further scope of study to analyse.

Introduction:

Global meltdown has hit India too. As recorded, the economic activity of the developing nation has declined by 15% and those of the developed nations by almost 23%. So India is safe by (23-15) 8%. After the World War II first time GDP declined by 5% below the usual growth. It was the world financial crisis in the last 80 years where over 5, 00,000 jobs were lost in just three months of 2008 in export oriented sector alone (Pamecha and Sethi, 2011). Lehman Brother (LB) went bankrupt on 13th September, 2008, and seeks for protection from American Treasury on 15th. At that point of time it was the fourth largest investment bank of the world suffering a profit of \$639 bn. due to wrong policy measures. Founded in 1850 it has been the primary dealer in the US Treasury Security Market when the global recession started. Interestingly, we are not talking about other two banks, those filed for bankruptcy, Merrill Lynch and Goldman Sachs. The Bank of America, the largest bank in the US bought Merrill Lynch in \$46 billion. Today BOA is the biggest bank of the world. Only the mortgage sector creates the disaster in the financial side of the US economy. Loans were given by mortgaging the properties as collateral securities. Mortgage papers are converted to mortgaged back securities, centralised debt obligations (CDOs), after rating it by the agencies like S&P, Fitch and Moodys etc. Those securities are sold to financial institutional investors, banks and pension funds. It was the largest fixed income market in the world worth \$8 trillion. There was no problem initially where

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the payment was low and the mortgagers fulfill their commitment. But with the rising payment obligation those subprime mortgagers ran for foreclosure. The interest rate was also low for such above average risky sub-prime mortgagers. So the return was minimal in the initial period and the loans remained unrecovered and the bank has to bear the liability which in turn made them bankrupt.

A short list of some major financial crisis since 1980

1980s	Latin American debt crisis beginning in Mexico
1989-91	United States saving and loan crisis
1990s	Collapse of Japanese asset price bubble
1992-93	Speculative attack on currecies in the Europian Exchange Rate Mechanism
1994-95	1994 economic crisis in Mexico: Speculative attack and default on Mexican debt
1997-98	Asian financial crises: devaluation and banking crisis across Asia
1998	Russian financial crisis: devaluation of the Ruble and default on Russian debt
2001-02	Argentine economic crises (1999-2002): breakdown of banking System
2008	USA, Europe: Spread of the subprime mortgage crisis

Source: www.NY *times.com*

Sub-prime lending Crisis:

Easy credit conditions are encouraged by the Government and the competitive pressure group in US. Major US banks and government sponsored enterprises (like Fannie Mac) played an important role in propagating the higher risk lending process. Unfortunately the bubble bursts but there was a track of subprime lending in the USA. The value of the US subprime mortgage was estimated at $1.3 trillion as of March 2007 with over 7.5 million first-lien subprime mortgages outstanding. Subprime mortgages have jumped from 10% of all mortgages until 2004 upto 20% in 2005-06 peak of the United States Housing Bubble. Loan against mortgage backed securities become easier due to the relaxation of the net capital rule in US.

Recession has not started after subprime failure. It could be a point of discussion whether recession leads to subprime failure. It will not be irrelevant to raise questions whether the government along with some major banks has encouraged some risky lending to increase the liquidity or to strengthen the money supply in the economy. The pattern of long term investment proved discouraging. In turn, the price of the real estate sector declines. The money lenders are not getting the opportunity of refinancing in the real estate. So they have to increase the rate of interest to recover the loan which was failed by the subprime borrower. The lenders in the meantime resell those loans to Wall Street Firms who in turn bundle thousands of mortgage loans from different lenders into mortgage back securities. These securities are used to develop Collateralised Debt Obligations(CDOs) rated by different agencies like Moody's, S & P, Fitch etc and are finally sold to different banks, hedge funds, central banks and pension funds. The process was going fine till the payment was made regularly in the initial period by the subprime borrowers. .As the price of the real sector goes down, the lender increases the rate of interest to recover their loan. The process was jammed at this point of time due to numerous foreclosures from the subprime borrowers whose credit-worthiness was judged optimistically. This higher-than-average-risky lending started crashing. Though Lehman Brother was the fourth target investment bank of the world before it went bankrupt, yet LB kept a poor relation with the other banks. The loss due to their (L B's) toxic asset was $60bn. And other banks did not respond in time. Other banks like Barclay or Bank of America refused to do business with the over confident CEO of LB and later on rejected the takeover bid of LB when the debt of LB was $639bn.

Housing as a necessity and investment in housing is not equal. The boom in the real estate sector was seen in California, South west Florida and other coastal markets in the Midwest, which is suffering from job losses in the manufacturing sector. While the foreclosure was rampant it is also expected that the losses from CDOs are also understated. In those region prices fell by 20% to 30% from their peak and thus wiping $4000 billion to $6000 billion in household wealth. Falling prices increases the interest rates which creates default making the CDOs worthless and many investors lost their money as bank has nothing to compensate. So the additional derivatives created out of subprime lending have compounded the crisis more.

Impact on the Real Estate:

Indian real estate players were facing the problem of fund due to economic slowdown and correction of prices. There was an extra pressure on housing bank companies as external finance was stopped. Loan increases from 11.89 bn rupees to 70.55 bn rupees in 2008 to 2009 which has a normal growth of 10 to 15% each year. Jerk in one particular year in housing finance has given a clear indication of abnormal pressure due to shrinkage in finance from external source (RBI, 2013). Lehman Brother was very bullish on Indian reality Sector and had an investment in excess of US $700 mn. Lehman's investment was already disbursed that too, for the major player like DLF, Unitech and Future Capital. RBI's regulation of remittance process is effective in case of foreign financial investment. Still there are certain stock which gets infected, Anant Raj Industries, Orbit Corporation, Ganesh Housing, DSK Kulkarni Development, Ajmeera Reality, Ansal Housing and Purvankara projects. There may not be any difficulty in the implementation of projects, but there may be heavy pressure of selling such stocks. Those stoacks are Reliance Infrastructure, Prajay Enginnering, Nagarjun Construction, Unity Infra, BSEL Infra and Jyoti Structures.

Impact on IT Sector:

As US was the primary sufferer for the global meltdown, the Indian IT sector will receive a part heat of the issue because 61 percent of the Indian IT sector revenues are from US financial corporations like Goldman Sachs, Washinton Mutual, Citigroup, Bank of America, Morgan Stanley and Lehman Brothers. The top five Indian players account for 46% of the IT industry revenues and 30% of the industry revenues are from financial services (Atreya, 2008). It was expected that there will be an unemployment loss of 30000 employees due to this and most of this will be from IT sector due to a ceasure policy of outsourcing of the IT jobs taken by US. The growth in the IT sector in the year 2008 was 44 percent and up till August 2008 when only 28% net growth predicted in the financial year 2008-09 (Parekh, 2008). The statistics show that the number of persons in live register has decreased from 41.47 mn. to 38.15 mn from 2006 to 2009 (RBI Handbook, 2013, Pg-53).

Stock Market:

The risk was not calculated appropriately in the collateralised debt obligation and Credit Default Swap market. The banks and the investors neutralise the risk by giving enormous loan in low interest which works efficiently if the housing market continued to increase in value. As finance was withdrawn from the emerging countries' stock market the equity value has fallen and the interest paid by firms for borrowing through the stock market has increased. Till mid October, 2008 the gains from equity market dried and there was shortage of IPOs. The back out of international lenders, the world trade volumes was also low in the latter half of 2008, since the recession of 1982. Foreign Direct Investment was also low in this period which reduces the private flows from $1 trillion in 2007 to $250 billion in 2009 in the developing countries. The problem of securitisation has aggravated the meltdown scenario. As per the method, the loans are refinanced by securitising it, but this was done through some illiquid, complex and uncertain assets. Their instability or complexities are not disclosed. On the contrary, those are falsely rated by some top rating agencies. According to economist, financial asset exhibits a bubble when its price exceeds the present value of the future income, be received by owning it to maturity. As long as the value is high, the participants will go on buying and when there is a sale the price reaches to the bottom due to abnormal pressure in selling. This condition is known as the situation of 'crash' or the 'busting of bubble'. Crashes are driven by panic as much as by underlying economic factors. It is a social phenomenon too, where external economic events get mixed with 'herd psychology'. Crash is also predictable. The underlying causes of crashes are – a prolonged period of rising stock prices, excessive optimism and extensive use of margin date and leverage by market participants.

Foreign Institutional Investors withdrew close to $ 11 bn. from India, dragging the capital market down with it (Lakshman, 2008). India's Stock market Index (Sensex) touched above 21000 mark in the month of January 2008 and has plunged below 10000 during October, 2008 (Kundu, 2008).Stock prices have fallen by 60 percent. Primary market has also affected due to such withdrawal of funds by the FIIs. In 2007-08 the net FII inflows into India amounted to $ 20.3 bn. As compared to this they pulled out $11.1 bn during the first nine-and-a-half months of the financial year (2008-09) i.e Apr 1st to Oct 16th. During 2007-08 when foreign investments (Portfolio Investment and Direct Investment) increased to rupees 249921 crore from 135080 in 2006-07, sensex value also rose to 16568.89 from 12277.33 in the previous year (Bajwa, 2012). So it shows that there is a direct relationship between foreign investment and sensex and thus reversal of portfolio has affected the inland liquidity and sensex. Decoupling theory which says that advanced economic crisis will not hit the emerging economy with solid banking policyand sufficient foreign reserves did not work well as all the paths of finance were hit moderately.

Exchange Rates:

Chandrashekhar and Ghosh(2008) reported that between Jan 1st and Oct 16th, 2008, the RBI reference rate for the rupee fell by nearly 25 percent from rupees 39.20 per dollar to rupees 48.86. Comparing to 2007-08 dollar became costly in 2008-09 when the value increased from rupees 40.2410/$ to rupees 45.9170. Not only dollar, Japanese Yen and Euro appeared costly in 2008-09 than in 2007-08 (RBI, 2013, Pg-234).

Problem Areas:

The motivation of doing this study is to see empirically whether the Indian companies which are based on foreign financial market (ie. Export oriented) are affected by the global meltdown occurred in 2008 or not. The economists of this country are of opinion that the conservative policy of the Reserve Bank of India has barred the scenario from being gloomier like other western countries. This study does not question the views of the economists. It only tests the generalized view of the economists by analyzing the detailed accounting numbers of the export oriented industry, pharmaceutical as a case, in that period.

Purpose of the study:

Indian banks are not hit directly by the global financial crisis of 2008. But indirectly their investment suffered in some sectors which are related with the global financing like IT, real estates, chemicals and other export oriented industries. This project is analysed with some primary and secondary data of pharmaceutical industry focusing with 10 major companies. The basic objective of this project is to study the impact of financial crisis in those select companies for seven years, divided into pre meltdown, meltdown and post meltdown periods. The pharmaceutical industry is selected for its export oriented basis of business activities. It is hypothised normally that companies are not hit severely as the normal trend predicts such. So the ultimate purpose of the project is to locate the cause of deviation of such trend.

The secondary objective of the project is to measure the prescriptions of the qualified accountant regarding the subprime issue and their core understanding of the cause of such crisis.

Core area of the study:

The major focus of this project has been given on the comparison between the three periods (Pre meltdown, meltdown and post meltdown) of the ten export oriented pharma majors and a general perception of the qualified accountants about some meltdown issues through primary data source.

Available Literature:

Official documents like RBI Handbook of several years, RBI monthly bulletins and different issues of economic and political weekly have been consulted to collect the statistical as well as basic level of information. Basic understanding of the subject has been acquired from the books of Y.V.Reddy(2009), Panagaria (2008), and Thakur and Thakur (2011). More than one important journal were consulted for the paper published, like, Parekh (2008) in Financial Express Banking Bureau, Taylor(2009) from National Bureau of Economic Research, Sivadasan (2008) of Amity Business Review. Some websites helped to consolidate the views of the writers like Atreya (2008) in http://www.vcircle.com, Kundu(2008) in http://www.observerindia.com and Lakshman (2008) in http://www.businessweek.com.

Methodology :

The project follows a mixed research method. The first part of its analysis consists of quantitative figures collected from the annual reports of big pharma companies

Part A

1. The period of the project is divided into three phases. The pre Meltdown period (2005-07), the Melt down period(2008-09) and the Post Meltdown period (2010-11).
2. Ten big pharma companies are selected by judging their inland and export turnover.
3. Some components of these companies connected with the meltdown scenario are collected from the PROWESS data base of CMIE. These are sales, PAT, depreciation, borrowing, fixed assets, current assets, current liabilities and working capital.
4. The averages of the three phases of these components are calculated to analyse the absolute growth of these components.
5. With these components two blocks are prepared. One, a block which is mainly related with the income statement and the other with balance sheet items.
6. Correlation calculated with the components of two blocks in two phases (ie. In pre and post meltdown period) to figure out the change of relation among the components and such changes are indicative of a scenario, named, global meltdown.

Part B

1. An attempt is made to analyse the perception of global meltdown among the professional accountants CAs, CMAs and MBAs. The response rate is 20% in this category.
2. Members from two institutes of Chartered Accountants and Institute of Cost Accountants are selected at random
3. The accountants of thee pharmaceutical companies are attempted for getting their response and the impact of global meltdown in their companies
4. A well structured questionnaire was prepared with the expectations of responses in the four point Likert Scale used to judge the scenario.
5. Responses received are blocked in four groups which are (i) Perceptual – P (14 questions) and the sum is PSUM (ii) About Global financial situations – G (14 questions) and the sum is GSUM (iii) About derivatives – D (6 questions) and the sum is DSUM (iv) About fraud orientation – F (6 questions) and the sum is FSUM
6. With the SPSS package the standard deviation of the sum of P, G, D and F is calculated to find the group which has responded differently
7. Apart from the four groups, variables like Respond-id, Ages, Gender Bank and Loan have been selected. Out of these age bank (nationalized or non-nationalised) loan (housing, non

housing and other) are considered as independent variables. All the sums of the groups are measured by relationship with other dependent variables.

8. A multiple correlation matrix is framed with different sum values to find the dominating influence with one other.

Analysis:

Part A

(a) The average 'Sales" and "PAT" have shown the negative growth compared to Pre Meltdown to Meltdown period and Meltdown to Post melt down period. I has shown the Sale and PAT affected during the meltdown period where meltdown may be a valid reason for it.(Table – 1)

(b) The growth of the average Fixed Assets and the Borrowing is compared in absolute terms. It shows a mark decline in borrowing and a notable decline in borrowing and a notable decline in the growth in fixed assets. The position of current assets and current liabilities is not so disappointing as the growth of current assets shown increase where the current liabilities also decreased to depict a better show in working capital position. But the decrease in borrowing obviously leads to the investment in assets, the effect of which is marked in the investment of fixed assets. (Table – 1)

(c) A correlation matrix between these related elements has exposed an interesting outcome regarding their relationship in Pre and Post meltdown period of such elements. In the pre meltdown period the relationship between sales are PAT has changed from 0.74 positive to –0.0024 negative. The relationship of PAT and depreciation has also reduced in post meltdown than pre meltdown period.(Table – 2)

(d) Correlation between borrowing , fixed and current assets has decreased in the Post Melt down period than Premeltdown period which genuinely posed a doubt about the melt down situation which reduces the strength of relationship among the dependable variables from absolute measures. (Table – 3)

Part B

Before proceeding further a validity test has been done by the scale results where Cornbasch's alpha shows .661signifying a moderate validity of the data.(Output – R)

1) The cause and effect relationship is tried to be studied between Age, Loan and Bank with the bock totals by the help of simple one way ANOVA through SPSS.

2) Output A deals with the Age and sum of the block. The Hypotheses are:

   Hoa = Block totals are dependent on Age

   Hia = Block totals are not dependent on Age

   As the critical F is (F 14, 15) with 0.05 significance is 2.42 and all the computed F of different blocks are less than that, we accept null hypothesis that the perceptions have the dependency on Age of the respondent

3) All the output of B and C have the same features showing the dependency on loan type and the bank selection.

4) (a) From the output D the correlation of PSUM with G and F blocks is positive while with D it is negative.

   (b) From the output D the correlation of G with other shows D is negative and the other results show a positive correlation.

   (c) From the output D, the correlation of D with others shows it bears negative correlation with two blocks and positive ones with F.

(d) From the output D the correlation between F and others shows all the blocks are positive having the highest with G in the matrix.

Table - 1

	SALES	GROWTH	PAT	GROWTH	DEPN	GROWTH	WCAP	GROWTH
PR-M	17375.63		2961.487		459.7767		-1292.18	
M	24655.3	7279.67	4182	1220.513	660.77	200.99	-4448.92	-3156.74
PO-M	29612.34	4957.04	12313.04	8131.04	862.205	201.435	-2771.03	1677.89
	BORROW	GROWTH	FA	GROWTH	CA	GROWTH	CL	GROWTH
PR-M	5525.85		5425.643		11364.25		10567.69	
M	7468.4	1942.55	7310.1	1884.457	16881.22	5516.97	21330.14	10762.45
PO-M	7503.865	35.465	8906.76	1596.66	24990.83	8109.61	27761.85	6431.71

Table – 2

		PREMELTDOWN				POSTMELTDOWN		
		SALES	PAT	DEPRN		SALES	PAT	DEPRN
Cipla		30543.1	5617.6	799.3667		60291.4	10209.4	1970.55
Dr. Reddy		26629.4	4844.8	1018.967		53159	8697.5	2000
Glaxo		15985.23	4602.267	163.5		20900.8	5379.9	170
Glenmark		6659.067	885.2667	185.9333		11275.55	1703.2	211.35
Lupin		16625.7	1864.233	398.7333		41171	7294.55	775.9
Novartis		5325.8	871.8667	41.1		7111.45	1313.3	22.85
Pfizer		7336.533	730.3	123.2		10806.25	1816.1	86.4
Piramal		15089.53	1760.667	585.4667		21657.7	66700.65	849.15
Ranbaxy		35830.17	3782.267	882.0667		50383.75	8603.55	1882.75
Sun		13731.73	4655.6	399.4333		19366.45	11412.25	653.1
PREMELTDOWN PERIOD					POST MELTDOWN PERIOD			
	SALES	PAT	DEPRN			SALES	PAT	DEPRN
SALES	1				SALES	1		
PAT	0.73467	1			PAT	-0.0024	1	
DEPRN	0.896185	0.638917	1		DEPRN	0.94311	0.133175	1

Table – 3

	PREMELTDOWN PERIOD				POST MELTDOWN PERIOD		
	BORROW	FA	CA		BORROW	FA	CA
Cipla	2612.233	11670.97	19753.63		2612.233	11670.97	19753.63
Dr. Reddy	5137.967	6018.867	22232.13		5137.967	6018.867	22232.13
Glaxo	47.43333	829.9333	4453.233		47.43333	829.9333	4453.233
Glenmark	6907.467	2606.833	5765.767		6907.467	2606.833	5765.767
Lupin	7392.633	6662.033	9822.333		7392.633	6662.033	9822.333
Novartis	74.7	97.96667	2117.333		74.7	97.96667	2117.333
Pfizer	40	649	4619.833		40	649	4619.833
Piramal	3135.233	7402.1	4730.8		3135.233	7402.1	4730.8

Ranbaxy	14481.57	12779.83	22074.97		14481.57	12779.83	22074.97
Sun	15429.27	5538.9	18072.5		15429.27	5538.9	18072.5
	PREMELTDOWN PERIOD				POST MELTDOWN PERIOD		
	BORROW	FA	CA		BORROW	FA	CA
BORROW	1			BORROW	1		
FA	0.540175	1		FA	0.421765	1	
CA	0.633279	0.766771	1	CA	0.484588	0.708083	1

Reliability **OUTPUT -R**

Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	30	100.0
	Excludeda	0	.0
	Total	30	100.0
a. Listwise deletion based on all variables in the procedure.			

Reliability Statistics	
Cronbach's Alpha	N of Items
.661	44

ONEWAY PSUM GSUM DSUM FSUM BY Age **OUTPUT - A**
/MISSING ANALYSIS.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
PSUM	Between Groups	322.667	14	23.048	1.427	.251
	Within Groups	242.300	15	16.153		
	Total	564.967	29			
GSUM	Between Groups	201.900	14	14.421	.368	.965
	Within Groups	587.467	15	39.164		
	Total	789.367	29			
DSUM	Between Groups	22.400	14	1.600	.201	.998
	Within Groups	119.467	15	7.964		
	Total	141.867	29			
FSUM	Between Groups	54.300	14	3.879	.564	.854
	Within Groups	103.167	15	6.878		
	Total	157.467	29			

ONEWAY FSUM DSUM GSUM PSUM BY Loan **OUTPUT - B**
/MISSING ANALYSIS.

ANOVA						
		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
FSUM	Between Groups	5.453	2	2.727	.484	.621
	Within Groups	152.013	27	5.630		
	Total	157.467	29			
DSUM	Between Groups	19.473	2	9.736	2.148	.136
	Within Groups	122.394	27	4.533		
	Total	141.867	29			
GSUM	Between Groups	142.384	2	71.192	2.971	.068
	Within Groups	646.983	27	23.962		
	Total	789.367	29			
PSUM	Between Groups	35.035	2	17.517	.893	.421
	Within Groups	529.932	27	19.627		
	Total	564.967	29			

ONEWAY PSUM GSUM DSUM FSUM BY Bank **OUTPUT - C**
/MISSING ANALYSIS.

ANOVA						
		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
PSUM	Between Groups	22.368	2	11.184	.557	.580
	Within Groups	542.598	27	20.096		
	Total	564.967	29			
GSUM	Between Groups	83.884	2	41.942	1.605	.219
	Within Groups	705.483	27	26.129		
	Total	789.367	29			
DSUM	Between Groups	8.035	2	4.018	.811	.455
	Within Groups	133.831	27	4.957		
	Total	141.867	29			
FSUM	Between Groups	21.453	2	10.727	2.129	.138
	Within Groups	136.013	27	5.038		
	Total	157.467	29			

CORRELATIONS **OUTPUT - D**

/VARIABLES=PSUM GSUM DSUM FSUM

/PRINT=TWOTAIL NOSIG /MISSING=PAIRWISE.

Correlations

		PSUM	GSUM	DSUM	FSUM
PSUM	Pearson Correlation	1	.258	-.013	.077
	Sig. (2-tailed)		.169	.945	.687
	N	30	30	30	30
GSUM	Pearson Correlation	.258	1	-.182	.343
	Sig. (2-tailed)	.169		.336	.063
	N	30	30	30	30
DSUM	Pearson Correlation	-.013	-.182	1	.074
	Sig. (2-tailed)	.945	.336		.697
	N	30	30	30	30
FSUM	Pearson Correlation	.077	.343	.074	1
	Sig. (2-tailed)	.687	.063	.697	
	N	30	30	30	30

Inferences :

From the Analysis of Part A

(a) The negative growth in two periods between 'Sales' and 'PAT' in absolute terms shows that there may be some economic reason particularly in 2009 for which the growth is negative. The companies who are dependent on export business may be affected by the meltdown at that time.

(b) Money 'borrowed' should be highly correlated with the increase of fixed assets. Growth of 'borrowing' has declined and it shows that the availability of loan depends on the liquidity condition of the market which was hugely low at that period

(c) Change of correlation coefficient shows the dependency of two elements has changed. But the relationship of 'Sales and PAT' in two periods has changed a lot which is unexpected and shows any events in the meltdown period to produce such result. The relationship between depreciation and Profit always gives hint to the capital investment and its effect on profit which has also changed in the Post meltdown than the Pre meltdown period.

(d) Similarly, the relationship of borrowing and fixed assets is always expected to be positive which has been declined in the Meltdown period. It shows that the borrowing is not available in the market due to meltdown and thus the relationship between borrowing and the fixed or current assets has gone down in the Post Meltdown period.

From the Analysis of Part B

1) Output A, B and C has shown the dependency on understanding meltdown on age, loan and bank issues. In case of loan numeric 1 has been placed for housing, 2 for non-housing and 3 for no loan taken. For bank the values 1 for 'nationalised bank' 2 for 'multinational bank' and 3 for 'no bank' are assigned. But in all the cases the group data shows the dependency on these factors though the standard deviation is highest for GSUM and lowest for DSUM which are the total of the responses given by the respondents in these blocks.

2) (a) From the output D it is clear that the perception of the global financial situation and fraud orientation is acceptable whereas the perception about derivatives is not affirmed.

(b) In case of response about the global situation (G) of perceptual(P) and fraud orientation(F) is positive whereas here too it is negative in case of derivatives(D).

(c) In case of Derivative(D) it is negatively correlated except it is positive with fraud(F).

(d) Whereas in case of fraud and other blocks are positive with a global financial situation (G) is highest in correlation.

Perceptually it stands that all other understanding is better than derivatives. In global meltdown 'collateral mortgage securities' are less understood by the accountants too.

End notes :

It is claimed by the economic intelligence of our country and the experts from the Central Bank (RBI) that India is less affected by the global meltdown due to its conservative policies taken in fund raising and derivative creation in the world market. But this project throws some light for reassessment of the idea. Taking ten pharmaceutical export oriented major companies as sample, for 2005 to 2012, it has been observed that there is a minor fluctuation in their operations and their balance sheet figures, comparing the pre and post meltdown periods within the research period. It is also interesting to note that Indian accountants possess less perceptual ideas about the global meltdown and the creation of derivatives for this reason. Though the other perceptions about global financial situation related to meltdown is well conceived, they fail to relate those with financial engineering done in the meltdown crisis.

Appendix

GLOBAL MELTDOWN AND ITS IMPACT ON SELECT INDIAN COMPANIES-PHARMACEUTICAL AS A CASE

QUESTIONNAIRE

Please fill up the personal data

1.	(a) Name	:	
	(b) Gender	:	(i) Male (ii) Female
	(c) Academic Qualification	:	(i) Graduate (ii) Post graduate
	(d) Professional Qualification	:	(i) CA (ii) ICWA (iii) CS (iv) MBA
	(e) Working experience in years	:	(i) > 15 years (ii) < 15 years
	(f) Experience in the managerial level	:	(i) Top (ii) Middle (iii) Lower
	(g) Age	:	(i) < 30 years (ii) > 30 years (iii) >50 years
	(h) Availed loan from any bank	:	(i) National (ii) Multinational bank
	(i) Type of loan	:	(i) Housing (ii) Non-housing
	(j) Experience in the organization of	:	(i) Finance (ii) Non finance

Please give your opinion by selecting one option against each statement:

2. To use idle liquid assets sub- prime lending was necessary

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

3. If financial system is steady sub-prime takers are predictable.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

4. Sub-prime is a 'class' whose financial condition is expected to improve after getting the loan.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

5. Conditions of the sub-prime lending is variable on the inflationary situation of a country.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

6. Risk of sub-prime was distributed through mortgage backed securities.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

7. Collateral securities are basically mortgaged debt instruments.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

8. Creating debt derivatives against the sub-prime lending has made the system more risk prone.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

9. Credit rating by professional credit rating agency is necessary to a financial institute.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

10. Credit rating is not a scientific method.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

11. In sub-prime lending credit rating of the collateral security was not perfect.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

12. Foreign portfolio investment has a risk of sudden withdrawal which unsettles the financial market.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

13. Restriction in portfolio investment by foreigner is necessary to keep hold of financial control.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

14. MNCs have better corporate ethics than the Foreign Institutional Investors.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

15. Export business is based on the financial situation of the foreign countries.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

16. Apart from major transactions derivatives are prime unsettlers of finance markets.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

17. Failure in the engineering process of finance jeopardize the investors

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

18. Foreign Exchange Risk Management (FERM) incites the investment firms to overlook the basics.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

19. Nominal interest rate for debt - financing is affected by the inflation rate.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

20. Difference in interest rates in different countries gives comparative advantage in debt raising.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

21. Taxation has an impact in savings and investment which regulate the debt and equity financing.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

22. MNCs by way of transfer pricing reaps the benefit of reduced tax burden and save money to invest.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

23. Global financial crisis of 2008 is the crisis emerged from undue risk taken by lending money with greed.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

24. The engineering process of sub-prime lending had a multiplier effect of risk by opening mortgage securities.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

25. Sub-prime lending had ignored the basic macroeconomic factors like inflation, shift of demand, disposable income etc.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

26. As the foreign investment decreases due to liquidity crunch the companies depended on infrastructural development were lagged in their schedule.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

27. Crisis in the country of a strong currency depreciates the currencies of depended countries.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

28. The countries which are more opened financially felt shock of meltdown more severely.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

29. Indian conservative regulation helped to absorb the shock.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

30. India should impose the internal financial control mechanism to avoid the external shock.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

31. Calculated risk is necessary in case of return from investment not the greed of financier.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

32. New export market opening is necessary for the Indian companies so that the risk is distributed among them.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

33. Indian companies suffer the shock as foreign portfolio investment was blocked due to global meltdown.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

34. Companies based on export oriented business have to fair a low return due to uncertain business in the crisis of meltdown.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

35. Meltdown has created a panic among the Indian companies in expanding their future business.

i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

36. Currency fluctuation due to meltdown has created a translation loss to Indian multinationals.
i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

37. Global meltdown has made the Indian companies shaky to open a new market in foreign countries.
 i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

38. Shock in financial market for global meltdown has forced the Indian companies to block their investment for that particular period.
 i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

39. Indian companies failed to meet their prevention against the economic and political risk for foreign company investment
 i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

40. Indian companies have to suffer a setback in their future plan due to global meltdown
 i) Strongly Agree ii) Agree iii) Disagree iv) Strongly Disagree

Four groups have been formed as follows:

P for perceptual with question no. 2,3,4,9,10,14,19,26,28,30,35,36,37,40 = 14 questions

G for global financial situation with question no. 5,12,13,15,20,21,22,25,27,29,32,33,34,38 = 14 questions

D for derivatives with question no. 6,7,11,16,17,18 = 6 questions

F for fraud orientation with question no. 8, 23, 24,31,36,39 = 6 questions

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Corporate Social Responsibility: A Study of CSR Practices of Pre – Companies Act, 2013 CSR Complying and Non-Complying Companies with respect to the Provisions of Indian Companies Act, 2013

Dipika Bhattacharyya

Abstract

The concept of social responsibility is based on the idea of mutual interdependency for fulfilment of certain claims. In India, the concept of Corporate Social Responsibility is not a new one and some private sector companies have always voluntarily come forward to contribute to social causes. However, another set of companies exists in this sector itself who have for long shirked their social responsibilities even though they have been financially stable enough to support the cause of sustainable growth. The present paper has in this light attempted to pursue a study on the CSR performance of pre – Companies Act, 2013 CSR complying and non-complying private sector companies before and after enactment of the Act. The study has taken into consideration two companies from the Indian Steel industry representing two categories of CSR compliance status pre – and post – Companies Act, 2013. Thus, an attempt has been made to study the CSR performance of these two categories of companies broadly in terms of CSR interventions undertaken by them, their CSR implementing mechanism and the manner in which they reported on their initiatives during the time-period 2012-13 to 2017-18. The study is based on secondary data which have been collected mainly from published Reports of the company and other documented secondary sources.

Key Words: *Corporate Social Responsibility, Companies Act, 2013, CSR Compliance status*

Introduction

Social Responsibility, simply put, is an individual or an entity's obligation towards fulfilment of conceived needs approaching relationships which are formed directly or indirectly in the society with other individuals or entities. Such fulfilment of conceived needs is a two-way process. Social responsibility can be viewed from an individual point of view and from a company's point of view as well. When viewed from a corporate angle, such responsibility takes the shape of Corporate Social Responsibility (CSR). In the Indian context, a narrow definition of corporate responsibility as charity is witnessed among Indian companies till this date. While talking about socially responsible business practices, most Indian companies exclude key issues such as transparency, ethics, governance, anti-corruption and accountability to stakeholders. Most list only their charity projects as their corporate responsibility programmes.

In 2009, the CSR Voluntary Guidelines were framed by the Ministry of Corporate Affairs to encourage ethical business practices, the guidelines further revised as National Voluntary Guidelines (NVGs) in 2011. The NVGs revolve around Elkington's Triple Bottom Line (TBL) concept. A major

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development in the Indian scenario has been the structural shifting from Companies Act, 1956 to Companies Act, 2013. Section 135 of the Companies Act, 2013 deals with provisions on Corporate Social Responsibility - India being the first country to mandate a minimum spend on corporate social responsibility initiatives subject to fulfilment of a threshold criterion; and Schedule VII of the Act specifies activities wherein CSR investment can be made. As a matter of fact, many amendments have been made during the last four years in the CSR provisions of the Act, the latest being Companies (Amendment) Act, 2017 wherein some CSR Rules have been further improvised.

According to the Section 135 of the Act, any company whose net worth is ₹ 500 crore or more or turnover is ₹1000 crore or more or net profit is ₹5 crore or more during any of the three preceding financial years (changed to preceding financial year in Companies [Amendment] Act, 2017) shall form a CSR Committee of the Board. The Board would ensure that such company spends a minimum of 2% of the average net profits of the three immediately preceding financial years in pursuance of its CSR Policy.

The CSR Committee would be entrusted with the task of formulating and recommending the CSR Policy to the Board. The Committee would recommend the Schedule VII activities to be undertaken by the company, the amount of expenditure to be incurred on CSR activities and it would further monitor the Policy from time to time. If the recommendations of the committee seem accommodating to the Board, they would accept the Policy. The contents of the CSR Policy should be disclosed on the company's website. Also, it would require the presence of minimum one Independent Director in the CSR Committee. The Committee would consist of three or more Directors. (According to Companies (Amendment) Act, 2017, there will be no requirement of Independent Director for any unlisted companies or foreign companies in their CSR committee, but they would have to include minimum two directors). Furthermore, CSR activities can be undertaken by a company directly or through a Trust or Society created by own or any external non-Profit organization that has a record of at least three years in similar such related activities or collaborating or pooling resources with other companies.

In terms of disclosure, an Annual Report on CSR activities is to be included in the Board of Directors' Report which would among other things includes a brief outline of the CSR Policy, the composition of the CSR Committee, etc. The company would give preference to the local area and areas where it operates. Regarding the scope of Schedule VII, the list has been made exhaustive through regular amendments, the latest additions being contribution to 'Swachh Bharat Kosh' and 'Clean Ganga Fund'. One of the noticeable loopholes in the CSR Provisions of the Act is regarding penal consequences on the CSR mandate avoiders. Section 134(3) (o) wants companies to specify reasons for not spending the prescribed amount on CSR activities in the Board's Report while Section 134 (8) lists out the penalties to be meted out to those who have not complied with the explanation part. Here, it is found that there is no specific penal provision for actual non-compliance of companies towards the non-disbursement of the prescribed CSR expenditure.

Sharma (2013) attempts to analyze several aspects of the new CSR law in the context of modern corporate philosophy as also drawing attention of the government authorities towards practical difficulties in the implementation of the new provisions and the possible solutions to overcome these difficulties. The study showed that building an expert and trained independent team of professionals is needed for managing funds earmarked for CSR purposes and the government should encourage making a common corpus to be managed collectively by experienced CSR professionals to be nominated by the participating corporates.

Borman and Chakraborty (2014) examine the provision regarding CSR and the issues and challenges that may arise in implementation of CSR with reference to the provisions of Indian Companies Act, 2013. Their study found that issues like restricted thematic areas with geographic focus, promotion of CSR ahead of corporate responsibilities, contribution to funds set up by Government, FCRA Regulation and others need to be addressed to employ CSR strategically to achieve more sustainable businesses.

Lungu et al., (2011) explored the relationship between CSR reporting companies' characteristics and the importance assigned to social and environmental disclosure, using statistical correlations. Their study showed that size characteristics measured by assets and revenues cannot be correlated to the extent of Corporate Social Responsibility reports published by companies, but there is a significant negative correlation between change in revenues and return on equity and social and environmental disclosure for the sampled companies.

Objectives of the Study

The present work aims to analyze and compare the CSR performance of two categories of private sector companies during the time-period 2012-13 to 2017-18 based on their pre – and post – Companies Act, 2013 CSR compliance status. The objectives of the present study are:

(1) To study and compare the CSR performance of Tata Steel Ltd. (a pre – and post Companies Act, 2013- CSR compliant company) and Sunflag Iron & Steel Co. Ltd. (a pre Companies Act, 2013- CSR non-compliant company but post Companies Act, 2013- CSR compliant company) before and after enactment of the Act.

(2) To study the CSR performance of both the companies based on three key aspects- (i) Area of CSR intervention (ii) CSR implementing mechanism (iii) CSR Reporting.

(3) To assess briefly the effectiveness of the CSR provisions of the Act based on the above analysis.

Research Methodology

For the study, secondary data has been collected from relevant books, articles, journals, Companies' Annual Reports, Sustainability Reports and other relevant reports and policies. Both qualitative and quantitative data have been used for the study. The study follows a case study approach and a comparative analysis. Sample companies have been selected based on the researcher's objectives, relevant availability of data and the companies' listing status (both Tata Steel and SISCO Ltd are listed Public Ltd. companies).

As the present work intends to study the performance of companies based on pre – and post – Companies Act, 2013 CSR compliance status and 2013 was the landmark year in which the Companies Act, 2013 was enacted, the study period has been divided into two time frames. In order to study pre – Act enactment CSR performance, the financial year 2012-13 has been considered while to study post – Act enactment CSR performance, years 2014-15, 2015-16, 2016-17 and 2017-18 have been considered; 2013-14 being the Act enactment year has also been taken into consideration. Though the CSR Provisions were effective from 1st April, 2014, the rationale behind including the Act enactment year 2013-14 in the time-frame of study is that any Act is the product of continuous adjustments made over a considerable period of time and the effectiveness of an Act or its Provisions thereto can be evaluated preliminarily by examining how smoothly and efficiently people/companies adapt themselves to the same, often at times much before the Provisions of the Act actually come into effect and the Act is mid-way in the process of getting forcefully implemented.

Data Analysis

The study has taken into consideration two companies from the Indian Steel industry representing two categories of CSR compliance status pre – and post – Companies Act, 2013. The case companies are Tata Steel Ltd. which was voluntarily complying with CSR before enactment of Companies Act, 2013 and is required to do so mandatorily post–Act (i.e., from 2014-15 onwards when the CSR Provisions became effective) and Sunflag Iron & Steel Co. Ltd. which was not complying with CSR before the enactment of the Act but is required to do so mandatorily from 2014-15 onwards.

For the study, the CSR framework of both the companies has been analyzed in terms of three key aspects –

(i) Area of CSR intervention (ii) CSR implementing mechanism (iii) CSR Reporting

CSR Intervention

From the study, it has been found that Tata Steel was consistent in terms of undertaking CSR activities during both the phases in the time period 2012-13 till 2017-18. On the other hand, SISCO started complying with CSR only from 2014-15 onwards i.e., after the mandatory requirements of the Act were pressed on it. While comparing both the companies on the basis of CSR activities carried out by them, it has been observed that from 2014-15 till 2016-17, both Tata Steel and SISCO carried out CSR interventions in the areas of sustainable livelihood, education, healthcare, environment and rural development. Additionally, Tata Steel undertook sports promotion and ethnicity promotion initiatives during the same period and also in 2017-18. As required under the CSR Provisions, the activities both the companies undertook in these three years broadly fall within the purview of Schedule VII activities.

CASE 1: TATA STEEL LTD.

Tata Steel's CSR initiatives are primarily undertaken in the thematic areas of livelihood, education, health and sanitation, environment, rural development, sports and ethnicity promotion. Its primary focus is on undertaking CSR interventions in the local communities in and around in its manufacturing locations. During the period 2012-13 to 2017-18, maximum CSR interventions of the company were found to have been undertaken consistently in the states of Jharkhand, Chhattisgarh and Odisha.

Sustainable Livelihood

Table 1: Agri-Development initiatives

Agri Development Initiatives	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**
Farmers adopting SRI cultivation (Nos.)	250	2200	5948	8350	9633

**(Data Source: Co. Annual Reports/Sustainability Reports; Data unavailable for 2017-18)*

Table 2: Employability Training initiatives

Employability Training Initiatives	2012-13	2013-14	2014-15	2015-16	2016-17
Youth enrolled for skill development	2225	1743	3500	3089	3090
Gainful employment (No. of youth)	597	521	1206	1147	1713

**(Data Source: Co. Annual Reports/Sustainability Reports; Data unavailable for 2017-18)*

Table 3: Enterprise Development initiatives

Enterprise Development Initiatives	2012-13	2013-14	2014-15	2015-16	2016-17
Women empowered through SHG (Nos.)	9,500	9,700	9,033	9,975	10,259

**(Data Source: Co. Annual Reports/Sustainability Reports; Data unavailable for 2017-18)*

Education

Table 4: Education Initiatives

Education Initiatives	2012-13	2013-14	2014-15	2015-16	2016-17
Jyoti Fellowship for SC/ST students (Nos.)	2477	3169	3567	2985	3185

**(Data Source: Co. Annual Reports/Sustainability Reports; Data unavailable for 2017-18)*

Health

Table 5: Project Mansi

Project Mansi	2012-13	2013-14	2014-15	2015-16	2016-17
Infant mortality Rate	53.6	50.4	39.4	32.7	19.9
Neonatal mortality Rate	40.7	32.6	27.4	22	11.88

**(Data Source: Co. Annual Reports/Sustainability Reports; Data unavailable for 2017-18)*

Table 6: Healthcare Initiatives

Health Initiatives	2012-13	2013-14	2014-15	2015-16	2016-17
Primary Health care (Patients treated) Nos.	372000	419000	485384	533597	4,36,992
Eye care services (Cataract operations) Nos.	2890	5230	6198	4099	600

**(Data Source: Co. Annual Reports/Sustainability Reports; Data unavailable for 2017-18)*

d) Environment

Table 7: Environment Initiatives

Emission Intensity	Operations	2012-13	2013-14	2014-15	2015-16	2016-17
Dust Emission (kg/tcs)	Jamshedpur	1.00	0.88	0.57	0.50	0.44

**(Data Source: Co. Annual Reports/Sustainability Reports; Data unavailable for 2017-18)*

A case study analysis for Tata Steel which facilitated an inter-period comparison in line with the CSR interventions of the company during the period 2012-13 to 2017-18 has showed that it was continuing with the same CSR initiatives even before the Companies Act, 2013 came into existence.

Towards **sustainable livelihood initiatives,** Tata Steel focuses on three areas- agricultural interventions, employability training initiatives and enterprise development. The study has found that Tata Steel provided training to farmers on the SRI (System of Rice Intensification) method of paddy cultivation. The *SRI method* encourages farmers to depend on natural techniques for effective management of plants. As a result, the cost of production is lower. During the period 2012-13 to 2016-17, the number of farmers getting trained in adopting the SRI method was found to be increasing. The maximum number of beneficiaries during this period has been witnessed in 2016-17 i.e., 9633.

By establishing *Skill Development Centers*, primarily in Jharkhand and Odisha, Tata Steel facilitates developing skills among the lesser privileged youth especially the SC/ST youth to get them trained in various vocational trades like construction, motor driving and other similar activities. A year on year comparison shows that out of the youth who were provided vocational training during the period 2012-13 to 2015-16, 26.83% got gainful employment in 2012-13, 29.89% in 2013-14, 34.46% in 2014-15, 37.13% in 2015-16 and 55.44% in 2016-17. Thus, an increasing trend is being witnessed in terms of youth getting gainful employment.

The company's *enterprise development interventions* include promoting SHGs. It conducts capacity building programmes to make SHGs more dynamic and effective. During the period 2012-13 to 2016-17, almost 10,000 women on an average benefitted through SHGs each year.

The **education initiatives** of Tata Steel focus on four areas: providing scholarships, pre-matric coaching classes, adult literacy and mid-day meal programme. To help the meritorious SC/ST students from socially and economically challenged families in the states of Jharkhand, Chhattisgarh and Odisha, Tata Steel provides ***Jyoti Fellowships*** on the basis of a merit test granting a sum between ₹ 2500-4000 per annum and is for students studying in Classes 7 to plus 3. During the period 2012-13 to 2016-17, the maximum number of students benefitted through Jyoti Fellowships was in 2014-15 i.e., 3567.

Under **health care initiatives**, Tata Steel focuses on reducing maternal and infant mortality rate and promoting preventive, promotive & curative health care. To bring down the maternal and infant mortality rate, the company started ***Project Mansi*** in 2009 which is operational in Jharkhand. The project involves providing home-based maternal newborn and child care to pregnant women and new mothers through skilled volunteers appointed under the NRHM in Jharkhand. During the period 2012-13 to 2016-17, it is observed that the infant and neonatal mortality rate reduced consistently under Project Mansi. The ***primary health care*** services provided by Tata Steel cater to people in the rural areas. During the period 2012-13 to 2015-16, the number of patients treated through the company's primary health care services was found to be increasing; however, it declined nearly by

18% in 2016-17. Eye care services facilitating cataract operations were consistently provided by the company during the period 2012-13 to 2016-17.

Towards **environmental** sustainability, Tata Steel focuses on reducing overall GHG emissions along with dust emissions. A year on year comparison shows that the dust emissions from its Jamshedpur plant consistently reduced during the period 2012-13 to 2016-17.

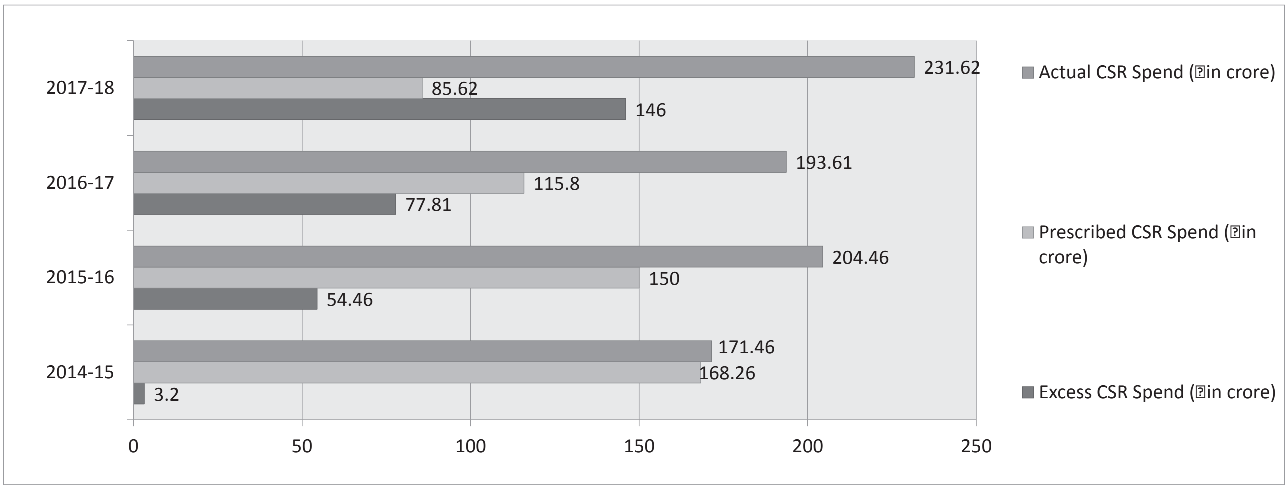
Table 8: Activity-wise CSR (Volume-wise & % of Total Community Investment)

Activity	2013-14 (₹ in cr) (%)	2014-15 (₹ in cr) (%)	2015-16 (₹ in cr) (%)	2016-17 (₹ in cr) (%)	2017-18 (₹ in cr) (%)
Sustainable Livelihood	20.14 (9.5)	43.08 (25.12)	27.30 (13.35)	20.39 (10.53)	23.99 (10.36)
Education	9.54 (4.5)	44.25 (25.81)	29.93 (14.64)	73.71 (38.07)	57.81 (24.96)
Health	31.80 (15)	41.19 (24.02)	104.44 (51.08)	68.14 (35.19)	106.98 (46.19)
Environment	44.52 (21)	5.11 (2.98)	3.27 (1.60)	2.90 (1.50)	4.21 (1.82)
Rural Development	81.62 (38.5)	16.98 (9.9)	18.43 (9.01)	11.99 (6.19)	14.51 (6.26)
Sports	4.24 (2)	8.61 (5.02)	5.99 (2.93)	3.37 (1.75)	7.46 (3.22)
Ethnicity	2.12 (1)	4.07 (2.37)	5.36 (2.62)	3.89 (2.01)	5.63 (2.44)
Disaster Relief	18.02 (8.5)	0	0	0	0
Others (Capacity Building)	0	8.17 (4.78)	9.74 (4.77)	9.22 (4.76)	11.03 (4.75)
Total Community Investment	212 (100%)	171.46 (100%)	204.46 (100%)	193.61 (100%)	231.62 (100%)

(Data Source: Co. Annual Reports/Sustainability Reports)

From Table 8, it can be observed that among all the CSR activities undertaken during the period 2013-14 to 2017-18, Tata Steel's investment in areas of healthcare and ethnicity promotion increased almost consistently. Of the community investment made of ₹231.62 crore in 2017-18, 46.19% i.e., ₹ 106.98 crore was devoted to healthcare initiatives. The investment towards sustainable livelihood initiatives was maximum in 2014-15 at ₹43.08 crore or 25.12% and the investment towards education initiatives was maximum in 2016-17 at ₹73.71 crore or 38.07% respectively. Tata Steel's investment towards disaster relief initiatives was made only in 2013-14. In 2015-16, the maximum investment was made towards health sector i.e., 51.08%. During the period 2012-13 to 2017-18, the company's CSR investment was highest in 2017-18 i.e., ₹231.62 crore.

Figure 1: (i) Actual CSR spend (ii) Prescribed CSR spend (iii) Excess spend



During the period 2014-15 to 2017-18, the CSR provisions of the Companies Act, 2013 were applicable to Tata Steel upon fulfilment of turnover criterion and hence, the company in all these years had to spend at least 2% of the average net profits of the last three preceding financial years, on such activities as specified in Schedule VII of the Act. From Figure 1, it can be observed that during the period 2014-15 to 2017-18, the company complied with the minimum CSR spend requirement of the Act every year. In fact, it spent more than the required amount on CSR activities during this period.

CASE 2: SISCO LTD.

During the period 2014-15 to 2016-17, SISCO undertook CSR interventions in areas of healthcare, education, sustainable livelihood, environment sustainability and rural development. The company has primarily focused its CSR activities on the welfare of residents in villages surrounding the company's manufacturing sites and its coal blocks both in the state of Maharashtra. The observations made on the company's CSR initiatives are limited given the fact that SISCO has made insufficient disclosure on details of its CSR interventions. Such disclosure, is however mandatorily required under the CSR Provisions of the Companies Act, 2013. The interventions of the company for 2017-18 could not be studied due to the unavailability of its 2017-18 Annual Report or any CSR Report.

Under **healthcare**, SISCO was observed to be making available safe drinking water facilities for residents dwelling in the villages around the company's manufacturing sites during the period 2014-15 to 2016-17. Towards **sustainable livelihood** initiatives during the same period, it worked on skill development and skill upgradation of socially and economically backward youths from neighbouring villages providing them training on vocational trades. Towards **rural development**, the company was found to be putting efforts towards developing physical infrastructure in its nearby villages. In 2014-15, SISCO was engaged in building toilets in villages surrounding its manufacturing sites thus promoting the cause of proper hygiene and sanitation. In 2015-16 and in 2016-17, as part of sanitation and hygiene initiative, the company involved itself with the Government of India's Clean India Mission in rural areas. Also, in order to enhance rural connectivity, it was involved in the construction of pucca/cemented roads during this period.

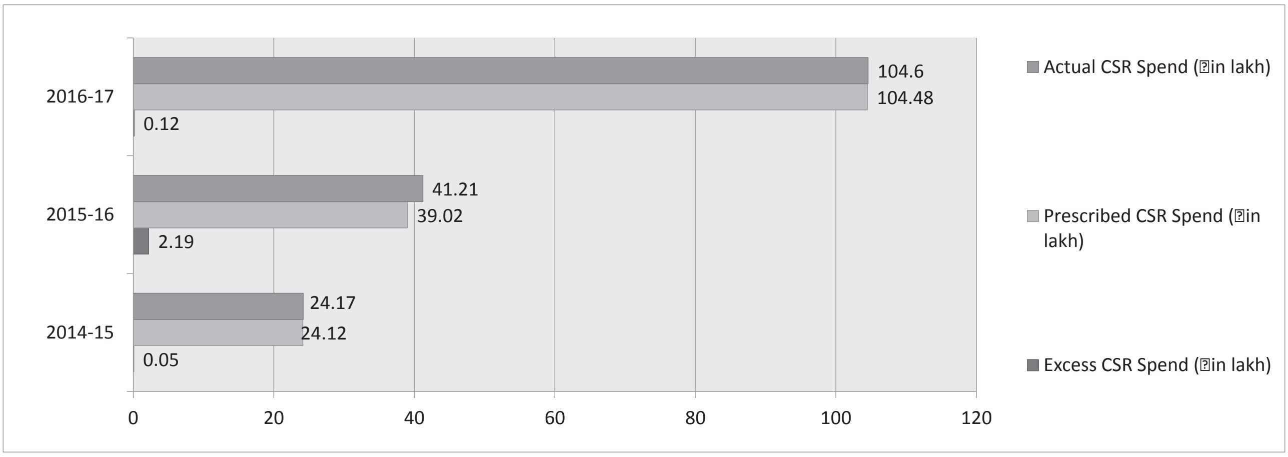
Table 9: Activity-wise CSR (Volume-wise & % of Total Community Investment)

Activity	2014-15	2015-16	2016-17
	(₹ in lakh) (%)	(₹ in lakh) (%)	(₹ in lakh) (%)
Skill Development + Education	4.27 (17.67)	2.51 (6.09)	1.21 (1.16%)
Healthcare	4.28 (17.71)	1.03 (2.50)	0.45 (0.43)
Environment Sustainability	2.64 (10.92)	0.89 (2.16)	0.58 (0.55)
Drinking water Facilities + Rural Development Projects	12.98 (53.70)	36.78 (89.25)	102.36 (97.86)
Total Community Investment	**24.17 (100%)**	41.21 (100%)	104.60 (100%)

(Data Source: Co. Annual Reports)

From Table 9, it can be observed that during the period 2014-15 to 2016-17, SISCO's investment in the field of providing drinking water facilities and rural development projects consistently increased. Of the total community investment made during this period, 53.70% was devoted to this area in 2014-15, which further increased to 89.25% in 2015-16 and to 97.86% in 2016-17. This is reflective of the fact that the company is taking substantial efforts towards physical infrastructure development.

Figure 2: (i) Actual CSR spend (ii) Prescribed CSR spend (iii) Excess spend



During the period 2014-15 to 2016-17, the CSR provisions of the Companies Act, 2013 were applicable to SISCO upon fulfilment of turnover criterion. From Figure 2, it can be observed that during the period 2014-15 to 2016-17, the company complied with the minimum CSR spend requirement of the Act every year. In fact, it spent more than the required amount on CSR activities during this period.

CSR Implementing Mechanism

During the period 2012-13 to 2017-18, Tata Steel was found to be implementing its CSR initiatives directly, and mostly through its own Foundation/Trust/Society like Tata Steel Foundation, Tata Steel Rural Development Society, Tata Steel Tribal Cultural Society; also the study found that apart from collaborating with other companies, the company had consistent collaboration with NGOs and other organizations specializing in the concerned area of CSR given the fact that NGOs play a vital role in bridging the gap between individuals or entities who want to reach out to the underprivileged with their resources and the people who are in need of those resources.

From 2012-13 till 2017-18, Tata Steel in collaboration with training centers and organizations like Indian Hotels, PRATHAM, Apparel Training and Design Center, CIPET and PARFI, ran employability training programmes for the youth thus providing them training in the field of hospitality, textiles, Advanced Plastics Processing Technology and forklift usage. During the same period, the company's two implementing arms, the Tribal Cultural Society (TCS) and Tata Steel Rural Development Society (TSRDS) collaborated to distribute Jyoti Fellowships to SC/ST students from economically challenged families in Jharkhand, Chhattisgarh and Odisha. During this period itself, the company collaborated with XLRI to train teachers for adult literacy programmes. Towards healthcare, it was observed that Tata Steel's initiative Project Mansi was undertaken by TSRDS in association with American India Foundation and Government of Jharkhand.

SISCO Ltd., on the other hand, during the period 2014-15 to 2016-17 was found to be carrying out its CSR activities mostly directly through its own CSR in-house departments. In 2016-17, however, its own Foundation i.e., Sunflag Foundation, was also involved.

CSR Reporting

From 2012-13 to 2014-15, Tata Steel disclosed matters relating to its CSR initiatives in the public domain through Annual Reports, Annual Report on CSR Activities (ARCA), Sustainability Reports and Business Responsibility Reports as well. From 2015-16 onwards, the company has been preparing Integrated Reports which includes both the Annual Report and the Sustainability Report; a brief reporting on CSR being done in the Sustainability Report section. Currently, the company uses Global Reporting Initiatives (GRI) G4 Guidelines for preparation of its Sustainability Reports. The GRI G4 Guidelines is designed to be universally applicable to all organizations irrespective of their size or nature of business activity. It has been observed from the Reports that the company is a signatory to the UNGC principles.

For all the years under study from 2012-13 to 2017-18, the total expenditure on CSR activities was revealed by the company in its Reports. As required under the Provisions, from 2014-15 till 2017-18, the expenditure on CSR activities- both prescribed according to the Provisions of the Companies Act, 2013 and the amount actually spent against the prescribed- has been provided in the public domain. Disclosure of complete details on Activity-wise CSR investment has not been made by the company during the relevant study period. Also, since adequate disclosure has not been made by the company consistently in every year regarding quantitative information in relation to its CSR initiatives, the progress of such initiatives could not be studied in detail. For 2017-18, the initial disclosure on details of the CSR activities undertaken by Tata Steel has been furnished through its Integrated Report.

SISCO has not disclosed sufficient information on its CSR activities in the public domain. No Sustainability Report /CSR Report/ Business Responsibility Report during the years 2014-15 to 2016-17 is available. Though it has provided the web-link (as was required under the CSR provisions) to the program/project details it undertook, the same could not be found in its website. Though SISCO has made some disclosure on issues like CSR Policy formulation, CSR Committee, activities undertaken, average net profits of the last three years and the total CSR related expenditure- prescribed and spent through its Annual Report and ARCA- it failed to disclose the individual activity-wise CSR spend clearly in some cases. As such, the actual performance of the company in terms of community initiatives undertaken by it cannot be properly assessed during the period 2014-15 to 2016-17.

Companies are required to furnish very specifically in the ARCA, the particular CSR activity/ Project they undertook during the year and the sector/area of Schedule VII in which the activity falls. Also, they have to give full details on how the activities were undertaken i.e., they have to state whether the activities were self-implemented/directly or through any implementing agency. If an implementing agency is involved, its details should be provided. From our study, it has been found that both the companies were weak in making adequate disclosure on either one or all of the above aspects during the relevant study period (for Tata Steel, the period being 2014-15 to 2017-18 and for SISCO, 2014-15 to 2016-17). Also, both the companies have been found to be making disclosure and complying with the 'CSR Committee' composition requirement. Both the companies have been found to be disclosing their CSR Policy in their Board's Report and also in their respective company website.

Findings of the Study

From the study, it was found that Tata Steel which was voluntarily complying with CSR before the enactment of Companies Act, 2013 was consistent in carrying out CSR activities even after the Act enactment and also when the mandatory requirements were pressed on it from 2014-15 onwards. Abiding by the CSR Provisions of the Companies Act, 2013, both Tata Steel and SISCO during the relevant study period carried out CSR activities falling within the broad purview of Schedule VII activities.

Being indifferent to the two phases before and after enactment of the Act i.e., during the period 2012-13 to 2017-18 for Tata Steel and period 2014-15 to 2016-17 for SISCO and also being indifferent to the CSR compliance status of the companies before the Act, the most preferred areas of CSR intervention among these two companies were found to be education, healthcare and sustainable livelihood. Under healthcare, these companies are highly focusing on providing primary healthcare services and providing clean drinking water.

From 2014-15 onwards, some areas of CSR interventions have been found to have generated renewed interest among companies like environment sustainability, sports promotion including promoting Paralympic sports. The case companies have been found to be involved in Government initiated interventions like mid-day meal (Tata Steel) and Clean India Mission initiative (SISCO, from 2015-16 onwards). Both the companies complied with the minimum CSR spend requirement during their respective relevant study period.

For Tata Steel, it has been found to have created its own Foundation/Society/Trust to support the CSR activities. And since NGOs play a vital role in bridging the gap between companies and community, it voluminously collaborated with the NGOs during the period 2012-13 to 2017-18. The opposite picture is witnessed for SISCO. During the period 2014-15 to 2016-17, it was found to be carrying out its CSR activities mostly directly through its own CSR in-house departments except in 2016-17, where its own Foundation i.e., Sunflag Foundation was also involved. It is not unusual to find that SISCO as such during this period did not collaborate much with NGOs since selecting an NGO requires a thorough background check and the company perhaps has been taking time in this regard.

While Tata Steel showed average compliance on CSR reporting, SISCO on the other hand was found to have poorly complied with the requirement of making a concrete disclosure or detailed reporting on its activity wise CSR.

Concluding Remarks

Private sector plays a significant role in bringing socio-economic development in the country. As such, it complements the government and the public sector undertakings' initiatives towards economic and social development of the country. The study has focused on two companies from the steel industry.

From the study, it can be concluded that the Companies Act, 2013 with CSR Provisions attached thereto, has been instrumental in encouraging both the pre – Act CSR complying company Tata Steel and also the pre – Act CSR non-complying company SISCO from the private sector to engage more in community development activities from 2014-15 onwards. Thus, it can be said that this study is one small step taken towards understanding how companies are adapting to the CSR Provisions of Companies Act, 2013 at present. It can be carried forward in the near future to make a more accurate assessment of the impact of these CSR Provisions on the CSR performance of more number of companies.

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Performance Analysis –A Study on Private Sector Banks in India using CAMEL Model

Srabani Dey

Abstract

Financial Performance of a bank indicates the strength and weakness of that particular bank by properly establishing the relation between the items of balance sheet and profit and loss account. The objective of the present paper is to analyze the financial performance of seven private sector banks over a period of 12 years (2004-05 to 2015-16). The CAMEL model has been used for this study. Under this system, each banking institution subject to on site examination is evaluated on the basis of five critical dimensions relating to its operations and performance which are referred to as the component factors. These are Capital Adequacy, Asset Quality, Management Efficiency, Earnings Quality and Liquidity management used to reflect the Financial Performance, financial condition, operating soundness and regulatory compliance of the banking institution. The study analyzes the relative performance of sample banks based on Capital Adequacy, Asset Quality, Management efficiency, Earnings Quality and Liquidity and provides a ranking under each parameter and give suggestions for improvement if necessary.

Key Words: Financial Performance, CAMEL Model, Ranking, Relative performance etc.

1.0 Introduction

The word Performance is derived from the word "Perfoumen" which means "to do", "to carry out", or "to tender". It refers to the act of performing execution, accomplishment, fulfilment etc. In a broader sense, performance refers to the accomplishment of a given task measured against the present standards of accuracy, completeness, cost and speed. In other words, it refers to the degrees to which an achievement is being or has been accomplished.

Financial Performance analysis is the process of identifying the financial strengths and weaknesses of the firm by properly establishing the relationship between the items of Balance sheet and Profit & Loss Account. It also helps in short term and long term forecasting and growth can be identified with the help of financial performance analysis. Financial Performance in a broader sense refers to the degree to which financial adjectives have been accomplished and is an important aspect of financial risk management. It is the process of measuring the result of a firm's policies and operations in monetary terms. It is used to measure a firm's overall financial health over a period of time and can also be used to compare industries or sector in aggregation.

Now the question arises as to why the private sector banks has been chosen. However, no new license was issued for setting up commercial banks in the private sector till early 1990's. India faced a serious balance of payment crisis in 1991. The Government of India adopted a policy of economic liberalisation. Therefore, the economic and banking policies were to be reserved to suit the requirements of a liberalized economy. The banking sector reform became inevitable to accelerate

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the pace of reforms to usher in a vibrant and competitive economy. The Narasimham Committee (Committee on Financial Sector Reforms 1991) recommended opening up of the banking sector to the private entrepreneurs to bring in competition and efficiency, thereby paving the way for licensing of new commercial banks in the private sector. But how effectively and efficiently these banks of new genre are operating and to what extent they commit themselves to the purposes for which they were granted license is debatable. Have all these new Private sector Banks fared well enough to conform to the industry benchmark? The question arises whether they really complement their public sector counterparts in terms of outreach and extent of service or just compete in terms of profit alone. Keeping this in view, the present study is designed to make an evaluation of the performance of Private sector banks licensed after liberalization of Indian economy.

To judge the Financial Performance of banks using financial ratios often a number of criteria such as profits, liquidity, asset quality, attitude towards risk and management strategies must be considered. In the early, 1970s, federal regulators USA developed the CAMEL rating system to help structure the bank examination process. The CAMEL method is derived from a system developed by the Federal Financial Institutions Examinations on March, 1979. Since then the use of CAMEL factors in evaluating a bank's financial health has become wide spread among regulators. The CAMEL framework aims to categorise the key determinants on bank's performance. The five determinants are

C- for Capital Adequacy

A-for Asset Quality

M- for Management

E-for Earning

L- Liquidity

Each of the five factors is scored from one to five, with one being the strongest rating. An overall composite CAMEL rating, also ranging from one to five is then developed from this evaluation. As a whole, the CAMEL rating which is determined after an onsite examination provides a measure to categorize banks based on their overall health, financial status and management.[1] In the 1980s, CAMEL rating system was resumed by U.S supervisory authorities as a system of rating for on-site examination of banking institution. Under this system, each banking institution is evaluated on the basis of five (now six) critical dimensions relating to its operations and performance which are referred to as the component factors. These are Capital Adequacy, Asset quality, Management Earnings and liquidity used to reflect the financial performance, financial condition, operating soundness and regulatory compliance of the banking institution. A sixth element relating to sensitivity to market risk has been added to the CAMEL rating to make the rating system more focused. In India, The RBI established a Working Group under the Chairmanship of Mr. S. Padmanabhan to review the entire supervision system of banking sector in the year 1995. On the basis of recommendations and suggestions given by the said committee, a rating system namely 'CAMEL' Model which was later modified as CAMELS was introduced for banks, commencing from July, 1998 audit and inspection cycle. The Committee recommended that the banks should be rated on a five point scale (1to5) based on the guidelines of the international 'CAMEL' rating model.

In this study to measure Capital Adequacy four ratios, such as Capital Risk Weighted Asset Ratio, Advance to Asset Ratio, Government Securities to Total Investment and Debt –Equity ratios have been considered. In respect of Asset Quality the four ratios are considered which are Net NPA to Net Advances, Net NPA to Total Assets, Total Investment to Total Assets and % Change in Net NPAs. To measure the management efficiency Business Per Employee, Profit Per Employee, Credit Deposit Ratio and Return on Net worth are considered. Return on Assets, Operating Profit to Total Assets, Net Interest Margin, Interest income to Total income, Non interest income to Total income,

[1]Wirnkar A.D and Tanko .M, CAMEL(s) and Banks Performance

these parameters are used to measure the earning quality. In order to measure liquidity three ratios namely, Liquid Assets to Demand deposit, Liquid Asset to Total Deposit and Liquid Asset to Total Assets are considered.

2.0 Literature Review

No.	Author(s)	Type of Research	Theme of the Study Pertaining to Current Research	Main Findings of the Study
1	Choudhury and Tandon (2011)[1]	Research paper	The main objective of this article was to analyze the performance of Commercial banks in post reform period. In order to make comparison of performance among public sector, private sector and foreign banks, few indicators were considered like, share in aggregate deposit of various banks, distribution of branches region wise, share of various banks in financial indicators like net profit, gross profit, NPA and Capital adequacy ratio.	From the study it was found that share of private sector banks were maximum in aggregate deposit. There was a declining trend in NPAS in respect to all banks, but the capital adequacy ratio has shown a reverse trend.
2	Gupta(2014)[2]	Research Paper	This article attempts to evaluate the performance of Public sector banks in India using CAMEL approach for five year period from 2009-13.	To assess the overall performance of Public Sector banks in India, the composite rating has been calculated from the group ranking of the Public sector banks in India from the period of 2009-13. According to the study, there is a statistically significant difference between CAMEL ratios of all the Public sector banks in India.
3	Goel and Rekhi(2013)[3]	Research paper	The authors measure the relative performance of Indian Public Sectors banks and Private Sector banks. According to them, the key indicators for measuring efficiency and profitability are Return on Assets, Return on Equity and Net Interest Margin.	Efficiency and profitability of the banking sector in India assumed primal importance due to intense competition, greater customer demands and changing banking reforms.

No.	Author(s)	Type of Research	Theme of the Study Pertaining to Current Research	Main Findings of the Study
4	Ishaq et al (2016)[4]	Research Paper	In this study an endeavour was made to evaluate the execution and financial accuracy of commercial banks using CAMEL approach in Pakistan. It considers five critical indicators to assess the soundness and execution of the bank.	The outcome of the article shows that total deposit to equity, non-performing loans to gross advances, non-performing loans to equity, administration exp. to interest income ratio, gross advance to total deposit ratio were significantly and negatively correlated with a bank's performance. The returns on assets and returns on equity were significantly and positively correlated with a bank's performance. The interest income to total assets ratio and cash ratio are statistically insignificant with bank's performance.
5	Reddy (2012)[5]	Research paper	In this Paper the author studied the relative performance of banks in India by using CAMEL approach.	From the study it was shown that the performance of public sector banks have improved significantly indicating positive impact of the reforms in liberalizing interest rates, rationalizing directed credit, investment and increasing competition.
6	Rostami (2015)[6]	Research Paper	In this study, six categories of ratios according to CAMELS approach are applied to measure the financial performance of Iranian bank. All the ratios were calculated for an Iranian bank and the results are compared with average industry total.	In this article, five sub parameters are chosen in each of the CAMELS category and all parameters are calculated for an Iranian bank and then the results are compared with the average of industry. According to this study, the CAMEL model can help managers to control and analyze financial data and organizational position in an industry.

3.0 Objective of the Study

- To study the relative performance of seven private Sector banks during the period under study based on each parameter of the CAMEL approach.
- To gauge the relative performance of each sample bank by providing ranks under each parameter based on sub-parameter ranking.
- To apply a composite ranking technique to trace the overall relative position of each sample bank.

4.0 Research Methodology

The study is based on secondary data collected from seven Private Sector Banks. The Data are collected on different financial parameters in absolute form or in ratio form. Type of Research is exploratory in nature. The Secondary data set is collected from Capitaline data base, Profile of banks published by RBI and annual reports of respective banks. The study period is 2004-05 to 2015-16. The paper was based primarily on secondary data information. The collected data have been analysed using various arithmetical and statistical tools like Mean, SD, co-efficient of variance and ANOVA etc.

5.0 Performance Analysis using CAMEL Model Analysis and interpretation

5.1 Descriptive Study of Different CAMEL ratios

The CAMEL model has been used to determine the relative position of the banks in respect to their financial performance. It is a ratio based model in which ratios are divided under each parameter. Table 1 given below shows the summary of data defining the central tendency and dispersion of the data that helps to compare the performance of seven Private Sector banks. The table also exhibits the minimum and maximum value of each variable which tells about the range of data of each variable.

Table -1: Descriptive Statistics in respect of selected ratios of Private Sector Banks

Particular	Mean	Maximum	Minimum	SD
Capital Risk Weighted Asset Ratio	1.16956	1.314078	.9849771	.0761654
Advance to Asset Ratio	1.751825	1.829316	1.615717	.0390219
Govt Securities to Total Investment	1.857392	1.994009	1.683677	.0718013
Debt Equity Ratio	.2361168	1.146768	-1.195462	.4828529
Net NPA to Net Advance Ratio,	-.2973022	.8020893	-2	.5923452
Net NPA to Total Asset,	-.6783717	1.140088	-6	.5540696
Total Investment to Total Assets,	1.477467	1.647303	1.310251	.0685674
% change in Net NPAs,	-.7031365	1.12883	-8	1.708803
Business per Employee,	.8973684	1.346353	.5403295	.1836171
Profit per Employee,	-1.03078	0	-2.39794	.4049271
Credit Deposit Ratio,	1.898247	2.059828	1.675778	.0751283
Return on Net Worth,	-.5980854	1.43072	-63.79	9.057898
Return on Assets,	.0086527	.3283796	-3.38	.5316646
Operating profit to Total Assets, ,	.7948479	.9472422	-.2293502	.1526148
NIM to Total Assets	.5125067	.7993405	.1139434	.1382701
Interest income to Total income,	1.907168	1.962843	1.792602	.030113
Noninterest income to Total income,	1.267383	1.579326	.9132839	.1170554
Liquid Assets to Demand Deposit,	1.895159	2.870097	1.544692	.2156566
Liquid Asset to Total Deposit,	1.030383	1.302458	.7561367	.1261675
Liquid Assets to Total Assets	.8778972	1.145285	.61305	.1266762

Source: Author's Calculation by STATA (Version 13.0)

Analysis

Table 1 provides information regarding descriptive statistics of different ratios considered in CAMEL Model for performance analysis. Higher mean value is observed in case of Govt Securities to Total Investment ratio and Liquid Assets to Demand Deposit ratio. Variation observed in case of Return on Net worth (RONW) where S.D. is highest. In this study we are trying to describe and evaluate the relative performance of seven private Sector banks during the period under study based on each parameter of the CAMEL approach.

5.2 Capital Adequacy Analysis

Capital Adequacy, implies whether the bank has enough capital to absorb unexpected losses. It is needed to maintain depositors, Trust and stop the bank from going bankrupt. As is widely accepted, bank capital facilitates as a buffer against losses and hence failure. Conventional approaches to bank regulation underscore the positive features of Capital Adequacy requirements. Reserve Bank of India has prescribed different banks to maintain a minimum Capital to Risk Weighted Asset Ratio of 9% with regard to credit risk, market risk and operational risk on an ongoing basis, as against 8% prescribed in Basel document.

Before going to rank of the Capital Adequacy Analysis of selected banks, we are supposed to know whether all such private sector banks have same ***Capital Adequacy*** ratio or not. We have tested this using one way ANOVA.

Hypothesis–1

Null hypothesis (H_0): All the Selected Banks have equal Capital Adequacy Test.

Alternative hypothesis (H_1): All the Selected Banks do not have equal (unequal) Capital Adequacy Test.

Table 2: One Way ANOVA Table for Capital Adequacy Test

Factor Name		Sum of Squares	Df	Mean Square	F	P Value	Decision Rule	Decision on H0
Rank	Between Groups	54.500	6	9.083	3.317	0.019	P-Value<0.05	Rejected
	Within Groups	57.500	21	2.738				
		112.000	27					

Source: Compilation of Secondary Data Using SPSS 20.0

'F' test indicates the calculated value of F= 3.317at 5% level of significance. The calculated value of F is greater or more than the table value of F. So, the null hypothesis has been rejected and an alternative hypothesis has been accepted. It means all the selected banks have an unequal Capital Adequacy Test.

In this study, the following ratios have been used to measure capital adequacy.

Capital Risk Weighted Asset Ratio,

Advance to Asset ratio,

Government Securities to Total Investment,

Debt Equity Ratio

Table.3 (*Capital Adequacy Analysis*)

	Capital Adequacy Ratio		Advance to Asset Ratio		Govt securities to Total investment		Debt equity Ratio		Group Rank	
Bank	Average	Rank	Average	Rank	Average	Rank	Average	Rank	Average	Rank
Axis Bank	14.02	5	55.42	7	61.57	7	5.54	6	6.25	7
ICICI Bank	16.15	3	55.69	5	62.48	6	3.76	5	4.75	5.5
HDFC Bank	15.11	4	55.93	4	75.42	4	6.45	7	4.75	5.5
DCB Bank	13.00	7	56.95	3	79.95	2	0.47	1	3.25	2.5
Indusind Bank	13.40	6	58.28	2	79.21	3	1.16	2	3.25	2.5
Kotak Mahindra Bank	16.74	1	58.90	1	88.23	1	1.39	3	1.5	1
Yes Bank	16.57	2	55.67	6	63.95	5	1.65	4	4.25	4

Source: compilation of secondary data obtain from Capitaline plus

Interpretation

The ranking under the above parameters and the capital adequacy parameter as a whole has been shown in Table 3. In the overall ranking under Capital Adequacy, Kotak Mahindra Bank has occupied the first position, followed by Indusind bank, DCB bank, and Axis Bank has been out-performed by all the other banks and thus occupies the last rank.

5.3 Asset Quality Test

Asset Quality determines the healthiness of financial institutions against the loss of value in the assets as asset impairment risks the solvency of the financial institutions. It indicates what type of advances the bank has made to generate interest income. When loans are given to highly rated companies, the rates attracted are lower than that of lower rated doubtful companies. The prime motto behind measuring the assets quality is to ascertain the component of nonperforming assets as a percentage of the total assets.

Before ranking **Asset Quality Test,** we are supposed to know that all such private sector banks have same ***Asset Quality Test*** or not. We have tested this using one way ANOVA. Hypothesis–2

Null hypothesis (H_0): **All the selected Banks have equal Asset Quality Test**;

Alternative hypothesis (H_1): **All the selected Banks have Unequal Asset Quality Test**

Table 4 (One Way ANOVA for Asset Quality Test)

Factor Name		Sum of Squares	Df	Mean Square	F	P Value	Decision Rule	Decision on H0
Rank	Between Groups	28.500	6	4.750	1.195	.347	P-Value>0.05	Accepted
	Within Groups	83.500	21	3.976				
		112.000	27					

(Source: Compilation of Capitaline Data using SPSS 20.0)

F test indicates that the calculated value F = 1.195 is at 5% level of significance. The calculated value of F is smaller or less than the table value of F. So, the null hypothesis has been accepted and alternative hypothesis has been rejected. It means all the selected banks have equal Asset quality Test.

To measure the Asset Quality of selected banks, the following ratios are considered in this study.

Net NPA to Net Advance Ratio,

Net NPA to Total Asset,

Total Investment to Total Assets,

% change in Net NPAs

Table.5 (Asset Quality Test)

Asset Quality Ratios	Net NPA to Net Advance Ratio		Net NPA to Total Asset		Total Investment to Total Assets		% change in Net NPAs		Group Rank	
Name of Bank	**Average**	**Rank**	**Average**	**Rank**	**Average**	**Rank**	**Average**	**Rank**	**Average**	**Rank**
Axis Bank	0.57	3	0.30	3	32.23	6	33.04	4	4	4.5
ICICI Bank	1.44	6	0.81	6	28.90	2	29.97	2	4	4.5
HDFC Bank	0.32	2	0.18	2	30.07	3	48.54	5	3	2
DCB Bank	2.09	7	1.16	7	30.19	4	31.46	3	5.25	6
Indusind Bank	1.09	4	0.61	4	26.75	1	8.98	1	2.5	1
Kotak Mahindra Bank	1.13	5	0.65	5	31.99	5	161.42	7	5.5	7
Yes Bank	0.11	1	0.06	1	32.67	7	131.64	6	3.75	3

Source: Compilation of secondary data obtain from Capitaline Plus

Interpretation

Table 5 represents the ranking under this parameter. Indusind bank ranks the first followed by HDFC bank and Yes bank. Kotak Mahindra bank ranks the last position.

5.4 Management Efficiency Analysis

Management Efficiency, another indispensable component of the CAMEL framework, means adherence to set norms, knack to plan and be proactive in the dynamic environment, leadership, innovativeness and administrative competence of the work.

Before ranking ***Management Efficiency Analysis*****,** we are supposed to know whether all such private sector banks have same ***Management Efficiency Analysis*** or not. We have tested this using one way ANOVA.

. Hypothesis - 3

H_0 = All the selected Banks have equal Management Efficiency Test.

H_1 = All the selected Banks have Unequal Management Efficiency

Table 6 (One Way ANOVA for Management Efficiency Test)

Factor Name		Sum of Squares	Df	Mean Square	F	P Value	Decision Rule	Decision on H0
Rank	Between Groups	57.500	6	9.583	3.693	.012	P-Value<0.05	Rejected
	Within Groups	54.500	21	2.595				
		112.000	27					

(Source: Compilation of Capitaline Data using SPSS 20.0)

F test indicates that the calculated value of F= 3.693 is at 5% level of significance. The calculated value of F is greater or more than the tabulated value. So the null hypothesis has been rejected and alternative hypothesis has been accepted. It means all the selected banks have unequal Asset Quality Test.

To measure the Management efficiency of selected banks, the following ratios are considered in this study.

Business per Employee

Profit per Employee

Credit Deposit Ratio

Return on Net worth

Table 7 (Management Efficiency)

	Business Per Employee		Profit Per Employee		Credit Deposit Ratio		Return on Net Worth		Group Rank	
Name of Bank	**Average**	**Rank**	**Average**	**Rank**	**Average**	**Rank**	**Average**	**Rank**	**Average**	**Rank**
Axis Bank	11.91	2	0.20	1	70.91	7	18.69	1	2.75	1
ICICI Bank	8.70	3	0.12	3	95.67	1	12.43	6	3.25	2
HDFC Bank	7.34	5	0.08	4	73.51	5	18.43	3	4.25	4.5
DCB Bank	5.23	7	0.00	7	71.37	6	-6.78	7	6.75	7
Indusind Bank	8.55	4	0.07	5	76.24	4	15.78	4	4.25	4.5
Kotak Mahindra Bank	5.26	6	0.07	6	92.98	2	12.84	5	4.75	6
Yes Bank	13.40	1	0.14	2	81.18	3	18.45	2	4	3

Source: Compilation of secondary data obtain from Capitaline plus

Interpretation

The ranking under this parameter is depicted in Table 7. Axis bank occupies the first position, followed by ICICI bank Ltd and YES bank. DCB bank lies at the end of the list.

5.5 Earnings Quality Test

It used to estimate the profitability of the banks and thus predicting its continuous and competitive advantage over its rivals. Before ranking the ***Earnings Quality Test,*** we are supposed to know whether all such private sector banks have same ***Earnings Quality Test*** or not. We have tested this using one way ANOVA.

Hypothesis–4

H_0 = All the banks have equal Earnings Quality Test.

H_1 = All the banks have unequal Earnings Quality Test

Table.8 (One Way ANOVA for Earnings Quality Test)

Factor Name		Sum of Squares	Df	Mean Square	F	P Value	Decision Rule	Decision on H0
Rank	Between Groups	42.000	6	7.000	1.944	.101	P-Value>0.05	Accepted
	Within Groups	126.000	35	3.600				
		168.000	41					

(Source: Compilation of Capitaline Data using SPSS 20.0)

F test indicates that the calculated value of F= 1.944 is at 5% level of significance. The calculated value of F is smaller than the table value. So, the null hypothesis has been accepted and alternative hypothesis has been rejected. It means all the banks have equal Earnings Quality Test.

To measure the Earnings Quality of selected banks, the following ratios are considered in this study.

Return on Assets

Operating Profit to Total Assets

NIM to Total Assets

Interest Income to Total Income

Non Interest Income to Total Income

Table 9 (Earnings Quality)

Earnings Quality	Return on Assets		Operating Profit to Total Assets		NIM to Total Assets		Interest Income to Total income		Noninterest Income to total Income		Group Rank	
Name of bank	Average	Rank	Average	Rank	Average	Rank	Average	Average	Average	Rank	Average	Rank
Axis Bank	1.52	2	6.34	5	3.45	3	79.41	6	20.30	3	3.8	4
ICICI Bank	1.40	5	6.52	4	2.74	6	78.75	7	21.25	1	5.6	6
HDFC Bank	1.63	1	6.21	6	4.27	2	81.93	3	17.68	5	3.4	2
DCB Bank	-0.12	7	5.48	7	2.61	7	83.92	1	17.03	7	5.8	7
Indusind Bank	1.20	6	7.44	1	2.76	5	83.01	2	17.53	6	4	5
Kotak Mahindra Bank	1.51	3	6.76	3	5.08	1	79.64	5	20.35	2	3.2	1
Yes Bank	1.50	4	6.76	2	2.98	4	79.93	4	20.17	4	3.6	3

Source: Compilation of Secondary data obtain from Capitaline plus

Interpretation

The detailed ranking is shown in table 4 above. Kotak Mahindra bank holds the first position. The second and third positions are occupied by the HDFC bank and Yes bank Ltd respectively. DCB bank is found at the end of the list.

5.6 Liquidity Analysis

It is the main function of banks to accept deposits from their customers and pay that back on maturity or on demand. Thus the bank should posses the ability to meet their obligations. Such ability is nothing but liquidity. Before ranking of ***Liquidity Analysis***, we are supposed to know whether all such private sector banks have same ***Liquidity ratios*** or not. We have tested this using one way ANOVA.

Hypothesis–5

H_0 = All the selected banks have equal Liquidity test;

H_1 = All the selected banks have unequal Liquidity test.

Table 10 (ANOVA Table for Liquidity Test)

Factor Name		Sum of Squares	Df	Mean Square	F	P Value	Decision Rule	Decision on H0
Rank	Between Groups	21.333	6	3.556	.794	.590	P-Value>0.05	Accepted
	Within Groups	62.667	14	4.476				
		84.000	20					

(Source: Compilation of Capitaline Data using SPSS 20.0)

F test indicates that the calculated value of F is smaller than the table value of F. So, the null hypothesis has been accepted and alternative hypothesis has been rejected. It means that all the selected banks have equal liquidity test.

To measure the Liquidity Management of selected banks, the following ratios are considered in this study.

Liquid Assets to Demand Deposit

Liquid Assets to Total Deposits

Liquid Assets to Total Assets

Table .11 Liquidity Management Analyses

	Liquid Assets to Demand Deposits		Liquid assets to Total Deposit		Liquid assets to Total Assets		Average	
Name of Bank	Average	Rank	Average	Rank	Average	Rank	Average	Rank
Axis Bank	54.17	6	10.76	5	8.32	3	4.67	5.5
ICICI Bank	116.01	2	14.15	1	8.21	4	2.33	1
HDFC Bank	53.99	7	11.72	2	8.79	1	4.33	4
DCB Bank	83.22	4	9.39	6	7.42	5	5	7
Indusind Bank	91.11	3	11.44	4	8.68	2	3	2.5
Kotak Mahindra Bank	79.71	5	11.62	3	7.24	6	4.67	5.5
Yes Bank	169.07	1	9.15	7	6.43	7	3	2.5

Source: Author's compilation with the help of Capitaline Database

Interpretation

Table.11 shows the ranking under Liquidity Management. ICICI bank occupies the first position. The second positions are jointly held by Indusind bank and Yes bank respectively. DCB bank occupies the 7th position.

5.7 Overall CAMEL Rank Test

Before ranking of ***overall CAMEL Rank Test,*** we are supposed to know whether all such private sector banks have same ***CAMEL Rank Test*** or not. We have tested this using one way ANOVA.

Hypothesis–5

H_0: All the Selected Banks have equal CAMEL Rank Test.

H_1: All the Selected Banks have equal CAMEL Rank Test.

Table 12 (ANOVA Table for Overall CAMEL Test)

Factor Name		Sum of Squares	Df	Mean Square	F	P Value	Decision Rule	Decision on H0
Rank	Between Groups	27.500	6	4.583	1.139	.375	P-Value>0.05	Accepted
	Within Groups	84.500	21	4.024				
		112.000	27					

(Source: Compilation of Capitaline Data using SPSS 20.0)

In the above table null hypothesis has been accepted and an alternative hypothesis has been rejected. It means that all the selected banks have an equal CAMEL rank test.

On the Basis of Rank of Ratios as Rank of Parameter-

Capital Adequacy Test
Asset Quality Test
Management Efficiency Test
Earnings Quality Test
Liquidity Management Test

Table 12 (Rank of Parameter for Overall CAMEL Test)

Name of Bank	Capital Adequacy Test	Asset Quality Test	Management Efficiency Test	Earnings Quality Test	Liquidity Management Test	Total	Average	Rank
Axis Bank	7	4.5	1	4	5.5	22	4.4	6
ICICI Bank	5.5	4.5	2	6	1	19	3.8	4
HDFC Bank	5.5	2	4.5	2	4	18	3.6	3
DCB Bank	2.5	6	7	7	7	29.5	5,9	7
Indusind Bank	2.5	1	4.5	5	2.5	15.5	3.1	1.5
Kotak Mahindra Bank	1	7	6	1	5.5	20.5	4.1	5
Yes Bank	4	3	3	3	2.5	15.5	3.1	1.5

Source: Author's compilation with the help of Capitaline Database

6.0 Analysis and Findings of the Study

The composite ranking is based on the average of the ranks obtained under each of the parameters- Capital adequacy, Asset quality, Management efficiency, Earnings quality and Liquidity management. Table 6 shows the details of the composite ranking .The first position is jointly held by Indusind bank and Yes bank with a ranking of 1.5; then comes HDFC bank, ICICI bank, Kotak Mahindra bank and Axis bank. DCB bank occupies the last position.

The best performers in each group as per this study are as follows:-

(a) In terms of Capital Adequacy Kotak Mahindra Bank is the best

(b) Indusind Bank tops the list in case of Asset Quality

(c) Management Efficiency of Axis Bank is the best among all the sample banks.

(d) According to Earnings Quality Kotak MahindraBank is the best.

(e) In respect of Liquidity Management Analysis ICICI Bank is the best.

The result of ANOVA shows that there is a significant difference between the selected Private sector banks in respect of Capital Adequacy and Management Efficiency analysis, whereas there is no significant analysis in respect of Asset Quality, Earnings Quality and Liquidity Management. In the Overall CAMEL test also there is no significant difference among the selected banks. It means that all the selected banks have an equal Camel Rank test.

7.0 Conclusion

Due to radical changes in the banking sector in the recent years the central banks all around the world have improved their supervision quality and techniques. In evaluating the functions of the banks many of the developed countries are now following uniform fiscal system along with other existing procedures and techniques. The CAMEL model is an extensive tool for assessing the financial performance of the banks. This study is restricted to determination of the relative position of the banks.

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Annexure 1

List of Ratios

Capital Adequacy

Capital Risk Weighted Asset Ratio,

Advance to Asset Ratio,

Government Securities to Total Investment

Debt Equity Ratio

Asset Quality

Net NPA to Net Advances,

Net NPA to Total Assets,

Total Investment to Total Assets

% Change in Net NPAs.

Management efficiency

Business per Employee,

Profit per Employee,

Credit Deposit Ratio

Return on Net worth

Earning quality

Return on Assets,

Operating Profit to Total Assets,

Net Interest Margin, Interest income to Total income,

Noninterest income to Total income

Liquidity

Liquid Assets to Demand deposit

Liquid Asset to Total Deposit

Liquid Asset to Total Assets

Footnotes

1 Choudhury and Tandon"*Performance of Commercial Banks in India during Post liberalization"* International Journal of Multidisciplinary Research,Vol.1(8), 2011pp.

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A Study on Derivative Instruments & International Financial Reporting Standards (IFRS)

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Abstract

Interpretation of financial statement becomes a challenging one when a firm uses derivative financial instruments because most derivative contracts are off-balance-sheet items, lacking in transparency and inconsistent accounting treatment. International Financial Reporting Standards (IFRS) user countries follow different accounting standards and disclosing derivative transactions. But the reporting and disclosure levels vary from business to business. On the other hand, fair value measurement in IFRSs is an important phenomenon in present day accounting world. This study reveals that the importance of disclosure of derivative instruments in IFRS era is within an active market. Findings of the study suggest that the complexity of the fair value accounting standards makes the derivative financial instrument reporting system more complex. The study has important implications to the management and the stakeholders of corporate firms.

Keywords: *Derivative, Accounting Standard, IFRS, Disclosure*

Introduction

The use of derivatives in financial market is not new. Derivatives instruments were utilized in the financial markets around the world from quite a long time. The origin of it can be traced back to the Sixth Century B.C. Renowned philosopher of Greece, Thales, who was the pioneer of using these instruments in the world financial market. There are some incidents in some texts of Mahabharata where existence of the characteristics of derivatives is also found. Traces of derivative contracts can even be found in incidents that date back to the ages before Jesus Christ. In the 17th century the first record of organized trading in futures was found in Japan. Feudal Japanese landlords used to keep surplus rice to storage warehouses in the cities and then issue tickets promising future delivery of the rice. The rules governing the trading on the Dojima market were similar to those of modern-day futures markets. In India the derivatives trading on the exchange commenced with S&P CNX Nifty Index futures on June 12, 2000. The trading in index options commenced on June 4, 2001 and trading in options on individual securities commenced on July 2, 2001. Single stock futures were launched on November 9, 2001. The index futures and options contract on NSE are based on S&P CNX Nifty Index. Currently, the futures contracts have a maximum of 3-month expiration cycles. Three contracts are available for trading, with 1 month, 2 months and 3 months expiry. A new contract is introduced on the next trading day following the expiry of the near month contract. A significant development in finance during the past decade has been observed for extraordinary expansion of financial derivatives in the national and international markets. Development of information technology and its rapid changes has increased the processing power of computers. It helps to develop globalised financial markets which in turn forced to change laws of several

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countries so as to enter into the derivatives market. Financial derivatives have emerged as one of the biggest markets of the world during the past two decades. Financial derivatives are used for a number of purposes including risk, hedging, arbitrage between markets, and speculation1. Fair value measurement in IFRSs is an important phenomenon in the present day accounting world. Since derivatives are financial instruments (assets or liabilities) and the value of a financial instrument can be quite accurately determined by its quotations in an active market. Due to this fact the world- wide trend in accounting is to value the financial instruments, if held for current operations, at fair value rather than historical cost. As the fair value of derivative changes with the changes of the hedged item, the accounting treatment of recognition, measurement, presentation and disclosure come in the accounting scenario. International Accounting Standard Board (IASB) issued IFRS 7, IAS 32. IAS 39, IFRS 9(to be implemented in 2015) IFRS 13 and derivatives financial instruments are being dealt with by these IFRSs.

Literature Review

Generally a derivative means to manage and effectively transfer the risk arising in business firm. According to Varma (2008), the dependence of the derivative's value on other prices or variables makes it an excellent vehicle for transferring risk. Vashishtha & Kumar (2010) pointed out that "derivatives provide an effective solution to the problem of risk caused by uncertainty and volatility in underlying asset". Prabhakara (2013) also considered derivative as a very important tool of risk management provided (Selvam and Rita, 2011) the derivative users understand the complexity of financial derivative instrument contracts. The findings of Hwang (2002), Prabhakara (2013) & Gope (2014) reported that financial derivative instruments as risk management tools have gained an enormous position among all the financial instruments in many cases and use of derivatives to curve financial risks are increasing gradually in India both in terms of volume and number of contracts traded. According to Ernst & Young (2006), financial transparency is the most important aspect of the initial stage when an investor considers an investment option. Woods & Marginson (2004) opined that an institution's financial risk exposure is hardly identified to prospective and existing investors due to poor financial reporting practices. Mitra & Gope (2013) also pointed out that management requires disclosing whether the management uses the Derivative financial instruments to tackle the risk arises in the business or not. Lopes & Rodrigues (2007) identified four factors, namely size of the firm, type of auditor, listing status of stock exchange and the financial sector which accelerate the degree of disclosure.

Objectives and Methodology

Fair value measurement in IFRSs is an important phenomenon in the present day accounting world. This study analyzes the related accounting standards in search of finding comprehensive guidance for fair value measurement and importance of disclosure of derivative instruments and related IFRS in an active market. The study has important implications to the management and the stakeholders of corporate firms.

The proposed study is a descriptive one. We have collected qualitative information from secondary sources. Accounting standards issued by IASB, FASB and Institute of Chartered Accountants of India (ICAI) are the main secondary sources for the paper.

Understanding Derivative Financial Instrument:

Details of Derivative Financial instruments – Risks reduction is one of the basic objectives of investment and by which maximum return can be obtained. One of the key features of financial markets is extreme volatility. Prices of foreign currencies, petroleum and other commodities, equity shares and instruments fluctuate all the time, and pose a significant risk to those whose businesses are linked to such fluctuating prices. To reduce this risk, modern finance provides a method called hedging. Derivatives are widely used for hedging. The word 'derivative ' is derived from mathematics and refers to a variable, which has originated from another variable. The Merriam-

Webster dictionary defines a derivative in the field of chemistry as “a substance that can be made from another substance.” Derivatives in finance work on the same principle. In financial markets, the term “derivatives” is used to refer to a group of instruments that derive their value from some underlying commodity or market. It does not have its own value, but it derives its value from the value of some other assets which is known as the underlying. It is a product whose value is derived from the value of one or more basic variables, called bases (underlying asset, index, or reference rate), in a contractual manner. The underlying asset can be equity, forex market, commodity or any other asset. For example, wheat farmers may wish to sell their harvest at a future date to eliminate the risk of a change in prices by that date. Such a transaction is an example of a derivative[1]. The price of this derivative is driven by the spot price of wheat which is the “underlying. For example, a farmer fears that the price of wheat (underlying), when his crop is ready for delivery will be lower than his cost of production. If the cost of production is Rs 8,000 per ton and in order to overcome this uncertainty in the selling price of his crop, he enters into a contract (derivative) with a merchant, who agrees to buy the crop at a certain price (exercise price), when the crop is ready in two months time (expiry period). In this case, say the merchant agrees to buy the crop at Rs 9,000 per ton. Now, the value of this derivative contract will increase as the price of wheat decreases and vice-a-versa. Likewise, if the underlying is a financial asset like debt instruments, currency, share price index, equity shares, etc, the derivative is known as a financial derivative. A derivative is a financial instrument that derives its value from an underlying price or index; requires little or no initial net investment; and is settled at a future date. There are business risks in financial markets and they are simply classified into:-

Credit Risk: Credit risk arises when any of the parties fails to fulfill the obligation under the agreement. Such an event is called a default. It is also known as ‘default risk’.

Liquidity Risk: Liquidity risk is a financial risk that arises due to uncertain cash crunch. An institution might lose liquidity if its credit rating falls, it experiences sudden unexpected cash outflows, or some other event causes counter-parties to avoid trading with or lending to the institution.

Market Risk : Fluctuation in the prices of the underlying asset contributes to market risk. Market risk comprises four risk factors: Equity risk, Interest rate risk, Currency risk and Commodity risk.

Although risks vary from sector to sector but an investor cannot maximize return unless the risks, are mitigated. Derivative is best used as a risk management tool by which the risk associated with the underlying asset can be transferred to the party who is willing to take that risk. An individual like a Farmer can use derivatives to lock the price of the crops in order to protect their harvest; so they are exposed to price risk. Likewise an association, for example, Banks use derivatives to hedge against risks that may affect their operations and earnings including interest rate risk, market risk, foreign exchange risk and counter-party risk. The importance of derivatives is increasing day by days because of high volatility in the market.

Derivative Market - Primarily, Derivatives Market has been divided in two parts: Over-the-counter (OTC) Market and Exchange-traded Market where derivatives like Forwards, Futures, Swaps and Options are traded. Derivatives can be bought or sold in two ways. Some are traded over-the-counter (OTC) while others are traded on an exchange. OTC derivatives are contracts that are made privately between parties such as swap agreements. This market is the larger of the two markets and is not regulated. Derivatives that trade on an exchange are standardized contracts. The largest difference between the two markets is that with OTC contracts, there is counterparty risk since the contracts are made privately between the parties and are unregulated, while the exchange derivatives are not subject to this risk due to the clearing house acting as the intermediary.

Participants of Derivative Market

Hedgers

Speculators

Arbitrageurs

[1]A. Gope, Accounting for derivative financial instruments: an analysis of disclosure determinants, Amity Journal of Management Research, Vol. 2 (1), 2017, pp. 10 - 19

Types of Derivative Instruments:

Derivative contracts are of several types. The most common types are forwards, futures, options and swap.

Forward : When an agreement takes place between two parties- a buyer and a seller to purchase and sell something at a later date and the price of which is agreed upon today without the right of cancellation is called a forward contract. Forwards are highly popular on currencies and interest rates. Forward markets have no formal corporate body organized as the market. An *over-the-counter* is trading in financial instruments off organized exchanges with the risk that performance by the counter parties is not guaranteed by an exchange and the obligation to ultimately buy or sell the asset.

Futures: It is an agreement between two parties to buy or sell an asset or commodities at a certain date in future for a certain price called the delivery price the price at which the contract is made is liable to change but the delivery piece remains the same. The price is fixed when the order is placed, but the payment is not made until the delivery date. These are basically exchange traded, standardized contracts. The exchange stands guarantee to all transactions and counterparty risk is largely eliminated. When a forward contract is traded on a recognized exchange, it is referred to as a "futures contract".

Options: It represents a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). Call options give the option to buy at certain price, so the buyer would want the stock to go up. Put options give the option to sell at a certain price, so the buyer would want the stock to go down. Options give the buyer (holder) a right, but not an obligation to buy or sell an asset in future. The standard derivatives or 'plain vanilla options' are the European and American options. Other options are called Exotic or non standard derivatives. Examples include- Asian, Look back, Barrier options among others. An option can be exercised at the expiry of the contract period (which is known as European option contract) or anytime up to the expiry of the contract period (termed as American option contract).

Swaps: Swaps are the types of Forward contracts and they occupy an important role in International Finance. They are private agreements between two parties to exchange cash flows in the future according to a prearranged formula. They are generally an agreement to exchange one stream of cash flow with another. The two commonly used swaps are interest rate swaps and currency swaps.

Accounting Necessities of these Off Balance Sheet Instruments:

Traditionally derivatives were used as off balance sheet items and had no disclosure in financial statements. Prior to the adoption of International Accounting Standard (IAS) 39, issued by International Accounting Standard Board (IASB) and Statement of Financial Accounting Standards No. 133 issued by Financial Accounting Standard Board (FASB) most derivatives were carried off the balance sheet. The use of derivatives for hedging activities is widespread in the financial market and the use of it is not restricted to only financial institution. These are widely used for active trading positions in banking and other financial institutions and, to a lesser extent, by some non-financial companies. Stakeholders in business entities where widespread use of derivatives are carried on should know the risk exposures and risk management activities undertaken by corporation in this regard. Non-disclosures of derivatives instrument can result in investors underestimating the risk exposures of reporting entities. Increase risks profile of entities for derivative trading cannot be easily identified unless it is shown in the balance sheet.

In the present competitive and complicated financial market investors are very much concerned about their return from investment. Unless they are well informed as to the transparency of financial statements, entities investment opportunity would decrease. In addition, inadequate disclosures can result in surprised investors when previously unknown, large derivatives related risk exposures have unraveled. The basic objectives of International Accounting Standards whether the standards are made by IASB or FASB are to provide users of financial statements with an improved degree of transparency and understanding of how and why an entity uses derivative instruments, how derivative instruments are accounted for, and how derivative instruments affect an entity's financial position, results of operations and its cash flows. In order to provide such information to financial statement users, standard setters require qualitative disclosures about an entity's associated risk exposures, quantitative disclosures about fair value amounts of derivative instruments and the gains and losses from derivative instruments, and disclosures of credit-risk-related contingent features in derivative agreements and to implement the objectives of standard setters derivatives should be carried on the balance sheet as either assets or liabilities at fair (or market) value. The reasoning is that (a) derivatives create either rights or obligations that meet the definition of assets or liabilities, and (b) fair value is the most meaningful measurement. Accordingly, investors are not in a position to know the true financial conditions of the entities if changes in the market value of these derivatives are not reflected in the financial statements. An effective financial presentation of certain risks, based on improved rules of recognition and measurement, became vital for the users, and especially the investors, understanding of financial reports for their decision-making processes.

Different IFRSs in Derivative Financial Instruments:

International Financial Reporting Standards dealing with derivative Instruments are IAS 32, IAS 39, IFRS 7, IFRS 9 (revised version of IAS 39 to be implemented in 2015) and IFRS 13. The derivative accounting rules under IFRS are included in four different accounting standards. Broadly stated, IAS 39 provides the definition of a derivative and addresses the various scoping considerations to determine what qualify for derivative accounting treatment; IAS 32 addresses the financial statement presentation considerations; and IFRS 7 deals with the required financial statement disclosures. IAS 32 establishes the 'principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains and the circumstances in which financial assets and financial liabilities should be offset. IAS 39 establishes 'the principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell nonfinancial items. Requirements for presenting information about financial instruments are in IAS 32, *Financial Instruments: Presentation*'. IFRS 7 establishes disclosures on financial instruments that enable users to evaluate the significance of financial instruments for the entity's financial position and performance. It also requires disclosures regarding the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the reporting date, and how the entity manages those risks. IFRS 13 came into force on the 1st January 2013 and redefines how Fair Value for financial instruments is to be determined. Any company that reports under IFRS, and which has entered into derivative instruments as part of their financial risk management strategy, will have to comply with IFRS 13 in their financial statements for financial years starting on or after this date. The most fundamental impact of IFRS 13 on derivative end-users is that for the first time, the definition of their Fair Value includes the mandatory assessment of credit risk. Viewed together, these standards address a number of topics which are addressed under U.S. GAAP in a number of different accounting standards.

Indian Scenario –ICAI has issued AS – 30, AS – 31 and AS – 32 respectively parallel to International Accounting Standards – 39 on Financial Instruments. Recognition and Measurement in financial instruments is one of the typical standards for those organizations which use financial instruments in their financial statements especially banking industry. It shall have an impact over the income of the industry. To illustrate the forthcoming key standard IFRS 9, Financial Instruments: Classification and Measurement prescribes two options for the classification of financial assets, i.e. amortized cost or fair value. First, the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flow. Second, the contractual terms of the financial asset gives rise to cash flows on specified dates that are solely payments of principal and interest on the principal outstanding. Banks in India invest in government securities to comply with RBI's statutory liquidity ratio prudential norms. As per current RBI rules, the majority of such investments are accounted for at an amortised cost under the 'held to maturity' classification. Unless the bank has a clear strategy, sufficient expertise in their portfolio management and a demonstrable history of business models in place, it may well 'taint' an amortised cost portfolio with the result of having to measure the entire portfolio at fair value, causing undesired volatility in their financial statements[2].

Concussion and Policy Implication

Global business environment intensifies cross-border transaction and companies routinely list on stock exchanges in many countries. In the last decades there have been significant developments with respect to Accounting Standards. Accordingly, it has also affected the preparation of financial statements by the companies. Fair value of derivative financial instruments under IFRS has risen to a pedestal in recent times, but this concept demands subtle clarifications and refinement before implementation of IFRS-converged accounting standards in our country. There are significant changes in reporting formats of financial statements of Companies as well in the disclosure of policies. A consistent worldwide reporting standard is very much needed so as to overcome the difficulties of maintaining divergent accounting practices**.** IFRS, formerly known as International Accounting Standards, clearly addresses this issue. Its goal is to create comparable, reliable, and transparent financial statements that will facilitate greater cross-border capital raising and trade.

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Endnotes

1. Risk may be defined in different ways. In common parleys, it is taken to refer to only the possibilities of incurring losses or some unfavorable outcome. However, in the economics of finance it denotes the range of variability of expected returns, thus including possibilities of both loss and profit. Various types of risks include financial risk, interest rate risk, exchange risk, business risk and market risk etc.

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[2]*M. Firoz, A. Ansari, K. Akhtar, IFRS – impact on Indian banking industry, IJBM, Vol. 6 (2), 2011, pp. 277 - 283*

Corporate Social Responsibility In the Light of World Trajectory

Dr. Pankaj Kumar Roy

Abstract

The corporate buzzword is corporate social responsibility. The new coinage of the word was made in the 17th Century in Greece. The concept of Corporate Social Responsibility (CSR) was introduced by Greek Philosopher Epictetus in the first half of 17th Century (Anshen, 1970, p8). It gained its ground at the time of World War II. Corporate philanthropy intrigues three ancient concepts of the Vedas viz. *Dana* (providing goods or services without consideration) , *Dakshina* (providing goods or services or money instead of goods or services) and *Bhiksha* (providing goods or services or money as a result of social, political and economic equations). CSR encompasses these three Indian philanthropic concepts.

Five models of CSR co-exist in the Indian subcontinent: the Ethical model (based on trusteeship, as industries to be treated as temple of modern India, they should voluntarily participate for building institutions) of Mahatma Gandhi, the statist model (government recommendations and regulations should regulate corporate behaviour as Jawharlal Nehru thought), the Antyodaya model (rise of the last person of the society) of Pandit Deen Dayal Upadhyay , the liberal model propagated by Milton Friedman and the stakeholder model of Edward Freeman. Corporate Social Responsibility proclaimed to be advocated throughout the globe to serve the bottom-line of a pyramid. Both the public and private sectors made a positive response in this regard. Worldwide multinational corporations are also contributing in this arena. To make all the men happy, CSR may contribute a lot in the Indian as well as the global context.

The CSR is based on the Karmayog of Gita. It is also divided into Nishkam karma (Work-commitment) and Sakam Karma (Reward-commitment). It is not based upon the idea which says that business of a business is to keep the government out of business. Even after liberalisation and economic reforms government has taken up a significant role for economic development as well as for the social security scheme for the uplift of the poorer of the poor. Corporate Social Responsibility has also been performed for the uplift of the society.

Nobel Laureate Simon Kuznets has expressed a larger meaning of corporate social responsibility. In India, the pioneering attempt of the socio-economic view of the corporate was made by J.R.D. Tata. As stated by Harvard scholars Stephen Meier and Lea Cassar 'Companies are starting to care more about corporate social responsibility'. Kash Rangan, Lisa A Chase and Sohel Karim wrote a working paper entitled 'How Every Company Needs a CSR Strategy and How to build it', which stated that a company which practises CSR ultimately reflects its values and its relationship to the society it inhabits and upon which it depends. CSR is here to say, and every company needs a cohesive, integrated CSR strategy that plays on its core strength and institutional capacity. By strategically managing its CSR initiatives, every corporation can maximise its benefits to society and the environment, create societal value and fulfil the motivation of its many stakeholders.

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CSR has a long root in our heritage, but its legal connotations were made in the United Kingdom and followed by India, and the Companies Act, 2013, made it mandatory with specific criteria. Five models of Corporate Social Responsibility prevail in India. As per Section 135 (1), companies having a net worth of Rs 500 crore or more or turnover of Rs 1,000 crore or more or net profit of Rs 5 crore or more during a year has to formulate the CSR policy and ensure spending at least 2 % of its average net profit for CSR. Initially, a minimum of 6,000 Indian companies will have to take up CSR projects in order to comply with the provisions of the Act. At the same time many companies have taken up these initiatives for the first time in history. As per Section 135(5), a CSR Committee has to be constituted consisting of three or more directors with at least one independent director. The committee will formulate and recommend the CSR policy to the board. The CSR spending by top Indian companies in 2018 was 47% higher than that of what it was spent back in the year 2014.

Criteria for CSR as made by Companies Act, 2013

- ❑ Net Worth >500crore INR
- ❑ Turnover >1,000crore INR
- ❑ Net Profit >5 crore INR

Role of Board

- ❑ Form a CSR Committee and approve the CSR Policy
- ❑ Ensure the implementation of CSR activities
- ❑ Ensure that 2% of the Net has been spent and disclose the reason for not spending the amount , if any

CSR Committee

- ❑ Three or more Directors with at least one Independent Director
- ❑ Formulation and recommendation of the CSR Policy to the Board
- ❑ Recommending activities with expenditure and monitoring the CSR Policy from time to time

The list exhibits the ranking of top 10 companies in the arena of CSR activities. Both private and public companies have contributed a lot in the CSR domain and have extended the focus on health care and family welfare programmes, education, infrastructure, environment and social activities. It has been revealed from the fact that of the top 10 companies three companies are from the Tata Group. More and more public sector enterprises, Mahindra and Mahindra Ltd and Infosys Ltd. have been able to retain the position in last six years. Companies are gradually adopting sustainable development goals along with corporate social responsibility. Top 10 companies mapped their goal in energy conservation and stressed on renewable energy capacity building and utilisation, management of water resources, and confidentiality of customer data, and spending on CSR has increased beyond the statutory spending of 2%.

Top 10 Companies for CSR Rank in 2013 and Sustainability and CSR Rank in 2018

2013	**2013**	**2018**	**2018**
Companies	**Rank**	**Companies**	**Rank**
Tata Steel Ltd.	1	Tata Chemicals Ltd.	1
Tata Chemicals Ltd.	2	Ambuja Cement Ltd.	2
Mahindra and Mahindra Ltd.	3	Infosys Ltd.	3
Maruti Suzuki India Ltd .	4	Mahindra and Mahindra Ltd.	4

2013 Companies	2013 Rank	2018 Companies	2018 Rank
Tata Motors Ltd.	5	Tata Motors Ltd.	5
Siemens Ltd.	6	Tata Power Company Ltd.	6
Larsen and Tubro Ltd.	7	Bharat Petroleum Corporation Ltd.	7
Coca-Cola India Pvt. Ltd.	8	ITC Ltd.	8
Steel Authority of India Ltd.	9	Hindustan Zinc Ltd.	9
Infosys Ltd.	10	Indian Oil Corporation Ltd.	10

Source: www.futurescape.in (19.05.2019)

189 member states and more than 23 international organizations have agreed to achieve Millennium Development Goals by 2015 setting 8 goals and 15 targets. The World Bank Group has set up goals to be fulfilled by 203, which includes ending extreme poverty and promoting shared prosperity. The Paris Accord of 2016 emphasises on sustainable business practices and reduces the impact of their emission to diminish the impact of climatic change, waste and water management. In 2017, United Nations set up an ambitious programme called Sustainable Development Goals (SDGs) consisting of 17 goals and 169 inter-linked targets. The fixed up goal of Sustainable Development Goals by the United Nations has been able to achieve market opportunities of 12 trillion dollar on yearly basis. In an article entitled 'Stop Talking About How CSR Helps Your Bottom Line', Stephen Meier and Lea Cassar opined that among the largest 250 companies in the world, 92% produced a CSR report in 2015, informing shareholders and public about the firms' activities. That is a definite improvement over 64% having such a report in 2005. Today, Fortune Global 500 firms spend around 20 billion dollars a year on CSR activities. Other meaningful companies on the top 100 list are Ultra Tech Cement Ltd (11th Rank),Vedanta Ltd (12th rank), ACC Ltd . (13th Rank), JSW Steel Ltd. (14th Rank) , Larsen and Toubro Ltd. (15th Rank), Tata Steel Ltd. (16th Rank) , Dr Reddy's Laboratories Ltd. (17th Rank) , Hindustan Petroleum Corporation Ltd (18th Rank), Hindustan Unilever Ltd (19th Rank) , Reliance Industries Ltd. (20th Rank) , Shree Cements Ltd. (21th Rank) ,Cisco Systems India Pvt. Ltd . (22nd Rank) Steel Authority of India Ltd (SAIL) (23rd Ran), Wipro Ltd (24th Rank), Godrej Customer Products Ltd. (25th Rank) and so on and so forth. (www. futures cape .in, 17.05.2019)

Now take a quick look at CSR data world wide. The following Table indicates countries, companies, ranks with score for the year 2018.

Home Country	Company	Rank	Score
United States of America	Google	1	79.1
United States of America	The Walt Disney Co.	2	69.5
Denmark	LEGO	3	69.4
Brazil	Nature	4	69.4
Denmark	Novo modish	5	68.7
United States of America	Microsoft	6	68.1
Germany	BOSCH	7	68.1
Japan	Canon	8	67.6
France	MICHELIN	9	67.6
Sweden	IKEA	10	67.2

Source: reputationinstitute.com (17.05.2019)

In terms of international ranking, Indian Companies are far away from the Global Standard, although we are the 6th most economically powerful country of the world. Oxfam Study reveals that top 10% of the population holds 77.4% of the total national wealth while the 60% from the bottom, i.e. a majority of the population owns merely 4.8%of the cake. Indian's top 9 billionaires have wealth equivalent to that possessed by the bottom half of the population(Business Today, 21/0102019). Right since 1991, from the moment of implementation of the new economic policy the rich has become richer and the poor has become poorer as per the study made by IMF. Corporate Social Responsibility in that sense is much more effective apart from government expenditure made for social security schemes. In future, that may be traced up to 5% of the Net profit to minimise social alienation and reduce social tension prevailing in the society. Then and then only can the prose be translated into poetry.

Sarve Bhavantu Sukhinah / Sarve Santu Niraamayaah!

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Disclosure of the Concept of Green Banking and the Initiatives Taken by Axis Bank

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Abstract

Green Banking refers to those banking services provided in such a manner that helps in the overall reduction of carbon emission and internal carbon footprint. The present study attempts to give an idea about the concept of green banking, the usage of products provided through green banking by the banking sector. The main focus of this study is to identify how deeply the Axis Bank is responding to environmental disruption and to provide an overview of their action in view of the adoption of Go Green banking throughout the last three financial years. The study concludes that the bank has effectively taken green initiative throughout the last three years.

Key Words: *Carbon footprint, Environmental disruption, Green initiatives, Green Products.*

Introduction

The development of the economy is the prime task for each and every country in this world. But in this process of economic development some undesirable effects on environments create the serious issues of increased carbon emission, global warming, greenhouse gases, floods, droughts, tsunami etc. As a result, the quality of environment deteriorates day by day. Due to these reasons, it sustainable development and preservation of environment acquires a prime position in the global context. United Nations Environment Programme Finance Initiative (UNEPFI) and the Equator Principles (EPs) are the two key bodies that have taken initiatives regarding environmental protection at an international base. They encourage better implementation of sustainability principles with the help of different financial institutions. This initiative is a public private partnership established between the United Nations Environment Program (UNEP) and the financial sector. Recently, UNEP FI consists of 215 members from financial institutions and 41 supporting institutions. These members comprise banks, investors and insurance companies. The Equator Principles are a set of voluntary guidelines for the categorization, assessment and management of social and environmental risks in project financing. The EPs are based on the International Finance Corporation Performance Standards on social and environmental sustainability and on the World Bank Group Environmental, Health and Safety guidelines. In February 2019, 94 financial institutions in 32 countries have officially adopted the EPs. In December 2007, the Reserve Bank of India (RBI) issues a circular (R20072008/216) highlighting the importance of banks to act responsibly and contribute to sustainable development and emphasizing the need for Indian banks to establish institutional mechanisms to ensure sustainability.The first Green Bank is a commercial bank based in Mt.Dora, Florida, United States, which commenced its operations in the year 2009. The company is known for its focus on environmental-friendly banking practices. The Bank staffed with employees who have attained the LEED accredited professional designation, meaning they understand green building practices and purchasing high efficiency vehicles lie hybrid automobiles and a hybrid Toyota Prius as its own courier car.

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Review of Literature

Jaggi (2014) studies the initiatives taken by SBI and ICICI on Green Banking. SBI has introduced a Green Channel Counter, no queue banking, enhanced commitment towards achieving carbon neutrality, online money transfer, wind farms. The Green Products and Services initiative of ICICI Bank includes instabanking, vehicle finance and home finance. The study also indicates that both of these banks have taken other steps for energy conservation like duplexing (two side printing), recycling, CFLs, carpool etc.

Jha and Bhome (2013) conduct a similar survey as stated above to check and thereby create consumer awareness on Green Banking. Conducting interviews and using specially structured questionnaires for survey they state certain steps needed in Green Banking. They have suggested a few initiatives like Online Banking, Green Checking Accounts (ATM, Special Touch Screens), Green loans (low rate to those who wish to buy solar equipment) to support environment friendly residential projects, Green Credit Cards, power saving equipment, Mobile Banking. Green Banking will ensure the organization's move towards sustainability.

Yadav and Pathak (2013) study the Green Banking approaches opted by private and public banks for environment sustainability. They find that Indian banks have understood the significance of taking positive steps towards the protection of environment. The findings of the study conducted reveals that public sector banks have taken more initiatives as compared to private sector banks with exception of ICICI bank. In the private sector only ICICI bank's approach is a sustainable approach.

Objectives of the Study

- ❑ To get a conceptual idea about Green Banking.
- ❑ To identify some of the Green Banking products and services offered in banking sector.
- ❑ To assess the usage of Green Banking products in the banking sector.
- ❑ To examine the Green Banking initiatives taken by the Axis Bank for the years 2015-16, 2016-17 and 2017-18.

Research Methodology

The present study deals with the secondary data collected from annual reports of the Axis bank for the years 2015-16, 2016-17 and 2017-18, reports of RBI, official websites of the bank, Bank Business Responsibility Reports and research papers published in the relevant field.

Concept of Green Banking

Green Banking implies incorporating and promoting environment friendly practices and reducing carbon footprint from banking activities (green bank report). Green Banking in a broader sense refers to the Banking business conducted in economic, social and environmental areas and in such a manner that helps the overall reduction of external carbon emission and internal carbon footprints. In order to reduce the external carbon emission, banks should finance more on green technology and pollution reducing projects. Usually banking is not considered as a polluting industry, but the present scale of banking operations has considerably increased the carbon footprint of banks due to their massive use of energy (e.g. lightning, air-conditioning, electronic/electrical equipment, IT, etc.), high paper wastage, lack of green buildings etc. So, banks should adopt new technology, process and products for the substantial reduction of their carbon footprint in order to develop a sustainable infrastructure.

Green Product and Services

Nowadays, Banks are developing new products and services according to the demand of the consumer for sustainable choices. Some of the options that the banks should offer to their customers, if they had not offered yet, are as follows :

1. Electronic and telephone banking facilitating customers to perform most of their banking needs anytime and anywhere.
2. Automatic payments reduce the need to write and cheques by mail.
3. Electronic (paperless) statements, product information, guides and annual reports to customers and stakeholders.
4. Offering and promoting mutual funds that focus investment in green companies
5. Offering a special line of credit to help homeowners invest in energy-efficient upgrades for their home.
6. Offering credit cards co-branded with environmental charities.

Usage of Green Banking Poducts in Banking Sector

1. ***Online Banking:***This includes internet banking, mobile banking, tab banking, RTGS and NEFT transactions. Functions like online bill payment, online deposits, fund transfer, checking account statements as per the requirement are involved in Online Banking. Less paper, energy, time is consumed through these activities.
2. ***Card- based transactions***: Banks have launched Green Channel Counters (GCC) which promotes a variety of card-based transactions to their customers in order to reduce paper and energy consumption. Varieties of cards available to customers are like ATM, debit and credit cards, Foreign Travel cards, e-Z Pay cards, Gift cards, green remit cards, smart payout cards etc.
3. ***Green Project Finance :*** Banks should finance environment-friendly projects and environment friendly products such as solar equipment, recycled furniture, vehicle finance for low carbon emissions vehicles, home finance for green buildings etc. with giving some concessions in processing fee and concessional rates of interest.
4. ***Green Infrastructure***: It includes IT infrastructure (Data Centers), green buildings with sufficient natural lightening and air, generate electricity for their own use and waste recycling plants for recycling their own waste. Self Service Passbook may also be included under Green infrastructure. Printers, Kiosks (Multi-Function Kiosks and Self Service Kiosks), Cash Deposit Machines Contact Centres etc. It facilitates veeluction of bank internal carbon footprint.
5. ***Usage of solar powered saving equipment***:Banks are using UPS, GSL/LED bulbs, rain water harvesting, establishing solar powered ATMs etc.

Green Banking Initiatives Undertaken by Axis Bank for the Financial Years 2015-16, 2016-17 and 2017-18

1. **YEAR 2015-16**
   - During the year bank has implemented solar energy of aggregate 2.7 MW at some offices.
   - To control and monitor the energy consumption, Energy Management System (EMS) has been implemented by the bank.
   - The bank has converted the conventional lighting to LED.
   - Motion sensors are installed at the workstations in the Axis House.
   - The bank has introduced bio blocks in urinals for saving flushing water at some of the offices.
   - The bank also took initiative in rain water harvesting.

- The bank has introduced Sewage Treatment Plant of 150 KL capacity which recycles sewage water at Axis House every day.
- There is a credit outstanding of Rs. 4277 crores for sustainable sectors like renewable energy, waste processing and mass rapid transportation.

2. **YEAR 2016-17**
    - The bank has initiated an environmental and social risk management framework named as 'Sustainable Leading Policy and Procedures' (SLPP) which became effective on 1st April, 2016. During the year the bank launched India's first certified 'Green Bonds' in international market in order to finance environment-friendly projects as described in the bank's Green Bond Framework.
    - During the year bank has procured 628 tonnes of white-straw based paper (55% of total office paper procurement) which is environment-friendly as compared to traditional wood-based paper.
    - The Bank has started with a recycling programme in the year 2011 under the "Green Banking" initiative to recycle dry waste collected in offices in to notepads, notebooks and envelops. During the year the programme has recycled 293 tonnes of dry waste into 39010 items like notepads, notebooks, envelops and bookmarks.
    - During the year the bank has also installed Organic Waste Composter at its central office in Mumbai to convert organic (kitchen) waste into manure.
    - The bank has taken initiative to drag the digital banking strategy in order to reduce usage of paper and also avoidance of travel by customers to branches. The bank has upgraded their facilities to provide e-statement subscriptions, e-welcome kits and ATM messages to avoid printing of paper based transaction slips.
3. **YEAR 2017-18**
    - The bank has actively funded projects in the arena of clean technology, renewable energy, energy efficient products and sustainable infrastructure.
    - They have 3 MW totalled capacity of solar energy for their operations.
    - They have launched bio-degradable cards which are free from emission of carbon, methane or other harmful pollutants. These cards are available on select gift card products and re-acceptable at all domestic outlets and online portals.
    - There is a credit outstanding of Rs. 3492 crores for sustainable sectors like renewable energy, waste processing and mass rapid transport.
    - During the year the programme has recycled 314 tonnes of dry waste in to 42510 items like notepads, notebooks, envelops and bookmarks.
    - Last year the bank installed Organic Waste Composter at central office Mumbai and almost 43 tonnes of wet waste was processed during this year.

Conclusion

As day-by-day, the market economy is abruptly changing due to globalization of markets and increasing competition,the industries and firms are tempted to adopt stringent public policies, severe law suits or consumer boycotts. This would affect the banks and other financial institutions to recover their return from investment. Thus, the banks should take a dynamic move to include environmental and ecological aspects as parts of their lending principle for the development of environmental infrastructure.

If Green Banking can be properly implemented, it will act as an effective ex-ante constraint for the polluting industries that give a pass by to the other institutional regulatory mechanisms. The banking and other financial sectors must adopt more initiatives to work for sustainable development. As far as the green banking is concerned, India's banks and financial institutions are running behind time as compared to other countries. More strict steps are required to be taken by the banks to practise Green Banking. The highlighted green practices of the Axis bank are Green Channel Counter, a multiplicity of card-based transactions, encouragement for e-Annual Reports, e-statement, use of energy conservation devices, Green Bonds in international markets, installation of Organic Waste Composter,installation of solar ATMs, finance for eco-friendly projects, tree plantation etc.

Recommendations

The following are some of the suggestions that can be provided by the banking sector in order to initiate Green Banking more smoothly in the coming days.

1. To ensure effective implementation of green initiative, separate green banking departments can be set up in the bank.
2. To create customer awareness, different training programmes can be conducted focussing on the usage of online banking and mobile banking.
3. Proper strong initiatives should be taken to eliminate cyber-crimes so that the customers feel safe in the usage of online banking and card based transactions.
4. Some concessions can be provided to the online banking users just to attract them to this banking system.

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An Analysis of Performance of Khadi in India

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Abstract

KHADI means any cloth woven on handlooms in India from Cotton, Silk or Woollen yarn, hand spun from a mixture of any two or all such yarns.In India Khadi is considered to be an important segment of the textile sector. Khadi is not just a cloth for Indians. It is a part of India's freedom movement. A lot of emotion and pride is involved with Khadi. The Khadi movement taught Indians to be self dependent by producing their own cloth and boycotting foreign cloth along with other goods. Previously there was a perception that only political leaders use Khadi and it was considered to be unfashionable, also as there was not much variety. With the span of time Khadi started to modify the design and pattern of dresses keeping the quality the same. This paper focuses on the advantages and disadvantages of Khadi and makes an analysis of the growth of Khadi over the last few years.

Key Words: *Khadi, advantages, challenges, growth*

(1) Introduction:

Khadi was introduced in India by Mahatma Gandhi as a protest against use of foreign goods. The Khadi movement intended to make Indians self-reliant and self-employed. Khadi is not just a cloth rather it is an emotion for the Indians. It is a matter of pride for us. In spite of such importance Khadi was not very much popular among all the Indians. It was considered to be used by politicians only. There was a limitation regarding the colour and print and fashion of Khadi. But with the span of time Khadi regained its importance and popularity. Now its customer base is increased to a great extent. It is no more restricted among politicians or a selected category of customers. The colour variety and modern print and design attract customers of different ages and different classes and places. In comparison to other brands Khadi is of much better quality and other features. In spite of so many advantages Khadi has to face many challenges. With the support of Government Khadi is trying to overcome all the hurdles and is successful in achieving a satisfactory position in market.

(2) Literature Review:

Amber p. and Lad S. (2017) in their paper "Khadi- Awareness and Promotion among Youth" tried to show that khadi is going to become a fashion symbol. Till now it is not very much popular among the young generation due to less availability of colours, texture. Print, etc.

Srivastava M. (2017) in her paper "Khadi: Exploration of current market trend" conducted a study to explore the availability and sale of Khadi fabric in the market in Udaipur city. She found that it is very much popular among all the generations and has a very bright future ahead.

Goel N. and Jain K. (2015) in their paper : ''Revival of Khadi- An Analysis of the state of Khadi in India with supply and demand side problems" focuses on identification of various problems of Khadi from both the demand side and the supply side and has given some recommendations to overcome this problem.

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(3) Objectives:

The objectives of this paper are mentioned below:

1. To observe the advantages of khadi in relation to other brands
2. to identify the challenges of Khadi
3. To have an analysis of growth of Khadi from 2014-15 to 2017-18 in terms of production, Sales and employment generation.

(4) Methodology:

Secondary data has been collected from various websites and annual report for the period 2014-15 to 2017-18 to satisfy the objectives of this paper.

Simple statistical tools like charts and graphs are used for the purpose of data analysis.

(5) Data Analysis:

(5.1) **Advantages of Khadi :**

The various advantages of Khadi in comparison to other brands are listed below:

Khadi comprises hand woven and hand spun material instead of machine woven material.

Khadi uses eco-friendly material while other fabrics often use harmful chemicals.

Khadi fabric is suitable for all seasons and weather.

Water absorption capacity is more in comparison to other fabrics.

Individual fibre strength is high is comparison to other fabrics.

(5.2) **Challenges of Khadi :**

The various challenges faced by Khadi are mentioned below:

❏ The word traditional goes hand in hand with Khadi. For them developing market oriented and modern products is a challenge.

❏ Some other brands are manufacturing clothes which look similar to Khadi and customers often could not distinguish between the two brands from their look.

❏ With the span of time demand of Khadi products has increased which need a large number of artisans in the stream and it is possible only if there is a steady increase in their wages.

❏ Many Khadi stores are not well maintained. Customers often get attracted to shopping malls which are highly maintained. So for attracting customers renovation of those stores is required on an urgent basis.

❏ Modern equipment are required to increase the production so that the high demand of Khadi products can be met.

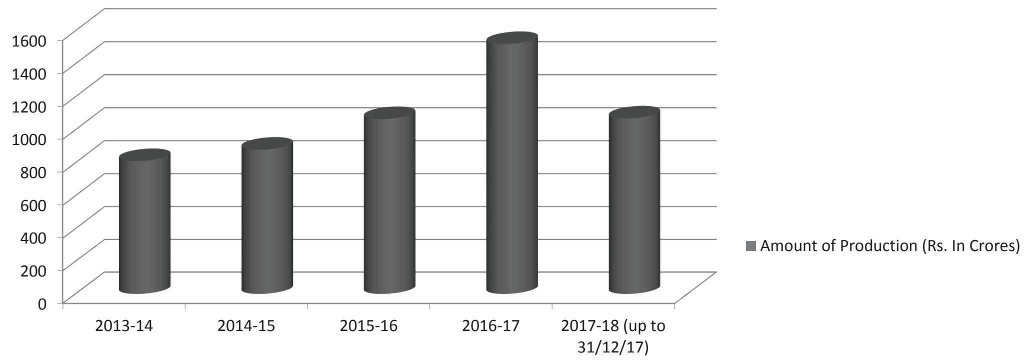
(5.3) Growth of Khadi:

(A) Production:

Year	Amount of Production (Rs. In Crores)
2013-14	811.08
2014-15	879.98
2015-16	1065.60
2016-17	1520.83
2017-18 (up to 31/12/17)	1069.46

Source: Annual Report of MSMEs 2017-18

Amount of Production (Rs. In Crores)

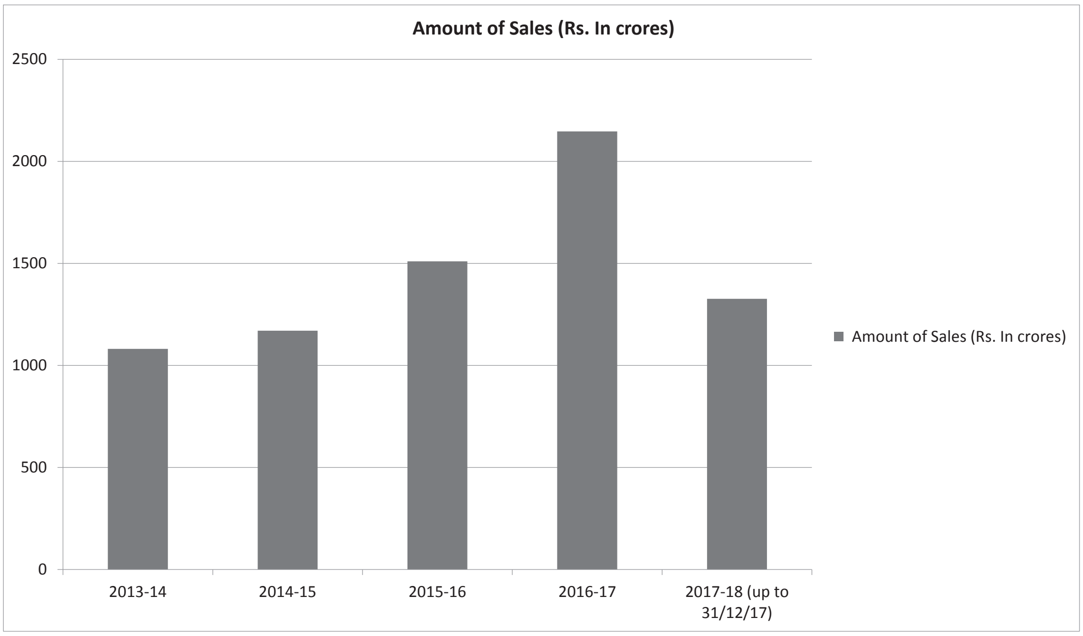


In terms of production Khadi has shown a steady growth over the last five years. In 2014-15 production was increased by 8.49% in comparison to 2013-14. In 2015-16 and 2016-17 the production of Khadi was increased by 21.09% and 42.72% which is very much impressive.

(B) Sales:

Year	Amount of Sales (Rs. In crores)
2013-14	1081.04
2014-15	1170.38
2015-16	1510.00
2016-17	2146.60
2017-18 (up to 31/12/17)	1326.33

Source: Annual Report of MSMEs 2017-18

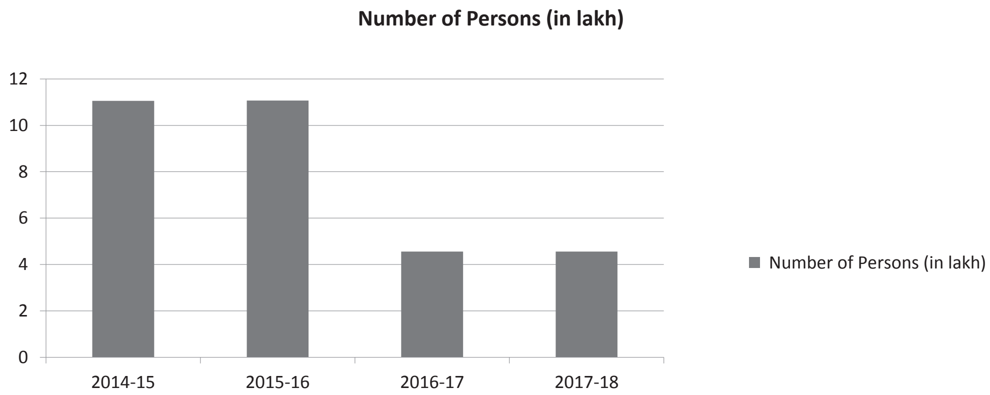


Along with production Khadi has also shown a positive growth in terms of sales over the last five years. In 2014-15 sales were increased by 8.26%. in 2015-16 it was raised by 29% and in 2016-17 it was raised by 42.15%.

(C) Employment Generation:

Year	Number of Persons (in lakh)
2014-15	11.06
2015-16	11.07
2016-17	4.56
2017-18	4.56

Source: Annual Report of MSMEs 2017-18



Khadi is considered to be an effective employment generation tool at a very minimum capital investment. In 2014-15 and 2015-16 the employment generated by Khadi is quite impressive, but in 2016-17 there is a sudden fall in the employment generation capacity of Khadi. Again in 2017-18, it has been increased. The reason behind fall in the employment generation capacity of Khadi in 2016-17 must be identified so that necessary steps could be taken to rectify them.

6. Conclusion:

Khadi, the prestige and pride of India, is playing an important role for many years starting from the pre-independence period. It has shown a steady growth in terms of production, sales, employment generation over the years with the help of Government and Khadi Village Industries Commission (KVIC). Depending on the demand of the market Khadi has modified its products without hampering its quality. It has been rightly said that Khadi is not just a piece of cloth, but a symbol of freedom and self reliance.

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A Review of the Socioeconomic Burden of Tuberculosis on Patients and Households in India

Paramita Barman Sen

Abstract

Tuberculosis (TB) remains a leading killer across the world with India accounting for a quarter of global TB incidence and almost a third of global mortality from TB annually. The disease mostly affects people in their productive years of life resulting in economic drainage and social scars. TB disproportionately affects the poor thus doubly burdening them. Despite a national TB control programme in place for few decades now, the TB situation in India has not shown any significant improvement. Moreover, the scenario is challenged by the emergence of drug resistant TB and TB-HIV comorbidity. This study is based on a survey of literature that throws light on the socioeconomic implications on Indian patients and households of being diagnosed with TB.

Keywords: *tuberculosis, socioeconomic burden, care-seeking pathway*

1. Introduction

Tuberculosis (TB) is an ancient disease that continues to take its toll on human lives across the world. It was declared a *global public health emergency* by the WHO in 1993 followed by most countries, including India, adopting the WHO recommended Directly Observed Treatment, Short course (DOTS) therapy in their national programs to combat TB. However, 2017 recorded an estimated 10 million incident cases of TB and 1.3 million deaths (among HIV-negative people) the world over. TB currently stands as the leading infectious killer ranking above HIV-AIDS [1]. India, accounting for more than a quarter of the global TB burden, leads the pack of the 30 High TB Burden Countries identified by the WHO. TB accounts for 12 percent of deaths from communicable diseases and 3 percent of deaths from all causes of mortality in India [2]. TB is not exclusively a disease of the poor but the prevalence of TB is more among the poor because deprivations associated with poverty like homelessness, lack of sanitation, illiteracy and lack of awareness, substance abuse and the like increase the risk of infection [3]. The disease affects people mostly in their productive years of life with grave socioeconomic consequences and impoverishing households and nations at large. According to the estimates of the Planning Commission, India loses an estimated 23.7 billion US dollars to TB annually in the form of direct and indirect costs of TB. On an average, 3 to 4 months of work time is lost resulting in an average lost potential earning of 20-30 per cent of the annual household income.

India has a large and heterogeneous private sector. It is most often the first point of contact of the patient on experiencing any symptom of ill health. The private sector is unregulated and unmonitored with rampant instances of over-diagnosis and over-prescription [4]. Although free TB diagnostic and treatment services are available under the Revised National TB Control Program (RNTCP), factors like lack of uniformity and ease of access, lack of awareness among patients about the availability of such services and doubts on the quality of service motivate patients to avail the conveniences of private facilities. In the process, households are faced with catastrophic expenditures and the poor

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and marginalized sections of the population are pushed into debt traps. One of the goals of the End TB Strategy of the WHO is to ensure that by 2035, no family faces catastrophic costs due to TB [5]. The disease is often associated with severe social stigma that sets off certain social implications as well of being diagnosed with TB.

This study makes an attempt to look into the observations made by the body of literature on the socioeconomic implications of a TB diagnosis on patients and their families in India.

2. Socioeconomic burden of TB

2.1 Financial costs of TB diagnosis and treatment

The pathways to diagnosis and treatment for TB patients in India are particularly complicated in the presence of a fragmented health system, issues of accessibility, affordability and lack of awareness in patients regarding symptoms of TB and knowledge of facilities providing TB related services. Confidentiality with regard to TB status often prompts patients to utilize private care despite availability of free public services. Costs of care can be categorised into direct costs and indirect costs. Direct costs include money spent on diagnosis, drugs, investigations, fees payable on doctor visits (direct medical costs), travel, food, accommodation (direct non-medical costs), etc. and indirect costs comprise lost wages due to inability to work. There are quite a few studies in India that look into the costs incurred by TB patients in the process of diagnosis and treatment. A study on TB patients in Puducherry by *Prasanna et al. (2018)* estimates patient costs during diagnosis and intensive phase of treatment, the proportion of households that experience catastrophic costs and the coping strategies of households. The median direct, indirect and total cost of care were Rs. 2275/-, Rs. 1750/- and Rs. 6825/- respectively. Approximately 32 per cent of households were faced with catastrophic expenditures due to TB care. Borrowing money, mortgaging jewellery and cash aid were the main coping mechanisms for these families [6]. *Rajeswari et al. (1999)* finds that in the study population seeking care across government health facility, non-governmental organization and private practitioners, mean direct, indirect and total cost of TB stood at Rs. 2052/-, Rs. 3934/- and Rs. 5986/- respectively. 3 months of wages were lost on an average and median debts accumulated were Rs. 2049/- [7]. Despite the fact that TB diagnosis and treatment are provided for free by the Indian Government in public facilities, around 46 per cent of TB cases in India are treated in the private sector that mostly does not adhere to the laid down *standards of TB care in India.* [8]. Study by *Veesa et al. (2018)* in Tamil Nadu finds that 65 per cent of TB patients interviewed sought healthcare from some private health facility as their first point of contact for care and about 69 per cent had to bear some pre-treatment cost averaging to Rs.1365/-. Less than 40 years of age, having diabetes as a co-morbidity condition and first visit to a private health facility were found to be associated with higher out of pocket medical costs [9]. Another piece of research on TB patients in Tiruvallur district in Tamil Nadu has observed that median direct pre-treatment and treatment costs were Rs. 340/- and Rs. 100/- respectively. More than 50 per cent patients did not have to bear any indirect costs during the pre-treatment and treatment periods and median total costs were Rs. 1398/-. However, more than two months of worktime were lost for 12 per cent of the patients [10]. *Mullerpattan et al. (2019)* finds that in India, for drug resistant TB patients seeking treatment in a tertiary care hospital, treatment cost varied between 3 per cent and 180 per cent of annual household income and for 78 per cent of the patients, total expenses towards treatment exceeded 10 per cent of annual family income. 37 per cent of the costs were attributable to drug related expenses and only 5 per cent to consultation fees. The paper concludes that treatment of drug resistant TB in the private sector [11]. Study by *Ananthakrishnan et al. (2012)* on TB patients registered in government clinics under DOTS program in Chennai shows that despite the so called '*pro-poor*' DOTS implementation, households could not be saved from all costs. Economic burden was felt by a third of respondents' families mostly due to reduced savings and felt more in case of joint families than nuclear ones [12]. Studies have also identified impoverishment of households below the poverty line and financial hardships due to loans, etc. for treatment often leading to treatment non-compliance. Charges at government facilities were not an important factor per se but direct costs like transportation cost, cost of an escort etc. and indirect ones like income lost due to time spent on visit and cost of adequate nutritional food for successful treatment of TB pushed particularly low-income households more into poverty.

2.1 Social Costs of TB

Literature presents evidence of social costs of TB as well on Indian patients. TB is strongly linked with stigma that impacts health seeking behaviour on surfacing of symptoms and also adherence to treatment. Misconceptions and incorrect knowledge about the disease often fuels stigma. Getting diagnosed with TB or undergoing treatment has been found to be associated with depression, anxiety and feeling of loneliness. Studies in India are supported by studies from other parts of the globe in confirming that the social impacts of TB constitute rejection from family and friends, discrimination, quitting of jobs etc. Stigma affects health seeking behaviour as people with symptoms hesitate to go for diagnosis and those on treatment face difficulties in continuing with it [13]. The social adversities are felt more by women with diagnosed TB, in the form of difficulties in getting married, harassment by in-laws and other members of family, broken marriages and dismissal from work [12,14,15]. Many female patients from both rural and urban areas faced rejection from their families. 11 per cent of school going children had to discontinue studies; moreover, an additional 8 per cent took up employment to support their families financially. Care giving activities among female patients reduced substantially [7]. A review study by *Wahab et al. (2016)* reports that most of the healthcare providers who participated in a study in Thailand, revealed negative attitude towards patients suffering from TB. *Singla, Sharma and Jain (1998)* observes a general lack of awareness and knowledge among nurses in a general hospital in Delhi [16, 17]. Negative attitudes towards TB which could be a result of misconceptions regarding the disease may potentially impact their quality of care delivery towards patients.

3. Findings

From the surfacing of symptoms, switching from one health care provider to another seeking relief causes delays in the correct diagnosis of TB and the delay entails costs that are most often than not prohibitive relative to the falling household income. High costs are typically associated with seeking care in the private sector and visiting multiple facilities prior to appropriate diagnosis. Costs are both direct- medical and non-medical and indirect. Households have to adopt various coping strategies like mortgage, borrowing and financial aid form friends and relatives to meet the costs of care. Escalating costs and dwindling income lead to a *'medical poverty trap'* situation which becomes particularly grave for the disadvantageous section of the population hence doubly burdening them. Treatment of TB is typically lengthy and adds to the financial distress of households. TB comes with social costs as well like rejection from family and relatives, quitting of job, disturbed marriages, difficulties in getting married, school drop-outs to add to family income, etc. The infectious nature of pulmonary TB seems to be an important reason for stigma associated with the disease that leads to a general discrimination and breeds feelings of inferiority among patients. This may have a potential adverse impact on the patient's mental well-being besides disabling him physically.

4. Conclusion

TB patients have to traverse a complicated pathway to correct diagnosis and finally treatment. Although the Indian Government has provision for free of cost TB diagnostic and treatment services, its mere presence does not guarantee its universal utilization. A host of factors including ease and convenience of access, confidentiality and a general lack of awareness about the nature of services provided by the Government program play out in determining the route to care seeking by individuals with symptoms. Delays in diagnosis increase the pulmonary TB patient's infectiousness which is a threat to community health, besides worsening the health condition of the affected individual. Catastrophic costs during care seeking may discourage a patient from ultimately following up with the correct diagnosis and treatment. Stigma associated with TB and the resulting fear of isolation from kins may prompt patients on treatment, to default, which, in turn, may lead to drug resistance requiring lengthier and more expensive treatment. It is, therefore, imperative that in order to reduce the burden of TB in India, the passive case finding strategy of the RNTCP needs to be improvised taking into consideration the needs of patients and the socioeconomic challenges they face. More effective utilisation of Information Education Communication (IEC) tools of the RNTCP needs to be made with special care to reach out to the more vulnerable sections of the population. Also, the private sector which happens to cater to the chunk of India's population needs to be motivated for notifying TB cases to the Government and adhering to the standard drug regimen and duration of treatment for effective cure. A move towards patient-centric delivery of TB related services with coordinated efforts from all stakeholders may help improve the TB scenario in India.

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Jane Austen in Popular Culture : A Study of the Film *Becoming Jane*

Poulomi Mitra

Abstract

Hollywood screened Jane Austen's works for the very first time in 1940 when *Pride and Prejudice*, starring Laurence Olivier and Greer Garson, was produced. Since then several cinematic adaptations and TV dramatisations have followed, resulting in what is often referred to as 'Austenmania'. From 1995- 1996, the Austen fever spread: from then on all her novels have been adapted for the screen numerous times. Austen's cultural legacy in the present age, however, is gleaned not only from the multiple adaptation of her works, but also from the screening of her historical self in a series of recent biopics. The paper undertakes a study of the biopic *Becoming Jane* in order to look at how contemporary cinema 'constructs' the legacy of the woman author, and to see whether it is a reductionist presentation in which scholarship gets corrupted by commercialization. The aim is to study what popular culture does to the image and social function of a woman author and her works which may be dangerously under the risk of misinterpretation.

Keywords: *biopic, woman author, popular culture, misrepresentation*

Jane Austen undoubtedly is one of the greatest writers in the English language. The novel as a genre was still in its inception around the time that she was writing. The ideology of the 'proper lady' demanded women to be decorous and domestic which had the cultural power to stifle a woman's creativity. It is with remarkable courage therefore that Austen held on to her vision despite the difficult attitudes of her times. A sharp observer, ironic social commentator and discerning moralist, the 'novel of manners' reached its high point in Austen's works. But as a writer she never identified herself by name. Little is known about her life—she left no autobiographical notes and her sister Cassandra destroyed most of her letters.

Today, the infinite success of the adaptation of her novels has propelled her into the premise of popular culture and irrespective of whether they have read her works or not, people associate the name of Jane Austen with a particular cultural image. Every other object, from jewellery to clothes and other accessories, is promoted as Austen souvenir. The author's name features not just on the cover page of her own literary works but also in the works of other writers like Nancy Moser's *Just Jane: A Novel of Jane Austen's Life* and Shannon Hale's *Austenland: A Novel*. Adaptations of Austen's novels have flooded the big and small screens alike. But while a few of the adaptations adhere to the Austenian values and use the novels as tools to innovate and celebrate the world of Jane Austen, others simply offer a superficial romance formula to draw the masses. Book sellers have also taken advantage—they do not hesitate to entice readers to buy the novels by appealing to contemporary society's celebrity obsessed culture. Corresponding with the release of Joe Wright's cinematic adaptation of *Pride and Prejudice* in the year 2005, with Keira Knightly in the lead role, Penguin also came out with a fresh edition of the novel with a glossy photo of the actress on the cover.

The author's fame has risen phenomenally over time, but this popularity has also generated a paradox—what Austen means to scholars who engage with the author and her works critically, is very different from what the author is in the popular imagination. Popular culture has not merely

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bestowed an immutable afterlife upon Jane Austen, but also created for the author opportunities for love and adventure that were probably not available to the real Austen. We wonder whether such a popularity is not killing Jane Austen. Her novels give Hollywood all that it wants---witty lines, intelligent heroines, strong heroes, the silliest of fools, handsome estates and happy endings. But beyond this romance formula that works very well for cinema, the novels are very complex. While Austen may seem to write continually about courtship and marriage, about dresses, balls, tea parties and invites, she is basically a social realist, inspecting thoroughly the socio-economic arrangements of her day.

The latest trend is to focus the spotlight not just on the novels, but more on the historical self of the author herself. More than ever before, biographers, novelists and filmmakers of contemporary times are turning to the complex subject of the life of the enigmatic Jane Austen. It can be said that we are indeed captured in what can be called a Jane Austen moment. However, owing to the paucity of biographical information, fictionalisation is used as a method of investigative construction in the Jane Austen biopics. How is it possible that a writer could evoke romantic love so powerfully when she herself remained a spinster, led a sequestered and died pre maturely? The films have ventured to answer these questions by featuring a simple and easy confluence of life and works and desperately tried to provide Austen with a romantic connection. In the sphere of academic scholarship, Jane Austen is never assessed as a facile narrator of love stories. She is rather held as a gifted writer who challenged many of the social norms of her day. Her novels are often pragmatic and satirical depictions of romantic love. The romance formula of Austen biopics functions as a potent marketing tool and may ensure profit, but we wonder what happens to the 'real' Jane Austen in the midst of all this.

Interestingly, the alteration of the persona of the historical author commenced long before the author stepped into the world of popular culture. It began as early as her first biographical description brought forth by her brother Henry Austen. About the author's life Henry Austen states that it is 'not by any means a life of event' (*Biographical Notice of the Author* 137). Austen is described as a sweet, pious, docile, elegant, accomplished and domesticated woman. Her creativity is deliberately ignored by brother Henry Austen. James Edward Austen Leigh who brought out *A Memoir of Jane Austen* (1869) contributed further to the over-simplified persona already crafted by Henry: 'We do not think her as being clever, still less as being famous; but we valued her as one always kind, sympathising and amusing' (10). According to her biographer Claire Tomalin (*Jane Austen, A Life*), the lines found on her gravestone omit her greatest claim to fame as a novelist. Not less than five decades passed before her family included a second tablet to her gravestone stating, 'Jane Austen, known to many by her writings.'

In her book *Searching for Jane Austen* (2004), Emily Auerbach observes that James Edward Austen Leigh is not a reliable biographer. She demonstrates how Edward Austen conceals the truth from the readers and presents Austen's letters with significant alterations. He reports one of her letters as starting like this:

'My Dear Cassandra,
I thank you for so speedy a return to my last two….'
Whereas the letter actually begins like this:
'My Dear Cassandra,

Having just finished the first volume of *Le Veilleesh de Chatteau*, I think it a good opportunity for beginning a letter to you while mind is stored with ideas worth transmitting—I thank you for so speedy a return to my last two….
(8 November, 1800).'

(quoted in Auerbach, 9-10)

According to Auerbach, the omission of the opening passage indicates Edward Austen's intention of presenting Austen as merely a dear aunt instead of 'Aunt Jane [who] alludes to literary works or [who] boasts of her intellect.' (10) Thus, Edward Austen belittles his aunt's intelligence time and again in the *Memoir* which was the first full scale biography of the author and what began with Edward Austen continues in the present, today we are still feeling the effects of the Jane Austen myth.

To demonstrate the present day workings of the Jane Austen myth we shall fall back on an analysis of the modern day Austen biopic *Becoming Jane* (dir. Julian Jarrold, screenplay Kevin Hood and Sarah Williams 2007) . The title of the film *Becoming Jane* seems to be directly taken from Jon Hunter Spence's biography *Becoming Jane Austen* (2003). However, criticism on the film states that it is not only as an adaptation of Spence's biography but also as an adaptation of the novel *Pride, and Prejudice* because it certainly magnifies parallels between the author's life and the novel which she began in the year 1796, just prior to when the film is set. The film rewrites Jane as Lizze (in her initial dislike for the man she eventually loves) and Lydia (in her decision to elope with Tom). Jane Austen myths have been and continue to be fortified by the paucity in biographical information and from the very beginning Austen's spinsterhood has remained integral to this myth. It was initially heightened by her own family in the course of their promotion of 'Aunt Jane'. Other major elements in the Austen myth that are reiterated time and again relate to the uneventfulness of her life and the limited scope of her art (what she herself famously called 'two inches of ivory'). Though there is very little historical proof, biographers and filmmakers tend to offer narrative conviction that Austen 'both loved and was loved' (Brenda Weber, 187). The biopic *Becoming Jane* focuses on the love affair between Jane Austen and Tom Lefroy. It is amusing that Tom Lefroy is not only placed at the centre of her life but also at the centre of her writings. At the time of Christmas-New Year's of 1795-96, at the age of twenty, Austen met Tom Lefroy. He was a young Irish law student who eventually became the Lord Chief Justice of Ireland. Lefroy was at the time visiting his uncle and aunt at Hampshire when the two of them met. They spent some time together over a few weeks and there is much debate about how much Austen was in love with him and to what extent this brief relationship inspired her writing. What we have known about Tom Lefroy is chiefly through what is documented in two or three letters which Austen addressed to Cassandra. In one such letter dated January 9, 1796, Austen mentions Lefroy among other things. She writes about Lefroy that he 'is very gentlemanlike, good-looking, pleasant young man' (Le Faye, 1) and further states that in the ball they had behaved in the most depraved and shocking manner 'in the way of dancing and sitting down together' (Le Faye, 1).The next extant letter to Cassandra written from Steventon, dated14-15 January, 1796 she anticipates, with her typical irony, a forthcoming party at the residence of Lefroy 's uncle:

'I look forward with great impatience to it, as I rather expect to receive an offer from my friend in the course of the evening. I shall refuse him, however, unless he promises to give away his white Coat. . . . Tell Mary that I make over Mr Heartley & all his Estate to her for her sole use and Benefit in future, . . . as I mean to confine myself in future to Mr Tom Lefroy, for whom I do not care sixpence' (Le Faye, 3).

She wrote on the following day: 'At length the Day is come on which I am to flirt my last with Tom Lefroy, & when you receive this it will be over—My tears flow as I write, at the melancholy idea' (Le Faye,4). It is certainly possible to glimpse an attraction in these words, but the film develops it into a full blown romance. In her biography of the author Claire Tomalin interprets the experience of this brief romance that failed:

'A small experience, perhaps, but a painful one for Jane Austen, this brush with young Tom Lefroy. What she distilled from it was something else again. From now on she carried in her own flesh and blood, and not just gleaned from books and plays, the knowledge of sexual vulnerability; of what it is to be entranced by the dangerous stranger; to hope, and to feel the blood warm; to wince, to withdraw; to long for what you are not going to have and had better not mention. Her writing becomes informed by this knowledge, running like a dark undercurrent beneath the comedy'

(Chp. 12, "Defence Systems", 122)

However, biographers like Jon Spence magnify the relationship manifold and develop from it a full-fledged love affair. Though Austen's tone in the letters is very mild, Spence writes in *Becoming Jane Austen*:

'The energetic intensity of *Pride and Prejudice* attests to the effect that falling in love had on Jane Austen. It is an irrepressibly happy novel. Between October 1796 and August of the next year Jane wrote *First Impressions*; it was her unique way of thinking about Tom Lefroy and of celebrating her delight at being in love—and at being loved. The novel that she later called 'my own darling Child' was to be a gift of love from Tom Lefroy. Writing was her natural way of filling the time she waited for him to finish his law studies and return to Steventon to marry her' (104).

Thus, Jon Spence who builds a connection between the Austen's love life and her work instils in readers the conviction that Lefroy functioned as Austen's muse.The biopic *Becoming Jane* follows a similar line of thought---*First Impressions* is developed into a story of Jane Austen*'s* becoming a writer with a singular difference—that of the endings. Austen, who is refused a 'happy ending' in real life undertakes a kind of 'wish fulfilment' by providing a happy ending to her heroine. The biopic thus revives the Austen myth and at the same time it celebrates the happy ending of *Pride and Prejudice* once again.

Approaches such as this overlook Austen's career as a writer who engaged with issues like gender, class, education, human nature, love, marriage and families. Therefore, a biopic like *Becoming Jane* compels us to re-evaluate the longstanding controversy related to the woman writer's place in the literary canon. We are yet again persuaded to believe that not much has altered in terms of acknowledging the literary craftsmanship of women writers. Though popular culture has created a superstar out of the author, she hardly receives the credit she deserves for being a gifted author. Emily Auerbach observes that as late as 1935, John Middleton Murray called his famous wife Katherine Mansfield 'a tiny artist' and even suppressed and distorted her works: 'A perfectly exquisite, perfectly simple human being....Her art was not really distinct from her life; she was never what we understand by a professional writer....' (quoted in Auerbach, 77). What we hear in these words is the repetition of the Austen story which seems to have become archetypal of the woman author. Mansfield we know had revolutionised modern short stories and also supported herself through her writing. She wrote while dying of tuberculosis: 'I really ask for time to write it all—time to write my books, I live to write.' As she informed her husband 'I'm a writer first and a woman after—more even than talking or laughing or being happy I want to write' (Auerbach,78). This is the worst fate an artist can suffer—the neglect of the intelligent use of faculties.

Though *Becoming Jane* takes several liberties that cannot be pardoned, the film also has some interesting moments to offer. One such scene is when Austen meets Ann Radcliffe. There is no historical evidence that such a meeting ever took place between them, however, Austen had certainly read her works. In the course of this imaginary meeting Radcliffe inspires Austen to embark on a literary career and also illustrates the challenges faced by female writers at that time. Radcliffe explains to Austen how her independence was won 'at a cost'. She states how in those days, 'to have a wife who has a mind is considered not quite proper. To have a wife with a literary reputation nothing short of scandalous'. By introducing this scene the screenwriters have demonstrated convincingly some of the well-known impediments that women writers had to conquer in order to enter the 'literary marketplace'. At these moments the biopic excels even while it ' invents' that which has no historical basis. But as Austen begins to resemble Elizabeth Bennet passionately in love with a man whom we are to thank for inspiring *Pride and Prejudice*, it ceases to remain a realistic presentation of the author. Austen was a complex woman who used her wit, moral sense and above all her 'craftsmanship' to transform daily domestic life into remarkable literature—this is something which the film overall fails to deliver.Thus the problem is not exactly with introducing fiction into fact but with what effect the fictionalization has on the formation of the cultural identity of the author because screen adaptations have the power to heavily influence the culture memory that the public would hold of Austen in the contemporary times.

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The 'Long' Tale

Dr. Piyali Sarkar

Abstract

Rev. James Long (1814 – 1887) was sent to Bengal by the Church Missionary Society primarily to proselytise the Indians. His tenure in Bengal made him realise that the British were neglecting their Indian subjects. His involvement in the supervision of the publication of the translated text *Nil Darpan* finally earned him a month's imprisonment and a fine of a thousand rupees. A closer inspection of the situation reveals that it was no ordinary penalization. This article attempts to discover the reasons that could have been the true cause of the punishment. Though he belonged to the race of the colonisers, his Irish lineage never allowed the British to accept him whole-heartedly as one of 'them'. Further, the misery of the natives in India stimulated within him a likeness that he associated with the Irish, back home. The article delves into his identity crisis due to his displacement and his eventual alienation within his own community.

Key Words: *colonizer, 'other', identity.*

The cultivation of indigo in Bengal during the early nineteenth century forced by British colonisers on the Indian farmers, led to major changes in the relationship of the colonisers and the colonised on one hand, and among the colonizers as well on the other. The Indian peasants became furious when they were compelled to grow indigo on their land for the economic benefit of the colonizers. The protest movement led to unpleasant violent scenes and thus the peasants suffered. Though the government was aware of the situation, they did little to improve the situation. The Lieutenant Governor of Bengal, Mr. J.P. Grant wrote:

> The Records of Government show that the system of Indigo manufacture in the Province of Bengal proper has been *unsound* from a very early time. Whilst in all other trades all parties concerned have been bound together by the usual commercial ties of mutual interest, in this one trade, in this one Province, the indigo manufacture has always been a remarkable exception to this natural and healthy state of things. It would be doing injustice, both to the present race of planters and to the administration of later years, not to admit, at the outset of any discussion of the case between the Indigo manufacturer and producer of the raw plant who are now at issue, that there has been in later years a gradual, but what is now a marked and great diminution of the gravest and most striking classes of cases of abuse and oppression, as well as of the most serious sorts of affray, connected with this business. (Long 1).

The outbreak of the indigo revolt alerted the Bengali literati and while several works (fictional and non-fictional) were produced---one, in particular was of notable significance ---Dinabandhu Mitra's *Nil Darpan*. The work was translated into English and published in 1861. Rev. James Long had supervised the translation and publication of the book. Long's close association with the ruralfolk led him to believe that the masses, particularly the indigo cultivators, were unjustly and oppressively treated by the British mercantile community and even by the government. His views were entirely

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in agreement with those of Dinabandhu Mitra's as expressed in the book. The translated text was published into English with a prefatory note by Long himself. The translation, which exposed the nature of the oppression of the indigo planters, offended the establishment so much that a ranging propaganda was started by the Anglo-Indian press against the publisher and the translator. A libel suit was instituted against the Rev. James Long and the publisher (C.H. Manuel &Co.) by *The Englishman* and by some indigo planters. After a summary trial, the all white jury brought in a verdict of guilty against Long and his publisher. He was fined one thousand rupees and sentenced to a month's imprisonment. Kaliprasanna Sinha, an intellect and landlord paid the fine in the court, but Long had to undergo his term of imprisonment in July 1861. As is attested by the endless rallies, memoranda, sympathy-letters and visits during his confinement and in the wake of his release, Long became an instant hero of the people of Bengal.

Partha Chatterjee in his book, *Colonial and Postcolonial Histories*, writes,

> It is worth considering what really was on trial in this case. It was to all intents and purposes a conflict between government and the public, the 'public' being constituted by 'non-official' Europeans. The charge against the government was that of circulating the play, It had libelled an important section of this public. Long was a scapegoat; in fact neither he nor the play was on trial (Chatterjee 23, 24).

Long was a culprit in the circulation of a libellous tract and the play and its idea was not recognised in this discourse at all. It is interesting that Dinabandhu Mitra, the author of the play was not even named and Rev. James Long was penalized, who was neither the author, nor the translator.

Long's own defence during the trial never indicates any denial of involvement in the matter. In fact, he proudly claims to have a complete knowledge in the affair and was determined to bring it to light, by publishing the text. He says in his address to the court before the sentence was passed that,

> I can only state previous to your passing sentence, what is personal to myself as to the motives which actuated me to publish the *Nil Darpan*, on the grounds of my being a Missionary, -- an expounder of native feeling as expressed in the native press, -- a friend to securing peace for Europeans in the country—and a friend to the social elevation of the native (Long n.p.), and then writes, I am counted an offender because I published the *Nil Darpan* as an expression of native sentiments, and sent it to men who were likely to weigh well and consider the testimony of the native press and its influence on the native mind (Long n.p.).

Translation works reflecting local sentimentsare an essential tool necessary to build a uniformly harmonious society. The key feature of colonial oppression lay in the control over means of communication rather than the control over life and property of the colonised people. The role of the interpreter in a colonised state is ambiguous. The interpreter always emerges from the dominated discourse. Obviously, there are divided objectives and it becomes difficult for the interpreter to choose between the objectives. James Long's involvement in the publication assumed political colour. The government expected Long to make all the changes needed in the translated text that questioned the intentions of the authority. But Long's awareness of the miserable condition of the ryots, however, prevented him from doing so.

Long's penalization was further endorsed by his Irish lineage and the expected meekness of his profession. British identity was never applicable to the Irish people. From an Irish perspective, regardless of religion or political persuasion, this was maintained during the period when the whole island formed a part of the United Kingdom. The aristocratic class began to identify themselves as Anglo-Irish rather than British. While the British-Irish mostly applied to politically and culturally pro-British Unionists and while the Protestants in the United Kingdom consisted of both British and Irish people, the Roman Catholics were exclusively Irish. Further, the Cromwellian conquest of Ireland destroyed the native Irish Catholic land-owning classes and replaced them with colonists with a British identity. Long's own lineage and his sympathy towards the Indian natives somewhere made himself identify with the natives, and as in a colonised nation, he was 'othered'. The penalisation was actually a way of 'othering' an Anglo-Irish missionary.

Long's profession made him responsible to think about all, irrespective of caste, creed, gender, nationality and religion. His principles went against the colonial theory of the 'other' and this created a situation in which every colonial person is already the 'other'. The 'other' is always confined or silenced to prove the European viewpoint of nationality. Long's imprisonment is just an implementation of the strategy of silencing the 'other'. The situation is complex since the coloniser has to upgrade the native from the dark barbaric world in which he inhabits, on one hand, while on the other, keep them fixed at their status of the 'other' to maintain superiority. As Ania Loomba writes,

> One of the most striking contradictions about colonialism is that it both needs to 'civilise' its 'others' and to fix them into perpetual 'otherness' (Loomba 173).

Long's simplicity and clean conscience seem never to understand this theory. He decides to write for the subordinated because 'the subaltern cannot speak' as Spivak has said and it cannot speak because it seems to cast the native permanently in the form of a silent object. The issue is, there were many Europeans writing during this period, then why did the conflict occur between Long and the colonial power? Homi Bhaba argues, since a discursive system is inevitably split in enunciation, the colonist's text itself already contains a native voice—ambivalently. The colonial text's 'hybridity', to use Bhaba's word, means the subaltern has spoken (Chow 127). This hybridity is juxtaposition of the colonist, the 'other' and the imperialist. Naturally, whatever the writer writes or promotes, it expresses more concern for its own community, viewpoint and ideas, rather than that of the native. The European writer is thus never offensive to the colonial power. Long's acquired 'otherness' prevented him from writing just to please the colonial power. This acquired 'otherness' was a result of his personal identification of himself to the native people and their situation.

Abhijit Dutta writes in his book, *19th Century Bengal Society*, that Rev. Long was sought to be persecuted by his Christian English brethren with the Church Missionary Society in Bengal, and his rise to higher positions in the society because of his Irish lineage. Differences on racial grounds existed between the Anglican Missionary brethren who were designated as high Churchmen, and Baptists who were designated as low Churchmen. The latter mostly hailed from humbler European racial stock or were descendants of people whose position and status in life in Europe or England was low compared to the high pedigreed ancestors of the Anglicans. Thus, initially in their career in Bengal, the Baptists had to encounter such social discrimination from their Anglican brethren (Dutta 151). Long's Irish identity and political awareness had made him an outsider within his own community. He could not accept all the theories that the British government propagated. Thus, the alienation within his community was a two-way traffic.

The *Nil Darpan* case and the eventual imprisonment elevated Rev. James Long's status to a saint and hero. If he had begun his career with any sense that the Hindus and Muslims were culturally and spiritually the 'other', he ended his time in India and Bengal feeling more at home and at one with its people than in Europe. His last letter to the Secretaries of the Church Missionary Society in London on the eve of his final departure from Calcutta in March 1872, says,

> This is my last day in Bengal, a country which I love intensely and shall continue to labour for as long as life lasts, wherever Providence may fix my lot (Oddie 188).

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Rewriting Patriarchy within the 19th Century English and Bengali Advice Manuals: an Analysis

Nibedita Paul

Abstract

The paper is a comparative study of the English and Bengali handbooks where I have analysed the women's question of Bengal in the 19th century and have traced the sudden emergence and later success of this genre within the periphery of Bengali literature. Through historical and sociological methodologies, I have analysed English manuals i.e. *The Women of England* (1839) by Sarah Stickney Ellis and *Beeton's Book of Household Management* (1861) by Mrs. Isabella Beeton and Bengali manuals i.e. *Sangini* (The Female Companion) 1884, by Dhirendranath Pal and *Bangiya Mahila* (The Bengali Wife) 1887, by Tarakanath Biswas and have tried to trace the emergence of the new patriarchy that was written through these conduct books. In the quest of imitating the British society the educated Bengali *bhadralok* turned their attention onto their private sphere. English women writers who chanced to visit India, like M.M. Urquhart in her book, *Women of Bengal* and Mary Carpenter had showered words of contempt on the Bengali household for being unhygienic, dingy and the birthing chamber being absolutely incongruous for any use, let alone the welcoming of a new life. These were taken seriously and necessary actions were promulgated.

Key words: *Domestic Manuals, Bengali Women, print culture, srinkhala.*

"The world was sad! The garden was a wild
And man the hermit sigh'd, till *woman* smiled."

-Thomas Campbell (Beeton, *Beeton's* 96)

The compendium-like domestic manual, *Beeton's Book of Household Management* aimed predominantly at making the woman a happy companion of man, this similar plea gets echoed in Dhirendranath Pal's *Sangini* (The Female Companion) where he asks the wife to do everything in her possession to make her husband happy while Biswas in *Bangiya Mahila* (The Bengali Wife) focused on the women's family relationship, in her natal home and also at the in-laws. Male writers were not the only ones to provide a definition for the word 'woman', as Ellis in the chapter 'Characteristics of the Women of England' gives a narrative of women's absence in decision making spheres which nonetheless hints at her presence by saying that the English woman is the prime agent of diffusing happiness at home without appearing to be so. In keeping this linearity of thought intact the paper intends to analyse the emergence of the new patriarchy in England and Bengal in the nineteenth century through their indigenous conduct books and tries to locate the women's question which surfaced then with the interrogation of how the women could be modernised. To corroborate the arguments historical and sociological methodologies have been implemented with the prime focus on the English manuals, *The Women of England* (1839) by Sarah Stickney Ellis and *Beeton's Book of Household Management* (1861) by Mrs. Isabella Beeton and the Bengali manuals, *Sangini* (The Female Companion) 1884, by Dhirendranath Pal and *Bangiya Mahila* (The Bengali Wife) 1887, by Tarakanath Biswas.

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Global domesticity saw the natural order of human relationships as a patriarchal family system with the husband at the head and a gendered separation of spheres- the public and private. Men left the home to work outside and women remained at home to order, organise and provide a superior moral force for children. They had to be a true soul-mate, best friend, companion and a source for solace to the husband. These transnational domestic themes went along with the Enlightenment theme of order, reason and science which progressed the domesticity within nineteenth century bourgeois classes. The very idea of global domesticity found its way through literatures written by men and women of both East and West reshaping the domestic and gender relations throughout communities. Many of the women who found a voice and left records did not lead a happy, privileged life. However, even though they lived and worked within the patriarchal society they were not crippled by the set up.

Advice manual is the most fitting genre to trace the emergence of the new patriarchy in anti-colonial India. The discourse on being civilised brought to limelight the figure of the uneducated wife which became a worry for the imperialists and the nationalists. The Bengali literature at the fag end of the eighteenth century had very few names to its genre of science manual. So authors came with a patriotic awareness to supplement this void. Koylaschander Bose in 'On Education of Hindu Females' said that, the Bengali woman "must be refined, reorganised, recast, regenerated" (Sangari and Vaid, *Recasting)* so that she can fit into the changed conditions of life in the British ruled India. She was also expected to create such conditions and structures in the private sphere which would compensate Bengali men for their loss of power and position in public life. In the male-authored advice manual one can see how there was a wish to re-arrange the patriarchal tradition of the past while in the English manuals the women writers followed narrowly along the footsteps of the male authors to educate the woman on her *wifely* decorum.

The women in both England and Bengal were schooled in various sets of domestic duties, they were taught to be responsible for the household even if the houses could afford servants. Time management and maintaining the hygiene was a keynote in every Victorian manual which also exercised a great impact in Bengal, more through the colonial ways of life and the Brahmo practices. Apart from lecturing on household business, the etiquette books also tutored the women on how they must dress, behave in public, entertain guests in a social gathering and their husbands when he came back from work, child rearing, cooking, gardening and such things. *The Women of England* talks on how the lady must lift her dress before stepping on stairs, how she must take the arms of a gentleman and also how she must exercise kindness and consideration on others. Nevertheless, a number of juridical changes took place during this time- Divorce and Matrimonial Causes Act denied the men conjugal rights over their wife's body without the consent of the wife, Married Women's Property Acts of 1870 enabled the wife to retain her income and control their property and University of London began to grant B.A to women. (Diniejko, 'The') Love was the mainspring of Hindu woman's existence, but this love could be obtained through a life shared from infancy, so unlike the Western women the Hindu women did not need the right to divorce because infant marriages guaranteed adult love and compatibility. The Widow Remarriage Act did not change the status of widow as they were frequently blamed for their husband's death and had to renounce all their jewellery and subsist on meagre, simple meals.

In the nineteenth century, the British power had become a dominant force upon the indigenous cultures and ways of life making the Hindu homes of Bengal a contested ground. From raising children to how the relationship between a couple should be or what spices must be arranged on the storeroom wall, every minute detail was put to scrutiny leaving nothing to chance. These preoccupations of the Bengali *bhadralok* writers become clearer in the numerous domestic manuals and also in other forms of print cultures like the essays, plays and tracts which were published from the cheap local presses. The concern for the home was a common phenomenon in the nineteenth century England and Bengal as for any improvement of the nation, there must be amelioration of the household as obedience in political and social sphere is a fundamental aspect which must come from the rudimentary levels of home. (Chakrabarty 1994, 56) For the Victorian society, these etiquette books provided a language and structure for the women towards making individual relationships in social life and social structure intelligible and meaningful. The women's question was an issue that was raised by Wollstonecraft and Harriet Martineu in their polemic writings, urging the upper class women to obtain education and profession so that they can make themselves financially independent. Charlotte Bronte, Elizabeth Gaskell and George Elliot through literature criticised the marginalisation of women and urged the women to become active in the social sphere. However, in Bengal the situation was equally interesting as the anti-nationalists replaced the traditional patriarchal situation with their new form, Partha Chatterjee writes that the new patriarchy wanted the women to be educated in "orderliness, thrift, cleanliness and a personal sense of responsibility, the practical skill of literacy, accounting, hygiene, and the ability to run the household according to the new physical and economic conditions set by the outside world." (Chatterjee 1993, 129-130)

Mrs. Beeton's *Book of Household Management* was a bestseller, second in sales to *King James Bible.* It knew a lady's world the best, apart from laying down moral codes which adhered to the Victorian prudish life. It incorporated various recipes compiled from readers of the *Englishwoman's Domestic Magazine*. In the Preface Mrs. Beeton admits that she was moved to write the book after discovering how discomfort and suffering were brought upon the inmates of a house by household mismanagement. A journalist by profession, Mrs. Beeton's book was written with an aim to cultivate among the English public a standard of living by which their civilisation can be judged. While Mrs. Beeton's book came as a need, Sarah Stickney Ellis's *The Women of England* was a passionate work as she says in the Preface, "there can be no more gratifying circumstance to a writer than to find that a subject which has occupied her thoughts, and employed her pen, has also been occupying the thoughts of thousands of her fellow beings." (Ellis, *The)* Also, the writer of *The Daughters of England, The Mothers of England, The Wives of England* Ellis's works had struck a sympathetic chord with her female readers, a chord that crescendoed throughout the later nineteenth century.

One of the major concerns of the British etiquette books was that of managing the servants. The mistress was at the helm of the household who must supervise every work of the servants. A modest English house had a number of people assigned for specific works which ranged from the housekeeper, lady's maid, head nurse, cook, upper housemaid, kitchen maid, scullery maid, maid-of-all-work and such others. The manuals advised how the woman of the house should appoint a servant of sound character, trustworthy and efficient in her work. However, it was the duty of the woman to supervise every work of the servant and not to leave the household to their care alone. Mrs. Beeton gives a chart depicting the ideal wages of the servants and explains the work to be done for each one and the allowances to be made for beer, tea and sugar. Ellis on the other hand adopts a different tone towards the servant cause, she says that though a mistress might appoint a dozen servants yet, when time calls she must not eschew the household work. She does advise the woman to treat the servants strictly, but with dignity and also warns women against looking up to servants whom she considers to be "well paid for what they do" (Ellis, *The)* The mistress of the house is advised to keep account of all the expenditure that takes place in regard to the house for which elementary education was important which Ellis lays a great stress on and calls it a delicate matter while Mrs. Beeton stays silent regarding it.

Mrs Beeton believed, "the destiny of great nations depends on the manner in which they are fed" (Beeton, *Beeton's* 367) so half of her bestseller of over four hundred pages focuses on making the mistress a great cook, giving elaborate recipes on soups, fishes and pickles and also stating various ways of preserving them. It is interesting to note that Beeton does not use the word "taste" rather she prefers the term "elegant" – perceiving cookery as an art, this idea gets more pronounced with her racist comment, "It is not a dinner at which sits the aboriginal Australian who gnaws his bone half bare..." which had appeared in the original edition, but was later edited out. She made it clear that what people eat and how they do so is not simply physical and material as according to her, a person's rank could be easily guessed from the way they take their meals and the way they treat their women. Subtly yet poignantly, Beeton hints at the mid-Victorian gender construct through the culture of food. It was a common understanding that in the nineteenth century England's cultural superiority was exhibited through the domestic setup which depended on the women. Civilised homes and civilised treatment of women were concurrent with middle class femininity being assumed to be natural while it always had to be recreated through the efforts of the women assisted by advice from manuals and magazines. Beeton saw dining as a cultural process which had to be redeemed into the society by the efforts of the woman who was the domestic manager. This she intertwines with the idea of the women's responsibility of creating taste, both physical and cultural, for their men to enjoy. She also obliquely says how women were expected to consume less than their men as a massive appetite was not fit to underscore their feminity. With the onset of Industrial Revolution men had to travel for work. So, the meal patterns also changed, they had a late dinner and did not have any afternoon meal which was unchanged for the female so, with the pronounced development of the bourgeoisie the meals too became gendered.

Ellis, on the other hand, advocated for social and domestic usefulness of women which was a fresh change to the 'angel in the house' concept. She found inactivity, affectation, frivolity and ignorance as the greatest problems among the nineteenth century women. She was quite liberal in advising women before marriage to avoid liaisons where their own needs were not met and also suggests how women are better off being single than risking an unfortunate marriage. Ellis believed that the women had a greater responsibility of safeguarding the nation's moral wealth. So, they did not need any time for adventure and sports. Even though Ellis believed that women were capable of any responsibility and duty, yet, through the complex use of rhetoric in the manual one can understand how she made the morality of women the linchpin of her narrative, the prudish behaviour was to be worn like a proud badge. The narrative is explicit with dichotomy as Ellis's concern with the morality may portray her as her overtly submissive stance, yet, she boldly harps for female empowerment. She debunks the ideology of the private and public spheres and asks the men to participate equally in domestic duties. Though at a superficial level, it may seem that she deprecates both herself and the role of women in general, however, paradoxically she argues that women are of utmost importance in Victorian society, and goes to the length of even assigning them more power than men.

The concept of the 'new woman' had become a major topic of debate in the nineteenth century and later the idea gets more pronounced with Ibsen's *A Doll's House* (1879). That the feminine and puritan woman can live and survive on her own was first voiced in Wollstonecraft's pamphlet *A Vindication of The Rights of Women* (1792) and later got echoed in these domestic manuals which aimed at making the woman self-sufficient and androgynous. England in the nineteenth century was ruling the globe as a result of which the English men had to leave home and mostly go overseas for work. This required the mistress to take charge of the house and also deal with matters outside home. As a result the manuals majorly aimed at making the woman more aware and capable of her duties and responsibilities so that she could execute the domestic duties skilfully. The evangelical and missionary work of England required the women to travel to colonies where they had to save the natives from darkness and ignorance for which they had to be educated in refinement and civilisation so that they could portray themselves to be the ideals of their sex. This new woman had to be intelligent, educated, emancipated, independent and self supportive; she need not be from the middle class, but could also come from among factory and office workers; she was supposed to be clearly a product of the new imperialism.

Mrs. Beeton and Ellis warn their readers against becoming the 'odd woman' who were the single women. William Rathbone Greg, an essayist in one of his essays made a survey and discovered that in the nineteenth century the number of unmarried women was constantly rising. Greg predicted a "miserable life of celibacy, struggle and privation" and suggests a grand plan of transporting the females to where they would be wanted, one option was to colonies for missionary work. Ellis makes it clear that to remain single was a better decision than to suffer violence and oppression at the hands of the husband, which also puts to question the supposed bliss of the traditional Victorian marriage. The male manual writers of the early nineteenth century saw the upcoming liberated woman as a degeneration of the Victorian society and later the patriarchal publications attached 'New Woman' to watchwords like 'Revolting Daughters', 'Shrieking Sisterhood' and 'Wild Women'. (Diniejko, 'The')

The internal discipline of European home was seen as a key to European prosperity and political power. The Bengali conduct books depicted the European homes as an abode of gods making it splendid and attractive. 'It was thought 'said Dipesh Chakrabarty' to be a place where reigned "srinkhala" or discipline and everything about it was clean, orderly and in place.' (Chakrabarty, 'The' 55) The colonial Bengali home suffered a great deal in contrast for being dirty, smelly, disorderly and unhealthy. Nagendrabala Saraswati in her manual criticised the unclean native home and said that individual obedience, improvement of state and progression of society depended on the fundamental levels of orderliness at home. Orderliness in both the private and public spheres was invariably linked to the notions of cleanliness, hygiene, health and punctuality which, according to the *bhadralok,* made the European nations mighty. In Atulchandra Dutta's *Grihashiksha* (Home Training) the mother explains the importance of time and obedience to her daughter with references to the English, appreciating their value for each of those qualities. This reality of the household heightened the awareness as the nationalists wanted the home to be a place of solace which would be superior to the colonial order; also home was the only place which was not yet tainted by the hegemony.

Dhirendranath Pal's *Sangini* (The Female Companion) was first published in 1884. Pal a prolific writer, published approximately nine books in Bengali and eleven in English, mostly focusing on the Hindu women and their lives. His books were well known and enjoyed a longevity which came from his style of not engaging directly in sectarian issues. He had dedicated *Sangini* to the Maharani of Cooch Behar, the daughter of Keshab Chandra Sen, a prominent Brahmo leader. In the Dedication, he wrote:

"You are a worthy daughter of your father,
Should anything written for the race of women
Be given to anyone other than you?" (Pal, *Sangini*)

Within this manual he identifies his allegiance with the Brahmo community as the manual repeats much of the fundamental Brahmo ideas and practices. By 1880s there were almost three varying Brahmo communities in Calcutta with somewhat similar dealings of the then social issues. They not only propagated female education and equality between sexes, but also held associations for women for discussing social issues, giving religious instructions and holding sewing lessons. However, the recurrent issues like obliterating child marriage, practising widow remarriage, abolishing purdah and enhancing education for women stayed common to the Brahmo Samaj as a whole. Any writing that dwelled on these issues was dismissively termed as a 'Brahmo'. This is similar in the case of Pal whose particular views on domestic role and relation falls within the ideology of the Samaj. The manual re-imagines the domestic order with the wife's devotion towards the husband who enjoys a cynosural position and obligations towards the family elders and the household duties.

Sangini is a didactic text written in the style of a homily. It is directed towards the to-be-wife preparing her for the in-laws. The manual is written for un-married women with the aim of tutoring them in household skills, advising them of not getting swayed by their emotions and proper manners that are expected from a wife. Whereas, Pal's famous text *Strir Sahit Kathapokothan* (Conversations with the Wife), a manual in dialogues was for the husband to know how he must tutor the wife in her responsibilities. *Sangini* defines the role of the wife towards her husband in a new light. The chapters have been demarcated clearly as, 'The Ideal Wife', 'On Conjugal Love', 'Relation between the Husband and Wife', 'Family', 'About Being the Husband's Companion'; the language stays lucid and simple and the author directly addresses the wife without any circumlocution. The pieces of advice are at times far-fetched and seem to be expecting too much from the wife, for instance, in 'The Ideal Wife', Pal says that the wife must be able to bear the burden of the husband's sorrow and equally be accomplished to participate in his happiness. Later he admits that marriage is not as easy as it looks; it requires the participation of both the husband and the wife which comes once each one understands one's responsibilities. Love is perceived in platonic terms where Pal says that the husband and the wife must learn to unite their soul and thus be part of each other. This emotional unison he says rationally, would come from love which must be cultivated over the years as in the Bengali system of marriage. Then the bride and groom did not have any opportunity to meet and know each other before marriage. The goal of the woman as pronounced by the Hindu scriptures and later by these manuals was '*pativrata*' (utmost devotion to husband).

Unlike the Victorian middle class situation, home was not the place of refuge; rather it was where the real work took place the maintenance of which fell on the women. Tarakanath Biswas, a successful and professional writer, in *Bangiya Mahila* (The Bengali Woman) advocates the domestic principles with much vigour and impetus almost trailing onto the line of the nineteenth century transnational domestic discourse. Rather than elaborating on the detailed domestic practices he was more interested in educating the women in the household ideology. The manual chapters are 'Marriage', 'Father, Mother, Brother and Sister', 'Mother-in-law and Father-in-law', 'Husband', 'Housework', 'Child Rearing' among the list. The manual's language is complex and cynical which might have made it difficult for many women to read it; however, its sharp edged tone makes it an interesting contrast to the other manuals that were doing the round then. The writer is sensible and questions as to how love arises from the beginning in an arranged marriage. So he asks the wife to have patience and be generous to all her in-laws. Biswas much like Ellis says that the marriage must be compatible and the only way to do so was to make the marriage work. Traditional Hindu views on women's role were drawn from the legends and law codes of the Sanskrit scriptures which were orthodox in view and assumed to include practices and beliefs which centred around the praxis of child marriage, purdah, ban on widow remarriage and proscription of women's education. Within the chapter, 'Marriage' in *Bangiya Mahila*, Biswas says that child marriage is slowly reducing in their country and soon within a few years it would be completely wiped out, reflecting upon the heavy work of social reform that was underway.

Biswas asks the bride to respect her elders and adjust in her new home even though it is difficult at first and that she must also learn to control her desire to go back. That she would go on crying for her natal home is advised strictly against, thereby asking the women not to be too expressive about their emotions. The manual covers every relation of the woman : from asking her to love and respect her parents and siblings to adjusting and understanding her in-laws it encapsulates every aspect of the women's life. The chapter 'Husband' is directed towards the husband who is instructed as to how he must tutor the wife and that he must maintain a balance between the respect he pays towards his elders and love towards his wife. That the husband would be infatuated with his new wife which would negate his devotion and loyalty to the family – more so to the mother, was a fear of the old patriarchy as a result of which there existed norms of the wife and the husband not conversing during day or in front of elders. Biswas on one hand advises the women to do what his husband likes and asks her not to do anything that he detests thereby reminding one of the master-slave equations where the provider of the home gains an upper hand and must be pleased by the submissive ones. Whereas, on the other hand, he rationally questions the capabilities of the husband in educating the wife so that the wife does not lack any kind of social cultivation, the husband tutoring the wife at night behind closed doors was a common event in the nineteenth century. The new women were educated at home and also sent to girl's school, the parents often waited for their daughters to finish their education before arranging their marriage. In-laws, at times allowed the new bride to continue their schooling which led to the women becoming mothers at a later age enabling them to play a greater role in child rearing.

The *babu* culture slowly got defunct and men got subsumed into the colonial ways of life. At this juncture various *vratas* (vow) came into existence to eliminate the threat of the co-wife and check unchastity among women which was considered a higher offence than the same being committed by the husbands. (Sarkar, 'Conjugality' 398) The old patriarchy which had the mother-in-law as the head underwent a transformation with the wife's relation with her husband being narrowed down into a simple dictum where the husband gained supreme importance and was treated like a God. These handbooks began with a self-critical evaluation from the Hindu male authors later bringing into culture a thorough pedagogization of every minute and monotonous detail of life ranging from diet, sanitation, culinary art, relationship- often probing into the tension spots which became uncomfortable for women to read, more so when they came from the male authors. The issues ranged from the eavesdropping manners of women, cracking illicit jokes on newlyweds, the biological differences in male and female, traumas of child birth and widowhood, menstruation and diseases, of patrilocality and relations with in-laws- scrutinising every minute trauma of the woman's life and not leaving anything to chance. (Sakar, 'Hindu' 102) The manuals of the early nineteenth century contextualised their concerns within the colonial timeframe as a result of which they required the family to be westernised. Most of the men had to live apart from their extended family in which case, the young wife became the head of the household- she was expected to be skilful in her work. The colonial masters wanted their employers to be hardworking, neat, punctual and orderly to attain which the situations at home must be in concordance.

Education was a major concern for the manual writers and each of the books expressed the concern in their own way. T. E. Ravenshaw said, "The purpose of female education was not to teach the girls European manners, but to make them good mothers and efficient housewives" (Mohanty, 'Advice' 55) as a result of which the texts focused on making the women desirable in their wifely conduct. Female education gave rise to fear that the woman might become unwilling to enter the kitchen and spend her time relaxing in bed and reading novels. This has been elaborately analysed by Partha Chatterjee who says by the middle of the nineteenth century female education had become a requirement for the *bhadramahila* (respectable lady) but this acquiring of cultural refinement through education must be done without jeopardising her place at home and without her becoming a *memsahib* (European lady). (Chatterjee, 1997 128) This overlapping of foreign culture later overshadowing the native ways was voiced by Bhudeb Mukhopadhyay in 'Essays on Family' where he says that the Bengali men learn English to become *sahibs* while their wives become *bibis* without learning. Later on he says that there lies a great divide between the European and the Aryan culture- the former has preponderance of material pleasure with the wife being the partner or companion while the later has prevalence towards spiritualism with the wife as the goddess more precisely in the role of *Lakshmi* or *Annapurna.*

The argument about women's freedom was analogous to the fear of her becoming westernised. The Victorian marriage ideals saw the wife to be a friend to the husband which in future fostered towards making the union companionate however, this was one of the greatest threat to the Indian extended family or old patriarchy-that a companionate marriage would enable the wife to be a modern individual. This emancipation from the old system and zenana or *antahpur* structure comes through education with a new fear of the women abandoning her traditional duties and customs against which Kundamala Devi wrote in *Bamabodhini Patrika* that those with education must not give way to *memsahib* like behaviour, but must become Bengali housewives. (Chakravarty 1997, 279) With time the women got the opportunity to choose which shows how the status of the women was less hackneyed than that of the previous generations. The gender relation had to be redefined in the new order as in the orthodox apparatus, food was not accepted from homes where gender relations were loosely structured i.e. women performing sacrificial rites, homes from where husbands and sons were missing and from those where men tolerated the wife having a lover or was dominated by the wife. The narrative of Hindu marriage then was not written in love, but in terms of pain and force. Tanika Sarkar is of the opinion that, "If the element of difference from other systems was so obviously seen to lie in discipline, then Hinduism had to be celebrated as a superior coercive power" (Sarkar, 'Domesticity' 172). Education and not westernisation becomes a paramount focus through which the women can rewrite both the old and the new patriarchy and bridge the gender divide heralding for a world in future where burdens, roles and pleasures would be shared, in ways unknown to the cognition and perceptions of the past.

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