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Dr. M S Vignesh

Alternative uses of Arecanut : Indigenous Medicinal Knowledge and Practices to Manage Diabetes

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Nine Lives in Search of the Sacred in Modern India - Book Review



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Foreword...

Education is the process of imparting and acquiring of knowledge through teaching and learning, especially at the educational institutions. The earliest educational processes involved sharing information about gathering food and providing shelter; making weapons and other tools; learning language; and acquiring the values, behaviour, and religious rites or practices of a given culture. Hence, the education developed from the human struggle for survival and enlightenment, today, has reached the stage where education has become an important tool to acquire what we lack and to share which we have. Carter G. Woodson once said “For me, education means to inspire people to live more abundantly, to learn to begin with life as they find it and make it better.” From this perspective, publications assume greater significance in today's context of higher education and hence, A J. Institution of Management is bringing out its bi-annual 'Anveshana' comprising conceptual papers, research articles, empirical reports and book reviews of the renowned scholars. I am happy to place before the learned readers the Volume 3 Number 2 of “ANEVESHANA” with scholarly articles such as

- “Alternative Uses of Areca nut: Indigenous Medicinal knowledge and Practices to Manage Diabetes” a research article by Dr. M S Vignesh.
- “Impact of Inflation and Global Economic Recession on India's Growth” a scholarly article authored by Dr. Sripathi kalluraya. P.
- “A Study on e-detailing in Promotion of Pharmaceutical Products: Views of Sales Force in Lucknow City” jointly written by Dr. S K Chaturvedi and Sri Amith Kumar Pandey.
- “An Empirical Study of Effectiveness of Various Option Trading Strategies Used by the Traders Using Nefty Index” Written by Sri Jnaneshwar Pai Maroor.
- “Poverty Alleviation Through Financial Inclusion: Policies, Measures and Achievements of Banks in India” jointly authored by Dr. Suresh Poojary and Ms Mariya Rodrigus.
- “Event Management: A Dark Horse in the Service Sector” by Kumble Narasimha Prabhu.
- Nine Leaves – in Search of the Sacred in Modern India” A review by Prof. Shoban Narayan (Book authored by Villiam Dalrymple).

Suggestions for the improvement of the quality of the Journal are always

J. Jayaprakash Rao

Dr. T. Jayaprakash Rao

Editor in Chief

Alternative uses of Arecanut: Indigenous Medicinal Knowledge and Practices to Manage Diabetes.

* Dr. M.S. Vignesh

Abstract

The future of areca nut depends upon the qualitative expansion of consumer base. There is a need to strengthen alternate uses. Since the time immemorial, Areca nut has been used in the preparation of medicines particularly in India and China. The present paper emphasizes the need to globalize indigenous knowledge and practices of rural and tribal inhabitants towards alternate uses of areca nut. Since diabetes is a global problem wherein, more than 40 per cent of people above 50 years of age are suffering from Non-Insulin Dependent Diabetic Mellitus (NIDDM), standardization of Indigenous knowledge could generate non conventional market. In this regard, socio-anthropological studies need to be initiated.

Socio-Anthropological studies have been carried out in the traditional areca nut farming regions; Sagar, Hosanagar taluks of Shimoga District and Siddapur taluk of Karawar district. The areca is characterized by coexistence of tribal and rural people. Areca nut is the major commercial crop supported by paddy and sugarcane. Evergreen forest and animal wealth together add to their traditional and folk medicinal knowledge.

The main objective was to find out traditional medicinal knowledge regarding areca nut and its related products with special emphasis on the management of diabetes locally called sihimutra. Fieldwork has been carried out through interview and counseling methods to elicit information. The findings were subjected to clinical tests

* Professor and University Head, Dept. of Agricultural Extension and Social Sciences, University of Agricultural and Horticultural Sciences, Shimoga

supported by age and sex differential case studies.

The product is called madhumeharista and re titled as Diareca syrup. The ingredients such as areca nut, beetle wine, lime, lemon and certain herbs are used after fermentation. The present clinical study tested the glycemic response among non-insulin dependent diabetic mellitus patients (NIDDM). After, 90 days of trial conducted on 125 patients in different age groups indicated the Level of control that ranged from 66.66 to 77.77 per cent. The mean response was at 68.92 per cent. Standardization of dosage was also carried out and varied with the degree of glycemic response and age group. The sex difference was not at significant level. No side effect has been noticed particularly with regard to blood pressure, respiratory and digestive functions.

Diabetes is a global problem. Majority of patients are after organic methods to manage their diabetes. Diareca could be introduced in the global market since its base is organic. This could also generate rural employment opportunities.

The paper also prompts certain action plans towards promoting market stability. Some of them are: focusing on medicinal and cosmetic values of areca nut, effective use of current propaganda or advertising techniques and media and strengthening corporate systems of research and development.

Keywords : Indigenous Medicinal Knowledge, Non-Insulin Dependent Diabetic Mellitus(NIDDM)

Introduction

The future of arecanut depends upon the qualitative expansion of consumer base. There is a need to strengthen alternate uses. Since the time immemorial. Arecanut has been used in the preparation of medicines particularly in India and China. The present paper

emphasizes the need to globalize indigenous knowledge and practices of rural and tribal inhabitants towards alternate uses of areca nut. Since, diabetes is a global problem wherein, more than 40 per cent of people above 50 years of age are suffering from Non-Insulin Dependent Diabetic Mellitus (NIDDM), standardization of Indigenous knowledge could generate non conventional market. In this regard, socio-anthropological studies need to be initiated.

Objectives of the Study

In the present empirical study, an attempt is made to document indigenous system of knowledge regarding the medicinal preparation of areca nut and beetle leaves. The objectives are:

1. Study of tribal and rural medicinal products related to areca nut and beetle wines.
2. Documentation and clinical analysis of *Madhumeharista* - an areca nut based syrup for the management of Diabetes.

The Study Region

Socio-Anthropological studies have been carried out in the traditional areca nut farming regions; Sagar, Hosanagar taluks of Shimoga, and Siddapur taluk of Karwar district. All these regions fall within the orbit of Western Ghat zone. The topography of the region is dissected and undulating. Since, the area is in the Western Ghat, the forests are dense with rich medicinal plants. People live in separate homesteads. The average rainfall is accounted for 2253.4 mm. The South West monsoon accounts for most of the rains. It sets in about 10th of June and is usually heavy till mid August. The climate is typical of Malnad. Summer is moderately hot. The forest wealth ranges from evergreen versatile trees to bushes and shrubs. Farm forestry is a typical feature supporting agriculture. (Table No. 1).

Land is the most important economic resource in the region. As many as 75 per cent of the total population depends on land based income.

The exploitation of land is of two types- Horticulture and Agriculture. Paddy is the main crop in the wetlands and the areca nut is the perennial crop in the garden lands. The dry land called *kushki* or *byana* is set apart for the natural growth of thatching grass known as *karada*, used for feeding cattle. However, in recent years, the middle and the upper class people started converting such private grazing lands into coconut and cashew plantations apart from acacias and eucalyptus. Sugar cane is cultivated only for jaggery. The extent of sugar cultivation is on the increase as it fetches a better return to the farmers than the paddy. Recently, vanilla cultivation gained momentary importance because of exorbitant price and now loosing its popularity as the demand slashed down.

Table No. 1. Land use pattern in the study region

Sl. No	Type of Land	Percentage to the total
1.	Forest area	19.70
2.	Barren & Uncultivated land	4.50
3.	Land used for nonagricultural uses	8.70
4.	Community grazing land	5.25
5.	Land containing trees (<i>Soppina betta</i>)	10.10
6.	Net area cultivated (Includes both Agriculture & Horticulture)	51.75
	Total	100.00

Source: Consolidated revenue records of respective taluks.

Non-agricultural productive activities can be classified into three broad categories: others.

1. Village artisans who supply products and maintenance services to meet the needs of agricultural production and produce goods to meet local demands. This group includes carpenters, cobblers, rope makers, basket makers, blacksmiths, potters and others.
2. Agro industries such as oil pressing, gur making, bee keeping, among others.

3. Animal husbandry activities such as dairy, goat, sheep and poultry. Nowadays piggery and inland fishery are gaining importance.

The Population

Demographically, the area shows coexistence of both tribal and rural population. The major tribes are: Haslar, Maratha, golla, kuruba, lambani and Vodda. The others constitute Brahmin, Lingayat, Deeva (Idiga), Gowda (Vokkaliga), Bunt, Madivala, Harijan and Balegara. Majority of tribes have settled in their respective localities cultivating small patches of land. However, more than 70 per cent among them are land less labourers.

As majority of people cultivate areca nut, its medicinal knowledge in this area, has a rich traditional base. Each community has its own hereditary medical practitioners locally called *nati vaidya* or *janapada vaidya*. Tribal people manifest greater degree of medicinal knowledge. The scope of the present paper is restricted to the study of the medicinal value of areca nut and specific focus is made to the management of diabetes, particularly, to the non-insulin dependent mellitus.

Material and Methods: Counseling method was used to unravel the secret of medicinal preparations. Certain important traditional practitioners of medicine were identified and constant interaction was carried out with them for two years. The generated data was further subjected to validity studies. Methodology included:

- Gaining knowledge regarding the ingredients used in the medicinal properties.
- Mode of preparation and dosage specification in the treatment.
- Their diagnostic techniques of different diseases.

Accumulated data are further grouped in to different categories in

accordance with the treatment of diseases, (Table No. 2). As diabetes is a global problem and so for, knowledge concerning the traditional system of treatment to this disease is very much limited, specific focus is made to standardize the medicine. Further, the product was subjected to clinical test. Accumulated data is subjected to the statistical analysis of variance and percentages.

The diagnostic techniques and mode of preparation are not included in this paper. Major focus is given to the clinical analysis and validity test.

Table No. 2 : Medicinal preparation of areca nut for the treatment of diseases/disorders

<i>SL.No.</i>	<i>Diseases/Disorders</i>	<i>Ingredients used</i>
1	Dysentery	Areca nut
2	Diarrhea,	Beetle leaves
3	Heart burn	Lime,
4	Urinary stones,	Lemon,
5	Jaundice	Jaggery,
6	Excessive passing of flatus	Ginger
7	Flatulent	Clove
8	Colic	Nut mug,
9	Neutralization of hyper acidity	Camphor
10	Leucoderma	Tamarind
11	Leprosy	Roots
12	Cough	Herbs
13	Fists	Barks
14	Obesity	Leaves
15	Intestinal worms	-
16	Eczema	-
17	Tooth ache	-
18	Gonorrhoea	-
19	Impotency	-
20	Diabetes	-

Source: *Compiled from Different Sources*

Note: Compositions are different for diseases. The table explains only the ingredients and not the mode of mixture/ composition for the mentioned diseases.

Table No. 2 indicates the broader area of diseases wherein areca nut and beetle leaves are used as one of the major ingredients in the folk medicine. Proportion of ingredients and method of preparation varies with different diseases. It is widely advocated that Supari should not be consumed without adding lime and beetle leaves.

Previous Studies at a Glance

The story of areca nut chewing dates back to antiquity. References to areca nut are found in *Rigveda, Mandala (10) Suktha (145)* more than 4000 years ago. Dhanvantri Nighantu, the ancient text on Ayurvedic medicine mentioned *Panchasugandhikam*, the five natural aromatics connected with betel chewing. They include Piper Chaba, Puga, Clove, Nutmeg, and Camphor. An undated book-*Puguvatee Shathakam*; hundred rhymes on areca nut cultivation and its medicinal uses by Mr. Venkappa in local vernacular Kannada, depicts importance that the areca nut gained in India.

Some of the medical scientists attempted to make anthropological studies regarding indigenous knowledge. Aman (1069), made an elaborate reference of tribal knowledge regarding the alternate uses of areca nut particularly in the treatment of dysentery, Urinary stones and jaundice. Mohan Rao (1982), made an account of the medicinal value of areca nut taking into consideration the ancient scripts. Sirsi *et al.* (1963), made an elaborate clinical studies on the influence of areca nut extracts on adrenalin. Lalitha Dorle and Sirsi (1964), further, conducted laboratory tests in the Indian Institute of Science, Bangalore and reinforced the earlier findings regarding the medicinal values of areca nut. Their findings highlighted the anti bacterial and anti fungal action of the tannins, the main chemical ingredients called polyphenols in areca nut. Nadakarni (1908), in the Indian Materia Medica, the oldest Indian medical encyclopedia mentioned in detail the medicinal values of areca nut along with the method of

preparation among some of the rural and tribal inhabitants. Majumdar et al. (1979) considered areca nut as useful in the treatment of nasal ulcer. The finding was further supported by T.M.A Pai Pharmaceutical Research Center, Manipal (2000). Vignesha (2005) made socio anthropological studies related to the indigenous technology knowledge of tribal and rural inhabitants of western Ghats region regarding the medicinal preparation and application of areca nut in the treatment of certain diseases.

Indigenous Medicinal knowledge to Manage *Madhumeha* (Diabetes)

Diabetes is the most common yet increasing health hazard in the modern days. It is popularly called *Madhumeha* in the Ayurvedic literature. Elaborate mention is found in *Charakasamhitha* and *Brahathsmitha*, the ancient medical treatise of India.

In the study area some of the native practitioners treat diabetes with native medicines. They are the folk medicinal systems carried through generations. One among them is *Madhumeharista*. It is the combination of areca nut, beetle leaves, lemon, lime and certain herbs and roots. Having observed the large number of patients availing this medicine, interest was generated to unravel medicinal secret of this traditional product. For instance, in one of the villages of Sagar taluk (Shimoga District) every Thursday, hundreds of people from far off places, including persons from other states visit native medicine practicing man to get medicine for diabetes. A case study could explain the importance of this medicine: *Mr. N.G. Bhat holds an important position in the Income Tax Dept. at Delhi. He has been suffering from NIDDM for the last 15 years. In fact, at the age of 40 his diabetes was diagnosed. He started taking Madhumeharista and managing his diabetes. According to him a moderate quantity of sugar intake does not affect his glucose composition. Regularly he*

takes two spoons of syrup twice a day.

The study area enjoys a rich heritage of native medical practitioners, including women. Each village or tribal settlement has one or two such hereditary professionals. Among them Mr. Durga is well known not only in the region but also among the neighboring states. His case study could explain the role of such people for the society: *Mr. Durga, aged about 55 years belongs to Haslar tribe. His knowledge of folk medicine is hereditary. Basically, he is a landless labourer. Once a week particularly on Thursday, he treats the patients. Rest of the days, he works for the wage. He does not demand any charges for the medicine, It is his hereditary belief that demanding money for the medicine will make their community deity Choudamma angry and the medicine would lose its healing effect. It is left to the patients to remunerate him, either in kind or in cash or whatever they can. He is specialized in the treatment of jaundice, skin diseases and diabetes. Our team has observed a large number of patients coming even from other states. Now, this person has started training his elder son. He is a member of joint family. Apart from his age-old mother, two elder brothers, their wives, children and one unmarried sister constitute other members of joint family. Others do not have the inclination to practice the profession. Medicinal knowledge is kept as a family secret. During eclipse and amavasyes (Full moon day) he does not give medicine. His elder son, who is pursuing his Bachelor of Arts education in the nearby college, wants to continue the tradition with certain improvement and modifications. The women are not supposed to give medicine because of the traditional concepts of purity and pollution. Durga becomes strictly vegetarian on the days of collection and reparation of medicine, and also on all Thursdays. According to him, madhumeha, once started cannot be completely cured but could effectively be managed and the madhumehis*

(diabetic people) could lead a normal life if they regularly consume *madhumeharista*.

Clinical Trial:

Before starting the clinical study, some of the regular patients taking *madhumeharista* were interviewed. Age group classification along with sex differential data is presented in the Table No. 3.

Table No. 3: Age and Sex composition of Diabetes patients managing with madhumeharistha

Age group	No of Male	Duration of madhumeharistha Dependency No. of years	Female	Duration of madhumeharista Dependency No. of years
70+	5	4	2	2
65-70	9	7	6	4
60-65	15	10	11	7
55-60	28	6	12	6
50-55	18	8	5	7
45-50	23	6	8	4
40-45	15	3	3	2

Source : *Complied from survey*

As the data explain (Table No: 3), percentage of NIDDM male patients within the age group of 40 and 60 account for 74.33, whereas, 60 and above age group represent 25.67 per cent. Among female this percentage is 61.22 and 38.78 respectively. Mean dependency among male is 6.29 years, while for female it is 4.58 years.

Meanwhile, certain socio-economic characteristics and general attitude towards medicinal systems were observed among the respondents. Some of them are:

- Majority of them belong to farming community. Only, 22 per cent depend upon nonagricultural occupation such as business, trade and bureaucratic cadres.
- All of them have the notion that constant dependency on allopathic drug causes major side effects.
- As many as 90 per cent of them belong to literate group.

- Among the clients, 12 per cent have family history of diabetes.
- Majority considers (72 per cent) that it is economical hence, they can afford.
- Respondents represent different caste, class and religion.
- Food habits reveal that 62 per cent are both vegetarian and non-vegetarian and the rest only vegetarians.

With a view to document the product and to initiate further standardization through clinical tests the mode of preparation along with the ingredients were observed: Some of the main combinations are: tender areca nut, *Eugenia jambulina* (Jambo seeds), lime, beetle leaves, lemon and herbs. After 40 days of fermentation, the liquid is distilled and further filtered. The product is re titled as Diareca Syrup. After due modifications, the product was subjected to clinical test in accordance with modern medical research methods.

CLINICAL TRIAL ANALYSIS OF DIA ARECA SYRUP

Clinical trial was conducted between 5-1-2005 and 5-4-2005 to test the glycemc response by administering the product to Non-Insulin Dependent Diabetic Mellitus patients (NIDDM). The test was administered according to the standard and norms prescribed by the Council for Indian System of Medicine (CISM).

A total of 90 days of clinical trial conducted on 125 patients in different age groups revealed the following percentage of glycemc response.

Table No. 4: Clinical Trial Analysis of *Madhumeharstha*

Age group	Duration of the Diabetic history	No. of Patients	Percentage of control
25-35	2-5 years	6	71.42
35-45	2-7	15	71.77
45-55	6-10	35	72.25
55-65	10-18	38	66.66
65-75	12-22	31	62.50

Source: *Compiled from Survey*

The mean response was 68.92 per cent. The sex differential study was simultaneously carried out among the patients. The differences were not at significant level.

According to the clinical trial (Table No.4), mean percentage of control among Non Insulin Dependent Diabetic Mellitus(NIDDM) respondents is 71.81 within the age group between 25 and 55. On the other hand, it is 64.58 per cent among the category between 65 and 75. Average duration of NIDDM history is 9.4 years for all groups. Whereas, it is 5.3 among 25 to 55 years age group and 15.5 years among above 55 years age group.

Standardization of dosage was also taken into consideration during the clinical trial. The dosage varied with the degree of glycaemic response. The product's preservation efficiency is six months. No side effect has been noticed particularly with regard to blood pressure, respiratory and digestive functions.

Scope for further study

India enjoys a rich heritage of indigenous medicinal system. Each region and ethnic groups have traditional folk knowledge. In this era of globalization, development and standardization of such systems could generate employment opportunities apart from improving the rural and tribal economy.

Most of the indigenous medical knowledge is on the verge of extinction. There is a need not only to document the technology but also develop the skill for generating alternative sources of economy. Sustainable development could be effectively implemented with this type of study.

Action Plan: The paper also prompts certain action plans towards promoting market stability. Some of them are: focusing on medicinal and cosmetic values of areca nut, effective use of current propaganda or advertising techniques through media and strengthening corporate

systems of research and development. Standardization of indigenous preparations is needed to globalize the product. In this regard following action plans are suggested.

1. Encouraging clinical trials and studies.
2. Development of media network, and
3. Initiating integration and collaboration process with other firms and agencies related to similar fields.
4. Govt. should encourage through providing either revolving funds or grants to the institutions commercializing the areca products.

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Impact of Inflation and Global Economic Recession on India's Growth

* Dr. Shripahi Kalluraya P

Abstract

The World Economic Recession during 2007-08 and the recent European Economic Crisis have resulted in an economic slowdown all over the world. But, the Indian economy is more self-reliant in nature and less depending on the external economy, compared to other developing countries. Hence, it is not much hit by the Global Economic Recession. But, it is the inflation which has caused great worry to our economy. This paper tries to analyse the impact of inflation and Global Economic Recession on various sectors of the Economy, which enables the Government to take corrective measures for the future development.

Keywords: *Inflation, Global Economic Recession, FDI, GDP*

Introduction

World economic recession (2007-08) and the recent European economic crisis have made economists to diagnose and find remedy for such an economic slowdown all over the world. It is realized that it was mainly due to such a situation in business cycle representing a type of economic fluctuation coupled with the inbuilt inflationary pressure. Business cycles represent a type of fluctuation in the aggregate economic activity of nations that organize their work mainly in business enterprise. A cycle consists of expansions occurring at about the same in many economic activities, followed similarly general recessions, contractions, and revivals which merge

* Professor, Department of Economics, Mangalore University, Mangalaganothri-574199, Mangalore

into the expansion phase of the next cycle. This sequence of changes is recurrent but not periodic. In duration, business cycles vary from more than one year to ten or twelve years. The adverse social, psychological and economic effects of economic meltdown or slowdown and prolonged recession will be huge for those regions that are most open to the world economy and dependent on trade. Compared to BRIC (Brazil, Russia, India, and China) nations, the Indian huge domestic economy can act as a buffer and survive economic slowdown much better than other parts of the world.

In India, coupled with the already existed inflation the impact of such recession was short run, however, needs to be analyzed from the future development perspective.

Inflation

Inflation refers to a rise in prices that causes the purchasing power of a nation to fall. When government supplies excess money to deal with crisis, prices rise at an extremely high speed to keep up with the currency surplus. This is called the demand-pull, in which prices are forced upwards because of a high demand.

Another common cause of inflation is the rise in production costs, which leads to an increase in the price of the final product. For example, when the prices of raw materials increase, it leads to an increase in the cost of production also, which in turn forces the companies to increase the prices of their products to maintain a steady profit. Rising labour costs can also lead to inflation. As workers demand wage increases, companies usually choose to pass on those costs to their customers.

Inflation can also be caused by international lending and national debts. As nations borrow money, they have to deal with interests, which at the end cause prices to rise as a way of keeping up with their debts. A deep drop of the exchange rate can also result in inflation.

Inflation can be caused by federal taxes put on consumer products such as cigarettes or fuel. As the taxes rise, suppliers often pass on the burden to the consumer; the catch, however, is that once prices have increased, they rarely go back, even if the taxes are later reduced.

Economists do not always agree on what spurs inflation at any given time. However, certain forces clearly contribute to inflation. Rising commodity prices are perhaps the most visible inflationary force because, when the prices of the commodities rise, the costs of basic goods and services generally increase. Higher oil prices, in particular, can have the most pervasive impact on an economy. This, in turn, means that the prices of all goods and services that are transported to their markets by truck, rail or ship will also rise. Exchange rate movements can presage inflation. As a country's currency depreciates, it becomes more expensive to purchase imported goods, which puts upward pressure on prices overall.

Over the long term, currencies of countries with higher inflation rates tend to depreciate relative to those with lower rates. Because, inflation erodes the value of investment returns over time, investors may shift their money to markets with lower inflation rates.

Impact of Inflation on growth

- When the balance between supply and demand goes out of control, consumers could change their buying habits, forcing manufacturers to cut down production.
- Prices increase substantially, resulting in a dramatic decrease in demand.
- Price increase can worsen the poverty affecting low income household,
- Inflation creates economic uncertainty and is a dampener to the investment climate slowing growth and finally it reduce

savings and thereby consumption.

- The producers would not be able to control the cost of raw material and labor and hence, the price of the final product. This could result in less profit or in some extreme case no profit, forcing them out of business.
- Manufacturers would not have an incentive to invest in new equipment and new technology.
- Uncertainty would force people to withdraw money from the bank and convert it into product with long lasting value like gold, artifacts.

India after independence has had a more stable record with respect to inflation than most other developing countries. Since 1950, the inflation in Indian economy has been in single digit for most of the years. **Between 1950-1960**, the inflation on an average was at 2.00 per cent, **between 1960-1970**, the inflation on an average was at 7.2 per cent; **between 1970-1980**, the inflation on an average was at 8.5 per cent. At **present**, the inflation ended at a low of 0.61 per cent in the week ended May 9, 2009 this after reaching a 16 year high of 12.91 per cent in August 2008, bringing in a sigh of relief to policymakers. Even now the inflation and food inflation is a challenge to the policy makers.

Global Economic Recession

Since 2007-08, the global economy was found to be in deep trouble evidenced by China's flagging economy, Japan's crushing economy, Britain's sinking economy, Asia's shock ...resulting in the collapse of manufacturing, financial market crisis and employment set back hitting the household sector. The Genesis of financial crisis is evidenced by

- The US sub-prime mortgage phenomenon
- The collapse of major financial institutions

- Sudden severity of liquidity (credit) crunch
- Unprecedented collapse in global stock markets
- Massive losses of market capitalization
- Rapid withdrawal (reverse flow) of capital
- Heightened sense of uncertainty and crisis of confidence
- Massive rescue and bailout measures

Global financial crisis was preceded by massive boom in crude oil and commodity prices, unleashing spectra of inflation earlier. Impact of global economic slow down has been intense. The IMF estimated World economic growth having fallen from 5.1 per cent in 2007 to 3.1 per cent in 2008, and predicts a negative growth of 1.1 per cent in 2009 and a return to positive growth of 3.1 per cent in 2010. World trade volumes (goods and services), which had declined from 9.2 per cent in 2006 to 7.2 per cent in 2007 and further decelerated to 3.3 per cent in 2008, to contract by as much as 11 per cent in 2009.

Private capital flows to emerging and developing economies to be negative \$190 bn. in contrast to positive \$109bn.2008 and as much as \$618bn in2007.

Global policy response was prompt and coordinated, Rapid release of liquidity, Sharp reduction in interest rates, Structuring of bail-out programmes, Large acquisition of ownership in financial institutions, Raising insurance cover/guarantees to depositors, Fiscal stimulus, and IMF liquidity support to several countries. These measures started yielding some positive results – a gradual economic recovery and restoration of confidence in the global financial market. But “the worst is not yet over...” is according to experts.

Impact on Indian Economy

The economic slow down resulted in huge loss in various sectors of Indian economy also. Direct and Indirect Impact unleashed through

- Foreign trade – falling global exports markets
- Foreign capital inflows contraction largely in non-FDI

capital inflows

- Exchange rate behavior – two-way fluctuations due to
- Uncertainties of supply-demand position of dollar
- Divergence in domestic and international interest rates
- Savings and investment
- Stress and strains of fiscal health
- Pressures on corporate performance
- Erosion in income and wealth of the households

Impact was visible – its spread and intensity became more pronounced during 2008-09 and first quarter of 2009-10. However, India has been endowed with some key beneficial factors:

- Four fifth of growth momentum is domestic demand driven and exports (goods and services) constitute only about 20.0 per cent of GDP
- Over 90.0 per cent of investments are financed from domestic savings – capital inflow account for the balance 10.0 per cent.
- Relatively moderate exposure of financial institutions to global financial risks
- IMF study broadly showed that on vulnerability score, India's rank is low (using variety of [parameters – trade, FDI, aid, remittances, imports cover, CAD, etc.

These factors have offered some basic resilience to the economy to mitigate the severity of downside risks to India. But growth drivers of the economy were impaired in the form of deceleration of household income growth, erosion in asset values, contrarians on growth of government expenditure, loss of tax buoyancy, exhaustion of the fiscal space the roll back of FRBM targets, and collapse of export markets

India's policy response

India has taken several policy measures to control the impact of

global economic recession, such as mitigating liquidity crisis, interest rate reduction and fiscal stimulus packages etc. More specific measures to mention are CRR & SLR reduction, increase in export refinance facility, special support measures, progressive reduction in repo and reverse repo rates reduction in the bank lending rates and increased planned expenditure.

Recent trends in Indian Economics

India has been one of the best performers in the world economy in recent years, but rapidly rising inflation and the complexities of running the world's biggest democracy are proving challenging. India's economy has been one of the stars of global economics in recent years, growing 9.2 per cent in 2007 and 9.6 per cent in 2006. Growth had been supported by market reforms, huge inflows of Foreign Direct Investment, rising foreign exchange reserves, both IT and real estate boom, and a flourishing capital market.

India's Economy has grown by more than 9.0 per cent for three years running, and has seen a decade of 7.0 per cent plus growth. This has reduced poverty by 10.0 per cent, but with 60.0 per cent of India's 1.1 billion populations living off agriculture and with droughts and floods increasing, poverty alleviation is still a major challenge.

The structural transformation that has been adopted by the national government in recent times has reduced growth constraints and contributed greatly to the overall growth and prosperity of the country. However, there are still major issues around federal and state bureaucracy, corruption and tariffs that require addressing. India's public debt is 58.0 per cent of GDP according to the CIA World Fact book, and this poses another challenge.

During the present period of stable growth, the performance of the Indian service sector has been particularly significant. The growth rate of the service sector was 11.18 per cent in 2007 and now

contributes 53.0 per cent of GDP. The industrial sector grew 10.63 per cent in the same period and is now 29.0 per cent of GDP. Agriculture is 17.0 per cent of the Indian economy.

Growth in the manufacturing sector has also complemented the country's excellent growth momentum. The growth rate of the manufacturing sector rose steadily from 8.98 per cent in 2005, to 12.0 per cent in 2006. The storage and communication sector also registered a significant growth rate of 16.64 per cent in the same year. Additional factors that have contributed to this robust environment are sustained in investment and high savings rates. As far as the percentage of gross capital formation in GDP is concerned, there has been a significant rise from 22.8 per cent in the fiscal year 2001, to 35.9 per cent in the fiscal year 2006. Further, the gross rate of savings as a proportion to GDP registered solid growth from 23.5 per cent to 34.8 per cent for the same period.

Like most of the countries of the world, however, India had to face testing economic times in 2008. The Reserve Bank of India had set an inflation target of 4.0 per cent, but by the middle of the year it was running at 11.0 per cent, the highest level seen for a decade. As a part of the fight against inflation, a tighter monetary policy was expected, which will add to the slow growth of the Indian economy still further, as domestic demand will be dampened. External demand is also slowing, further adding to the down slide risks. The Indian stock market has fallen more than 40.0 per cent in six months from its January 2008 high. Around \$6b of foreign funds flowed out of the country in that period, reacting both to slowing economic growth and perceptions that the market was over-valued.

GDP and Economic Growth Statistics

The growth rate of Gross Domestic Product (GDP) was 9.0 per cent in 2006, whereas the corresponding figure was 7.4 per cent in 2007.

The rate of GDP growth for 2008 was projected to be 8.7 per cent. The growth rate of the Indian IT and ITES sector was around 20 per cent in 2007.

The figures for foreign direct investment (FDI) have also recorded substantial growth over the last few years. In 2004, the FDI figure was US\$ 4.11 billion. In the next year it stood at US \$8.2 billion. The corresponding figure for 2006 was US \$12.35 billion – this is an incredible 73.35 per cent compounded annual growth.

Industrial, manufacturing, and service sectors together amounted to 77.0 per cent of India's GDP in 2007. The deceleration in GDP and Indian Industry Performance (IIP), and their remarkable recover is depicted in Table-1.

Table-1: GDP and Indian Industry Performance (IIP) growth rates.

Year (Quarterly)	GDP Growth rate	Year (month)	Growth rate	
			IIP (General)	Manufacturing
2007-08 Q1	9.2			
2007-08 Q2	9.0	July-08	6.4	6.9
2007-08 Q3	9.3	Aug-08	1.7	1.7
2007-08 Q4	8.6	Sept-08	6.0	6.2
2008-09 Q1	7.8	Oct-08	0.1	-0.6
2008-09 Q2	7.7	Nov-08	2.5	2.7
2008-09 Q3	5.8	Dec-08	-0.2	-0.6
2008-09 Q4	5.8	Jan-09	1.0	1.0
2009-10 Q1	6.33	Feb-09	2.2	0.2
2009-10Q2	8.68	Mar-09	3.3	-0.4
2009-10Q3	6.00	Apr-09	1.1	0.4
2009-10Q4	8.60	May-09	2.2	1.8
2010-11Q1	8.88	Jun-09	8.2	7.8
2010-11Q2	8.90	Jul-09	7.2	7.4
		Aug-09	10.4	10.2

Source : Compiled from different sources

India's GDP was US \$911 billion in 2007. Exports contributed US \$127 billion to the Indian GDP in the 2007 with a growth rate of 20.9 per cent. Import figures stood at US \$192 billion during 2007, with a growth rate of 21.59 per cent. Portfolio investment amounted to US \$7.1 billion in 2007. The 2007-2008 Indian Economic Survey has projected inflation to be just above 4 per cent for 2008. However, the rapid rise in food, oil and other commodities prices pushed inflation above 11.0 per cent by July 2008. A target has also been set to lower the fiscal deficit below 3 per cent per annum. Sectoral trends are as follows;

1. Industrial Growth

The recent data released on the Industrial growth continues to show weakness. The industry grew by 2.7 per cent in May 2009 as compared to the growth of 4.4 per cent posted in the corresponding month of the previous year. Mining and manufacturing sector related activities too were seen to slow down, as these posted growth of 3.7 per cent and 2.5 per cent in May 2009 as against the growth of 5.5 per cent and 4.5 per cent recorded in the corresponding month of the previous year. Production of electricity rose by 3.3 per cent in May this year compared to the growth of 2.0 per cent in same month of previous year.

2. Core infrastructure industries

The data during the first two months of 2009-10 on six core infrastructure industries indicated improvement in output. The main drivers of growth seen in the six core infrastructure industry during the period were cement, power and coal posting growth of 11.7 per cent , 5.1 per cent and 11.8 respectively in April-May 2009-10 compared to the growth of 5.4 per cent , 1.7 per cent and 9.5 per cent respectively during the same period of previous fiscal. However, production of crude petroleum and petroleum refinery were badly hit

3. Inflation Trends

Slowdown in the economy and rapid decline in global commodity prices toned down the overall inflation to below 0 levels for the first time in 35 years. However, it was found that prices of some of the items of mass consumption were still rising. While, the average overall inflation numbers for the month of June 2009 turned negative. However, the food articles falling within the category of primary commodities continue to rise by 8.6 per cent in June 2009 compared to 6 per cent in the previous year. In June 2009 prices of non-food articles, fuel, leather and basic metals dropped by 2.0 per cent, 12.6 per cent, 1.0 per cent and 14.0 per cent respectively from positive growth of 17.0 per cent, 16.0 per cent, 1.6 per cent and 21 per cent seen in the previous year

4. Monetary Indicators

Money supply in April 2009 calculated over March 2009 shows, M3 swelled by 2.6 per cent in April 2009 compared to 0.6 per cent growth recorded in the corresponding period of previous year. Further, in March 2010 it increased by 16.9 per cent. The net bank credit to the government sector swelled by 4.1 per cent from 0.1 per cent growth posted in the previous year. Growth in the bank credit to the commercial sector remained negative. The net foreign exchange of banks continued to slide by 1.4 per cent compared to an increase of 1.4 per cent recorded in the previous year. Aggregate deposits expanded by 2.4 per cent in April 2009 as against the Y-o-Y variation of 0.1 per cent in the same month of the previous year. Investment stepped up by 6 per cent as compared to 4 per cent in the previous year.

5. Stock Market Trends

The Indian stock market plunged below (BSE – Sensex) 10 K points in December 2008 from a high 20K in January 2008 and it took more than a quarter to get the index back to above 10K level .

6. Fiscal Management

Total tax collections were severely hit during the recent period. Tax collections shrunk by 12 per cent in May 2009 as against an expansion of more than 36 per cent in the same period of previous year. Thinner corporate earnings and greater tax relief seized the growth in tax collections. Tax collected from the corporate sources was observed to increase by 10 per cent in May 2009 compared to a growth of 60 per cent in the previous year. Contribution from income tax during the month rose by 11.7 per cent only compared to the increase of 76.0 per cent recorded in the previous year. Increase in the taxes received from the indirect sources however plunged to negative on account of tax relief given by the government. The tax collection got thinner on account of steps taken by the government to aid the industry. Budgeted outlay for 2009-10 shows an increase of 36 per cent over the budget estimates of last year. With 36.0 per cent budgeted increase the government has planned a gross market borrowing programme of Rs 4,51,093 crore, however the actual market borrowings targeted would be 3,97,957 crore after the net scheduled repayments of Rs 53,135 crore. This market borrowing may go up if the government is again forced to announce stimulus measures.

7. Foreign Trades

Decline in total merchandise trade continues. Performance of merchandise exports remains bad as it posted negative growth for straight eighth months. Exports registered a negative growth of 30 per cent in May 2009 compared to an increase of 12 per cent in the same month of previous year. Imports too were seen to weaken, slipping by 60 per cent in May 2009

8. Capital Inflows

Foreign investment received in 2008-09 was USD 35.1 billion, slightly higher than the FDI received in 2007-08 (USD 34.3 billion). A significant difference in the total investments of 2008-09 and

2007-08 has been on due to the inflow and outflow of foreign investment observed in 2007-08 and 2008-09 respectively. In the first month of the fiscal 2009-10 the country attracted investment of USD 2.3 billion with USD 2.2 billion of portfolio investments

9. Foreign Exchange Reserves

An expansion was seen in the country's FOREX reserves as it crossed USD 260 billion from USD 250 billion about a month back. This was on the back of foreign currency assets which is expressed in US dollar terms and includes appreciation or depreciation of non-US currencies and increase in the inflows of foreign institutional investments in the country.

10. Trends in the Exchange Rates

The rapid fluctuations in the exchange rate between the USD and Indian Rupee lowered the margins of trading community. We have seen the Indian Rupees against the USD shuttling between 47- 50. This kind of movement can be covered partly only, through forward contracts.

Conclusion

Global economic recession had short run impact to slow down some sectors of the Indian economy. Global economic recession had major hit on high caliber employment. Our young energetic, potential engineers; managers/executives had a great disappointment almost for a year. However, since Indian economy is more self-reliant in nature or less depending on the external economy, it is not much hit by the global economic recession. But, what is more worried in Indian economic context is inflation. Inflationary pressure (extreme low to high) would effect more, the growth of Indian economy. Therefore, managing balanced markets with no much price fluctuation is more important.

Poverty in India is reducing but it is still a major issue. Rural Indians depend on unpredictable agriculture incomes, while urban Indians

rely on jobs that are, at best, scarce. This is really what happened to Indian economy in the recent years due global economic recession and inflation.

Since its independence, within India the issue of poverty has remained a prevalent concern. According to the common definition of poverty, when a person finds it difficult to meet the minimum requirement of acceptable living standards, he/she is considered poor. Millions of people in India are unable to meet these basic standards, and according to government estimates, in 2007 there were nearly 220.1 million people living below the poverty line. Nearly 21.1 per cent of the entire rural population and 15.0 per cent of the urban population of India exists in this difficult physical and financial predicament. Therefore, poverty, unemployment and agricultural development are still the priority of Indian economic development and suggest that macroeconomic indicators are still depending on them and they have powerful impact on those sectors.

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A Study on e-Detailing in Promotion of Pharmaceutical Products: Views of Sales Force in Lucknow City

* Prof. (Dr.) S. K Chaturvedi

** Amit Kumar Pandey

Abstract

E-detailing is one of such selling processes recently adopted by pharmaceutical companies in India for communicating product messages to the HCPs (Health Care Professionals). As this is a new way of communication, it is necessary to identify the key success factors in the pharmaceutical industry for adopting e detailing as marketing and communication tool. The purpose of this study is to uncover the factors influencing the scope and acceptability of e-detailing concepts recently started by pharmaceutical companies in India. As viewed by the sales force, internal factors like easy to use e-detailing, easy interaction, top management support, type of products, improved quality of work, quick task accomplishment, clear and understandable interaction, managerial readiness and operational capabilities are the most important factors responsible for proper acceptability of e-detailing programme. Other stimuli which work as external factors are brand acceptance, audience acceptance, business environment, market accessibility, market trends, convenience mode of communication and relationship with customers. This has a positive impact on overall business of the companies. Results of this study will help pharmaceutical companies working in India to understand factors influencing scope and acceptability of e-detailing as an important promotional tool.

* Director, Naraina Group of Institutions, Kanpur

* Research Scholar, Department of Management, Gautam Buddh Technical University, Lucknow.

Pharmaceutical companies may plan their promotional strategies based on the discussions.

Keywords: *E-detailing, E-marketing, Factor analysis, Health care, Health care professionals, PSRs*

Introduction

E-detailing can be best described as the use of information technology in the field of pharmaceutical detailing. It is becoming highly popular among pharmaceutical companies because it maximizes the time of the sales force, cuts down the cost of detailing and increases physician prescribing. Thus, the application of information technology is proving to be beneficial to both physicians and pharmaceutical companies. When e-detailing was introduced in 1996, it was limited to the US; however, numerous other countries soon adopted this novel approach to detailing and now it is popular in many developed nations. (*Isaac D Montoyain Expert Opinion on Drug Safety*)(2008). Historically, product detailing has been the most important way for pharmaceutical companies to communicate drug information to physicians. Unfortunately, traditional methods of detailing are no longer as effective as they once were. Pharmaceutical companies face mounting competition where physicians have less time to spend with sales representatives. Furthermore, current detailing methods do not provide physicians with information that they value when they want it: one study found that 78 percent of doctors feel that the product information they receive from sales representatives is biased, and nearly half say that the timing of detailing calls is inconvenient. The migration of detailing services to an electronic channel that physician can access to get the information they want, where they want, at a time that is most convenient for them (e-Detailing), can decrease detailing costs while increasing revenue. e-Detailing can be an important tool that helps pharmaceutical

companies improve physician relationships and, in turn, build market share. Many pharmaceutical companies have e-Detailing initiatives under way and physician interest appears to be growing.

In this research, researchers have tried to investigate the factors responsible for acceptance and execution of e-detailing as a marketing tool by sales force of numerous pharmaceutical companies in Lucknow city.

Research Methodology

The study is based on Primary data, collected from sales professionals of Pharmaceutical Company in Lucknow city. To collect primary data, “Survey research approach” was adopted for the project and for this communication approach; personal interview of the respondents was conducted. For the collection of data, a properly structured questionnaire was used. Further, it is not feasible to go for a population surveys due to the numerous sales force and the scattered location. Hence, researchers had gone for intelligent sampling.

In this research, researchers surveyed 150 respondents who are using e-detailing as marketing tool for promotion of pharmaceutical products in Lucknow city. In this research stratified and convenience sampling method has been used for sampling procedures. There are some limitations for the study that should be carefully taken into consideration with respect to interpretation and implementation.

1. Due to time and cost factor only 150 professionals were surveyed.
2. The study is limited to Lucknow city and all the information furnished by the respondent was treated as correct.

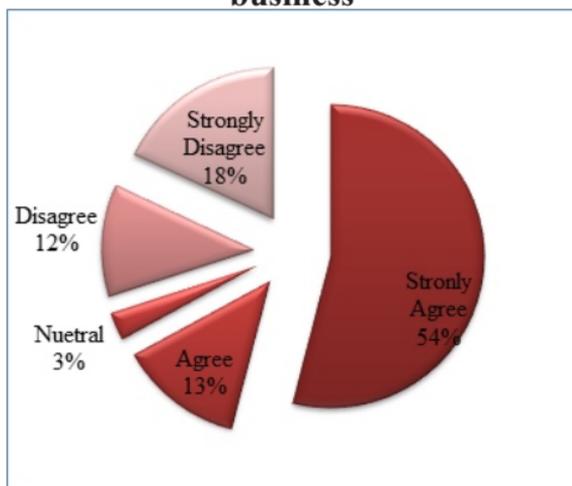
Analysis and Interpretation of Data

This analysis is divided into two parts viz., internal factors and external factors that are responsible for acceptance of e-detailing as

promotional tool for promotion of pharmaceutical products. This analysis is done by using pie chart as analytical tool.

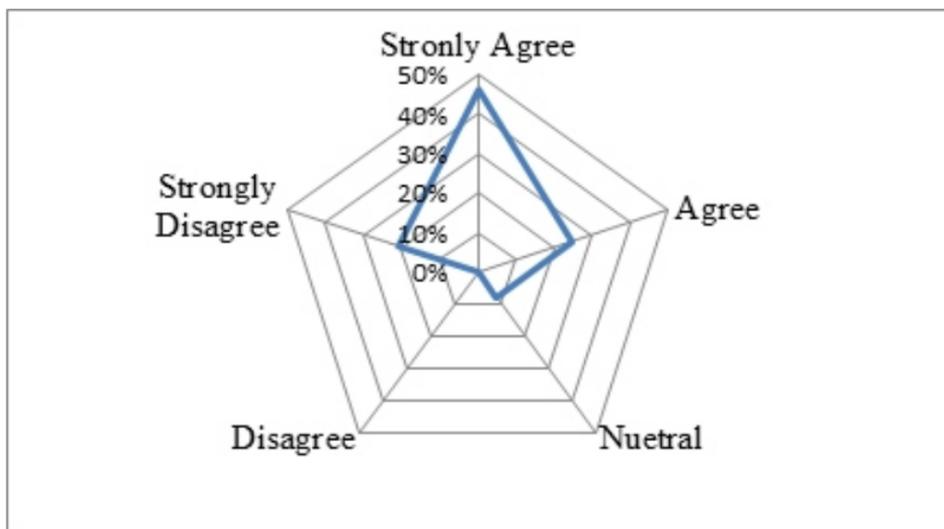
Internal Factors

Chart 1: Opinion about the use of e-marketing tool for conducting business



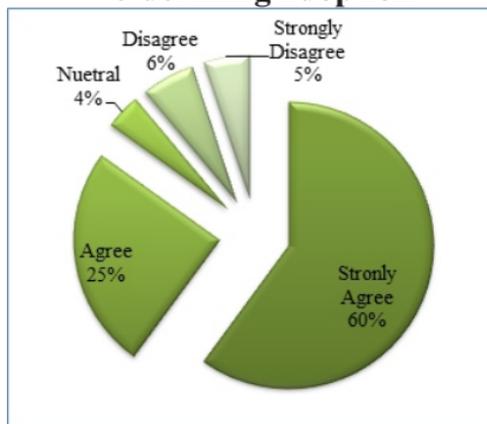
Interpretation: Out of 150 respondents 54 percent 'strongly agree' and 13 percent 'agree' that e-detailing tool for conducting business is easy to use. The rest 31 percent are using e-detailing as promotional tool but does not agree with the factor that e-detailing is useful for conducting business. Remaining 3 percent are neutral on above factor.

Chart 2: Opinion about the interaction with the target customers through e-detailing tools



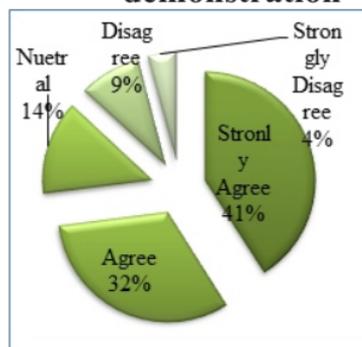
Interpretation: Out of 150 respondents, 46 percent 'strongly agree' and 25 percent 'agree' that using e-detailing tool helps them to interact with customers easily. Rest 21 percent respondents use e-detailing but not satisfied that e-detailing helps them to interact with customers easily. Remaining 8 percent are neutral on above factor.

Chart 3: Opinion about the support from Top Management for e-detailing adoption



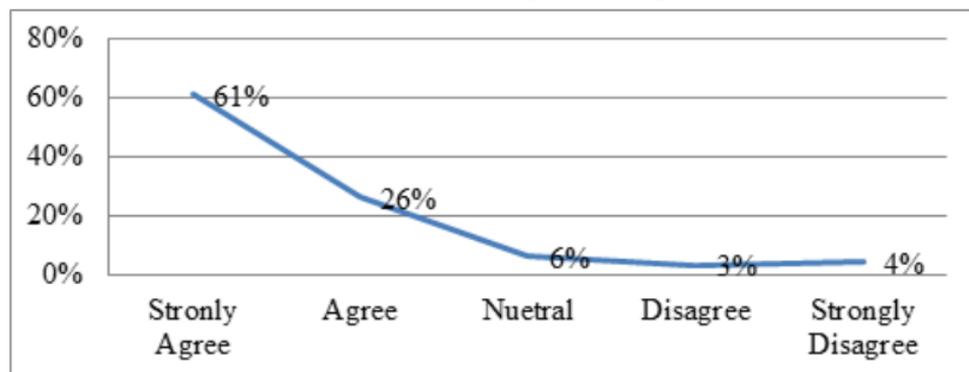
Interpretation: More than 85 percent respondents 'agree' that they get sufficient support from top management for adoption of e-detailing for promotion of their pharmaceutical products. It shows that top management played an important role in the adoption of e-detailing as promotional tool and encourage their employees for maximum utilization of e-marketing tool. Only 11 percent sales personnel do not agree with above factor but still they use e-detailing due to some other factors. Remaining 4 percent are not able to answer the above question.

Chart 4: Opinion about the adoption of e-detailing for product demonstration



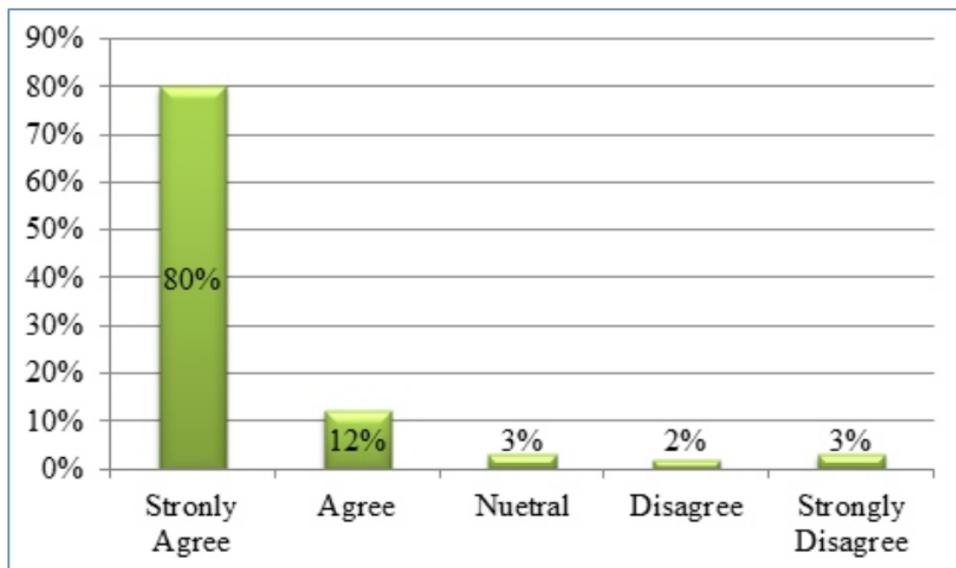
Interpretation: Among the 73 percent respondents 'agree' that they have such type of products that support e-detailing to demonstrate them easily in front of their customers. They think that e-detailing helps them in easy demonstration of their brands. Rest 13 percent do not think that product played any role in the adoption of e-detailing as promotional tool. 14 percent respondents are neutral on above factor.

Chart 5: Effect of e-detailing on the quality of work



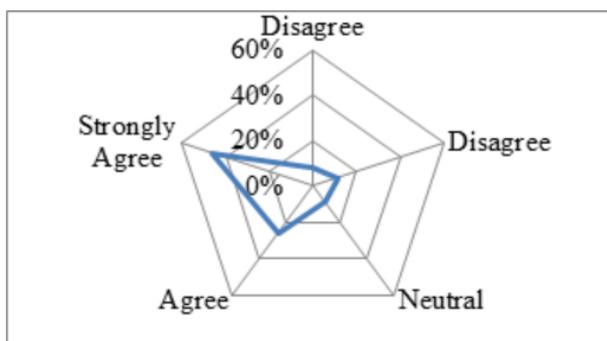
Interpretation: Out of 150 respondents 87 percent 'agree' that e-detailing improves their quality of work they have to perform on daily basis. They think e-detailing helps them to persuade their customers easily. Remaining 7 percent sales personnel do not agree with above factor and 6 percent are neutral on above question.

Chart 6: e-detailing and speed of work



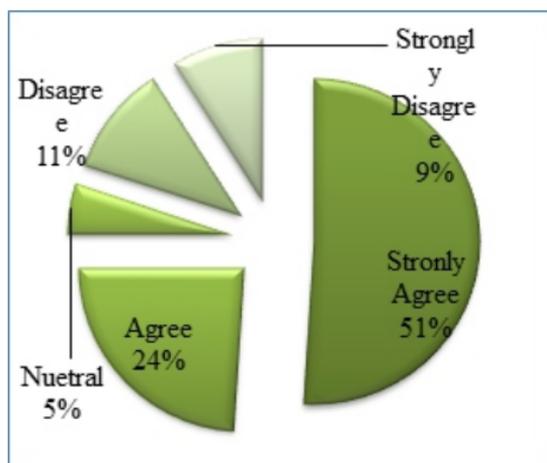
Interpretation: More than 90 percent respondents 'agree' that e-detailing enables them to accomplish their task more quickly. In the present scenario physicians provide very less time to sales personnel for detailing. In this situation, e-detailing played vital role in detailing of their brand. Only 5 percent are 'not satisfied' respondents and 3 percent are neutral on above question.

Chart 7: e-detailing support for interaction with the customers



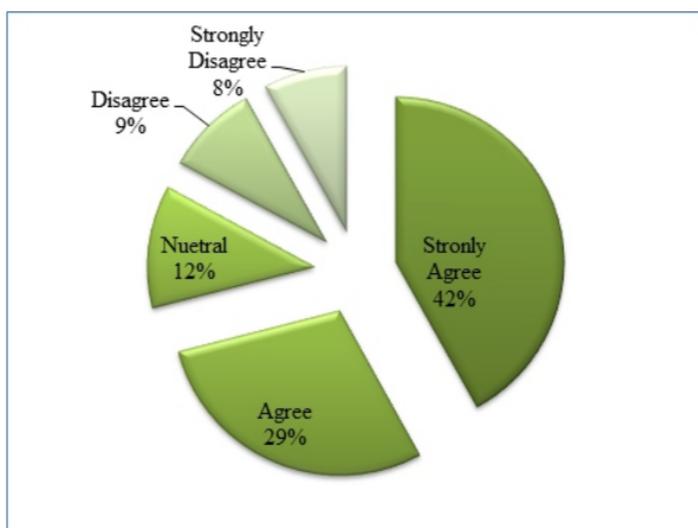
Interpretation: Out of 150 respondents 46 percent 'strongly agree' and 26 percent 'agree' that interaction with customers with e-detailing is clear and understandable. 72 percent respondents 'agree' that interaction with e-detailing is clear and understandable. They are able to present their brand more effectively in front of their customers. 19 percent sales personnel do not agree with above statement and remaining 9 percent are neutral on above question.

Chart 8: Managerial Readiness for e-detailing

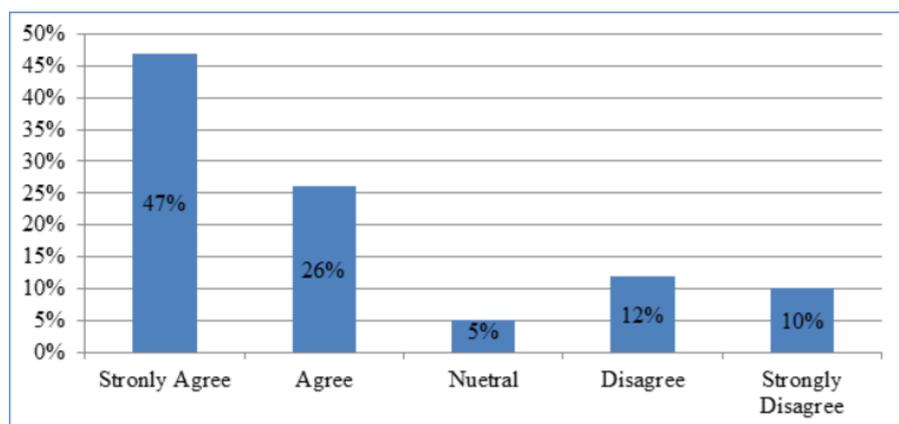


Interpretation: More than 75 percent of the respondents either strongly agree or agree that their higher ups have extended all support and co-operation for the adoption of e-detailing in product promotion. It means that manager played a key role in adoption of e-detailing. They take follow up on regular basis and ready to adopt e-detailing in their routine work. 20 percent respondents do not agree with above factor and 5 percent are neutral on above question.

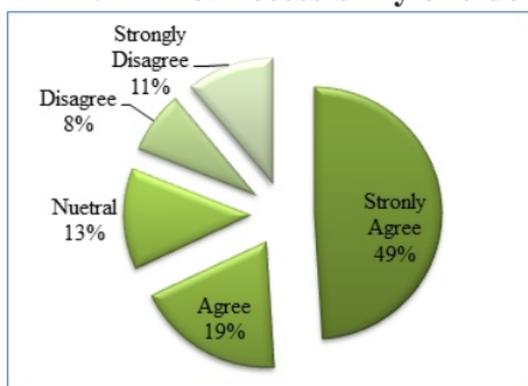
Chart 9:Operational Capabilities of the organisation to adopt e-detailing



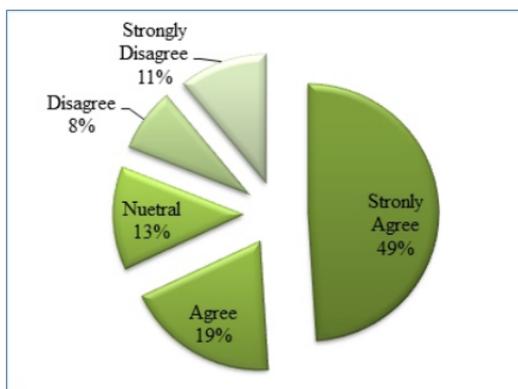
Interpretation: Operational capabilities of the organization is another factor which motivates sales personnel to adopt e-detailing as marketing tool for promotion of their brands. It can be seen in the above chart that 71 percent respondents 'agree' that their organising is capable of adopting e-detailing as an important tool for product promotion and remaining 17 percent 'disagree' while 12 percent are not able to give their views on above question.

External Factors:**Chart 10: Audience Acceptance of e-detailing**

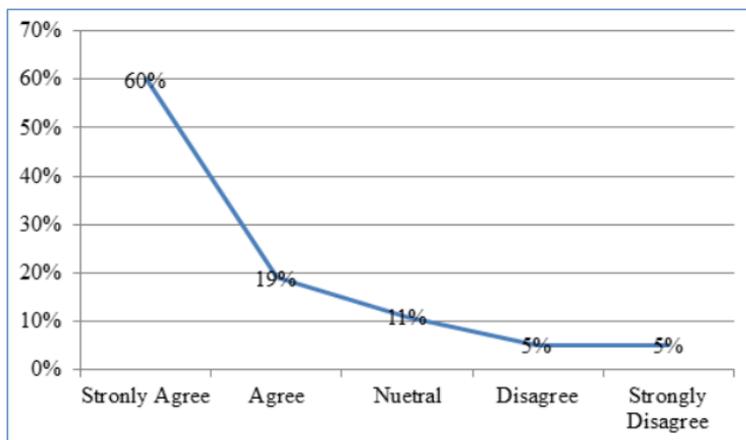
Interpretation: Understanding and support of health care professionals also play an important role in the success of e-detailing as a marketing tool. It is heartening that 73 percent of the respondents strongly agree or agree that acceptability of e-detailing by health care influence is the key for its success. However, 22 percent of respondents feel that audience does not play any role in the adoption of e-detailing as a promotional tool. While 5 percent are neutral on the above question.

Chart 11: Market Accessibility of e-detailing

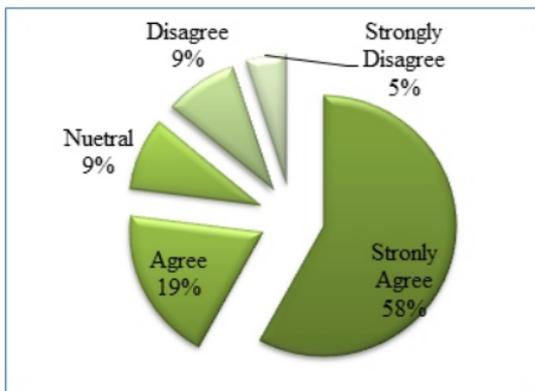
Interpretation: About 68 percent of respondents perceive that market acceptability is the key reason for adoption of e-detailing as a promotional tool of their pharmaceutical products. Rest 19 percent of respondents do not agree with the above statement but they use e-detailing in their daily promotional activities. While 13 percent are neutral as they were not able to respond to the above question.

Chart 12:e-detailing as a convient mode of communication

Interpretation: Out of 150 respondents 74 percent respondents find e-detailing a convenience mode of communication with their customers. It means that many of the respondents find e-detailing as convenience mode of communication while 11 percent do not find e-detailing as easy as traditional detailing. Rest 15 percent respondents are neutral on above statement.

Chart 13:Brand Acceptance in the Market

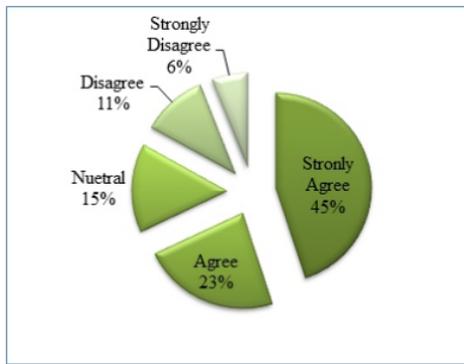
Interpretation: Nearly 79 percent respondents feel that brand name of the product and organization motivates them to adopt e-detailing for promotion of their brands. Further, brand of the organization played vital role in acceptance of e-detailing among physicians that motivates sales personnel to adopt e-detailing as promotional tool. Rest 10 percent do not agree with above statement and 11 percent are not able to respond.

Chart 14: Relationship with target customers and e-detailing

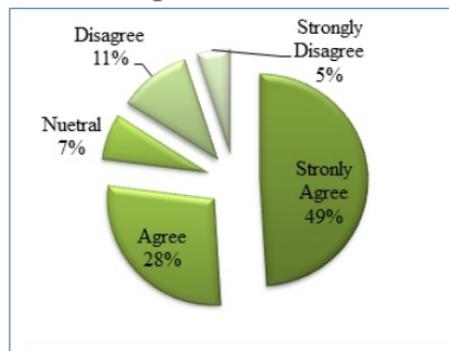
Interpretation: More than 77 percent respondents agree that relationship with their target customers helps them to adopt e-detailing as a marketing tool for promotion of their products. Relationship with the customer is the key to take time for promotion of their brands that motivates sales professional to adopt technology as promotional tool. 14 percent respondents are using e-detailing but not satisfied with the above statement and remaining 9 percent are neutral on above factor.

Chart 15: e-detailing and Competitive Pressure

Interpretation: Out of 150 respondents 47 percent respondents agree that competitive pressure is responsible for adoption for e-detailing. 40 percent respondents disagree that competitive pressure played any role in adoption of e-detailing as marketing tool. This is the one does not factor which satisfy most of the respondents. This indicates that, competitive pressure does not have any key role in the adoption of e-detailing as promotional tool.

Chart 16: Business environment

Interpretation: Among 150 respondents 68 percent respondents agree that present business environment that fastly adopting technology is the main reason to adopt e-detailing as marketing tool. It shows that technology also finds place in pharmaceutical marketing as it is positively affecting other industries. While 17 percent sales professional do not agree that business environment motivates them to adopt e-detailing as promotional tool. Rest 15 percent are neutral on above statement.

Chart 17: Response to Market Trends

Interpretation: Out of 150 respondents 77 percent respondents feels that current market scenario motivates them to adopt e-detailing as a promotional tool for the promotion of their pharmaceutical products. Market is well responding to e-marketing that is why sales professionals adopt e-detailing as promotional tool. While 16 percent respondents do not find market trends played any role in adoption of e-detailing by them. Rest 7 percent respondents are neutral on above statement.

Findings and Conclusion

As viewed by the sales personnel, various internal and external factors are responsible for adoption of e- detailing as promotional tool. As viewed by the sales force, internal factors like easy to use e-detailing, easy interaction, top management support, type of products, improved quality of work, quick task accomplishment, clear and understandable interaction, managerial readiness and operational capabilities are the most important factors responsible for proper acceptability of e-detailing program. Other stimuli which work as external factors are brand acceptance, audience acceptance, business environment, market accessibility, market trends, convenience mode of communication and relationship with customers. This has a positive impact on overall business of the companies. Results of this study will help the pharmaceutical companies working in India to understand the factors influencing the scope and acceptability of e-detailing as an important promotional tool. Pharmaceutical companies may chart their strategic communication in line with the same. The above discussed factors played vital role in adoption of e- detailing as promotional tool. Most of the respondents are not satisfied with all the factors but they are satisfied with either of the above discussed factors. Despite, they are using e-detailing as promotional tool.

This paper has identified the factors responsible for acceptance and execution of e-detailing as a pharmaceutical marketing communication tool. These factors may be tested in entire country and intensity may be analyzed beyond city boundaries.

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An Empirical Study of the Effectiveness of various Option Trading Strategies used by the traders using Nifty Index

Mr. Jnaneshwar Pai Maroor

Abstract

'Derivatives' is the emerging concept in the Indian capital market. Derivative refers to a security whose price is dependent upon or derived from one or more underlying assets. The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the prices of the underlying assets. The most common underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes. Most derivatives are characterized by high leverage. It was introduced in NSE in the year 2000 and recently in BSE also. Today there are various types of derivatives like futures, options, forwards, swaps etc., Among them futures and options are significant in the Indian capital market. Today, nearly 80 percent of the transactions are only in derivative market. There are various strategies that these derivative traders follow. For the convenience of the study, the author has analyzed only options strategies used by the options traders.

Keywords: *Derivative, Option, NSE, BSE, Exchange Traded Fund*

Introduction

An option is a contract to buy or sell a specific financial product officially known as the option's underlying instrument or underlying interest. For equity options, the underlying instrument is a stock, exchange-traded fund (ETF), or similar product. The contract itself is

Assistant Professor & Research Scholar, Justice K.S. Hegde Institute of Management, NMAMIT, Nitte. Email Id: pai.jnan@gmail.com

very precise. It establishes a specific price, called the strike price, at which the contract may be exercised, or acted on. And it has an expiration date. When an option expires, it no longer has value and no longer exists. Options come in two varieties, calls and puts, and we can buy or sell either type. We make those choices - whether to buy or sell and whether to choose a call or a put - based on what we want to achieve as an options investor. If we buy a call, we have the right to buy the underlying instrument at the strike price on or before the expiration date. If we buy a put, we have the right to sell the underlying instrument on or before expiration. In either case, as the option holder, we also have the right to sell the option to another buyer during its term or to let it expire worthless.

The situation is different if we write, or "sell to open", an option. Selling to open a short option position obligates us, the writer, to fulfill our side of the contract if the holder wishes to exercise. When we sell a call as an opening transaction, we are obligated to sell the underlying interest at the strike price, if we are assigned. When we sell a put as an opening transaction we are obligated to buy the underlying interest, if assigned. As a writer, we have no control over whether or not a contract is exercised, and we need to recognize that exercise is always possible at any time until the expiration date. But, just as the buyer can sell an option back into the market rather than exercising it, as a writer we can purchase an offsetting contract, provided we have not been assigned, and end our obligation to meet the terms of the contract. When offsetting a short option position, we would enter a "buy to close" transaction.

Statement of the Problem

Option traders use many strategies. But there has been not much effort done by anyone so far in determining the effectiveness of these strategies. These strategies will become base for developing new

strategies. So, this study will help to know the effectiveness of some widely used strategies and also to test the effectiveness of new strategies in the Indian context.

Objectives of the Study

The main objective of the study is to know the effectiveness of various strategies used by the option traders using nifty index. The various subsidiary objectives include;

- a. To know the best circumstances in which particular strategies can be applied.
- b. To know the maximum exposure to risk under each strategies.
- c. To know the maximum profit/loss that could be earned on each strategy.
- d. To test some new strategies and to determine their effectiveness.

Need for the Study

The need arises to know the strategy which will yield higher benefits and the circumstances in which they yield higher benefits and also to test some of the new strategies which are developed by keeping conventional strategies as a base. So far there has not been much effort by researchers to know the effectiveness of these strategies in the world/ Indian capital market. So there arises a need to determine the effectiveness of such strategies and to simplify these complex topics. It will help in understanding complex issues in real time basis by using real time examples.

Scope of the Study

The scope of the study confines itself to one year data (Nifty Index; 2012 Nifty 50; Option prices) and 9 widely used strategies are covered under the study. The study is general in nature and behavior of single/individual option trader is not studied.

Methodology

The study is based on the widely available secondary data. The analysis has been conducted for a period commencing from 1 Jan, 2012 and till 31 Dec, 2012. There are various methods used in the analysis of problem under study. Those include:

- a. Simple averages
- b. Tables, Charts and graphs
- c. Virtual investment methods to calculate the payoff and gains

Review of Literature

There were no research reports found on the topic. But some of the related literature has been reviewed in the study. Donmez and Yilmaz (1999) state that “a mature derivatives market on an organised exchange leads to a better risk management and better allocation of resources in the economy”. This is confirmed also by Hunter and Marshall (1999), who affirm “derivatives trading may increase informational efficiency of financial markets and provide instruments for more effective risk management”. In the current literature, there seems to be no clear evidence about an increase of risk, either systemic or non-systemic, in the absence of shocks; in presence of exogenous shocks, they tend to exacerbate the effects, according to their different risk propensity. Hunter and Marshall (1999) and Hunter and Smith (2002) underline the important relationship between systemic risk and derivatives, given that the presence of systemic risk needs the central bank to act as a liquidity supplier for financial markets.

A study on “Derivative market in India: Current scenario and future trends” was made in the year 2006 by Riddhi kapadia. According to the author, the derivative market has become multi-trillion dollar markets over the years. Derivatives are financial commitments indexed or linked in some capacity to changes in the value of

underlying assets. The bulk of the derivatives trading internationally are linked to currencies and interest rates, other derivatives are linked to equity or equity indices. A very small volume of derivatives, compared to the total, is indexed to traditional commodities. Small by comparison to other derivatives markets, these commodities-indexed derivatives markets are large compared to the underlying physical commodity markets. The Aims and Objectives of this research are to have an in-depth knowledge of the derivative markets in India and in this report entitled 'A Study on Derivatives Market in India – Current Scenario and Future Trends', the researcher tried his best to make it simple and understandable. The findings were in favour of derivatives being vital for the stock market and they are not diminishing in today's world, but they are at the booming stage; and every institutional investor would want to use derivative as a tool to maximize his profits. The research deals with basics of derivatives and its evolution in India. Also, statistics indicates about the global derivatives market is given and it is heartening to know that India's NSE was placed in 20th rank during 2006 in the global derivative market. In the later part of the research evolution, current scenario and prospects of equity derivatives are discussed. In the concluding section, the use of derivatives by various financial institutions and obstacles to derivative market development is debated. In the report it is concluded that the derivatives market will continue to grow, and there is a need to remove the obstacles in its way. Also, more products should be introduced in the derivatives market.

Tan (2009) finds that the benefit of adding options seems to be quite small for long-horizon Constant Relative Risk Aversion (CRRA) investors who can buy put and call options. Liu and Pan (2003) and Driessen and Maenhout (2007) show that improvements by including derivatives are driven mostly by a myopic component. In

fact, their results show low predictability of returns of the optimal strategy. There is also little correlation with the market. These two features imply that there would be little hedging demand.

Driessen and Maenhout (2006) confirm these results for short-term options in US and UK markets. Coval and Shumway (2001) and Bondarenko (2003) also find that selling naked puts offers high returns even after taking into account their considerable risk. These authors, however, do not discuss how to optimally combine options into a portfolio. Interestingly, they found that, portfolios depart significantly from exploiting these simple strategies. For instance, there are extended periods in which the optimal portfolios are net long put options.

Limitations of the Study

Despite all the possible efforts made to analyze the data related to option strategies used by the option traders, there are certain factors which negatively impact the study. Those limitations are-

- a. The limited time frame in consideration which may not show the accurate results
- b. The sampling error may creep in as the study only considers the Nifty Index Option for the sake of analysis.
- c. The assumption that Option traders enter only when the particular series of contract start (near month) and exit only on the expiration of the contract; may not hold good.

Data Analysis and Interpretation

The data analysis and interpretation help us to know the effectiveness of each strategy used by the options traders in terms of return, risk and profit potential. It includes assumptions, data analysis and interpretation.

Assumptions

For the sake of convenience and simplicity the following

assumptions were made which includes;

- There are no transaction costs, brokerage etc.
- All the transactions entered are based on the closing prices (Near Month contract-Last Thursday of every month) and exit on the closing price on expiry date.
- The entire fraction has been rounded off to the nearest value.
- The margin money is maintained in the form recommendable security so that the margin money will not be idle and it will continue to earn/lose.

Effectiveness of Butterfly Spread

The butterfly spread is a neutral strategy that is a combination of a bull spread and a bear spread. It is a limited profit, limited risk options strategy. There are 3 striking prices involved in a butterfly spread and it can be constructed using calls or puts.

Butterfly Spread Construction

Buy	1 ITM Call
Sell	2 ATM Calls
Buy	1 OTM Call

Long Call Butterfly

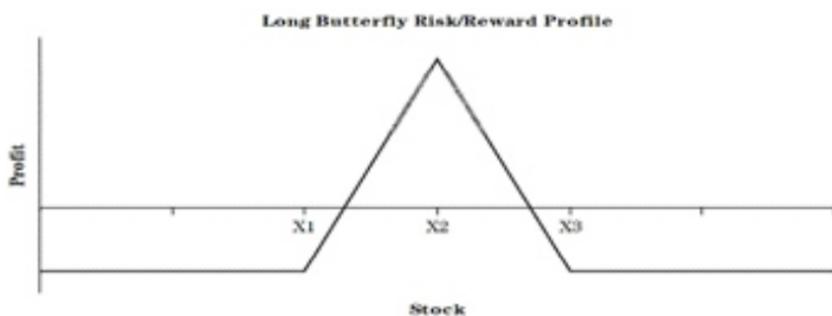
Long butterfly spreads are entered when the investor thinks that the underlying stock will not rise or fall much by expiration. Using calls, the long butterfly can be constructed by buying one lower striking in-the-money call, writing two at-the-money calls and buying another higher striking out-of-the-money call. A resulting net debit is taken to enter the trade.

Maximum profit for the long butterfly spread is attained when the underlying stock price remains unchanged at expiration. At this price, only the lower striking call expires in the money. The formula for calculating maximum profit is given below:

Max Profit = Strike Price of Short Call - Strike Price of Lower Strike

Long Call - Net Premium Paid - Commissions Paid

Chart No. 1: Chart showing payoff from long butterfly spread



Max Profit Achieved When Price of Underlying = Strike Price of Short Calls

Limited Risk: Maximum loss for the long butterfly spread is limited to the initial debit taken to enter the trade plus commissions.

Table No. 1 :Table showing the profit/ (loss) using Long Call Butterfly strategy from Jan-2012 to Dec-2012

SI No.	Months	Max. Risk Exposure in Rs.	Max. profit potential in Rs.	Profit/(Loss) in Rs.
1	Jan-2012	-700	4300	- 1000
2	Feb-2012	-600	4400	-150
3	Mar-2012	-600	4400	-600
4	Apr-2012	-600	4400	3600
5	May-2012	-650	4350	-650
6	Jun-2012	-650	4350	-700
7	Jul-2012	-750	4250	1450
8	Aug-2012	-600	4400	-1150
9	Sep-2012	-800	4200	-850
10	Oct-2012	-700	4300	-600
11	Nov-2012	-800	4200	-800
12	Dec-2012	-900	4100	650
TOTAL				-800

Source: Compiled from different sources

From the above table we can say that this strategy has given maximum profit in the month of April-2012. In other months it has given the less or negative returns. In the FY 2012, the Indian market experienced series of reforms which boosted the market. However this strategy has not impacted much for the options traders as net gain for the year stood at Rs. – 800.

Short Butterflies

The short butterfly is a neutral strategy like the long butterfly but bullish on volatility. It is a limited profit, limited risk options trading strategy. There are 3 striking prices involved in a short butterfly spread and it can be constructed using calls or puts.

Short Butterfly Construction:

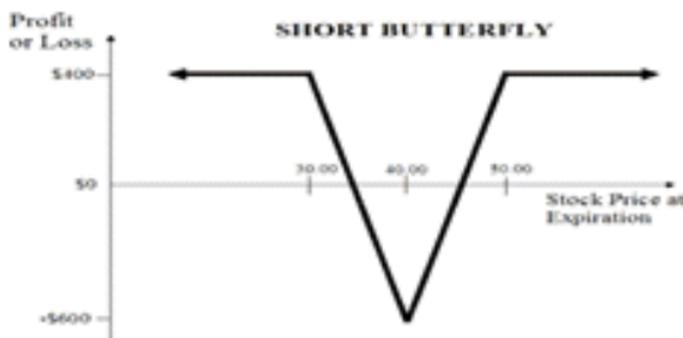
Sell 1 ITM Call

Buy 2 ATM Calls

Sell 1 OTM Call

Using calls, the short butterfly can be constructed by writing one lower striking in-the-money call, buying two at-the-money calls and writing another higher striking out-of-the-money call, giving the trader a net credit to enter the position. Maximum profit for the short butterfly is obtained when the underlying stock price rally pass the higher strike price or drops below the lower strike price at expiration. If the stock ends up at the lower striking price, all the options expire worthless and the short butterfly trader keeps the initial credit taken when entering the position. However, if the stock price at expiry is equal to the higher strike price, the higher striking call expires worthless while the "profits" of the two long calls owned is cancelled out by the "loss" incurred from shorting the lower striking call. Hence, the maximum profit is still only the initial credit taken. The formula for calculating maximum profit is given below:

- $\text{Max Profit} = \text{Net Premium Received} - \text{Commissions Paid}$
- Max Profit Achieved When Price of Underlying \leq Strike Price of Lower Strike Short Call OR Price of Underlying \geq Strike Price of Higher Strike Short Call

Chart No. 2 :Chart showing payoff from short butterfly spread

Maximum losses for the short butterfly are incurred when the stock price of the underlying stock remains unchanged at expiration. At this price, only the lower striking call which was shorted expires in-the-money. The trader will have to buy back the call at its intrinsic value.

Table No. 2: Table showing the profit/ (loss) using Short Butterfly strategy from Jan-2012 to Dec-2012

SI No.	Months	Max. Risk Exposure in Rs.	Max. profit potential in Rs.	Profit/(Loss) in Rs.
1	Jan-2012	- 4300	700	1000
2	Feb-2012	- 4400	600	150
3	Mar-2012	- 4400	600	600
4	Apr-2012	- 4400	600	-3600
5	May-2012	- 4350	650	650
6	Jun-2012	- 4350	650	700
7	Jul-2012	- 4250	750	-1450
8	Aug-2012	- 4400	600	1150
9	Sep-2012	- 4200	800	850
10	Oct-2012	- 4300	700	600
11	Nov-2012	- 4200	800	800
12	Dec-2012	- 4100	900	-650
TOTAL				800

Source: Compiled from different sources

From the above table it is clear that this strategy has given small returns. As this is also a limited risk and profit strategy much of the return has not been seen. It has ended up in giving small net gain of Rs. 800 for 2012. In the April month we can see a loss of Rs. 3600 as the strike price remains almost unchanged at the expiry day

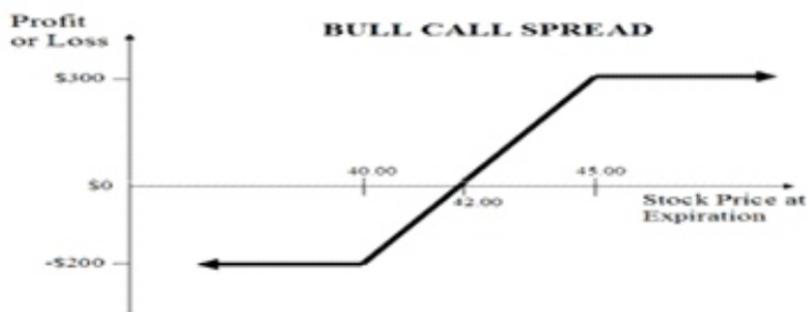
Effectiveness of Bull Call Spread

Establishing a bull call spread involves the purchase of a call option on a particular underlying stock, while simultaneously writing a call option on the same underlying stock with the same expiration month, at a higher strike price. Both the buy and the sell sides of this spread are opening transactions, and are always the same number of contracts. This spread is sometimes more broadly categorized as a "vertical spread": a family of spreads involving options of the same stock, same expiration month, but different strike prices. They can be created with either all calls or all puts, and is bullish or bearish. The bull call spread, as any spread, can be executed as a "unit" in one single transaction, not as separate buy and sell transactions. For this bullish vertical spread, a bid and offer for the whole package can be requested through your brokerage firm from an exchange where the options are listed and traded. Maximum gain is reached for the bull call spread options strategy when the stock price move above the higher strike price of the two calls and it is equal to the difference between the strike prices of the two call options minus the initial debit taken to enter the position. The formula for calculating maximum profit is given below:

$$\text{Max Profit} = \text{Strike Price of Short Call} - \text{Strike Price of Long Call} - \text{Net Premium Paid} - \text{Commissions Paid}$$

$$\text{Max Profit Achieved When Price of Underlying} \geq \text{Strike Price of Short Call}$$

The bull call spread strategy will result in a loss if the stock price declines at expiration. Maximum loss cannot be more than the initial debit taken to enter the spread position.

Chart No. 3: Chart showing payoff from bull call spread**Table No. 3 : Table showing the profit/ (loss) using Bull call spread strategy from Jan-2012 to Dec-2012**

Sl. No.	Months	Max. Risk Exposure in Rs.	Max. profit potential in Rs.	Profit/(Loss) in Rs.
1	Jan-2012	-2500	7500	2650
2	Feb-2012	-2150	7850	2550
3	Mar-2012	-2550	7450	-2550
4	Apr-2012	-2600	7400	-2600
5	May-2012	-2400	7600	-2400
6	Jun-2012	-2600	7400	2500
7	Jul-2012	-2650	7350	-2650
8	Aug-12	-2850	7150	2200
9	Sep-2012	-2450	7550	2550
10	Oct-2012	-2800	7200	2000
11	Nov-2012	-2550	7450	2350
12	Dec-2012	-2700	7300	800
		Total		7400

Source: Compiled from different sources

The above strategy worked out really well in the year 2012. It has resulted in profit in 8 cases out of 12 in 2012. The option trader will gain when the market takes bullish mode. In the year 2012 the market almost took bullish state. Here also maximum loss is limited as well as profit. Considering whole year bull call spread has given Rs. 7400 to the options traders.

Effectiveness of Bear Call Spread

It is considered a bearish strategy because one can earn profit, if the

underlying stock price decreases. This strategy requires the investor to buy out-of-the-money (higher) call options and sell in-the-money (lower) call options on the same stock with the same expiration date. This is also known as a vertical bear call spread. If the stock price closes below the in-the-money (lower) call option strike price on the expiration date, then the investor reaches maximum profits. If the stock price increases above the out-of-the-money (higher) call option strike price at the expiration date, then the investor will experience maximum loss which is the difference between the two strike prices minus the net credit received when the spread was established. The maximum gain attainable using the bear call spread options strategy is the credit received upon entering the trade. To reach the maximum profit, the stock price needs to close below the strike price of the lower striking call sold at expiration date where both options would expire worthless. The formula for calculating maximum profit is given below:

- Max Profit = Net Premium Received - Commissions Paid
- Max Profit Achieved When Price of Underlying \leq Strike Price of Short Call

If the stock price rise above the strike price of the higher strike call at the expiration date, then the bear call spread strategy suffers a maximum loss equals to the difference in strike price between the two options minus the original credit taken in when entering the position.

Chart No. 4 : Chart showing the payoff from bear call spread



Table No. 4: Table showing the profit/ (loss) using Bear call spread strategy from Jan-2012 to Dec-2012

Sl. No.	Months	Max. Risk Exposure in Rs.	Max. profit potential in Rs.	Profit/(Loss) in Rs.
1	Jan-2012	-4300	5700	-4300
2	Feb-2012	-5100	4900	-4950
3	Mar-2012	-4300	5700	5700
4	Apr-2012	-4200	5800	1600
5	May-2012	-4550	5450	5450
6	Jun-2012	-4150	5850	-4300
7	Jul-2012	-3950	6050	3850
8	Aug-2012	-3700	6300	-3250
9	Sep-2012	-4300	5700	-4250
10	Oct-2012	-3700	6300	-3400
11	Nov-2012	-4100	5900	-3900
12	Dec-2012	-3700	6300	-2250
		Net gain/loss		-14000

Source: Compiled from different sources

Chart No. 5 : Chart showing Bear call spread Payoff from Jan 2012- to Dec-2012

From the above chart and graph it is very clear that the above strategy is not very effective since it has a potential to produce lowest net return amongst all other strategy. This strategy has produced a net loss for the trader i.e. Rs. 14,000 in a year using bear call spread. Here the maximum loss exposure is limited as there is a hedging i.e. by taking both long and short position. This strategy is not effective in bullish market.

Effectiveness of Bull Put Spread Strategy

It is considered a bullish strategy because one can earn profit, if the underlying stock price increases. This strategy requires the investor to sell in-the-money (higher) put options and buy out-of-the-money (lower) put options on the same stock with the same expiration date. This is also known as a vertical bull put spread. If the stock price closes above the in-the-money (higher) put option strike price on the expiration date, then the investor receives the maximum profit. If the stock price decreases below the out-of-the-money (lower) put option strike price at the expiration date, then the investor has a maximum loss potential of the difference between the two put option strike prices minus the net credit.

Table No. 5 : Table showing the profit/ (loss) using Bull put spread strategy from Jan-2012 to Dec-2012

Sl. No.	Months	Max. Risk Exposure in Rs.	Max. profit potential in Rs.	Profit/(Loss) in Rs.
1	Jan-2012	-5850	4150	4150
2	Feb-2012	-5200	4800	4800
3	Mar-2012	-5800	4200	-5850
4	Apr-2012	-6000	4000	-1550
5	May-2012	-5700	4300	-5750
6	Jun-2012	-6000	4000	4000
7	Jul-2012	-6300	3700	-3850
8	Aug-2012	-6550	3450	3450
9	Sep-2012	-5900	4100	4100
10	Oct-2012	-6550	3450	3300
11	Nov-2012	-6100	3900	3900
12	Dec-2012	-6550	3450	2350
		Net gain/loss		13050

Source : Compiled from Different Sources

The above graph and chart clearly depicts the effectiveness of Bull put spread. This strategy resulted in a net gain for an option trader Rs.

13,050 in a year span. This strategy also turned out is good as the risk involved and maximum loss exposure is limited. This strategy has produced good return in the month Jan. Feb, June, Aug. It's mainly because the bullish movement of underlying.

Effectiveness of Bear Put Spread Strategy

It is considered a bearish strategy because one can earn profit, if the underlying stock price decreases. This strategy requires the investor to buy an in-the-money put option and sell an out-of-the-money put option on the same stock with the same expiration date. This is also known as a vertical bear put spread. If the stock price closes below the out-of-the-money (lower) put option strike price on the expiration date, then the investor reaches maximum profits. If the stock price increases above the in-the-money (higher) put option strike price at the expiration date, then the investor has a maximum loss potential of the net debit.

A Bear Put Spread strategy is profitable when the stock price moves below the break-even point: upper strike price minus net debit. A characteristic of the vertical Bear Put Spread is the put options are sold and bought on the same underlying stock with the same expiration date (this is why it's known as a "vertical spread"). The benefit of the Bear Put Spread strategy is the risk never exceeds the net investment of buying and selling put options simultaneously. This strategy is considered moderately bearish because the investor is using the sale of a put to reduce his/her risk while still positioning for a decent profit should the stock price move below the lower put option strike price. The maximum loss potential is reached if the stock moves above the in-the-money (higher) put option strike price.

Table No. 6: Table showing the profit/ (loss) using Bear put spread strategy from Jan-2012 to Dec-2012

Sl. No.	Months	Max. Risk Exposure in Rs.	Max. profit potential in Rs.	Profit/(Loss) in Rs.
1	Jan-2012	-4150	5850	-4150
2	Feb-2012	-4800	5200	-4800
3	Mar-2012	-4200	5800	5850
4	Apr-2012	-4000	6000	1550
5	May-2012	-4300	5700	5750
6	Jun-2012	-4000	6000	-4000
7	Jul-2012	-3700	6300	3850
8	Aug-2012	-3450	6550	-3450
9	Sep-2012	-4100	5900	-4100
10	Oct-2012	-3450	6550	-3300
11	Nov-2012	-3900	6100	-3900
12	Dec-2012	-3450	6550	-2350
		Net gain/loss		-13050

Source: *Compiled from different sources*

This is just opposite to earlier strategy i.e. the gain of bull put spread is the loss in bear put spread. In the year 2012 this strategy doesn't worked out well as market took a bullish turn in most of the months.

This strategy has resulted in the net loss of Rs. 13,050 for the option trader. This strategy has resulted in the good profit in the month of March, May and July as the underlying price has moved down.

Effectiveness of Long Straddle Strategy

The long straddle is simply the simultaneous purchase of a long call and a long put on the same underlying security with both options having the same expiration and same strike price. Because the position includes both a long call and a long put, the investor in a straddle should have a complete understanding of the risks and rewards associated with both long calls and long puts. Increasing volatility and large price swings in the underlying security,

potentially profit from a big move, either up or down, in the underlying price during the life of the options. Purchasing only long calls or only long puts is primarily a directional strategy. The long straddle however, consisting of both long calls and long puts is not a directional strategy, rather it is one where the investor feels large price swings are forthcoming but is unsure of the direction. This strategy may prove beneficial when the investor feels large price movement, either up or down, is eminent but is uncertain of the direction. A long straddle benefits when the price of the underlying moves above or below the break even points. If a large price movement occurs outside of this range, significant profits can be realized. If an increase in the implied volatility of the options outpaces time value erosion, likewise the position could realize a profit.

Table No. 7: Table showing the profit/ (loss) using Long straddle strategy from Jan-2012 to Dec-2012

Sl. No.	Months	Max. Risk Exposure in Rs.	Max. profit potential in Rs.	Profit/(Loss) in Rs.
1	Jan-2012	-12700	Unlimited	15300
2	Feb-2012	-11250	Unlimited	2800
3	Mar-2012	-15750	Unlimited	300
4	Apr-2012	-13500	Unlimited	-12850
5	May-2012	-11600	Unlimited	2500
6	Jun-2012	-12650	Unlimited	-100
7	Jul-2012	-11150	Unlimited	-8500
8	Aug-2012	-11100	Unlimited	4100
9	Sep-2012	-9200	Unlimited	8350
10	Oct-2012	-10550	Unlimited	-5450
11	Nov-2012	-9700	Unlimited	-3500
12	Dec-2012	-9250	Unlimited	-5750
		Net gain/loss		-2800

Source: Compiled from different sources

The above strategy doesn't yield a good result in 2012 as it resulted in net loss of Rs. 2,800. The strategy will prove to be very profitable during fully bullish market or bearish market. If the market is stagnant, or beating around the bush then it will not yield a good result. In Jan we can see the highest profit as the underlying movement was large and in April we can see huge loss there is no underlying movement at all.

Effectiveness of Short Straddle

The short straddle - a.k.a. sell straddle or naked straddle sale - is a neutral options strategy that involves the simultaneous selling of a put and a call of the same underlying stock, striking price and expiration date.

Short Straddle Construction:

Sell 1 ATM Call and Sell 1 ATM Put

Short straddles are limited profit, unlimited risk options trading strategies that are used when the options trader thinks that the underlying securities will experience little volatility in the near term. Limited Profit Maximum profit for the short straddle is achieved when the underlying stock price on expiration date is trading at the strike price of the options sold. At this price, both options expire worthless and the options trader gets to keep the entire initial credit taken as profit.

From the below table it is clear that this strategy is beneficial only when the strike price close in and around ATM option. In the year 2012 this has resulted in a small gain of Rs. 2,800. So when the market is flat this strategy will give the maximum profit for eg. In April. Here risk exposure is unlimited because here there are two open sell position. If market moves one side enormously then trader will suffer huge loss.

Table No. 8 : Table showing the profit/ (loss) using short straddle strategy from Jan-2012 to Dec-2012

Sl. No.	Months	Max. Risk Exposure in Rs.	Max. profit potential in Rs.	Profit/(Loss) in Rs.
1	Jan-2012	Unlimited	12700	-15300
2	Feb-2012	Unlimited	11250	-2800
3	Mar-2012	Unlimited	15750	-300
4	Apr-2012	Unlimited	13500	12850
5	May-2012	Unlimited	11600	-2500
6	Jun-2012	Unlimited	12650	100
7	Jul-2012	Unlimited	11150	8500
8	Aug-2012	Unlimited	11100	-4100
9	Sep-2012	Unlimited	9200	-8350
10	Oct-2012	Unlimited	10550	5450
11	Nov-2012	Unlimited	9700	3500
12	Dec-2012	Unlimited	9250	5750
		Net gain/loss		2800

Source: Compiled from different sources

Effectiveness of Long Strangle Strategy

The long strangle, also known as buy strangle or simply "strangle", is a neutral strategy in options trading that involve the simultaneous buying of a slightly out-of-the-money put and a slightly out-of-the-money call of the same underlying stock and expiration date.

Long Strangle Construction:

Buy 1 OTM Call

Buy 1 OTM Put

The long options strangle is an unlimited profit, limited risk strategy that is taken when the options trader thinks that the underlying stock will experience significant volatility in the near term. Long strangles is debit spreads as a net debit is taken to enter the trade.

A large gain for the long strangle option strategy is attainable when the underlying stock price makes a very strong move either upwards

or downwards at expiration. Maximum loss for the long strangles options strategy is hit when the underlying stock price on expiration date is trading between the strike prices of the options bought. At this price, both options expire worthless and the options trader loses the entire initial debit taken to enter the trade.

Table No. 9 : Table showing the profit/ (loss) using long strangle strategy from Jan-2012 to Dec-2012

Sl. No.	Months	Max. Risk Exposure in Rs.	Max. profit potential in Rs.	Profit/(Loss) in Rs.
1	Jan-2012	-8450	Unlimited	14400
2	Feb-2012	-7000	Unlimited	2350
3	Mar-2012	-11300	Unlimited	-400
4	Apr-2012	-9150	Unlimited	-9150
5	May-2012	-7400	Unlimited	1750
6	Jun-2012	-8350	Unlimited	-900
7	Jul-2012	-6950	Unlimited	-6950
8	Aug-2012	-6800	Unlimited	3350
9	Sep-2012	-5150	Unlimited	7400
10	Oct-2012	-6400	Unlimited	-6100
11	Nov-2012	-5600	Unlimited	-4300
12	Dec-2012	-5250	Unlimited	-5250
		Net gain/loss		-3800

Source: *Compiled from different sources*

This is a simple strategy. It doesn't involve much risk. Here there is a unlimited profit potential. As we can see in Jan-12 there is a profit of Rs. 14,400 thanks to large index movements. So when large ups and downs in the market are expected, this strategy will be very useful. This strategy has yielded a net loss of Rs. 3,800 for the option trader.

Effectiveness of Short Strangles Strategy

The short strangle, also known as sell strangle, is a neutral strategy in options trading that involve the simultaneous selling of a slightly out-of-the-money put and a slightly out-of-the-money call of the same

underlying stock and expiration date.

Short Strangle Construction:

Sell 1 OTM Call and Sell 1 OTM Put

The short strangle option strategy is a limited profit, unlimited risk options trading strategy that is taken when the options trader thinks that the underlying stock will experience little volatility in the near term. Short strangles is credit spreads as a net credit is taken to enter the trade. Maximum profit for the short strangle occurs when the underlying stock price on expiration date is trading between the strike prices of the options sold. At this price, both options expire worthless and the options trader gets to keep the entire initial credit taken as profit. Large losses for the short strangle can be experienced when the underlying stock price makes a strong move either upwards or downwards at expiration.

Table No. 10: Table showing the profit/ (loss) using short strangle strategy from Jan-2012 to Dec-2012

Sl. No.	Months	Max. Risk Exposure in Rs.	Max. profit potential in Rs.	Profit/(Loss) in Rs.
1	Jan-2012	Unlimited	8450	-14400
2	Feb-2012	Unlimited	7000	-2350
3	Mar-2012	Unlimited	11300	400
4	Apr-2012	Unlimited	9150	9150
5	May-2012	Unlimited	7400	-1750
6	Jun-2012	Unlimited	8350	900
7	Jul-2012	Unlimited	6950	6950
8	Aug-2012	Unlimited	6800	-3350
9	Sep-2012	Unlimited	5150	-7400
10	Oct-2012	Unlimited	6400	6100
11	Nov-2012	Unlimited	5600	4300
12	Dec-2012	Unlimited	5250	5250
		Net gain/loss		3800

Source: Compiled from different sources

This strategy involves huge risk and limited profit potential. If the strike price closes in and around ATM option then trader will earn a limited profit. However in 2012 this strategy resulted in small net gain of Rs. 3,800. So this strategy can be adopted when the market is quit flat and inactive.

Effectiveness of Extended Butterfly Call Spread

This strategy involves buying 2 ITM call option which is not very close to ATM call option (ATM-200), buying 2 OTM call option on the same underlying stock which is little far from ATM and writing of two ATM call option. Here comparing to the basic butterfly strategy, this involves taking little more risk and here profit potential is more and unlimited. Maximum profit for the long butterfly spread is attained when the underlying stock price moved drastically at expiration. At this price, only the lower striking call expires in the money.

Under this strategy the maximum risk exposure will be equal to the net premium paid. The formula for calculating maximum loss is given below:

- $\text{Max Loss} = \text{Net Premium Paid} + \text{Commissions Paid}$
- Table showing the profit/ (loss) using extended butterfly call spread from Jan-2012 to Dec-2012

From the below table it is clear that this strategy will eliminate the maximum loss exposure and make it as a unlimited profit earning strategy. In Jan we can see that this strategy has given the maximum profit of Rs. 35,500 as the underlying has moved drastically upwards. Here the maximum loss is limited as we can see in Mar and May, as the underlying has went against expectation and remaining all most stagnant.

Table No. 11: Table showing the profit/ (loss) using extended butterfly call spread from Jan-2012 to Dec-2012

Sl. No.	Months	Max. Risk Exposure in Rs.	Max. profit potential in Rs.	Profit/(Loss) in Rs.
1	Jan-2012	-19300	Unlimited	35500
2	Feb-2012	-15500	Unlimited	13300
3	Mar-2012	-21600	Unlimited	-21600
4	Apr-2012	-19300	Unlimited	-1000
5	May-2012	-17300	Unlimited	-17300
6	Jun-2012	-18200	Unlimited	6900
7	Jul-2012	-18700	Unlimited	-4200
8	Aug-2012	-19900	Unlimited	10900
9	Sep-2012	-16900	Unlimited	18000
10	Oct-2012	-20500	Unlimited	-600
11	Nov-2012	-18100	Unlimited	1900
12	Dec-2012	-19500	Unlimited	700
		Net gain/loss		42500

Source: Compiled from different sources

Effectiveness of Extended Butterfly Put Strategy

This strategy involves buying 1 ITM put option (Far from ATM), buying 1 OTM put option (Far from ATM) and writing of 3 ATM put options on the same underlying stock/index.

Here the maximum profit will be achieved when the stock/index remains unchanged at the expiry date. Here risk is more than the ordinary butterfly spread as it involves writing 3 put options. If the underlying drops drastically then risk will be unlimited for 1 position. And if the underlying moves other way round then risk factor remains same or less as in the ordinary butterfly spread.

Table No. 12: Table showing the profit/ (loss) using extended butterfly put spread from Jan-12 to Dec-12

Sl. No.	Months	Max. Risk Exposure in Rs.	Max. profit potential in Rs.	Profit/(Loss) in Rs.
1	Jan-2012	Unlimited	13200	3200
2	Feb-2012	Unlimited	13700	3700
3	Mar-2012	Unlimited	15200	-10900
4	Apr-2012	Unlimited	13850	12400
5	May-2012	Unlimited	12850	-11100
6	Jun-2012	Unlimited	13500	3500
7	Jul-2012	Unlimited	11900	6700
8	Aug-2012	Unlimited	11200	1200
9	Sep-2012	Unlimited	10750	750
10	Oct-2012	Unlimited	10200	4850
11	Nov-2012	Unlimited	10600	4150
12	Dec-2012	Unlimited	9650	5700
		Net gain/loss		24150

Source: Compiled from different sources

From the above table it is clear that the options trader will incur loss as underlying drops down drastically (Mar and May). In April this strategy has yielded good return as in this month there was hardly an underlying movement on expiry. In the year 2012 this strategy has resulted in Rs. 24,150 profit.

Effectiveness of Strong wing Butterfly Call Strategy

This is again a modification of butterfly spread. Instead of buying 1 ITM and 1 OTM, here 2 ITM and 2 OTM will be bought and 2 ATM will be written on the same underlying index/stock. Here the maximum profit is unlimited and maximum risk is limited to the net premium paid. If the trader expects a huge change in the underlying price upwards, he can use this strategy.

This strategy is more suitable when investor sentiment is bullish. Here maximum profit potential is unlimited and risk exposure is

limited to the extent of net premium paid. But comparing with the traditional butterfly spread this strategy involves taking more risk.

Table No. 13: Table showing the profit/ (loss) using strong wing butterfly call spread from Jan-2012 to Dec-2012

Sl. No.	Months	Max. Risk Exposure in Rs.	Max. profit potential in Rs.	Profit/(Loss) in Rs.
1	Jan-2012	-15700	Unlimited	39700
2	Feb-2012	-11400	Unlimited	17600
3	Mar-2012	-18800	Unlimited	-18800
4	Apr-2012	-16100	Unlimited	-7700
5	May-2012	-13600	Unlimited	-13600
6	Jun-2012	-14900	Unlimited	10100
7	Jul-2012	-15100	Unlimited	-10700
8	Aug-2012	-16200	Unlimited	13100
9	Sep-2012	-12200	Unlimited	22800
10	Oct-2012	-16200	Unlimited	-5800
11	Nov-2012	-13700	Unlimited	-1300
12	Dec-2012	-14500	Unlimited	-4400
		Net gain/loss		41000

Source: *Compiled from different sources*

From the above table it is clear that this strategy has an ability to produce huge returns if the underlying makes a large upward move. As we can see strategy has yielded good return in Jan, Sep, Aug, and Feb, these is mainly because the underlying movement was large on the upper side. And this strategy does not involve much risk. Overall in 2012 this strategy has resulted in profit of Rs. 41,000.

Effectiveness of Weak Wing Butterfly Put Spread

This strategy involves buying 1 ITM put option, 1 OTM put option, and writing of 3 ATM put option on the same underlying. Here risk exposure is more to the extent of 1 lot. Here the option trader gets a maximum profit if the underlying remains stable at the expiry. If the underlying falls drastically then option traders suffer huge losses. On

the other hand if the underlying moves upwards then risk exposure remains same or less like in the ordinary butterfly spread.

Here there is unlimited risk involves for the trader and maximum profit is limited to the extent of net premium received. This strategy is very effective when market is range bound.

Table No. 14: Table showing the profit /loss using weak wing butterfly put spread from Jan-2012 to Dec-2012

Sl. No.	Months	Max. Risk Exposure in Rs.	Max. profit potential in Rs.	Profit/(Loss) in Rs.
1	Jan-2012	Unlimited	9900	4900
2	Feb-2012	Unlimited	10550	5550
3	Mar-2012	Unlimited	11550	-9750
4	Apr-2012	Unlimited	10550	9150
5	May-2012	Unlimited	9750	-9200
6	Jun-2012	Unlimited	10250	5250
7	Jul-2012	Unlimited	8750	3350
8	Aug-2012	Unlimited	8050	3050
9	Sep-2012	Unlimited	8000	3000
10	Oct-2012	Unlimited	7400	2550
11	Nov-2012	Unlimited	7850	2850
12	Dec-2012	Unlimited	7050	3150
		Net gain/loss		23850

Source: Compiled from different sources

The above table will help us to know the effectiveness of weak wing butterfly spread. This strategy has given positive return in all the month except in March and May as the underlying decreased drastically. This strategy can be applied when the market is very bullish and traders do not want to take much risk for a limited profit. Overall in 2012 this strategy has given Rs. 23,850 profit.

Findings and Recommendation

There were many observations made during the study. The important findings and recommendations are described below:

Butterfly spread:

Both the long butterfly and the short butterfly spread have not given good return to the option traders. Indian market is very dynamic and volatile. This has made this strategy less attractive. Market like India where there is high volatility, this strategy may not work out well in times of major reforms, speculation and market sentiments of buyers and sellers. It is recommendable not to use butterfly spread or to limitedly use it in Indian market.

Bull Call Spread:

This strategy has worked out well and has produced small and consistent return in 2012. This strategy can be applied where traders expects huge movement in underlying prices upwards. The Indian market witnessed series of reforms in 2012 and moved the market from 4,700 level to 6,000 level mark. It is recommendable to use this strategy when the market is going to turn very bullish.

Bear Call Spread:

This is not very effective strategy compared to other strategies. This has resulted in net loss of Rs. 14,000 for the trader in the year 2012. It is advisable to use this strategy when market sentiment is bearish. So looking at the Indian capital market it is advisable to go for some other strategies which have less exposure and have more earning capacity.

Bull Put Spread:

It is also one of the most attractive profits earning strategy that was found during the study. This is similar to bear call spread but it is taken on put side. The benefit of the Bull Put Spread strategy is the risk never exceeds the net investment of buying and selling put

options simultaneously. This strategy is considered moderately bullish because the investor is using the sale of a put to reduce his/her risk while still positioning for a decent profit should the stock price move above the in-the-money (higher) put option strike price. The maximum loss potential is reached if the stock price moves below the out-of-the-money (lower) put option strike price. Because of the hedging involved by selling the ITM put option in combination with buying an OTM put option, this method is less risky than strictly buying a put option. So it is advisable to use this strategy when trader expects stagnant market or bullish market.

Bear Put Spread:

This strategy is just opposite to Bull Put Spread. In 2012, this strategy has not given the good return in 2012 as market always turned bullish. So this strategy can be applied only when traders expect market to be turn very bearish.

Short strangle and Short straddle:

The strategy's like short strangle and short straddle involves unlimited risk and limited profit potential. It is a normal rule that nobody should risk more than what benefit he gets. However these two strategies have given the moderate gain to the option traders but in the long run it might turn out to be very risky. It is advisable not to use these strategies for huge risk and small return.

Long Strangle

During very volatile market when major ups and downs are expected then long strangle strategy can be used effectively. In the above case if the trader was expecting major market movement in Jan and sep-12, if he used this strategy alone then he could have made Rs. 14,400 and Rs. 7,400 profit respectively in each month. So it is advisable to go for this strategy when certain reforms are expected where traders have uncertainty about the outcome of the move, during the time of

earnings announcement, and other important announcements like RBI monthly/ quarterly financial policy review, IIP data etc..

Long Straddle

This is also similar to the long strangle and it is not much effective like long strangle as here premium paid will be more than long strangle strategy. So this can be effectively used during time near to expiry where option premium diminishes and come near to converge with underlying price.

Extended butterfly call spread:

This strategy has worked out well in 2012 as the market moved drastically upwards. This is just an extension of traditional butterfly spread and can be applied when the market is expected to be bullish in the near future.

Extended butterfly put spread and Weak wing butterfly put spread:

These strategies have also worked out well in 2012. These strategies will produce good profit when market don't move much and will be beating around the bush. But these strategies are little risky as it involves selling 1 unprotected put option. So trader should be careful while going for these types of strategy.

Strong wing butterfly call spread:

This is also one of the effective strategies in the Indian context which has given good amount of profit in 2012. This strategy will work out well when market is expected to turn into very bullish state. So it is recommendable to go for this strategy when market is expecting/awaiting some major news/events which has positive effect on market.

Conclusion

After evaluating all these strategies it is difficult to come to a common conclusion as to which strategy is most suitable. Sometimes luck

factor also plays an important role though it is secondary. Days are gone when these derivatives are used mainly as hedging instruments. Speculation is common in derivative market these days. So these strategies have a main role to play for these option traders.

To conclude, the strategies are most profitable when it is used at a right time and exited at right time. (In the study for the sake of simplification last Thursday of the month are taken as exiting old contracts and entering next month contract) So, exit timing also has a relevance in these strategies. From the above analysis it is easy to say that no strategy is consistent in earning stable return. One strategy will give profit in one month and will give negative in another month. So it appears to be better to use the combination of both to maximize the profit and minimize the risk. The new strategies have worked out very well for the traders. These strategies can be applied if the traders wish to take additional risk for the maximum return. Some ineffective strategies like butterfly spreads and strategies which are involving too much risk exposure are not advisable and often it will end up in big loss if market moves drastically against the strategy.

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Poverty Alleviation Through Financial Inclusion: Policies, Measures and Achievements of Financial Inclusion Through Banks in India

*Dr Suresh Poojary

**Maria Rodrigues

Abstract

Though our country's economy is growing around nine percent, the growth is not inclusive with the economic condition of the people in rural areas which is worsening further. One of the typical reasons for poverty is being financially excluded. Financial Inclusion is considered to be an important determinant for social inclusion of poor and vulnerable. It is in fact, one of the essential conditions for reduction of poverty and socio-economic inequalities in the society. Though there are few people in India who are enjoying all kinds of services from savings to net banking, but still around 40 percent of people lack access to even basic financial services like savings, credit and insurance facilities. So, an inclusive sector should not only serve the bankable clients, but also integrate the "un-bankable" clients by making them "bankable". Despite some drastic actions taken by the Government like nationalisation of banks, 40 percent of credit targets to priority sector, opening of RRBs and LABs, etc., during the past three decades as a form of financial inclusion, around 80 percent of rural households do not have access to credit from a formal source. The paper analyses the objectives and significance of financial inclusion, its progress and also discusses about whether bringing people under banking category by this financial inclusion project helps in achieving the ultimate goal of lifting the standard of living of the poor and reduce poverty in our country.

*Associate Professor, Faculty of Commerce, St Aloysius College (Autonomous), Mangalore. Email: sureshsucha@gmail.com

** Assistant Professor, Faculty of Commerce, St Aloysius College (Autonomous), Mangalore. Email: mariamysself@rediffmail.com

Introduction

Poverty reduction is one of the major objectives of economic policies and programmes of our country. Economists recognize that even when there is robust economic growth poverty reduction may not always be fully achieved. Economic growth is necessary but not sufficient when it comes to poverty reduction. We cannot preclude the role of economic growth in creating necessary resources for social development, but, at the same time, complementary social and environmental policies are required. Poverty is, thus, a highly complex socio-economic problem that needs to be tackled concurrently by the combined efforts of the policy makers in the country. Poverty alleviation to a certain extent is possible through income generation by the people which provides more money with the people. Poor should have an access to the financial services and products in terms of ease and quality. Through these efforts a certain amount of poverty could be reduced in India and this could be possible through financial inclusion and financial empowerment.

Tackling poverty by addressing the needs of the unbanked, focusing on financial inclusion in developing countries, originated approximately 30 years ago through the Social Banking Model developed by Mohammed Yunus, the founder of the Grameen Bank. Access to finance by the poor and vulnerable groups is a prerequisite for poverty reduction and social cohesion. This has to become an integral part of our efforts to promote inclusive growth. In fact, providing access to finance is a form of empowerment of the vulnerable groups.

A strong relationship between financial development and economic growth is well documented in the literature (King and Levine: 1993; Beck *et al.*: 2000; Demirgüç-Kunt and Maksimovic: 1998; Beck *et al.*: 2004; Levine: 2005; Klapper *et al.*: 2006). In more recent years

the debate expanded to include the notion of financial “exclusion” as a barrier to economic development and the need to build inclusive financial systems (Beck *et al.*, 2008). Recent empirical evidence using household data indicates that access to basic financial services such as savings, payments and credit can make a substantial positive difference in improving poor people's lives (Caskey *et al.*, 2006; Dupas and Robinson 2009). Financial inclusion aims at drawing the “unbanked” population into the formal financial system so that they have the opportunity to access financial services ranging from savings, payments, and transfers to credit and insurance.

According to the Consultative Group to Assist the Poor (CGAP), the absolute number of savings accounts worldwide is reported to exceed the global population. And yet half of the world's adult population—2.5 billion people—does not, in fact, have access to savings accounts and other formal financial services (CGAP's *Financial Access 2009*)

Sunday Times (2012) reported that almost all states show more than 60 percent of population is below the poverty line. The benefits of economic growth are not meeting the Government's objectives of “inclusive growth”, that there is a concentration of buying power in the top 30 -35 percent of the population. The 60-plus percent of population below the average monthly spending is clearly not progressing as fast as the segment whose income and expenditure is disproportionately influencing the statistical mean. Large sections of the rural population have no access to financial services and their only recourse is to borrow from money lenders, who charge exorbitant rates. Also, ignorance is rife, with concepts like insurance virtually unheard of. One of the main reasons why mass poverty is persisting in India is that the problem of financing the poor still remains unresolved (RBI: 2011).

In India, poverty alleviation has perennially been the central theme of planning and governance. The Eleventh Five Year Plan (2007-12) has specifically underlined the need for “more inclusive growth”. To have an effective policy towards poverty alleviation financial inclusion of the poor and marginalized class is a crucial and pragmatic measure. To achieve this empirical evidence the development outcomes will have to be conditioned. This has made the area of financial inclusion a challenging one in view of the policy planning for effective financial development.

Objectives: This paper aims at analysing the conceptual data relating to financial inclusion and focuses on the following objectives;

- To understand the objectives of financial inclusion.
- To analyse the initiatives taken by RBI and Government of India in prompting Financial Inclusion.
- To analyse the progress made to enable the target group to eradicate poverty.
- To offer suggestions to make financial inclusion more effective.

FINANCIAL INCLUSION: MEANING

Financial exclusion would mean the inability of the disadvantaged to access financial services due to a range of obstacles/barriers, include geography (limiting physical access), regulations (lack of formal identification proof or of appropriate products for poor households), psychology (fear of financial institution's staff, structures, complicated financial products, etc.), information (lack of knowledge regarding products and procedures), and low financial acumen (low income and poor financial discipline), among others.

Financial inclusion denotes delivery of financial services at an affordable cost to the vast sections of the disadvantaged and low-income groups. The various financial services include credit,

savings, insurance and payments and remittance facilities. The objective of financial inclusion is to extend the scope of activities of the organized financial system to include within its ambit people with low incomes.

Financial inclusion refers to a customer having access to a range of formal financial services, from simple credit and savings services to the more complex such as insurance and pensions. Secondly, financial inclusion implies that customers have access to more than one financial services provider, which ensures a variety of competitive options.

In the Indian context, financial inclusion, according to the Finance Minister's 2006-07 budget speech, was defined as “the process of ensuring access to timely and adequate credit and financial services by vulnerable groups at an affordable cost” (Union Budget, 2007-2008). In a similar vein, the Committee on Financial Inclusion, 2008 defines financial inclusion as “...the process of ensuring access to financial services and timely, adequate credit where needed, to vulnerable groups such as weaker sections and low income groups, at an affordable cost,”

The Committee on Financial Inclusion was constituted by the Government of India under the Chairmanship of Dr. C. Rangarajan on June 26, 2006 to prepare a strategy of financial inclusion. The Committee submitted its Final Report on January 4, 2008. The Report viewed financial inclusion as a comprehensive and holistic process of ensuring access to financial services and timely and adequate credit, particularly by vulnerable groups such as weaker sections and low income groups at an affordable cost. Financial inclusion, therefore, according to the Committee, should include access to mainstream financial products such as bank accounts, credit, remittances and payment services, financial advisory services

and insurance facilities. Several steps have been taken by the various banks, NGOs and Government to bring the financially excluded people to the fold of the formal banking services.

Measuring Financial Inclusion

Closely related to financial inclusion is the idea of breadth of financial services. Breadth of financial services refers to the outreach of financial services in an economy. In other words, breadth measures how many people have access to financial services. The percentage of people in a given area with access to a bank account is the typical measuring stick for breadth of financial services (Beck & De la Torre: 2006). This approach assumes that a bank account enables poor households to perform important financial functions such as saving money safely outside the house, accessing credit, making loan or premium payments, and transferring money (Mohan: 2006). Thus, in this framework, a bank account should determine access to and usage of many other financial services (Littlefield et al: 2006)

According to Ravichandran and Alkhatlan (2009), very few people have access to banking services. There are number of factors affecting access to financial services by weaker sections in India, they are, the lack of awareness, low incomes and assets, social exclusion, illiteracy are the barriers from demand side. The distance from bank branch, branch timings, cumbersome banking procedure, over requirement of documents for opening bank accounts, unsuitable banking products/schemes, language, high transaction costs and attitudes of bank officials are the barriers from supply side. Bank-SHG, Bank-MFI, MFI-NBFC and Bank- post office linkage Models were discussed and new Models like Rural Students Banking Model, RBI-Education institute linkage Models were proposed.

Reddy (2010) suggested a new approach to banks to reach wider

population in rural areas by establishing mobile-banks/representatives/agents who operate on commercial basis rather than just by self-help groups. These agents/representatives work on commission basis and hence self-motivated and cost effective in assisting banks in service provision/deposit mobilization.

The Committee on Financial Inclusion, headed by Dr. C. Rangarajan, recommended that each semi-urban/rural bank branch open roughly 250 bank accounts annually which, if successful, would result in approximately 11.5 million accounts across the country. As of September 2008, approximately 15.8 million bank accounts have already been opened as part of the drive. To achieve 100% financial inclusion, however, an additional 584 million accounts will need to be opened; RBI asks banks to offer credit through no-frill accounts' (The *Economic Times*, 12 September 2008). Given these developments, it is both timely and pertinent to examine the implementation of the drive, the utility of accounts to users, and levels of usage. Opening of No Frills Accounts is fast emerging as a crucial policy initiative.

Objectives of Financial Inclusion

One of the most important empirical relationships revealed in the last decade has been the establishment of the causal link between financial depth and growth (Honohan: 2004). Policy-makers would do well to recognise the relationships between well developed financial systems and economic growth as well as economic growth and poverty reduction. Thus, the question becomes, does a well-developed financial system serve the poor? Empirical evidence indicating that a well developed financial system can be an effective poverty alleviation tool. For one, there are large costs to small and poor entrepreneurs for the market imperfections in a poorly

developed financial system. These burdens include informational asymmetry, transaction costs, and contract enforcement costs, compounded by lack of collateral, credit histories, and contacts. For these entrepreneurs, broad access to financial services would smooth project financing, positively impacting growth and poverty alleviation (Galor & Zeira: 1993). Beck and de la Torre (2006) also refer to the Schumpeterian process of 'creative destruction' whereby a well-developed financial system is able to allocate resources to efficient newcomers.

Empirical studies by Beck et al., (2006) showed that small firms in countries with greater outreach and access face lower financing obstacles and grow at a higher rate. Access to finance is also an important incentive for new ideas and technologies (King and Levine: 1993). Additionally, a strong financial system encourages expansion in the market and competition for existing firms. Rajan & Zingales (2003) also observed that poor households and small entrepreneurs need not depend on middlemen with strong financial support to them. On the other hand, an underdeveloped financial system can be uncompetitive, conservative and inimical to poor or small entrepreneurs. Indirect evidence corroborates the linkages between financial depth, growth, and poverty alleviation. Specifically, financial depth plays a role in lowering inequality and increasing the income of the bottom 80 percent of the population (Li et al, 1997). Child labour, which is positively correlated with poverty, has been found to be influenced by the financial depth of a country (Dehijia & Gatti, 2002; cited in Honohan, 2004). This could be because poor households in countries that have well-developed financial systems in place are less vulnerable to economic shocks. As Rutherford (1996) points out, provision of financial services to poor people need not only be for increasing income, empowering women,

or starting small businesses – it may simply aim to help them “manage better what little money” they already have .

Financial inclusion in India

The studies conducted by Basu (2005) stated that the financial inclusion concept was initiated in the year 1950, where, an extensive network of rural cooperative banks was established with the intention of leveraging country-wide deposits and savings towards agriculture and small-scale cottage industries. However, this venture failed to materialise as bank credit was channelized towards big corporations that already had majority stakes in the banks. As a result, banks were nationalised by the RBI in 1969 in order to:

- Check the control of banks by a few corporations;
- Organise savings from remote and rural regions;
- Use the deposits mustered by banks to achieve equitable growth; and
- Concentrate on priority sectors like agriculture and small industry

Towards this end, RBI stipulated that at least 40 percent of bank lending go towards the Priority Sector, out of which 25 percent had to be extended to the weaker sections within the Priority Sector. Other features of nationalised banking included the 'Service Area Approach' (SAA) wherein a single bank was assigned 15-20 villages, after which other banks could set up branches upon obtaining the initial bank's approval. Similarly, the 1:4 license rule established in 1977 dictated that a bank could open a branch in a banked location only after opening four branches in unbanked locations.

As a result of the bank nationalisation programme and the government's efforts to increase bank branches in rural and remote areas, the national distribution of financial services is quite extensive compared to other developing economies (Basu: 2006). There are over 32,000 rural bank branches (with a total of 68,000 rural and

urban branches) including public and private sector banks and RRBs. There are more than 14,000 branches of rural cooperative banks comprising about 98,000 retail outlets of Primary Agricultural Credit Societies (PACS). The post office system, comprising 154,000 post office branches, has about 114 million savings accounts and services and 110 million money orders. Looking at the period between 1973 and 1985, bank branches in rural areas grew at an average yearly rate of 15.2 percent which is almost double the growth rate of branches in semi-urban (6.4 percent), urban (7.8 percent), and metropolitan (7.5 percent) areas. Each rural bank serves an average population of 16,000 and if rural cooperative banks are also included then, this falls to about 12,800 - almost on par with Indonesia and Mexico. India's vast network of banks is reflected by its low average geographic area per branch, compared to other countries. The level of insurance penetration, measured as premium as a percentage of GDP, was also marginally higher in India than in Brazil, China, Indonesia, and Mexico.

Indicators of Financial Inclusion in India

Access to Credit

One of the primary objectives of India's banking system has been the extension of institutional credit to rural India, where the majority of the poor live. It would appear that while advances have been made since the 1960s towards greater inclusion, a substantial majority of India's rural poor still lack access to formal finance. In spite of the vast banking network, only about 30 percent of Indians have a savings account. The Rural Finance Access Survey (RFAS), 2003 conducted jointly by the NCAER and the World Bank also provides with some answers as to which segments of rural borrowers have access to formal credit and why. According to their survey, the most common sources for rural households with access to credit are

commercial banks, rather than RRBs (Basu, 2005). Commercial banks contain over half the deposits, while RRBs only account for 34 percent. Cooperatives and post office branches are in fact not a very significant source of finance for rural households. Studies across the world have found that the level of income and occupation are important determinants of access to credit and savings (Peachy & Roe, 2006; United Nations, 2006). The RFAS-2003 confirms this by demonstrating that farmers with bigger land holdings benefit from greater access to financial services than smaller farmers (Basu, 2005). Poor individuals, especially women and other marginalized groups, rarely have legal proof of identity, address or employment. Evidence from around the world also shows that cultural norms, as well as age and gender, are important determinants of access to finance. A survey of bank managers in Madhya Pradesh revealed a perception that women borrowers were more trustworthy and less of a default risk (United Nations:2006). However, a greater percentage still believed that women were simply being used by men to gain loans. Culturally, poor households may be dissuaded from using banks regularly, since banks tend to be organisationally and culturally designed to serve a wealthier clientele. Basu (2006) directs our attention to two additional roadblocks that rural households face when attempting to take a loan from a bank. Firstly, banks require collateral securities to make loans and RFAS (2003) shows that almost 90 percent of bank and RRB borrowers put up collateral. Given that land is the most common form of collateral in rural areas and poor households' because of legal/documentation issues, a sizable proportion of the poor are excluded (United Nations, 2006). Even though the poor require flexible products and services (United Nations, 2006; Basu 2005), bank savings accounts often have high minimum balances (Peachey & Roe, 2006). Most poor people around the world are

simply looking for products that incorporate the following values: “security; convenience; liquidity; confidentiality; products appropriate for their needs; helpful, friendly, and respectful service; returns; and potential access to loans”(CGAP Interview with Steve Peachy, undated). However, the preceding section has established the varied and cumbersome barriers which keep the poor excluded. In recognition of these barriers in India, RBI announced several changes to banking operations in 2005-06.

Increasing financial inclusion through policy changes

The RBI's Annual Policy Statement of April 2005 was widely introduced the issue of financial inclusion, declaring that 'banking policies tended to exclude rather than attract vast sections of the population. To counter this reality, three major moves were initiated, sparking a renewed commitment to financial inclusion. The first major step established a 'No Frills' basic banking account, which requires a zero or extremely small minimum balance. The promotion and dissemination of the Kisan Credit Card (KCC), an important means to reduce transaction costs, has also been given due importance. This scheme was introduced in 1998-99 with over 30 million cards issued by 2003; however, RFAS 2003 showed that use of the card was patchy with larger farmers reporting the higher usages. Secondly, the RBI has reduced some of the transaction costs incurred in opening bank accounts by reducing the stringency of the 'Know Your Customer' (KYC) norms for individuals who do not foresee having more than Rs. 50,000 in all their combined accounts and whose annual total borrowing will not exceed Rs.100,000. Those lacking proof of identity or residence can be introduced by an account holder. The Kisan Credit Card (KCC) provides eligible farmers with a revolving cash credit facility up to an upper limit of Rs. 25,000, which allows for numerous withdrawals over the period

of a year. The primary advantage of this card is that it allows the kisan i.e. the farmer, easy access to credit and renewal of credit with minimal paperwork of at least six months for whom the full KYC procedure has already been completed. Finally, the RBI has asked banks to charge reasonable amounts for services rendered and to be transparent about these charges from the outset. In addition to changes in overall bank policy, the RBI also announced a targeted drive for financial inclusion throughout the country.

Progress made with regard to Financial Inclusion in India

India has, for a long time, recognised the social and economic imperatives for broader financial inclusion and has made an enormous contribution to economic development by finding innovative ways to empower the poor, starting with the nationalisation of banks, priority sector lending, lead bank scheme, establishment of regional rural banks (RRBs), service area approach, self-help group-bank linkage programme, etc. Multiple steps have been taken by the Reserve Bank over the years to increase access to the poorer segments of society. It encouraged expansion of bank branches, especially in rural areas, resulting in increase in branch network from around 8,000 in 1969 to more than 89,000 today, spread across the length and breadth of the country. Moving towards universal financial inclusion has been both a national commitment as well as a public policy priority for our country. To achieve the ultimate objective of reaching banking services to all the 6, 00,000 villages, financial inclusion has to become a viable business proposition for the banks. The following table depicts the progress made towards financial inclusion and the targets to be achieved:

Table No 1: Achievements and Targets towards Financial Inclusion

	Particulars	Mar-10	Mar-11	Mar 12-Target	Mar 13-Target
1	Total No. of BC/CSPs Deployed	33042	58361	125988	187972
2	Villages covered through branches	21499	22684	24618	25694
3	Villages Covered through BCs	33158	76801	197523	320441
4	Villages Covered through other modes	100	355	1361	2177
5	Villages Covered - Total	54757	99840	223502	348312
6	No-Frills A/Cs - No. in Lakh	495.53	743.90	1096.24	1533.15
7	No-Frills A/Cs - Amt in Cr	4895.19	6565.68	9311.02	11323.26
8	KCCs - No. in Lakh	195.24	224.89	322.59	407.33
9	KCCs - Amt In Cr	107518.8	143862.2	152113.6	179254.8
10	GCCs - No. in Lakh	6.37	9.50	46.89	81.13
11	GCCs - Amt In Cr	813.85	1307.76	3229.12	5669.73

Source: (Dr. K.C. Chakrabarty, Deputy Governor, Reserve Bank of India stated the above data @ St. Xavier's College on September 6, 2011)

Note: BC: business correspondents, KCC: Kisan credit card, GCC: General purpose credit cards

Snapshot of the progress in certain key parameters of financial inclusion in the recent period (March 2010-June 2012) is given below:

- i. Banking connectivity to more than 1, 88,028 villages up to June 2012 from 67,694 villages in March 2010.
- ii. All unbanked villages with population of more than 2000 persons, numbering around 74,000 are now connected with banks.
- iii. Number of BCs increased to 120,098 from 34,532.
- iv. More than 70 million basic banking accounts have been opened to take the total number of such accounts to 147 million.
- v. About 36 million people/families have been credit-linked (Financial Inclusion-Issues in Measurement and Analysis by Dr. K. C Chakrabarty, Dec 10, 2012)

Sl. No.	Particulars	Year ended Mar 10	Year ended Mar 11	Year ended Mar 12	Quarter ended June 12	Progress April 11-March 12
1	Total No. of Branches	85457	91145	99242	99771	8097
2	No. of Rural Branches	33433	34811	37471	37635	2660
3	No. of CSPs Deployed	34532	60993	116548	120098	55555
4	Banking outlets in Villages with population >2000	37791	66447	112130	113173	45683
5	Banking outlets in Villages with population <2000	29903	49761	69623	74855	19862
6	Banking Outlets through Brick & Mortar Branches	33378	34811	37471	37635	2660
7	Banking Outlets through BCs	34174	80802	141136	147167	60334
8	Banking Outlets through Other Modes	142	595	3146	3226	2551
9	Total Banking Outlets	67694	116208	181753	188028	65545
10	Urban Locations covered through BCs	447	3771	5891	6968	2120
11	No Frill A/Cs (No. In million)	73.45	104.76	138.50	147.94	33.74
12	Amount in No Frill A/Cs (Amt In billion)	55.02	76.12	120.41	119.35	44.29
13	No Frill A/Cs with OD (No. in million)	0.18	0.61	2.71	2.97	2.10
14	No Frill A/Cs with OD (Amt In billion)	0.10	0.26	1.08	1.21	0.82
15	KCCs-Total-No. In million	24.31	27.11	30.23	30.76	3.12
16	KCCs-Total-Amt In billion	1240.07	1600.05	2068.39	2094.00	468.34
17	GCC-Total-No. in million	1.39	1.70	2.11	2.29	0.41
18	GCC-Total-Amt In billion	35.11	35.07	41.84	43.21	6.77
19	ICT Based A/Cs-through BCs (No. in millions)	13.26	31.65	57.08	62.77	25.44
20	ICT Based A/Cs-Transactions (No. In millions)	26.52	84.16	141.09	45.96	141.09

Source: Reserve Bank of India and Census data (2011)

Observations and Suggestions

After analysing the conceptual framework of Financial Inclusion in India, the following observations are drawn:

- The initiative taken with regard to financial inclusion from its inception has made a serious attempt to reach the unbanked or include the excluded population of our country into the ambit of assessing financial services so that through financial empowerment of the poor it would be possible to eliminate poverty to a greater extent. Yet there is wide scope for further developments as the studies stated that there is still financial exclusion which should be eliminated in order to achieve 100% financial inclusion and to bring in economic growth for the country.
- The Government of India and Reserve Bank of India has been taking keen interest with this regard, the other intermediaries like banks, BC/BF's have to be given due consideration to uphold financial inclusion in the country.
- It is observed that the banks accounts are opened as it is provided with less cost such as opening of no frills account, but it is not leading to any usage. Many countries decided to route state benefit payments through bank accounts. Kempson (2006) points out that this can easily lead to under-usage by account holders who may simply withdraw all the money that is deposited into the account as soon as it is deposited. Financial inclusion should try to foster on usage of these accounts rather than only on opening of bank account.
- A sample study carried out by the Banking Codes and Standards Board of India in Mumbai revealed the poor awareness about 'no-frills' accounts and relaxed KYC norms amongst the bank staff itself, a general unwillingness by the bank staff to open 'no-frills'

accounts for persons of small means, the account opening forms were not simplified and did not contain any information about the required documents under simplified KYC norms. None of the branches and the staff were in a position to offer any guidance in case the prospective customer was not in a position to produce required documents in proof of identity and address. As a result, the weaker sections of India hesitate to take part in financial inclusion and help to increase economic growth of the country.

- Financial inclusion also includes the element of the total number of households having access to at least one bank account since the goal of the drive is to ensure that every household in a region has access to at least one bank account. The banks should identify 'unbanked' households, the manner in which accounts are opened, and the marketing and dissemination strategies utilized by banks to spread awareness about the drive.
- For those who continue to remain 'unbanked', studies should be done in different parts of the country to understand the reasons behind this exclusion from banking services. Is this exclusion self-induced, that is, because households do not feel the need for a bank account, or has it taken place due to other reasons such as institutional negligence or ignorance of the drive on the part of the household?
- It is necessary to analyse how households and banks influence the process of becoming 'banked.' It is time to look at the ways in which the drive for financial inclusion shapes the financial lives of households. The household perceptions of banks and bank officials as well as the convenience, comfort and compatibility of formal finance in comparison to informal and semi-formal vehicles of finance such as moneylenders, pawnbrokers, micro finance institutions, SHGs, etc should be transformed to a new

dimension. The intention should be to focus on low-income households, since previous studies demonstrate that this segment of the population is the most financially excluded.

- People avoid taking loan from banks because of lengthy legal procedure and insistence of collateral. The language is not a problem because nowadays the banks provide information in vernacular language also. The main reason for not opening an account initially is requirement of documents for opening account, the rural people do not have any document proof and bank has to open the account on the basis of gram panchayat details. Banking procedure, illiteracy and language problem, knowledge of banking services, low income and assets, are other reasons and thus, this area needs to be focused in order to achieve the benefits of financial inclusion.
- In certain situations, rural people having bank accounts are aware about the bank services like cheque book, loans, interest rate, overdraft, credit card/ kisan CC, ATM cards, but they don't have that much potential to use the services. Thus, financial literacy steps in so that the poor are benefitted through financial inclusion. Awareness in general, coupled with financial awareness on opening and operating accounts, must accompany the financial inclusion initiative.
- What is required now is not creating new institutions for extending their outreach but finding ways and means to effect improvements within the existing formal credit delivery mechanism and evolve new models for extending out-reach. In a broad sense, we need to address issues on the supply side as well as demand side. The formal banking system, the rural co-operatives and non-governmental organizations must be strengthened organizationally to extend their outreach. The

financially excluded sections require products which are customized to meet their needs.

- Financial inclusion should be measured not only by the number of bank accounts held by the weaker sections, but also by the amounts borrowed by them, which so far shows dismal picture. Financial inclusion could no doubt be inhibited by the higher transaction costs of dealing with large number of small accounts rather than a small number of large accounts.
- Bank should try to increase the frequency of visit to the branches so that the customers are created an awareness of the different services offered by the banks and can take advantage of the same.
- Banks could be given the freedom to develop their own products, suited to local requirements and felt needs of the poor.
- Banks should make use of ICT using bio-metric smart cards and mobile hand held electronic devices for receipts and disbursement of cash by agents of banks, such as business facilitators / correspondents. Portray financial inclusion as a viable business model and opportunity. It is important that financial inclusion aims at continuous evaluation, sharing of experiences, feedback and improvement.
- The Deputy Governor of Reserve Banks of India makes certain suggestions with regard to financial inclusion and states that Banks should prepare comprehensive plans to cover all villages, through a mix of branchless banking and brick-and-mortar branch banking. They should speed up enrolment of customers and opening of UID enabled bank accounts.
- Banks must provide minimum four products - a no-frills savings account with an overdraft facility, a pure savings product, entrepreneurial credit and remittance services, and new products tailored to income streams of poor borrowers and according to their needs and interests.

- Banks should institute systems of reward and recognition for personnel initiating, innovating and successfully executing new products and services in the rural areas at attractive/affordable price.
- RBI has taken the initiative in granting small credit facilities in the form of Over Drafts, GCC/KCC, etc, they can ensure banks to grant such small credit facilities and the credit amount can be increased based on successful repayment of credit obtained. At present Self Help Groups are effective modes by which both banks and rural people are benefitted. It will be important to encourage people who are not in groups to form SHGs.
- Further, banks apart from granting credits, can also offer special incentives to attract more people to form SHG. Once a village covers a majority of population under SHGs, then that will also ensure the concept of door step financing, where people can easily accessible to credits at affordable cost through banks. Also through some specialist trainees, banks can train SHGs in financial and technological aspect. All these training will requires combined effort from banks, MFIs, NGO and Government to encourage them in forming groups and doing a business for their development.
- Banks should recruit unemployed educated local inhabitants to earn trust from the society as they will be able to communicate more effectively with public. It also enables to remove financial discrimination and unemployment from society.

These suggestions should be implemented in order to bring in greater financial inclusion and reaching the unbanked population of our country so that through financial inclusion it would be possible to reduce poverty in our country, which has been a bane for the country's development from the past many years.

CONCLUSION

“India must make bold decisions to complete the financial inclusion plan in the quickest possible time and follow it up with a more ambitious plan for economic inclusion to uplift the poor”

- Shri. M. Narendra, CMD, Indian Overseas Bank

The Financial Inclusion will play a vital role and help the nation to drive away not only rural poverty but also urban poverty in India. It is the duty of every Indian citizen to ensure that every one in India will have bank account and everybody should take part actively in achieving 100 percent financial inclusion in India. Financial inclusion proceeds towards integration of people who are economically and socially excluded from access to easy, safe and affordable credit and other financial services. Financial inclusion makes growth broad based and sustainable by progressively encompassing the hitherto excluded population. Financial inclusion is no longer a policy choice but a policy compulsion (RBI: 2011). The problem of financial exclusion needs to be tackled with urgency, if we want our country to grow in an equitable and sustainable manner. Traditional and conventional banking solutions may not be the answer to address the problem of financial inclusion in India. Banks, therefore, need to innovate and think 'out-of-the-box' for solutions to overcome the problem of financial exclusion in India. Banks need to deploy new technologies and create financially viable models to take forward the process of financial inclusion in an effective manner.

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Event Management—A Dark horse in the Service Sector!

* Kumble Narasimha Prabhu

Abstract

Today, the service sector is the most important sector of the economy among the three sectors - the others being agricultural and industrial – in terms of the contribution to GDP and employment. The basic characteristic of this sector is the production of services instead of any tangible end product. During the last thirty years, there has been a substantial shift from the primary and secondary sectors to this sector. Now, in many advanced countries service sector has become one of the largest and fastest growing sectors.

Service sector covers a wide gamut of activities like finance, banking, insurance, transportation, hotels, management and technical consultancy services etc. New addition to this is, the 'Event Management.' Event Management is a new sunrise industry. It is growing at the rate of 20 percent year-to-year. It is also considered as one of the fastest growing industries in India, today. It provides ample career opportunities to our young and enthusiastic generation. An attempt is made in this paper to throw light on this dark horse of the service sector by providing an over view of the working of event management, which is hitherto either ignored or remained unnoticed.

Key words: Service sector, Event, Event Manager, Event Planning.

Introduction

The three major sectors that contribute to the development of the economy of a country are – agriculture manufacturing and services.

* *Managing Director & CEO, Manipal ACE Event Management Co. (P) Ltd., Manipal*

Of the three the share of service sector in the world economy has been growing steadily over the past few years. In developed countries like UK, USA etc., the service sector accounts for more than 60 percent of GDP. Even in developing countries it accounts for more than 55 percent of GDP.

The fact remains that the service sector plays a major role in the high growth rate achieved by Indian economy needs no emphasis. In fact, services have contributed around 68.6 percent of the overall growth in the GDP during the period 2002-03 to 2006-07. Even in generating employment also this sector plays a significant role. It has been stated that in India this sector occupies second place next only to agricultural sector with 27 percent in providing employment. Unlike manufacturing and agricultural sectors, services growth has been broad based as it provides inputs to other sectors.

In recent years, this vital sector has shown phenomenal growth. In fact, this sector had marked a double digit growth during the aforesaid four year period. According to Central Statistical Organisation of India, Services contribute 58 percent of India's GDP during 2000-06. The following Table-1 presents the growth of services sector in India

Table 1- Growth of Services Sector in India (in percents)

Services	Percentage change over previous year							
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Services	7.4	8.5	9.6	9.8	11.2	10.5	9.8	8.7
Trade, hotels, transport and communication	9.2	12.1	10.9	10.4	13.0	10.7	7.6	8.3
Financial, real estate and business services	8.0	5.6	8.7	10.9	11.1	13.2	10.1	9.9

Source: Term paper on Management published in the web site.

The Economic Survey 2010 has recognized the importance of this sector as “For more than a decade, now India's service sector has been the power-house of nation's economic growth. This is also a sector that now produces more than half the GDP of the nation.

Service sector covers a wide range of activities like finance, banking, insurance, transportation, hotels, management and technical consultancy services etc. Event Management is one among them. This major segment of the sector was at dark and unknown in India, till recently. But, when the flood gates of our economy were thrown open to globalization and the consequent ushering of marketing and other events, the Event Management started to gain importance.

Furthermore, on account of the influence of modern western culture and consequent change in the perception of people, the very face of events and festivals has changed. The organization and management of festivals and celebrations can no longer be adhoc. Now, people prefer to give professional touch to such events. Hence, the clients hire event management companies to handle specific service for the given event or just a sub sect of these events depending on the client's need expertise and budget. As a result, today event management has become one of the fastest growing industries in India, recording 20 percent growth year on year.

Event management is the process by which an event is planned, prepared, and produced. As with any other form of management, it encompasses the assessment, definition, acquisition, allocation, direction, control, and analysis of time, finances, people, products, services, and other resources to achieve objectives. An event manager's job is to oversee and arrange every aspect of an event, including researching, planning, organizing, implementing, controlling, and evaluating an event's design, activities, and production. Any service provided in relation to planning, promotion,

organizing or presentation of any arts, entertainment, business, sports or any other event falls within the orbit of event management. It involves supervising and organizing diverse corporate events (such as product launches, press conferences, corporate meetings and conferences), marketing programmes (such as road shows, grand opening events) and special corporate hospitality events like music concerts, award ceremonies, film premieres, launch/release parties, fashion shows, cultural events, private or personal events such as weddings, birthday parties etc.

Event management is a ubiquitous word in modern society. The word is used for small business breakfasts, large corporate shows and also for big international sport events, such as the Olympic Games. An event is often described as something that 'happens', and therefore, in that sense, one could use the term event management to describe the organisation of everything that happens. Getz (2007), defines an event as 'an occurrence at a given place; a special set of circumstances; a noteworthy occurrence; which embraces a wide range of possibilities with one important thing in common to occur once. As such, one key characteristic of events is that they are not continuous, for they each have a beginning and an end, and every event is different from the last one. "No matter how hard one tries, it is literally impossible to replicate an event" (Getz, 2007); thus, when watching the Olympic Games, one does not see the same picture repeating itself every four years, for the event changes and evolves over time.

A bird's view of services of an event management company is presented in the following Table.

The Event Genre of Event Management

Business & Corporate Events	Any event that supports business objectives, including management functions, corporate communications, training, marketing, incentives, employee relations, and customer relations, scheduled alone or in conjunction with other events.
Cause-Related & Fundraising Events	An event created by or for a charitable or cause-related group for the purpose of attracting revenue, support, and/or awareness, scheduled alone or in conjunction with other events.
Exhibitions, Expositions & Fairs	An event bringing buyers and sellers and interested persons together to view and/or sell products, services, and other resources to a specific industry or the general public, scheduled alone or in conjunction with other events.
Entertainment & Leisure Events	A one-time or periodic, free or ticketed performance or exhibition event created for entertainment purposes, scheduled alone or in conjunction with other events.
Festivals	A cultural celebration, either secular or religious, created by and/or for the public, scheduled alone or in conjunction with other events. (Many festivals include bringing buyer and seller together in a festive atmosphere.)
Government & Civic Events	An event comprised of or created by or for political parties, communities, or municipal or national government entities, scheduled alone or in conjunction with other events.

Source : juliasilvers.com/embok.htm

Types of Events

Event Management companies and organizations service a variety of areas including Corporate events- product launches, press conferences, corporate meetings and conferences, Marketing

programs- road shows and grand opening events, Special Hospitality events- concerts, award ceremonies, film premiers, fashion shows, commercial events, private events (Wedding and bar Mitzvahs). In looking around at the various kinds of events, whether these are leisure based, personal, cultural or organizational, it is possible to identify a number of characteristics that they have common to them, thus helping us to understand what events are and how they work, as well as differentiating them from other activities.

Event definitions give us a starting point from which to progress. Many of the definitions below are from academic / practitioners and do assist in that they can give focus and clarity. They are however, contentious in their nature, but do assist practitioners in engaging and debating with the subject matter. “Events are temporary special occurrences ... They have a finite length, and for planned events this is usually fixed and publicized.” (Getz 1997, p 4)

Getz (1997) further comments that “events are transient, and every event is a unique blending of its duration, setting, management, and people”. Within this quote, key words are evident and will be explored in further detail in future chapters. It does however note the blending and linkages between the disciplines of management, time, staff, attendees (people) and venue(s). Underpinning all will be the planning and organising of these resources. “A unique moment in time celebrated with ceremony and ritual to satisfy specific needs.” (Goldblatt, 2005) With regard to special events it is suggested that there is no one standardised definition as opinions vary. Due to such lack of clarity, definitions from the perspectives of both event organizer and guest are used.

1. A special event is a one-time or infrequently occurring event outside the normal programme or activities of the sponsoring or organising body.

2. To the customer or guest, a special event is an opportunity for a leisure, social, or cultural experience outside the normal range of choices or beyond everyday experience. (Getz, 1997, p.4) “Special events are that phenomenon arising from those non-routine occasions which have leisure, cultural, personal or organizational objectives set apart from the normal activity of daily life, whose purpose is to enlighten, celebrate, entertain or challenge the experience of a group of people”

(Parry 1996, p. 3)

To handle the confusion Arcodia & Barker (2003) have categorised events into three main groups which are business events, cultural events and sporting events. Business events include conferences and trade fairs, while cultural events include festivals and exhibitions. The sporting games are the last group and include the Olympic Games, soccer world cups, car races and many other sporting events. These groupings seem to be appropriate as they encompass all sorts of events and allow the researcher to give the audience a more specific, categorised overview of events.

The Origin and Status of Event Management: An overview

The word '*event*' is derived from the Latin word '*eventus*' and was originally used to describe big happenings out of the ordinary. It also means "*outcome, result or success*". Further research into the etymology of the word '*eventus*' describes the line of descent as the following: *Eventus* is derived from the Latin word *eventum* (occurrence, event, issue), which is derived from the Latin word *evenire* (come out, it happens, it turns out), which is derived from the Latin word *venire* (to come, go for sale).

This line of descent gives the conclusion that originally an event is an occurrence, something that happens. The first mentioned definition in the English speaking world originates from Robert Jani in 1955.

Jani said that “*a special event is that which is different from a normal day of living*”. Since then, written sources have not settled on a single generally accepted definition of events.

Since the dawn of time, human beings have found ways to mark important events in their lives; the changing of the seasons; the Eternal cycle of birth, death and the miraculous renewal of life each spring. Both in private and in public, people feel the need to mark the important happenings in their lives, to celebrate the key moments. At the public level, momentous events become the milestones by which people measure their private lives. Even in the high-tech era of global media, when people have lost touch with the common religious beliefs and social norms of the past, we still need social events to mark the local and domestic details of our lives. The Traditions of various countries, influenced by changes within society, including urbanization, industrialization and the increasingly multicultural population, have greatly influenced many events as they are celebrated today.

At present, the event Management industry is in its infancy in India. There are only a few event management companies functioning in the country in its formal version. Majority of them are MNCs. The concept of event management is not very popular in the non-corporate sector. Two reasons can be attributed to this viz. low awareness about the subject on the part of people and high cost factor. Another problem on the part of the company is that there is neither single company which provides all services at one point, nor one single company specialized in one particular area of service.

Process of Event Management

The entire process of event management can be classified under three headings viz., Pre event, during event and post event activities.

Pre event activities

Pre event activities are undertaken by the Event Management companies before the event. Pre event activities begin with the planning of the event. On getting the order from the client the Event Management Company assigns the work to an Event Manager. The event manager prepares a detailed plan of the event and holds a discussion with the client to assess his expectations and specific requirements. At this stage the Manager ascertains the feasibility of the event, venue, media of publicity type of audience, sponsorship, sources of funds and expenditure, licensing, music and sound system, catering safety and security etc., and assigns duties and responsibilities to his team members. Then he prepares a thorough schedule of activities considering the critical issues involved in the particular event. In this work, he takes the help of external agencies who are experts in the field, such as engineers, architects, contractors etc. Logistics is another important area that needs priority attention by the Event Manager. This step involves booking of hotels or accommodation, air, road and rail and other conveyance mode, catering, security, lighting and music etc. Based upon the event requirements the Event Manager draws up critical dates in the event and deadlines to complete each task. After completion of arrangements a written agreement between the Event Manager and the client is drawn and signed by both the parties to avoid future conflicts and complications.

During Event Activities

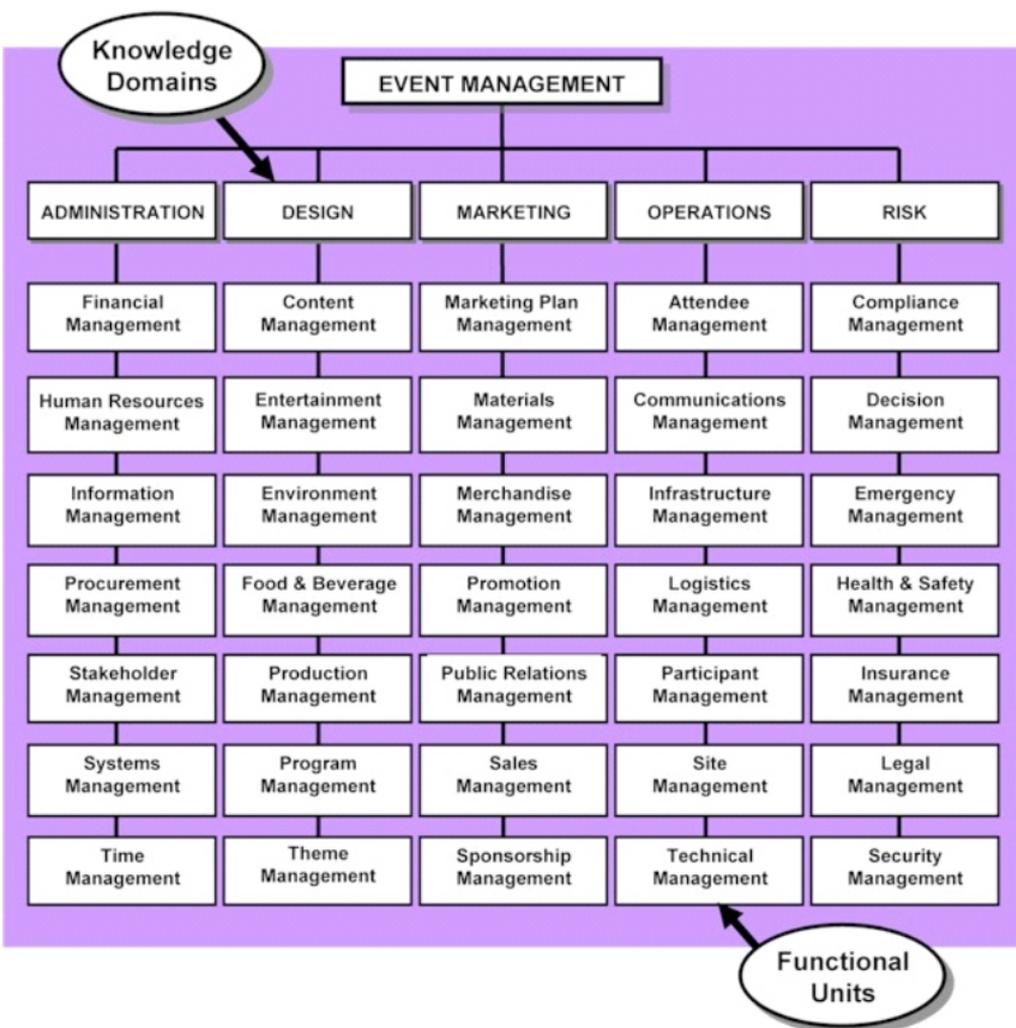
The most important part of the event is the execution of the event. The event must be executed as planned. Deviations should be, as far as possible, avoided, as it leads to unwarranted explanations and excuses.

During the event session the Event Manager should look humble and

be available to the client to call on. He should have a constant surveillance of the activities. Every aspect of the event like lighting, sound, seating food and beverages etc., requires special attention. In brief, continuous monitoring is the gist of the during event execution. Photographs and multimedia recording arrangements, if so desired, also need to be taken care of.

The Figure 1 summarises the activities involved in the event management .

Figure 1 : Event Management Body of Knowledge Domain Structure



Source : www.juliasilvers.com/embok.htm

Post Event Activities

Post event activities begin with the physical task of dismantling of the sets, furniture, stage, music and lighting equipments etc. The next important work of post event for the event management company is the Bill collection. A Statement of Accounts with explanations for over-spends is handed over the client for this purpose. The Event Manager should thank not only the client but all individuals and organizations involved, including his team members. A formal letter of thanking is sent to the client along with a questionnaire to collect the feedback.

Finally, the event management company should carry out a post mortem analyses on the entire event to evaluate the performance and identify the weak points which can be incorporated in the further events for improvement.

Conclusion

Event Management industry has tremendous scope. Today it is more in the disorganized sector and less in the organized sector. Efforts should be made by the existing companies to bring this industry under the organized sector.

The service sector in general and event management in particular has tremendous career opportunities for students of any educational background. But it requires commitment, hard work and the quality of adapting to different situations quickly. Good public relation is another requisite quality for the career aspirants. They can find scope in any one among the following areas.

- Event Management Company
- Event Management Consultancy
- Hotel, Travel and Hospitality Industry
- Advertising agencies
- Public relations firm
- News media

- Integrated marketing & Communications
- Event budgeting and accounting

However, the challenge for the new entrants in this industry is to be organized to work in a professional manner.

- There is a need to develop one single company which provides all services related to the event or company specialized one aspect providing all services related to that specialized area.
- The industry should undertake vigorous advertising campaign to popularize the concept.
- The players in the field should reduce the charges by adopting cost cutting methods.

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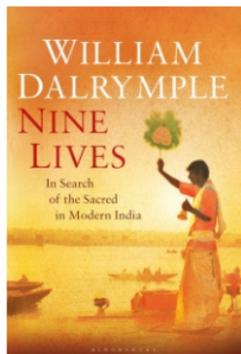
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A review on
**Nine Lives-In Search of the Sacred in
 Modern India**

Author: William Dalrymple

Publishers: Bloomsbury

ISBN : 978-1408800614



* **Ms. Shobhana N**

William Dalrymple is a British writer, historian, Curator, broadcaster and Critic who has written extensively on India, Pakistan, Afghanistan and Middle East. His writings have spanned from travel to history and further to spirituality. Written in 2009, **Nine Lives-In Search of the Sacred in Modern India**, won the 2010 Asia House Award for Asian Literature. He has earned several other awards for his books, television and radio programmes and Honorary Doctorate from University of Bradford in 2012.

I was drawn to this book mainly for two reasons, firstly it is a travel book about India and secondly for it delved on not one but nine lives and not of one but many spiritual paths, cultures, traditions and much more that is a part of India. One may conclude that **NINE LIVES- IN SEARCH OF THE SCARED IN MODERN INDIA** by William Dalrymple is another one of those travel books. But this is a book of travel across time and space; it traverses across the spiritual realms of the subcontinent. He crosses at once the different states from Karnataka to Kerala, Rajasthan to Bihar, Bengal and beyond. He also crosses the spiritual, physiological and intellectual dimensions of the Indian thoughts. Further, he courses through the social context within which these thoughts exist, the traditions, cultures, castes, subversive

* *Assistant Professor, School of Social Work, Roshni Nilaya, Mangalore-575002. E-mail : shobiemanu@yahoo.co.in*

forces of theirs and their impact on the society and individual. Through the stories of the nine lives, namely: of Prasannamayi a Jain Nun; of Haridas the jail warder who is also a well digger and primarily for him a Theyyam dancer who is a Dalit; Daughters of Yellamma; The singer of the epic of Pabuji Mohan Bopa; Sufi Mystics of Sindh and the Red fairy Lal Pheri; Passang the Buddhist warrior monk; Srikanda Stapathy of Swamimalai who saw god in the bronze idols he created ; Manisha Ma Bhairavi, the Graveyard dweller who is a tantric Sadhwini ; Kanai the blind Baul minstrel; Dalrymple sketches the 'sacred' path chosen and the unwavering faith.

The book is an attempt at delving on why an individual leaves the entire known, familiar, convenient world one is born into and goes to a world devoid of all that one thought was his or her way of life. The author brings into focus nine individuals who set out in search of deeper meaning and the path that is available to them. The author pitches the tone whilst talking about how he got the idea for the book sixteen years before he actually did when he met Ajay Kumar Jha, a Sales Manager from Kelvinator who “just left everything” and became a Naga Sadhu. William Delrymple travels around India in search of the many worlds which unravel the different esoteric worlds of spirituality and faith. The book courses through the many layers of meanings that surface, the many ways to reach them.

The Nun's tale which is the first of the nine lives is about a Jain nun Prasannamati Mataji. She comes from a well to do Jain family, much loved and pampered by her family. She says it was when she was thirteen years old and the family went to meet a Jain Sadhu who stayed with them in the city for several months that she felt she should be like him. He tells them stories on how to live life surrounded by peace and without violence.

Before the life story of Prasannamathi opens we get a glimpse of Jainism. The ingrained philosophy is to work towards becoming a 'Jina'- a liberator; and for this one needs to follow the Thirtankaras who are the "ford makers". He points out that the Jain Munis held three things as most precious, 'right faith, right conduct, and to take the five vows- no violence, no untruth, no stealing, no sex, no attachments. Mataji points out how as a wanderer she felt free and the unattached state liberated her. One of the core values of Jainism is Aparigraha - the belief that attachment causes suffering. In this context she explains how she too was attached to her companion Prayogamathi and after many years she still missed her.

Dalrymple paints his pictures truly, empathetically and openly. He is able to get to the gut of the individuals he wishes us to glimpse. We come to realise in each of the lives he touches upon that the brush at once sweeps and brings in context wider perspectives. It is not to do with a Jain muni or a Jain religion but of life, of search, of spirituality. The lack of pretense, the ease with which he moves from one schism to another, from one region of thought to another with absolute ease and the discipline to keep out subjective inroads is remarkable.

Even as one moves on from the first story to the next one realises how effortlessly he carries each of his previous stories. The effect this has on the whole book is interesting. It helps in throwing light on the gambit of religious experiences in India. Each of them we realise runs to the same end. For the Jains, Mataji says, death is not a word one embraces through 'Sallekhana', out of despair, but with excitement. The various tenets of the faith unfolds the idea where by the individual is drawn into the inner realm of the spiritual, in constant attempt to discipline and move beyond the physical self and reality. Both Prayogamathi and Prasannamati embrace Sallekhana, Prayogamathi when she falls ill and wants to "give up her body rather

than have it taken away” and Prasannamati, says when Prayogamathi left her body she wept bitterly even though the nuns were not supposed to. Prasannamati decides that she too would embark on the same path of 'Sallekhana' after visiting the holy places. This she says is the aim of all Jain munis, the “final renouncement” and she has commenced her journey towards that end by slowly giving up one after the other the intake of food.

He moves on to the next, ‘the story of Haridas’, a Theyyam dancer. Theyyam is a folk ritualistic dance that weaves around the Dalits (the performers) and who form the lower rung of the traditional caste ladder. Haridas who is otherwise a well digger and a jail warden becomes a revered deity for the three months from December to February. The story of all the Theyyam dancers is the same but in those three months, they move to a higher plane, beyond the real. All caste differences are forgotten and he is worshipped by even Brahmins. Dalrymple calls this an “inversion” of everyday life and the social norms which can otherwise be oppressive to the low castes. The philosophical resignation of Haridas is evident when he says that after these three months the actual world engrosses them, the ordeals and all intricately woven differences surface. There are challenges, but, to these dancers life is worth living, meaning and purpose returns each year when they commence their performances, then they become Gods, and Theyyam.

In this story, one can see the tradition, the faith, the beliefs, and the entire life of the Dalits coming alive. The drummers set the tempo on the auspicious night and the song telling the myth of the god to be incarnated is sung. In front of the shrine the dancer gets possessed; in this state he is seen as the god, a talking deity, respected by all. The deep faith and devotion to the gods is essential, remarks Haridas. He explains that he is very tense when the time to be possessed by the

gods arrives, not because the god is coming upon him but afraid that he might not come in case his devotion for the god has diminished. It is important that the mind is one with the god being venerated. The rendering of the Theyyam should not become a “routine” act or an “unthinking” one. The Theyyam binds the God, the dancer and the devotee into one and this bond they feel is essential to a certain meaning in their lives. Even people who have gone to faraway lands come to offer thanks by dedicating a Theyyam act.

Dalrymple, in his straight forward approach to the issues of faith discusses the caste system and the belief systems that operate in this context. The Theyyam dancers raise the issue of caste and how the oppression of the upper caste affects the lower ones and how in the eyes of God all are equal. This issue of suppression is the heart of many or most of the Theyyam dances. The Brahmins are the targets of the wrath and anger of the Theyyam god who stands to protect the Dalits from any oppressive or suppressive acts of violence is the subject of the story. Haridas says that the Brahmins on the night of the dance venerate them and prostrate too, but the next day reality resurfaces. If the same dancer goes to a Brahmin's house he can't enter the house, can't even drink from the well he dug. There is sadness, not acceptance, a resignation but much helplessness when Haridas tells this.

In 'Life of Yellamma', the attention is drawn to the pain and penance in the name of religion for the women who have been dedicated to Yellamma, the goddess of Saundatti. Their home is their workplace. Here they solicit customers, sometimes eight men in one day, and farmers from the Deccan Plateau of Karnataka. The temple of Yellamma is an ancient shrine just as the Virupaksha temple in Bijapur where the Devadasi system exists even today. In ancient times, Devadasi's were women dedicated to worship and service of

the temple and also performed dance and music an inherent part of temple worship. The girls who are dedicated to Yellamma state that they are different from other sex workers as they neither dress nor procure customers the way other sex workers do; They feel what they do has dignity as well as the blessing and protection of their mother goddess Yellamma.

The stories in 'Nine Lives' is told along cultural and traditional planes. He takes into account how certain aspects within the family and society which is central to the way an individual functions in order to arrive at their spiritual destination. He draws the time line, taking care to show how they were in the past and as they are in the present. He points out how there are ancient poetry and sculptures which show the Devadasis as vastly sexualised. They show them as having power and status considering providing sexual gratification as a sacred duty. He points out that the reaction of the reformers in response to the taunts of the European missionaries saw a fall in their status and criminalisation of the same. He finds it ironic and points out that the signboards warning that girls should not be dedicated to the goddess only demean them and in no way helps them. He seems to suggest that it wrenches the possibility of dignity and his understanding squarely lies with the daughters of Yellamma. The reason why even today we have the Devadasi system existing he suggests is because of poverty. Many a time they are mere girls of six or nine and it is not one or two, ten or twenty but thousands of them who are dedicated each year to Yellamma. To people like Kaveri, Yellamma is a benevolent mother who takes care of them.

When one looks at their lives one wonders if there can be anything spiritual in what they are doing now and if the system has in anyway manipulated them another question arises about our own lives and if our stance is one of hypocrisy and double standard of an educated,

elitist snobbish thought. The author deliberates on how these women such as Kaveri and Rani live and feel both the disappointments and triumph in what is destined not by birth or their effort or will but what their parents or elders decided for them. Their moment of consolation and triumph is in their thought that they are respected by the society, they are invited on occasions and revered as gods, which they don't dress up like prostitutes but in grand sarees and jewels. Dalrymple does not lay out his point of view or question the system in vogue. He tries to present the picture with a directness which makes us see them for what they are prodding us to accept them without judgement.

'Singer of Epic' depicts the sheer joy of the Bopas as they render of the story of Pabuji which is a 600 year old poem of heroism and honour, struggle, loss, finally martyrdom and Vengeance. They are hereditary singers from the Nayak community of Rajasthan which is very close to Delhi but stays untouched by the modern ways even today. They consider their role as singers of Pabuji a spiritual journey and great blessing. The temple at Pabusar is a newly built marble edifice in a simple village, with an ancient 'hero stone' which has the profile of Pabuji with sword held high. The story of 'Pabu' who dies protecting the goddess's herds from the demonic rustlers is only one of the many stories of Pabu, there is even one of him protecting the herd from the ten headed Ravana.

The 4000 line poem in full can take all of five nights. The epic is performed in front of a 'Paad' which is a narrative painting made on a strip of cloth as well as a portable temple of Pabuji; the picture here becomes the incarnate 'Murthi'. People have great faith in Pabuji, the Paad and the ritual of singing. They seek the singers to appease, to cure their herd if they fell sick, thank and ask questions that troubled them, "Pabuji is also very good at curing any child who is possessed by a Djinn" (evil spirits). The singer is an ordinary man till he begins

to sing the epic of Pabuji, thereafter he gets possessed by the spirit and gets the power and is thus sought after by Thakurs, Herdsmen and simple village folk.

Mohan Bhopa and Batasi, husband and wife, render the epic with piety and reverence. Mohan understands the need for this ancient oral tradition to be passed over from father to son and reminisces how he himself was drawn into it at a very young age. He points out how a wife with the same dedication and singing voice would be a blessing as it was for him. If a wife's voice is not good, as his eldest son's is then there is no way that person can be a singer. Mohan now waits and hopes another son will follow him (later, when Mohan passes away his older son and wife sing together). The place of the family in this age old inheritance of a tradition is very crucial and they understand that they are custodians of a tradition that is god given. At times they worry that the modern ways might take away the prominent position that Pabuji has in their lives and the life of many in the far away villages in Rajasthan is voiced.

The next journey of Dalrympel is to Rural Sindh, which has seen little development and is still in the clutches of Serfdom and all its ignominy. Untamed, swarming with dacoits, rugged and rocky is the region which provides sanctum to a heterodox religious sect. He points out that under these not so conducive conditions thrives a synchronic cult of Hindu and Muslim faith. This culmination has evolved from the 'Sufi shrines' which believes that all religions are one. The search for god to them is in "the immersion in the absolute-quest for Fana", an escape from the narrow confines of orthodoxy. It combines the simplicity of the village folk with the intellectual mysticism and philosophical ponderings of sublime minds. An evidence of sectarian ambiguity is found in the renderings. The famous Sufi mystics were Shah Abdul Latif who hailed from an

orthodox muslim family. Latif joined the Nath Yogis who were considered to possess many powers through their yogic exercises. Sufism dabbles with every aspect of spiritual and philosophical thought that is forbidden by orthodox Muslim faith.

Dalrymple's meeting with Lal Pheri the Red fairy and Dhamma which was a devotional dance in Sehwan Sharif got him to the core of Sufiism. The dance which commences at the meditative, moves on to a wild frenzied pace and reflects an outlet of all their in strife. It acts as a vent for the suppression endured by the inner self in the narrow confines of a conservative society. A dream heralded Lalpheri to the shrine of Sehwan Sharif and she has remained here far away from the world of violence and hatred since then. Lal Pheri hails from Bihar where she saw Hindus and Muslims, Bengalis and Biharis butchering each other. Her younger days in the midst of personal tragedies and the increasing wrath between Hindu and Muslim communities forced her to journey to a better, meaningful world devoid of differences, towards a spiritual realm.

Lal Pheri enumerates the different stances taken by the Muslim sects such the Wahhabis, Maulanas and the Madrasas who opposed what to them was un-Islamic. They argued that the 'Dargah' was the center of idolatry, immoral and superstitious practises. She assays that the two shrines, the shrine of Latif and the shrine of Lal Shahbaz Qalander protected her and now she should see that they are protected from the fundamentalists. There are many stories behind the reason for the reverence earned by the shrines, each a tableau of the synthesis of the two faiths Hindu and Muslim. Orthodox Islamic bodies found Sufiism un-Islamic because it saw god through poetry, music, revered them alongside women and worshipped tombs. Dalrymple describes Lal Peri who venerated every aspect of life and the world, who feels “everywhere there is beauty, the sand, the foothills, the

mountains in the distance: these are all different manifestations of God, every place has the name of God in it. Many people do not realise or see these things which are written in even Quran which says- I have my signs everywhere.

Next, in the Monk's Tale, Passang a Buddhist monk recounts his story of how he took to violence; That he was forced to kill Chinese soldiers in order to protect the ways of the lord. It took him much time, contemplation, and guidance from the Dalai Lama to accept that what he did (killing Chinese soldiers) would be forgiven. Dharamshala which rests on the foot hills of the Himalayas is the resident temple of the Dalai Lama in exile. It is a refuge for the Buddhist monks and people who fled from the Chinese rule from Tibet and came to India. Passang who came from a family of Herdsman enjoyed the freedom of the hills. He chose the life of a monk on the promptings of one of his uncles and underwent much training and discipline of body and soul "to remove the world from your heart". His childhood was a normal one, his youth at the monastery also fine until the Chinese came into Tibet and destroyed the monasteries and forced the people to give up their faiths and join the modern Chinese ways; then all changed and he says "you had to choose to take upon yourself the bad karma of a violent act in order to save that person from a much worse sin." The fight by the monks who only knew to tell the beads was a fiasco, far outnumbered by the thousands of Chinese soldiers, the monks had to flee.

Passang had to go through many privations; the Chinese tortured his mother, beating her brutally when they heard he was not to be found. It resulted in her death. Passang could not reconcile with all that had happened; He relinquished monastic life, and spent many years in the Tibetan unit of the Indian army, but left it unable to bear the inner trauma. As an act of atonement he built a small wooden hut and sold

wooden blocks and prayer flags which he made and lived a reclusive life. Much later, prompted by the Dalai Lama he got back to monastic life, took fresh vows assured that he will be forgiven, “why not he queries with renewed faith, 'when Angulimama who had killed ninety nine people and wanted the hundredth to be the Buddha's, was forgiven?' The nostalgia of the home that was theirs, the dream of reaching their motherland still lingers but he avers “it wouldn't be right to go back alone, after all this time it just wouldn't be right” so he waits along with the many Tibetan monks and ordinary people hoping they will be home, thankful for the land that gave them shelter when they needed, India.

'The Maker of Idols' is the story of Srikanda in Stapathy who makes idols, he is ”twenty third “ in the long hereditary line stretching back to the great bronze casters of the Chola empire. Dalrymple describes how these idol makers spend their life time in complete submission to creating them. They believe what they make are not just an idol, a piece of art, not even the spirit of god but god itself. The immense faith that delivers them to this task, the devotion and realisation and communion with their inner selves is stressed upon. He deliberates upon the how in the study of sculpture, eroticism plays an important role. It is necessary that the idols represent a certain aspect of sexuality and Chola painting and poetry are explicit in what is called the 'Sringara rasa'.

The work place where the idols are initially conceived is guided by the norms of 'Shilpa Shastra'. He takes the reader through the many stages where each body part of an idol is deftly cast in wax mould first and the process where metal is poured, the metal casting of the idol to the final “ eye opening” ceremony where the eyes of the gods is carved. This to the sculptors is the most poignant and spiritual experience. They believe that this is when the gods would enter the

sculpture. The making of a sculptor, his evolution towards becoming a 'Stapathy' seems like a rebirth. Srikanda Stapathy points out that the process of each idol that is made is also reminiscent of the birth of a child from the womb of its mother.

'The Lady Twilight' is the life story of Manisha Ma Bhairavi who dwelt in a cremation ground in Tarapith. This is reputed to be an "eerie" place with notorious and unsavoury Tantric rituals. He has attempted to elicit how the Sadhus live in the graveyard, practices of Tantric Sadhus, and their belief systems. He describes the ash smeared Sadhus, some naked, some semi-naked, surrounded by skulls and bones. Manisha Ma explains how and why their way of Tantric worship is not accepted by many sections of mainstream Hindu belief systems and is seen as superstition. To the Tantrics such as Manisha, living in the graveyard, following the tantric way is nothing but a call from Tara Ma, the divine mother. The mother Tara takes many forms and Manisha hopes to see her vision in her dreams and lives in graveyard where they believe the goddess resides not in the temple, the "Lady Twilight", the cheater of death, Tara, a form that is terrifying which Manisha says is the mother's wild side "But all this just means she can fight the devils on your behalf. The tantric world is an inverted world of schisms which otherwise would be repulsive; and is in the threshold between the" divine and the demonic". "Tantra according to ancient texts, deals with yogic practices, magical rites, metaphysics and philosophy". It draws its essence from Hindu Vaishnavite and Shaivite philosophy, from Jainism, Mahayana Buddhism as well as Chinese Daoism and even some forms of Sufi Islam.

Dalrymple sketches the life of a tantric which is in opposition to society's convention; it encourages the individual to develop an inner contact with Kama or sexual energy, This according to them is the

core through which one can liberate oneself. The body thus becomes a channel for salvation. The intriguing role of the Yoginis in the sexual congregation with the yogis and the way sex was used to “awaken the latent energies from the base of the body” is explained. The subversive heterodox concept, the mystical anarchy is the life of the 'divinely mad' Sadhus and Sadhwinis. The stories of each Sadhu and Manisha's too, show how theirs was a world which to them was far better than the world they left behind. Here they were all one, neither violence nor biases existed; they cared and consoled each other. They lived with nothing and had the whole wide world too, to traverse and be a part of. They were bound to no one yet everyone they looked upon as their child. Thus Manisha holds all that she left behind within her palms (caring for her daughters who she has got back) and, all that she has found too and this keeps her steadfast in the faith that Tara Ma is by her side. As Tapan puts it, “the life of renunciation, of Sanyas, is a life of joy, in the life of every Sadhu some pain is there. The longer you live the life as a Sadhu, the more you enjoy the life, and the more you forget your past. Then something happens to remind you and you weep”. Manisha's wish “is to finish my days in the arms of Tara, and that she takes me in a good way, with all the other rites” and thus the tantric world seems a haven for those deserted and lost for they find a better one, a spiritual one.

‘The Song of the Blind Minstrel’- this is the last one; a story of the wandering Minstrels, the 'Bauls' which means mad or possessed in Bengali. The story opens with the feast of Makar Sankranti when thousands of saffron clad wandering minstrels gather at Kenduli, West Bengal. Over 5000 years, the Bauls have lived a life defying convention, and caste the conscious Bengali Society. They have evolved their spiritual teaching into a vast volume of “melancholic and often enigmatic teaching songs which help map out their path to

inner vision". To the Bauls, god is not found in stone or bronze or heaven or in afterlife but in the present, in the body of man and woman. The belief system of the Bauls is drawn from Tantra and the influences that the Tantrics have evolved out. The goal of the Bauls is to discover the divine inner knowledge. To Dalrymple, the near atheism and humanism of these "singing philosophers" is not departing from "Indian" thought but one which dates back to 5th century BC to the Charavaka School against the materialistic tendencies. Dalrymple believes the agnostic, aesthetic uncertainty of the divine is one that dates back to the tenets of Rig-Veda, which asks "who really knows?", "who will here proclaim it?" Thus the story of blind Kanai who found his soul mate Debdas who was himself lost in the train, unfolds with the Tara the Dugi drum, Do-tara and their songs. They each trace their journey into the divine. The trio Kanai, Debdas and Paban are not just three men alone but is depictive of the world of the Bauls, the world which they came into. They are a part of a system which questions the world they were born into which tormented their outer and inner being so much so an escape was the only way. Here, through their songs they build a bridge between individuals and the divine.

The wild music concerts which they participate in Kundali with rum and ganja is in no way akin to the serene ordered piety within orthodox Hindu dictum of worship or god realisation. The sexual practices which their gurus teach them is yet another anomaly but one which they believe is a path towards self realisation for which marriage is very important to the Bauls. To be a fully initiated Baul you have to have a partner with whom you can practise Tantric Sadhana. With music by their side they are ready even to die, as Lalitha puts it "it makes everything in life seem sweet", Subhol agrees and responds, "thanks to music, we live our old age in great

peace.” And Kanai “it makes us so happy that we don't remember what sadness is”.

The journey of Dalrymple through the spiritual psyches of nine different minds is a revelation of nine worlds they are a part of. Each spiritual world is a realm very unique, very different but all significant of the same deep search. An inner quest of the intellect which finds neither peace nor meaning in the day-to-day world they are born into. An escape or running away which ensues in the realisation through a world which might seem cruel, bizarre, mad, eccentric and vulgar is where they find their peace, their haven, their meaning. Their search is for a resting place for the spirit; a better use of the body and mind towards realisation of God. Every individual that he speaks of in his book seem to have found their ideal place and seem happy and at peace, happy by and large, sad sometimes over some past memory that still haunts them, at no time wanting to go back to what the rest of us think is the world to be a part of.