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Aims and Scope

Journal of Banking & Insurance Law (JBIL) is a peer-reviewed bi-annual journal for Banking and Insurance Laws. JBIL aims to promoting the research which is not only academic in nature but can also pave a way for relevant law reforms in future. Law and policy makers are under constant pressure to guard the interest of consumers taking up banking and insurance services. JBIL aims to review the banking and financial regulations, and corporate governance practices of emerging market nations.

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Banking Role In Indian Development And Its Challenges.

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Banking Sector being the heart line of the financial market, their up gradation and financial strength is more vital for an efficient financial system. Banks play a very crucial and dynamic role in the development of economic life of India. Banks are the pivots of modern commerce. Industrial innovations and business expansions become possible through finance provided by banks. Banks mobilize the dormant capital of the country for productivity purposes. Now, the Indian banking industry is going through a period of intense change, where global trends are affecting the banking business increasing competition, liberalization, rising customer expectations, shrinking spreads, increasing disintermediation, competitive pricing and possibilities macro-volatility. Profitability, productivity and financial efficiency have, as a result become critical objective to be aimed at. In today's markets, credit risk along with market risk and operational risk are the real challenges before banks. As an effect of liberalization, privatization and globalization policy there has not only been rapid expansion in the number of banking institutions in the country, but the banking horizon of the country has also changed significantly. In view of the fact that the public sector banks that have been operating in an extremely

protected economic environment and may lose out in the wave of competition from old and new private sector banks in India.

Role of World Bank In Educating India's Children

More than 95 percent of India's children attend primary school, less than half of 16 year olds - just 44 percent – complete Class 10. This is a huge loss for a nation that will soon have the largest and youngest workforce the world has ever seen. The government is now seeking to bring 90 percent of the country's 50 million secondary age children into school by 2017.To achieve this goal, access, equity, management and quality will all need to be improved. Curriculum and teaching practices will need to be upgraded to impart more relevant skills, such as reasoning skills, problem solving, learning-to-learn, and critical and independent thinking. Since this is an enormous task for the public sector alone, public-private partnerships will need to be expanded to tap into the potential offered by the 60 percent of secondary schools which are privately managed in India.

World Bank Support

Since 2000, the World Bank has committed over $2 billion to education in India. It has also provided technical support. Since 2003, the Bank has been working with Central and State governments, along with development partners (UK's DFID and the European Union) to support the Sarva Shiksha Abhiyan programme. In 2003-2007 the World Bank invested $ 500 million to expand facilities and improve infrastructure, get children to school, and set up a system to assess learning. In 2007-2012 the World Bank provided a total of $1.35 billion to expand access to upper primary education, increase retention of all students until completion of elementary education and improve learning levels. In addition, World Bank evaluations and research provided pointers to further improvements. This included studies on financing elementary education, teacher absenteeism, instructional time and quality in primary education, and the impact of information sharing with village education committees. It also included studies on inclusive education for children with disabilities, comparisons between public and private schooling in UP, AP, and MP, and incentives to improve quality.

Secondary Education: The World Bank is supporting the Government of India's centrally sponsored scheme for secondary education, Rashtriya Madhyamic Shiksha Abhiyan (RMSA), with an estimated $ 500 million. This is largely based on the analytical work on secondary education, published in 2009, which focused on strategies to improve access, equity, management and quality. In addition, the World Bank has conducted research into the feasibility for expanded public private partnerships at the secondary level, and has supported learning workshops on the role of information and communication technologies at the secondary level.

Support to States: The World Bank is also supporting state governments. For example, in Bihar, the Bank is providing about $250m to develop a comprehensive and effective teacher development and management system to improve the quality of education in elementary schools. It is using innovative approaches, such as technology-driven and distance learning models so teachers can continue to be their students even while upgrading their skills and knowledge.

World Bank Support To India's Universal Sanitation Initiatives

The World Bank approved a US 1.5 billion loan for the Swachh Bharat Mission(SBM) Support Operational Project to support the Government of India in its efforts to ensure all citizens in rural areas have access to improved sanitation such as toilet or latrine with a focus on changing behaviors in ending the practice of open defecation by 2019. Specifically, this project will support the rural component, known as SBM – Gramin (SBM-G), over a five-year period using a new performance-based program which links funds directly to results, ensuring that benefits are delivered to the people in need more than 60 percent of India's rural population. Today of the 2.4 billion people who lack access to improved sanitation globally, more than 750 million live in India, with 80 percent living in rural areas. More than 500 million of the rural population in India continues to defecate in the open, suffering from preventable deaths, illness, stunting, harassment and economic losses. The SBM-G program focuses on ensuring usage of toilets along with their construction. States and their implementing agencies will be given incentives for meeting performance standards. Performance will be measured against the states' ability to reduce open defecation, sustaining their open defecation free (ODF) status and improving solid and liquid waste management in rural areas. One in every ten deaths in India is linked to poor sanitation and studies show that low-income households bear the maximum brunt of poor sanitation. This project, aimed at strengthening the implementation of the Swcahh Bharat Initiative of the government, will result in significant health benefits for the poor and vulnerable, especially those living in rural areas The Ministry of Drinking Water and Sanitation (MDWS) will play the overseeing and coordinating role for the Program and support the participating states. Funds will also be used to develop the capacity of MDWSin program management, advocacy, monitoring and evaluation. The World Bank will also provide a parallel US$25 million technical assistance to build the capacity of select state governments in implementing community-led behavioral change programs targeting social norms to help ensure widespread usage of toilets by rural households.

Top 5 banks Providing Education Loan for Medical Students Helping Indian Development

Many Indian banks offer education loan for students who have secured a MBBS or a MD seat in a recognized medical college. Also, select Indian banks offer special concession in interest rates for girl students. There are also special education loan schemes for meritorious students who have secured an admission in premier medical institutions like AIIMS and JIPMER. Here is a list of the top 5 banks offering education loans for medical courses in India.

HDFC Bank Education Loan for Medical Students:

For students who have obtained admission for MBBS or MD courses at reputed colleges, HDFC Bank offers education loan up to Rs. 10 lakh. For loans up to Rs. 7.5 lakhs, no collateral will be required. For applicants taking a loan higher than Rs. 7.5 lakhs, HDFC offers a wide range of collateral options like NSC, KVP policy, HDFC Fixed Deposit and residential policy. HDFC Education Loan customers get maximum repayment tenure of up to 15 years after moratorium period. For top ranked universities and medical colleges, HDFC offers preferential interest rates for education loans. Other unique features of HDFC Bank education loan for medical courses include doorstep service, flexible repayment options, option to avail insurance cover and wide collateral options.

Bank of Baroda Education Loan for Medical Students:

Bank of Baroda Education Loan, Vidya Lakshmi, is offered to meritorious students for pursuing professional courses including medicine and engineering in India. Students can obtain funding for both graduate and post graduate courses. To apply for a Bank of Baroda Education Loan, the student must be an Indian resident and must have secured MBBS or MD admission in a recognized institution. Bank of Baroda Education Loan will cover costs of tuition fees payable to the college, examination fee, costs of books & equipment's, caution deposit and refundable deposits and other expenses required for course completion. Bank of Baroda also offers 0.5% concession in interest rate for girl students. A concession of 1% in interest rate will be offered to students who secure an admission in premier medical institutions like AIIMS and AFMC.

State Bank of India Education Loan for Medical Students:

SBI offers two loan variants - student loan and scholar loan to fund the costs of medical studies in India. S.B.I.Education Loan for MBBS and MD covers the cost of laboratory fees, examination fees, costs of equipment's & books, caution deposit, refundable deposit and examination fees. For studies in India, a maximum of Rs. 10 lakhs will be offered as loan amount and for loan amounts up to Rs. 7.5 lakhs, no collateral security or third party guarantee is necessary. The repayment will commence a year after completing the course and the borrower can avail maximum repayment tenure of 15 years. Under SBI scholar education loan, if the student has gained admission to any of the 105 premier institutions as listed by SBI, loans up to Rs. 30 lakhs will be offered. No processing fee will be charged for education loans applied under SBI Scholar loan scheme. The advantages of SBI Scholar scheme include 100% financing, 12 months repayment holiday, fast loan sanction and less collateral requirements.

Bank of India Education Loan for Medical Students

Bank of India Star Education Loan aims at offering financial support to deserving students for pursuing higher education in the field of medicine. As eligibility, the student should have secured admission to a MBBS or MD course in India through a merit based selection process or entrance test. The course to which the student has secured admission to must have been recognized by UGC, Government, AIBMS, ICMR etc., The loan amount will cover the costs of examination fee, laboratory fees, tuition fees, accommodation charges, travel expenses and cost of computer, if the purchase is required for completion of the course. A maximum of Rs. 10 lakh will be offered as loan based on the repaying capacity of the parent and the course selected. For loans up to Rs, 4 lakhs, there is no margin and no security is required. Bank of India offers online facility for submission of education loan application, tracking of application and other facilities. Students and parents will immensely benefit from the online solutions for education loan offered by BOI.

IDBI Bank Education Loan for Medical Students

IDBI offers a comprehensive Education Loan for Medical Students who have secured admission through an entrance test or a merit based selection process. For students who have secured loans under management quota, IDBI offers education loan provided that the student has secured marks above the cut-off level. For MBBS and MD programs in India, IDBI Bank offers loans up to Rs. 10 lakhs and for loans up to Rs. 4 lakhs, no security is required. For students studying in premier educational institutions, loans up to Rs. 30 lakhs or 95% of the program cost will be offered. IDBI bank also allows balance transfer of educational loan from other banks and financial institutions to IDBI. I.D.B.I.Education Loan will cover the costs of college tuition fees, cost of books and costs of equipment's, laboratory fees and other essential costs required for the completion of course. IDBI offers concession in interest rate for girl students and for students who have secured admission in the elite colleges of India.

SBI Youth for India

SBI Youth for India (SBI YFI) is an Indian rural fellowship programme initiated, funded and managed by the State Bank of India (S.B.I.) in partnership with reputed N.G.Os.It provides a framework for India's bright young minds to join hands with rural communities, empathies with their struggles and connect with their aspirations. The selected fellows work with experienced NGOs on challenging grass root development projects. The fellowship is an initiative to sensitize & provide avenues for the more privileged sections to become aware of ground realities and contribute through their personal efforts towards building strong cohesive communities a pre-requisite for a stable socio-political environment which in turn would lead to economic regeneration. The focus of the fellowship has been in generating interest of the educated youth towards the social sector and in incubating the spirit of social entrepreneurship .The SBI Youth for India Fellowship was launched on 1 March 2011, in partnership with three reputed NGOs M.S. Swaminathan Research Foundation, BAIF Research Foundation and Seva Mandir. All the three NGOs have more than two decades of experience in the development sector.The fellowship and its work has been appreciated by eminent personalities like Dr. A.P.J.Abdul Kalam(ex- President of India), Mr. Ratan Tata(Chairman,Tata Group), D.S.Subbarao (Ex-Governor, Reserve Bank of India). The Fellows range between 21–32 years of age and they come from all parts of India. Adequate representation of all geographical regions of the country and of gender is achieved through a stringent selection criterion that ensures the quality of the fellows with only approximately 1 out of every 100 applicants being selected. The SBI Youth for India fellows are all graduates or postgraduates including alumni of eminent institutes such as the Indian Institute of technology, Indian Institute of Management , BITS-Pilani, N.I.F.T,CEPT University, foreign universities and others. Most of the professionals have an engineering or management background although there are many with diverse background in biotechnology, urban planning, law, mathematics, and agricultural science. The Fellows have worked in a range of sectors including information technology, education, infrastructure, non-profit, healthcare and others at leading organizations such as Tata Group, Cap Gemini, IBM, Mind tree among many others. The flagship batch of the fellowship had 27 fellows selected out of about 4000 applicants, who worked for a year on various projects in the areas of agricultural supply chain and linkages, education public policy awareness rural truism, tribal development and environment in eight states and union territories (namely, Rajasthan, Maharashtra, Kerala, Orissa, Gujarat, Karnataka, Tamil Nadu and Pondicherry). Every SBI Youth For India Fellow has the responsibility of ensuring that his project makes a positive impact on the community. It begins by planning a project, defining the expected outcomes and laying the road map to achieve it, with guidance of the mentors from partner NGOs. This program has been a once-in-a-lifetime experience for every Fellow. Many of the Fellows have rethought about their lives and changed their career paths to do their part for the development of society.

Other Fellowship in India

ICICI Bank had started 2 years fellowship program in year 2010, continued in 2011 and selections are underway for ICICI Fellows 2012. Reliance Foundation of RIL had also started the DARE fellowship in2011. Recently in 2012, Prime Minister Rural Development Fellowship (PMRDF) has also been started with the help of TISS by Ministry of Rural Development of India to promote the youth involvement in Country's major problems. India has seen some corporate are coming forward to provide a platform to the Youth to understand and participate in country's development.

Roles of the Banking Sector in Indian Agriculture

In a changing environment, banks are diversifying their role in the agriculture sector in order to get revenue from their significant contribution to agriculture. Some of the new roles that banks have adopted are: Marketing, training and consultancy, insurance and financing for infrastructure via private-public participation.

Kisan Credit Card Scheme

The Kisan credit card scheme was first introduced in India by Andhra Bank in 1998. The scheme aims to facilitate access to short-term credit to farmers and to simplify the credit mechanism, so that farmers can receive credit on time. Rural financial institutions are not well integrated with agriculture support systems like R&D, Extension, supply chain and processing, and their credit policy is too crop centric. So non-crops and other high value activities are not taken care of. Only traditional crops have credit access; most banks give out only 15% or less of their total portfolio to the agri-sector as against the mandatory 18%.It was expected that with the introduction of the Kisan credit card, the farmers' condition will improve and they will be less dependent on money lenders, but in reality farmers now are more dependent on money lenders because of the lack of proper implementation of the policies laid down for the benefit of farmers and bureaucratic hurdles in getting credit from banks.

Insurance

Indian agriculture depends heavily on the monsoon. Crops often get damaged because of abrupt changes in the weather. The suicide cases of cotton growing farmers in Andhra Pradesh and Maharashtra are an everyday thing now. To overcome all these problems, microfinance and general insurance companies have come up with crop and weather policies which can be helpful to poor farmers. Example: Basic, one of the largest microfinance companies in India at Hyderabad, announced India's first rainfall insurance programme in July 2003 .

Training and Consultancy

The ratio of extension worker: farmers are very less, i.e., 1:1000. In this case, it is very difficult for the government to provide timely information to farmers. It is praiseworthy that many banks have volunteered to train their officers regarding farm practices, which in turn help farmers. For example, SBI Rural Development, Hyderabad. Other banks which are involved in agri-consultancy services are Canara Bank and Indian Overseas Bank (IOB). IOB provides consultancy services for agro entrepreneurs and Canara Bank provides consultancy for high value projects like medicinal plant farming.Warehousing by Banks Vegetables, fruits and flowers are perishable in nature and these need the best environment, so that their life can be increased. To make these perishable goods available throughout the year, it is important to have the required environment. To cater such needs like Rabo Bank(India)Limited and National Housing Bank are actively involved in financing the construction of cold storage. National Housing Bank has such projects mostly in Tamil Nadu.

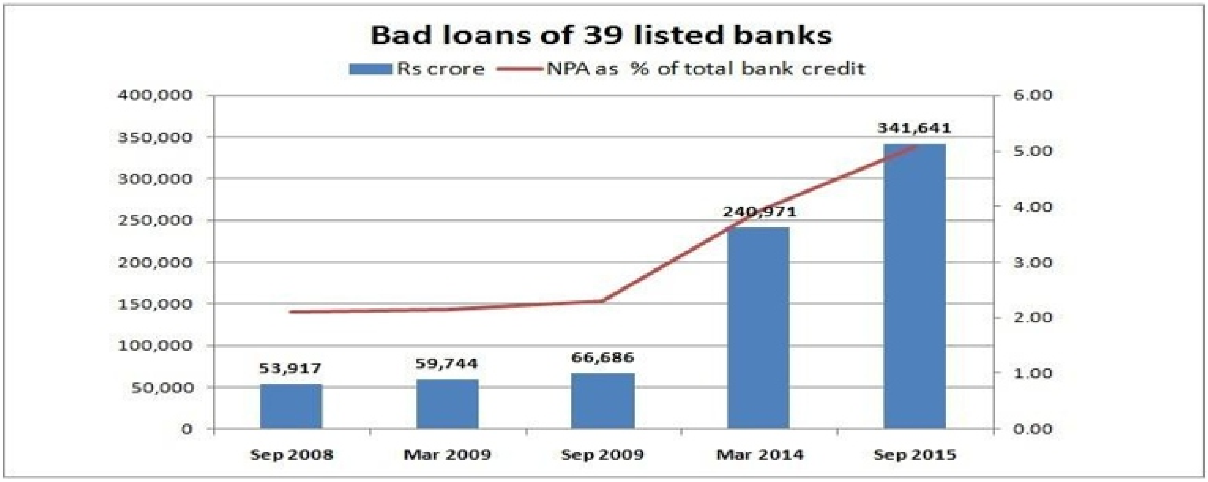
Agri-Clinics

The Government of India has formulated a scheme to help agriculture graduates establish agri-clinics to provide assistance to farmers regarding soil testing, post harvest management and technology. NABARD has come forward in this regard and will facilitate bank credit on priority sector lending terms. NABARD acts as the facilitator in providing the loans based on the appraisal of the projects. The loan amount varies from Rs. 5 lakhs (in case of individual) to Rs. 50 lakhs (in case of group projects).As per RBI guidelines, there will not be any collateral security on the loan amount of Rs. 5 lakhs. Several banks, like Indian Bank, have come up with a scheme to provide loans for establishing agri-clinics and agribusiness centers. The loan amount varies from the interest rate of 9.5% to 11.0%. However, the rate of interest is so high that it makes farmers think twice before availing the loan facility. This high rate of interest must be reduced.

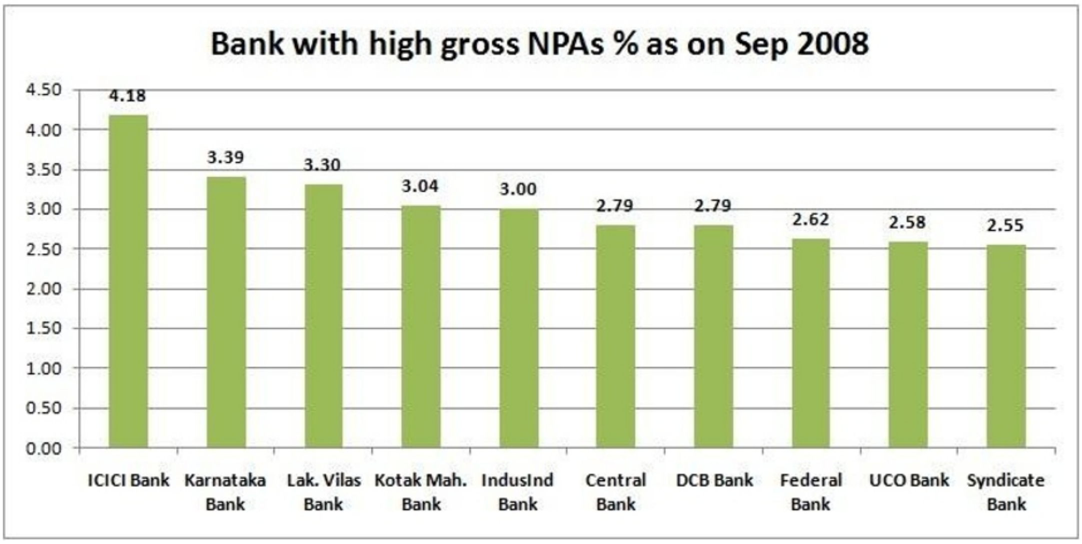
HDFC Bank and NAFED

HDFC Bank and National Agricultural Cooperative Marketing Federation of India Ltd.(NAFED) have entered into an agreement to provide finance to cooperatives associated with the Agri Marketing Federation. The scheme will be formally launched during the Rabi season of the current year 2005-06. In this case, HDFC Bank will provide loan while NAFED will act as a facilitator. Under the funding scheme, immediate financing to the extent of a maximum of 70% of the requirement will be extended to the farmers against the deposit of agricultural stock.

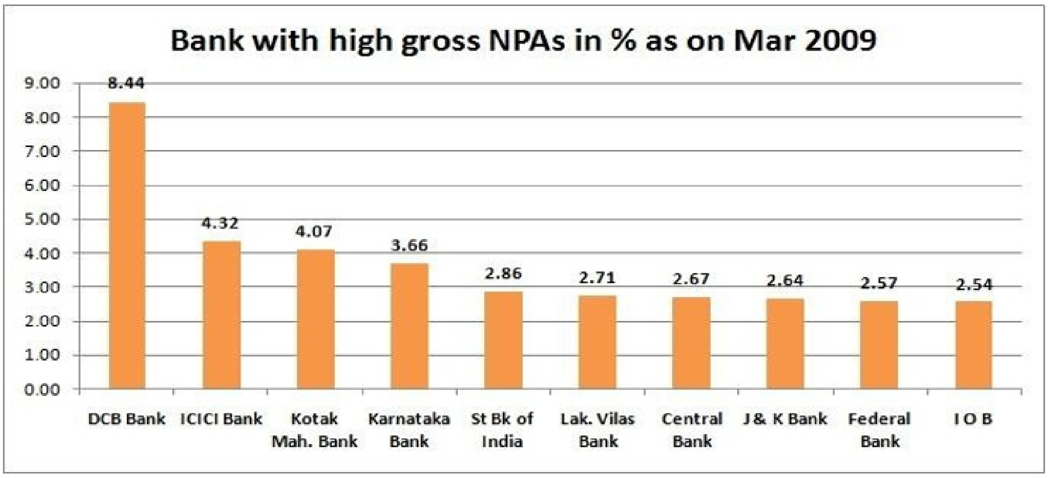
Indian banks' faced big NPA problem evolved over years



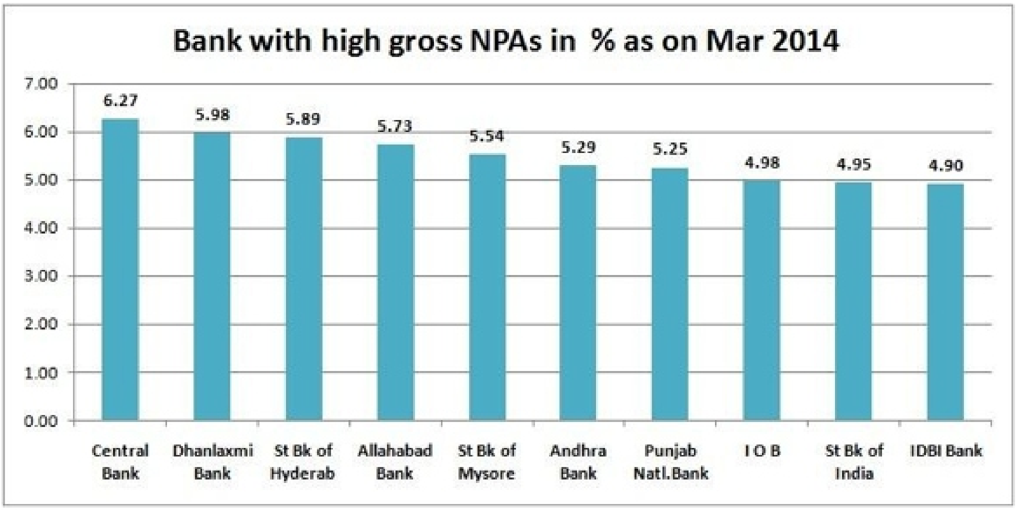
From Rs 53,917 crores, Indian banks gross non-performing assets (GNPAs) in September 2008 the bad loans have now grown to Rs 3,41,641 crores in September 2015. In other words, the total GNPAs of banks, as a percentage of the total loans, has grown from 2.11 per cent to 5.08 percent.



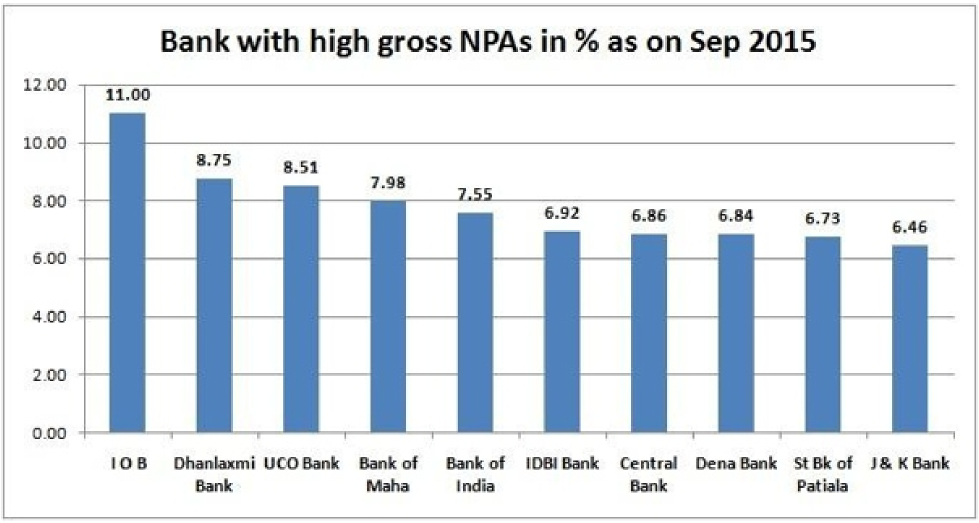
Surprisingly, in the pre-crisis period, private banks topped the list of banks with highest NPAs. A quick look at the top ten NPA scorers in September 2008 shows ICICI Bank at the top.This was followed by small and medium-sized private sector banks such as Karnataka Bank, Lakshmi Vilas Bank, Kotak Mahindra and IndusInd Bank. Among the few sarkari banks that figure in the list are Central Bank, Uco Bank and Syndicate Bank.



The country's largest lender by assets, State Bank of India (SBI) and Indian Overseas Bank found place in the list of topNPA scorers. Still private sector lenders figured prominently in the list with ICICI and DCB Bank leading the pack.



Figures reflect that the Central Bank is at the top place in the list of N.P.A. scorers and I.D.B.I. is the lowest N.P.A.scorers.



Nine out of 10 most stressed banks in the sector are government banks. The RBI has given a deadline of March 2017 for all banks to clean up their balance sheets, which also require these lenders to set aside huge chunk of capital in the form of provisions. RBI governor has given a clear message to banks to deal with the NPA problem upfront, instead of postponing it and worsening it.

Conclusion: Bank are playing very important role in Indian development. Since last couple of years its impact on different sectors i.e. in Education, Health, Industrial Sector, Sanitation, insurance sector is clearly measurable. Different type of schemes is available for different section of society which are required for balance growth of nation. Public and private sector banks are engaged in providing loans and other facilities to rural as well as urban people. Banking role are changing as per the changing scenario of environment. Opportunities are available for every bank in India because from here miles of distance have to go. Challenges are there before the banks due to different socio, economic, political environment is available in India. Bank are facing problem of N.P.A. and slow recovery of loan. As mention in data presented here N.P.A. of public and private bank are increasing day by day .There is need to develop positive approach among people towards facilities provide by the bank if we want to achieve the target of economic growth.

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A Comparative Study Of The Financial Services In Public & Private Sector Banks: Special Reference To ICICI & SBI

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ABSTRACT

Banking Sector assumes a vital part in monetary advancement of a nation. The banking arrangement of India is included by an expansive system of bank offices, serving numerous sorts of money related administrations of the general population. The State Bank of India, famously known as SBI is one of the main bank of public sector in India. SBI has 14 Local Head Offices and 57 Zonal Offices situated at critical urban communities all through the nation. ICICI Bank is second biggest and driving bank of private sectors in India. The Bank has 2,533 branches and 6,800 ATMs in India. The reason for the review is to inspect the budgetary execution of SBI and ICICI Bank, public sector and private sector individually. The exploration is graphic and diagnostic in nature. The information utilized for the review was altogether auxiliary in nature. The present review is led to look at the money related execution of SBI and ICICI Bank on the premise of proportions, for example, credit store, net revenue and so forth. The time of study taken is from the year 2007-08 to 2011-12. The review found that SBI is performing admirably and monetarily solid than ICICI Bank yet in setting of stores and use ICICI bank has preferable overseeing effectiveness over SBI.

Keywords: Credit Deposit Ratio, ICICI, Net Profit Margin, Net worth Ratio, Advances, SBI.

1. Introduction

Banking in India in the present day sense began in the most recent many years of the eighteenth century. The principal banks were Bank of Hindustan (1770-1829) and The General Bank of India, built up 1786 and since ancient. Indian Banking Industry at present utilizes 1,175,149 workers and has a sum of 109,811 branches in India and 171 branches abroad and deals with a total store of 67504.54 billion (US$1.1 trillion or €840 billion) and bank credit of 52604.59 billion (US$880 billion or €650 billion) [1]. The net benefit of the banks working in India was 1027.51 billion (US$17 billion or€13 billion) against a turnover of 9148.59 billion (US$150 billion or €110 billion) for the monetary year 2012-13 [2].

2. Profile Of Banks

The SBI

The State Bank of India, prevalently known as SBI is one of the main banks in India. The State Bank Group, with more than 16,000 branches gives an extensive variety of banking products through its limitless system of branches in India and abroad, including products went for Non- Resident Indians

(NRIs) [3]. The headquarter of SBI is at Mumbai. SBI has 14 Local Head Offices and 57 Zonal Offices that are situated at vital urban areas all through the nation. It additionally has around 130 branches out of the nation. It has a piece of the pie among Indian business banks of around 20% in stores and loans [4].

The ICICI

ICICI Bank is second biggest and driving bank of private sector in India. It's headquarter in Mumbai, India. As per Forbes State Bank of India is the 29th most rumored company on the planet. The Bank has 2,533 branches and 6,800 ATMs in India. In 1998 ICICI Bank propelled web banking operations [5]. The Bank offers an extensive variety of banking products and money related administrations to the corporate and retail clients. It additionally gives benefits in the zones of funding venture banking, resource administration and life and non-disaster protection. ICICI Bank's equity shares are recorded in India on Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) and its American Depositary Receipts (ADRs) are likewise recorded on the New York Stock Exchange (NYSE) [6].

3. Data Analysis & Interpretation

Interest Expenses to Total Expenses:-

Intrigue Expenses to Total Expenses uncovers the costs brought about on enthusiasm for extent to aggregate costs. Banks acknowledges stores from savers and pay interest on these records. This installment of intrigue is known as intrigue costs. Add up to costs incorporate the sum spent as staff costs, intrigue costs, overhead costs and other working costs etc.

Table 1:- Interest Expenses To Total Expenses

(In Percent)

YEAR	SBI	ICICI
2007-08	61.85	66.135
2008-09	63.27	64.1
2009-10	61.62	60.71
2010-11	54.93	60.7
2011-12	57.9	65.19
MEAN	59.9	63.36
CGR	-6.38	-1.46

Source: Annual Reports of SBI and ICICI from 2007-08 to 2011-12

The table 1 demonstrates that the proportion of interest costs to aggregate costs in SBI was exceedingly unstable it expanded from 61.85 for each penny to 63.27 for every penny amid the period 2007-08 to

2008-09. A short time later it was diminished till 2010-11 and afterward again expanded to 57.90 for every penny. The proportion of interest costs to aggregate costs in ICICI was likewise diminished from 66.135 for every penny to 64.10 for each penny amid the period 2007-08 to 2008-09. It stay stable from 2009-10 to 2010-2011 yet Further it was expanded to 65.19 for each penny in 2011-12. It has been found that the share of interest costs in absolute costs was higher if there should arise an occurrence of SBI when contrasted with ICICI, which demonstrates that individuals wanted to put their investment funds in SBI than ICICI.

Interest Income to Total Income:-

Interest Income to Total Income demonstrates the proportionate commitment of interest income in all out income. Banks loan cash as loans and advances to the borrowers and get interest on it. This receipt of interest is called interest income. Add up to income incorporates interest income, non-interest income and working income.

Table 2:-interest Income To Total Income In SBI And ICICI

(In Per Cent)

YEAR	SBI	ICICI
2007-08	83.89	77.61
2008-09	83.4	79.29
2009-10	82.58	77.9
2010-11	84.49	78.51
2011-12	88.12	80.92
MEAN	84.49	78.84
CGR	5.04	4.26

Source: Annual Reports of SBI and ICICI from 2007-08 to 2011-12

The table 2 speaks to that the proportion of interest income to aggregate income in SBI and ICICI both is very steady and unpredictable throughout the years. The growth rate of SBI is 5.04 while that of ICICI is 4.26. In this manner, the extent of interest income to aggregate income in SBI was higher than that of ICICI, which demonstrates that individuals favored SBI to take loans and advances.

Other Income to Total Income:-

Other income to aggregate income uncovers the proportionate share of other income in absolute income. Other income incorporates non-interest income and working income. Add up to income incorporates interest income, non-interest income and working income.

Table 3:-Other Income To Total Income In SBI And ICICI

(In Percent)

YEAR	SBI	ICICI
2007-08	16.1	22.38
2008-09	16	20.7
2009-10	17	22.09
2010-11	16	21.48
2011-12	11	19.07
MEAN	15.22	21.44
CGR	-31.6	-14.7

Source: Annual Reports of SBI and ICICI Bank from 2007-08 to 2011-12

The table 3 demonstrates that the proportion of other income to aggregate income was decreased from 16.10 for every penny in 2007- 08 to 11.00 for every penny in 2011-12 in the event of SBI. Be that as it may, the share of other income in absolute income of ICICI was additionally decreased from 22.38 for every penny in 2007-08 to 19.07 for each penny 2011- 12. The table demonstrates that the proportion of other income to aggregate income was generally higher in ICICI (21.44%) when contrasted with SBI (15.22%) amid the time of study.

Total Income:-

The total income indicates the rupee value of the income earned during a period. The higher value of total income represents the efficiency and good performance.

Table 4:-growths In Total Income Of Sbi And Icici

(In Crores)

	SBI		ICICI	
YEAR	**INCOME**	**% CHANGE**	**INCOME**	**% CHANGE**
2007-08	58,348.74	……..	39,667.19	………
2008-09	76,479.78	31%	39,210.31	-1.15%
2009-10	85,962.07	12.30%	32,999.36	-15.80%
2010-11	96,329.45	12.06%	33,082.96	0.25%
2011-12	120,872.90	25.40%	41,450.75	25.20%
MEAN	87,598.58		37282.11	
CGR	107.15		4.49	

Source: Annual Reports of SBI and ICICI from 2007-08 to 2011-12

The table 4 highlights that the mean estimation of aggregate income was higher in SBI (Rs. 87,598.58 crores) when contrasted with that in ICICI (Rs. 37282.114 crores) amid the time of study. However the rate of growth with respect to aggregate income was higher in SBI (107.15 %) than in ICICI (4.49 %) amid the time of study.

Total Expenditure:-

The total expenditure reveals the proportionate share of total expenditure spent on the development of staff, interest expended and other overheads.

Table 5:- Total Expenditure Of SBI And ICICI

(in Crores)

	SBI		ICICI	
YEAR	EXPENDITURE	% CHANGE	EXPENDITURE	% CHANGE
2007-08	51,619.62	……..	35,509.47	………
2008-09	67,358.55	30.40%	35,452.17	0.16%
2009-10	76,796.02	14.01%	28,974.37	-18.20%
2010-11	88,959.12	15.83%	27,931.58	-3.59%
2011-12	109,186.99	22.73%	34,985.50	25.25%
MEAN	78,784.06		32570.61	
CGR	111.52		-1.47	

Source: Annual Reports of SBI and ICICI from 2007-08 to 2011-12

The table 5 unveils that the mean value of aggregate expenditure was higher in SBI (Rs. 78,784.06 crores) when contrasted with that in ICICI (Rs. 32570.61 crore) amid the time of study. In any case, the rate of growth in regards to expenditure in ICICI was (- 1.47 %) than that in SBI (111.52%) amid a similar period. Unmistakably ICICI is effective in diminishing their aggregate expenditure when contrasted with SBI. The table likewise highlights that the yearly growth rate of expenditure in SBI was most elevated (30.04) in the year 2008-09 and was least (14.01) in the year 2009-10. In ICICI, the yearly growth rate of expenditure was negative in the year 2009-10 and 2010-11 i.e. (- 18.20) and (- 3.59) individually. Consequently obviously ICICI is more proficient when contrasted with SBI as far as overseeing expenditure.

Advances:-

Advances are the credit facility granted by the bank. In other words it is the amount borrowed bya person from the Bank. It is also known as recovery of which is made later on.

Table 6- Total Advances Of SBI And ICICI (In Crores)

	SBI		ICICI	
YEAR	ADVANCES	% CHANGE	ADVANCES	% CHANGE
2007-08	416,768.20	……..	225,616.08	………
2008-09	542,503.20	30.16%	218,310.85	-3.25%
2009-10	631,914.15	16.48%	181,205.60	-16%
2010-11	756,719.45	19.75%	216,365.90	19.40%
2011-12	867,578.89	14.60%	253,727.66	17.26%
MEAN	646,578.89		224,645	
CGR	108.16		12.45	

Source: Annual Reports of SBI and ICICI from 2007-08 to 2011-12

Table 6 presents that the mean of Advances of SBI was higher (646,578.89) when contrasted with mean of Advances of ICICI (224,645). Rate of growth was additionally higher in SBI (108.16 %) than in ICICI (12.45%). Table additionally demonstrates the per penny Change in Advances over the time of 5 years. In the event of SBI Advances were persistently expanded (with a diminishing pattern) over the time of study. However Advances in ICICI were decreased till 2009-10 yet these were expanded in the resulting years.

Deposits:-

Deposit is the amount accepted by bank from the savers in the form of current deposits,savings deposits and fixed deposits and interest is paid to them.

Table 7:-total Deposits Of SBI And ICICI

(In Crores)

	SBI		ICICI	
YEAR	DEPOSITS	% CHANGE	DEPOSITS	% CHANGE
2007-08	537,403.94	……..	244,431.05	………
2008-09	742,073.13	38.08%	218,347.82	-10.60%
2009-10	804,116.23	8.36%	202,016.60	-7.40%
2010-11	933,932.81	16.14	225,602.11	11.60%
2011-12	1,04,647.36	11.70%	255,499.96	13.20%
MEAN	812,234		229,179	
CGR	94.2		4.52	

Source: Annual Reports of SBI and ICICI from 2007-08 to 2011-12

Table 7 presents that the mean of Deposits of SBI was higher (812,234) when contrasted with mean of stores of ICICI (229,179%). However the rate of growth was higher in SBI (94.20%) than that in ICICI (4.52%) amid the time of study. Table likewise demonstrates the per penny Change in Deposits over the time of 5 years. If there should be an occurrence of SBI Deposits were consistently fluctuating over the time of study. However stores in ICICI were decreased in 2008-09 and 2009-10 yet these were expanded in the year 2010-11 and 2011-12 with 11.6% and 13.2% separately.

4. Findings And Conclusions

The review found that the mean of Credit Deposit Ratio in ICICI was higher (89.302 %) than in SBI (76.184%). This demonstrates ICICI Bank has made more advance resources from its stores when contrasted with SBI. The share of interest costs in all out costs higher in ICICI (63.36 %) as contrast with SBI (59.99 %) and the extent of interest income to aggregate income was higher if there should arise an occurrence of SBI(84.49 %) when contrasted with ICICI (78.84%), which demonstrates that individuals lean toward ICICI to contribute their funds and SBI to take loans and advances. The proportion of other income to aggregate income wasgenerally higher in ICICI (21.44 %) when contrasted with SBI (15.22 %). The Net Profit Margin of ICICI is higher (14.37 %) while in SBI it was (10.99 %), which demonstrates that ICICI has indicated relatively preferable operational productivity over SBI. The growth rate of net benefit is 73.97% in SBI which is higher than ICICI which is 55.49%. This demonstrates SBI performed well when contrasted with ICICI. The mean value of aggregate income was higher in SBI (87,598.58) when contrasted with that in ICICI (37,282.114). Total assets proportion was likewise higher in SBI (14.11 %) than ICICI (8.87%), which uncovered that SBI has used its assets all the more productively when contrasted with ICICI.

The mean value of aggregate expenditure was higher in SBI (Rs. 78,784.06 crores) when contrasted with that in ICICI (Rs.32,570.61) and the joined growth rate of expenditure was negative (- 1.47%) on account of ICICI while in SBI it is 111.52%. Stores in SBI were constantly expanded. However stores in ICICI were decreased (with a declining pattern) till 2009-10 yet these were expanded in the consequent years. In the event of SBI Advances were constantly expanded (with a diminishing pattern) with the joined growth rate of (108.16 %), However Advances in ICICI were decreased (with a declining pattern) till 2009-10 yet these were expanded from that point with consolidated growth rate of (12.45 %). It demonstrates that ICICI has endured with assets or abstain from giving advances through 2007-08 to 2009-10. Subsequently, on the premise of the above review or investigation banking client has more trust on the public sector banks when contrasted with private sector banks.

5. Limitation Of The Study

The constraints of the review are:

- The study depends on the optional information and the confinement of utilizing auxiliary information may influence the outcomes.

- The auxiliary information was taken from the yearly reports of the SBI and ICICI Bank. It might be conceivable that the information appeared in the yearly reports might be window dressed which does not demonstrate the genuine position of the banks.

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Risk Of Frauds In Indian Banks In E-Banking Scenario

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ABSTRACT

In the present study, an attempt is made to analyse the group-wise bankers' viewpoint towards the risk of frauds in public and private sector Indian banks. A sample of 440 banks' officials is taken on the basis of judgement sampling i.e. 120 from State Bank Group, 200 from Nationalized Banks and 120 from Private Sector Banks. The primary data were collected with the help of pre-tested structured questionnaire on five point Likert scale i.e. Strongly Agree (SA), Agree (A), Neutral (N), Disagree (D) and Strongly Disagree (SD). The collected data were analysed through various descriptive and inferential statistical techniques like percentage, mean and standard deviation, etc. Further, ANOVA technique was used to test the hypotheses and validate the results. It is found that poor security of records, hardware and software's is the most significant factor responsible for the risk of frauds, followed by lack of awareness about the results of fraud and alteration of data by the employees to draw information from the records. On the other hand, increase in costs associated with reimbursing customer's losses is found as the most significant impact of frauds on the functioning of the selected banks, followed by increase in costs associated with regeneration of customers' records and increase in complaints of the customers. Further, developing policies for adequate screening of new employees is found as the most significant measure for overcoming the risk of frauds, followed by clear boundaries between acceptable and unacceptable behaviour of the employees and designing internal control including segregation of duties. It is recommended that there should be a clear organizational structure, written policies and procedures and fair employment practices to prevent fraud. An open-door policy also gives to the employees an open line of communication with the management, therefore can provide a great fraud prevention system in the organization.

Key Words: Security, Regeneration, Screening, Behaviour, Segregation

1. Introduction

Indian banking industry is unique and has no parallels in the banking history of any country in the world (Singh, 2005). After independence, the banking sector has passed through three stages namely character-based lending to ideology-based lending to competitiveness-based lending. Despite having a strong regulator, the financial services sector has emerged as most susceptible sector to frauds (KPMG, 2012). ICT has made its reach into almost every sphere of life. Banking, insurance and financial organizations are the prime users of internet and online transactions. They use ICT to transfer cash, make payments, submit accounts information, and other kinds of remittance services. Of course, banking services have really got enriched owing to information and internet uses. But at the same time, online transactions and data are not free from being attacked or manipulated (Soni and Soni, 2013). The financial frauds associated with these transactions are also increasing which subsequently results in substantial financial losses every year globally (Maniyar, Mugali and Dandannavar, 2015). The fraud or bank fraud or insider fraud, which is an important component of operational risk, is the use of potentially illegal means by the employees to obtain money, assets or other property owned or held by a bank or financial institution, or to obtain money of depositors by fraudulently posing as a bank or other financial institution. The number of bank frauds in India is substantial and increasing with the passage of time and technology. According to survey by Earnest and Young (2012), the banking segment witnesses around 84 percent of reported fraud cases within the financial services sector. Banks frauds occur due to ignorance, situational pressures and permissive attitudes. It is difficult to detect the frauds in time and even more difficult to book the offenders because of intricate and lengthy requirements and processes of legal/judicial system. Moreover, the fraud cases are not always brought to light due to fear of loss of reputation of the bank(s) (Kundu and Rao, 2014). ICICI bank topped the list of banks that witnessed most number of frauds during April-December 2016 with state owned SBI taking the second spot. During this period of nine months, as many as 455 fraud cases involving Rs. One lakh and above were detected in ICICI Bank, closely followed by SBI (429), Standard Chartered (244) and HDFC Bank (237). Other banks, which reported large number of frauds to the apex bank during the period, include AXIS Bank (189), Bank of Baroda (176) and Citibank (150). However, in value terms, frauds involving Rs.2236.81 crore were reported in SBI, followed by PNB (Rs. 2250.34 crore) and AXIS Bank (Rs. 1998.49 crore). The data provided by RBI to the Finance Ministry also revealed the involvement of bank staffs in fraud cases. In case of SBI, 64 employees were involved in fraud cases, while it was 49 for HDFC Bank and 35 for AXIS Bank. In all, 450 employees were involved in fraud cases in different public and private sector banks during April-December 2016 in 3870 cases involving a total value of Rs. 17750.27 crore (www.indiatimes .com).

Review Of Literature:

The articles on different aspects of risk of fraud appeared in various journals are restrictive in nature and do not give a comprehensive picture. Sharma ad Brahma (2000) indicated that banks frauds could crop up in all spheres of bank dealing and emphasized on bankers' responsibility on frauds, and suggested that the need of hour is the analysis and concerted application of controls by bank management and their operations staff. Ebnother and Vanini et al. (2003) found the results of the modelling exercise relevant for the implementation of a risk management framework, but the risk factor 'fraud' dominates all other factors and finally, only 10 percent of all processes have a 98 percent contribution to the resulting VaR. Beirstaker, Brody and Pacini (2005) proposed various fraud protection and detection techniques such as fraud policies, employee reference checks, fraud vulnerability reviews, password protection, firewalls, digital analysis and other forms of software technology. Willson (2006) examined the causes that led to the breakdown of barring bank, which include failure in management supervision, lack of segregation of duties, insufficient actions taken in response to warning signals, weak financial and operation control over the activities and funding of the bank. Bhasin (2007) examined the reasons for cheques frauds, magnitude of frauds in Indian banks and the manner in which expertise of internal auditors can be integrated to detect and prevent frauds in banks. Ganesh and Raghurama (2008) believed that training improved the capabilities of the employees by enhancing their skills and knowledge commitment towards their work. Khanna and Arora (2009) indicated that lack of training, overburdened staff, competition, low compliance level are the main reasons of fraud, and recommended that the banks should take the rising graph of bank frauds seriously and need to ensure that there is no laxity in internal control mechanism. Kundu and Rao (2014) highlighted that bank frauds in India are increasing with the passage of time and change in technology, identified the thrust areas for fraud management and finally, with IT as fulcrum, a model of fraud management for the Indian banks has been provided. Bhasin (2015) revealed that there are poor employment practices and lack of effective training, overburdened staff, weak internal control systems and low compliance levels on the part of managers, officers and clerks; and suggested that internal audit professionals should play an integral role in their organization's fraud fighting efforts. Sharma (2016) discussed various scenarios in which fraud could take place and applied unsupervised learning approaches to detect fraudulent acts in areas such as credit cards, money laundering and financial statements; and suggested that a proper record of customers, who may be harmful to the bank financially, be prepared to control frauds. The foregoing review of literature and other articles which could not be cited here focused upon the reasons of bank frauds, but no concerted efforts were made to examine the impacts of frauds on the functioning of banks and measures initiated to control frauds. Therefore, the present study is undertaken to fill the gap in the existing literature.

Scope Of The Study:

The present study is conducted to examine the various aspects of risk of frauds in the selected banks located in the area of Punjab, Chandigarh, Haryana, New Delhi and Rajasthan in India.

Research Objectives:

The following are the specific objectives of the study:

(i) To identify the factors responsible for frauds in the selected banks.

(ii) To examine the potential impacts of frauds on the functioning of the selected banks.

(iii) To analyse the measures to overcome the risk of frauds in the selected banks.

Research Hypotheses:

The following research hypotheses have been formulated and tested to validate the results of the present study:

H_{01}: There is no significant difference among the bankers' viewpoint towards the factors responsible for frauds in the selected banks.

H_{02}: There is no significant difference among the bankers' viewpoint towards the potential impacts of frauds on the functioning of the selected banks.

H_{03}: There is no significant difference among the bankers' viewpoint towards the measures for overcoming the risk of frauds in the selected banks.

Research Methodology:

Sample Profile:

The population for the present study is the Indian banking sector, which is divided into three categories i.e. State Bank Group, Nationalized Banks and Private Sector Banks. State Bank of India (SBI), State Bank of Patiala (SBOP), State Bank of Bikaner and Jaipur (SBBJ) from the category of State Bank group; and Punjab National Bank (PNB), Dena Bank (DENA), Oriental Bank of Commerce (OBC), Andhra Bank (ANDRA) and Syndicate Bank (SYNDI) from the category of nationalized banks; and HDFC Bank (HDFC), ICICI Bank (ICICI) and AXIS Bank (AXIS) from the category of private sector banks are selected for the present study. A sample of 440 banks officials (40 from each bank) is taken on the basis of judgement sampling. Out of 440 respondents, 99 respondents (22.5 percent) are having the experience of less than four years, 140 respondents (31.8 percent) having the experience of 5-8 years and 201 respondents (45.7 percent) having the experience of more than 8 years. On the other hand, 317 respondents (72 percent) are postgraduates, 121 respondents (27.5 percent) are graduates and only 02 (0.50 percent) are having professional qualification like CA, CS, etc.

Data Collection:

The present study is of exploratory-cum-descriptive in nature. Accordingly, both types of data i.e. primary and secondary were used. The primary data were collected with the help of pre-tested structured questionnaire on five point Likert scale i.e. Strongly Disagree (SD), Disagree (D), Neutral (N), Agree (A) and Strongly Agree (SA) from the officials of branches of the selected banks. On the other hand, secondary data were collected from journals, magazines, websites, reports of RBI and IBA, newspapers, etc. Besides questionnaire, interviews and discussion techniques were also used to unveil the required information.

Data Analysis:

The collected data were analysed through various descriptive and inferential statistical techniques like frequency distribution, percentage, mean, standard deviation, etc. with the help of SPSS (18.0 version). For coding and editing the data, weights were assigned in order of importance i.e. 1 to Strongly Disagree (SD), 2 to Disagree (D), 3 to Neutral (N), 4 to Agree (A) and 5 to Strongly Agree (SA). Further, ANOVA technique was used to test the hypotheses and validate the results of the study. The reliability of the scale used for collection of data is evaluated by calculating the value of Cronbach alpha coefficient, which is 0.841 at 5 percent level of significance, so the scale is considered reliable.

Results And Discussion:

(A) Factors Responsible For Risk:

As indicated in Table 1 (A), poor security of records, hardware and software system is ranked as the most significant factor in State Bank Group (Mean=4.13, SD=1.06), Nationalized Banks (Mean=4.17, SD=1.06) and Private Sector Banks (Mean=4.20, SD=1.08), followed by ignorance of red flags and fraud warnings in State Bank Group and lack of awareness about the results of fraud risk in Nationalized Banks (Mean=3.96, SD=1.08) and Private Sector Banks (Mean=4.00, SD=0.86). The mean score of all the statements, which is greater than 3.00, indicates that most of the respondents agree with the factors responsible for frauds in the selected groups of banks. Statistically, ANOVA results show that the respondents of the selected groups of banks differ significantly towards the withdrawal of funds by the employees from customers' accounts (p=0.034) as a factor responsible for frauds at 5 percent level of significance; therefore the hypothesis (H01) is rejected.

As revealed from Table 1 (B), taking all the selected banks together, poor security of records, hardware and software's is found as the most significant factor (Mean=4.17, SD=1.06) responsible

for the risk of frauds, followed by lack of awareness about the results of frauds (Mean=3.95, SD=1.04) and alteration of data by the employees to draw information from the records (Mean=3.82, SD=1.19). The mean score of all the statements, which is greater than 3.00, indicates that most of the respondents agree with the factors responsible for frauds in the selected banks. Statistically, ANOVA results show that the respondents of the selected banks differ significantly towards less fear of exposure and likelihood of detection of frauds (p=0.008) and indifferent attitude of innocent and honest employees to the possibility of frauds (p=0.027) at 5 percent level of significance; therefore the hypothesis (H01) is rejected.

(A) Impacts Of Risk:

As exhibited in Table 2 (A), increase in costs associated with reimbursing customers' losses is ranked as the most significant impact on the functioning of the selected groups of the banks i.e. State Bank Group (Mean=4.20, SD=0.90), Nationalized Banks (Mean=4.18, SD=1.02) and Private Sector Banks (Mean=4.18, SD=0.88), followed by increase in costs associated with regeneration of customers' records in State Bank Group (Mean=4.04, SD=1.14), Nationalized Banks (Mean=3.97, SD=1.03) and intentional manipulation of accounts in Private Sector Banks (Mean=4.01, SD=1.13). The mean score of all the statements is greater than 3.00, which shows that most of the respondents agree with the impacts of frauds on the functioning of the selected groups of banks. Statistically, ANOVA results show that the respondents of the selected groups of banks do not differ significantly towards the impacts of frauds at 5 percent level of significance; therefore the hypothesis (H02) is accepted.

As revealed from Table 2 (B), taking all the selected banks together, increase in costs associated with reimbursing customer's losses (Mean=4.20, SD=0.95) is found as the most significant impact frauds on the functioning of the selected banks, followed by increase in costs associated with regeneration of customers records (Mean=3.94, SD=1.06) and increase in complaints of customers (Mean=3.92, SD=1.10). The mean score of all the statements, which is greater than 3.00, implies that most of the respondents agree with the impacts of frauds on the functioning of the selected banks. Statistically, ANOVA results show that the respondents of the selected banks differ significantly towards the possible losses from redeeming electronic money (p=0.011) at 5 percent level of significance; therefore the hypothesis (H02) is rejected.

(B) Risk Management Measures:

As indicated in Table 3 (A), developing policies for adequate screening of new employees is ranked at the top in all the groups i.e. State Bank Group (Mean=4.25, SD=0.87), Nationalized Banks (Mean=4.27, SD=0.90) and Private Sector Banks (Mean=4.39, SD=0.79), followed by clear boundaries between acceptable and unacceptable behaviour of employees in State Bank Group (Mean=4.15, SD=1.03), Nationalized Banks (Mean=4.17, SD=0.89) and Private Sector Banks (Mean=4.25, SD=0.77).

The mean score of all the statements, which is greater than 3.00, indicates that most of the respondents agree with the measures for overcoming the risk of frauds in the selected groups of banks. Statistically, ANOVA results show that the respondents of the selected groups of banks do not differ significantly towards the measures for overcoming the risk of frauds at 5 percent level of significance; therefore the hypothesis (H03) is accepted.

As revealed from Table 3 (B), taking all the selected banks together, developing policies for adequate screening of new employees is ranked as the top most measure (Mean=4.30, SD=0.86), followed by clear boundaries between acceptable and unacceptable behaviour of the employees (Mean=4.19, SD=0.90) and designing internal controls including segregation of duties (Mean=4.2, SD=0.84) for overcoming the risk of frauds. The mean score of all the statements is greater than 3.00, which indicates that most of the respondents agree with the measures for overcoming the risk of frauds in the selected banks. Statistically, ANOVA results show that the respondents of the selected banks differ significantly towards the proper control over storage of smart cards (p=0.015), assessing the relative likelihood of potential significance of inherent fraud risk (p=0.001) and designing of anti- fraud controls including appropriate steps to deal with relevant risk (p=0.037) as measures for overcoming the risk of frauds at 5 percent level of significance; therefore the hypothesis (H03) is rejected.

Conclusion And Recommendations:

In all, poor security of records, hardware and software's is found as the most significant factor responsible for the risk of frauds, followed by lack of awareness about the results of frauds and alteration of data to draw information from the records. On the other hand, increase in costs associated with reimbursing customer's losses is found as the most significant impact of frauds on the functioning of the selected banks, followed by increase in costs associated with regeneration of customers' records and increase in complaints of customers. Further, developing policies for adequate screening of new employees is found as the most significant measure for overcoming the risk of frauds, followed by clear boundaries between acceptable and unacceptable behaviour of the employees and designing internal controls including segregation of duties. It is recommended that there should be a clear organizational structure, written policies and procedures, and fair employment practices to prevent frauds. An open-door policy gives to the employees an open line of communication with the management, therefore can provide a great fraud prevention system in the organization. Internal control programmes should be monitored and revised regularly to ensure that they are effective and current with technological advances. Certified Fraud Examiners (CFE) and Certified Public Accountants (CPAs) should be hired to analyze the company's existing policies and procedures, and recommend appropriate anti-fraud policies and procedures. In addition to prevention strategies, there should also be detection methods in place and make them visible to the employees. Every employee must be aware of the fraud risk policy including the types of frauds and the consequences associated with them. Finally, observing and listening to the employees can also help in identifying the potential fraud risk.

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Table 1 (A): Factors Responsible for Frauds in Selected Groups of Banks

		State Bank Group				Nationalized Banks				Private Sector			ANOVA	
Factors	N	Mean	S.D.	Rank	N	Mean	S.D.	Rank	N	Mean	S.D.	Rank	F	Sig.
Poor security of records, hardware and software system	120	4.13	1.06	1	200	4.17	1.06	1	120	4.2	1.08	1	0.119	0.887
Lack of awareness about the results of fraud	120	3.9	1.14	3	200	3.96	1.08	2	120	4	0.86	2	0.277	0.758
Little fear of exposure and likelihood of detection of frauds	120	3.53	1.33	9	200	3.81	1.07	3	120	3.8	1.16	6	2.409	0.091
Unclear policies with regard to acceptable behaviour of employees	120	3.57	1.31	8	200	3.75	1.19	6	120	3.75	1.14	9	0.967	0.381
Poor internal control system	120	3.68	1.25	7	200	3.72	1.21	8	120	3.78	1.21	7	0.201	0.818
Ignorance of red flags and fraud warnings	120	3.94	1.15	2	200	3.72	1.22	9	120	3.78	1.27	8	1.197	0.303
Indifferent attitude of innocent and honest employees to the possibility of fraud	120	3.7	1.26	5	200	3.72	1.27	10	120	3.82	1.08	5	0.335	0.715
Non-updation of customers' accounts timely	120	3.69	1.23	6	200	3.76	1.17	5	120	3.59	1.26	10	0.764	0.467
Withdrawal of funds by the employees from customers' accounts	120	3.45	1.25	10	200	3.74	1.2	7	120	3.83	1.17	4	3.395	0.034*
Alteration of data by the employees to draw information from the records	120	3.7	1.23	4	200	3.81	1.19	4	120	3.97	1.12	3	1.623	0.198

Source: Survey, Note: *=significant at 5 percent level, Degrees of Freedom (df) = 2,437

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Table 1 (B): Factors Responsible for Frauds in the Selected Banks

Factors	N/ P	Response						Descriptive			ANOVA	
		SD	D	N	A	SA	Total	Mean	SD	Rank	F	Sig.
Poor security of records, hardware	N	18	35	7	174	206	440					
	P	4.1	8	1.6	40	46.8	100	4.17	1.06	1	1.166	0.312
Lack of awareness about	N	18	43	15	229	135	440					
	P	4.1	9.8	3.4	52	30.7	100	3.95	1.04	2	0.511	0.882
Little fear of exposure and likelihood of detection of	N	28	62	25	209	116	440					
	P	6.4	14.1	5.7	48	26.4	100	3.73	1.17	6	2.428	0.008*
Unclear policies with regard to acceptable behaviour of employees	N	30	70	19	201	120	440					
	P	6.8	15.9	4.3	46	27.3	100	3.7	1.21	8	1.255	0.254
Weak internal control system	N	38	51	25	204	122	440					
	P	8.6	11.6	5.7	46	27.7	100	3.72	1.22	7	0.525	0.873
Ignorance of red flags and fraud warnings	N	31	60	14	196	139	440					
	P	7	13.6	3.2	45	31.6	100	3.8	1.22	4	0.9	0.533
Innocent and honest employees closed their minds to the possibility of fraud	N	37	50	26	201	126	440					
	P	8.4	11.4	5.9	46	28.6	100	3.74	1.22	5	2.058	0.027*
Non-updation of customers' accounts	N	30	70	21	201	118	440					
	P	6.8	15.9	4.8	46	26.8	100	3.69	1.21	9	1.024	0.422
Alteration of data by the employees to draw funds from customers' accounts	N	29	76	14	205	116	440					
	P	6.6	17.3	3.2	47	26.4	100	3.68	1.21	10	1.523	0.128
Alteration of data by the employees to draw	N	28	59	11	205	137	440	3.82	1.19	3	1.122	0.344
information from the records	P	6.4	13.4	2.5	47	31.1	100					

Source: Survey, N=Number of Respondents, P=Percent, Degree of Freedom (df)=10,429
*=Significant at 5 percent level.

Table 2 (A): Impacts of Frauds in Selected Groups of Banks

Impacts	State Bank Group				Nationalized Banks				Private Sector Banks				ANOVA	
	N	Mean	S.D.	Rank	N	Mean	S.D.	Rank	N	Mean	S.D.	Rank	F	Sig.
Increase in costs associated with reimbursing customer's losses	120	4.27	0.9	1	200	4.18	1.02	1	120	4.18	0.88	1	0.418	0.659
Increase in costs associated with regeneration of customers' records	120	4.04	1.14	2	200	3.97	1.03	2	120	3.77	1.02	9	2.099	0.124
Possible losses from redeeming electronic money	120	3.61	1.27	9	200	3.86	1.08	4	120	3.81	1.09	8	1.784	0.169
Wrong perception of the public towards bank(s)	120	3.69	1.3	7	200	3.81	1.12	6	120	3.86	1.07	5	0.716	0.489
Increase in legal problems	120	3.69	1.3	8	200	3.73	1.18	8	120	3.92	1.01	4	1.43	0.24
Bank may face withdrawal of approvals from regulatory bodies	120	3.75	1.29	6	200	3.85	1.18	5	120	4	0.95	3	1.52	0.22
Increase in the complaints of the customers	120	3.93	1.13	3	200	3.95	1.08	3	120	3.85	1.12	6	0.292	0.747
Adverse impact on the motivation of honest employees	120	3.92	1.24	4	200	3.79	1.19	7	120	3.82	1.16	7	0.481	0.619
Intentional manipulation of accounts	120	3.75	1.27	5	200	3.71	1.27	9	120	4.01	1.13	2	2.388	0.093

Source: Survey, Note: *=Significant at 5 percent level, Degrees of Freedom (df) = 10,429

Table 2 (B): Impacts of Frauds in the Selected Banks

Impacts	N/ P	Response						Descriptive			ANOVA	
		SD	D	N	A	SA	Total	Mean	S.D.	Rank	F	Sig.
Increase in costs associated with reimbursing customer's losses	N	11	28	15	191	195	440					
	P	2.5	6.4	3.4	43.4	44	100	4.2	0.95	1	0.551	0.853
Increase in costs associated with regeneration of customers' records	N	23	35	21	228	133	440					
	P	5.2	8	4.8	51.8	30	100	3.94	1.06	2	1.189	0.296
Possible losses from redeeming electronic money	N	24	60	21	218	117	440					
	P	5.5	14	4.8	49.5	27	100	3.78	1.14	8	2.345	0.011*
Wrong perception of the public towards bank(s)	N	27	56	22	211	124	440					
	P	6.1	13	5	48	28	100	3.79	1.16	7	0.493	0.894
Increase in legal problems	N	27	62	16	214	121	440					
	P	6.1	14	3.6	48.6	28	100	3.77	1.17	9	0.489	0.897
Bank may face withdrawal of approvals from regulatory bodies	N	27	50	18	205	140	440					
	P	6.1	11	4.1	46.6	32	100	3.86	1.16	4	0.981	0.459
Increase in the complaints of the customers	N	19	51	21	203	146	440					
	P	4.3	12	4.8	46.1	33	100	3.92	1.1	3	1.078	0.378
Adverse impact on the motivation of honest employees	N	30	53	19	195	143	440					
	P	6.8	12	4.3	44.3	33	100	3.84	1.2	5	0.726	0.7
Intentional manipulation of accounts	N	35	56	13	191	145	440					
	P	8	13	3	43.4	33	100	3.81	1.24	6	0.663	0.759

Source: Survey, N=Number of Respondents, P=Percent, Degree of Freedom (df)= 10,429, *=Significant at 5 percent level.

Table 3 (A) Measures for Overcoming Frauds in Selected Groups of Banks

Measures	State Bank Group				Nationalized				Private Sector Banks				ANOVA	
	N	Mean	S.D.	Rank	N	Mean	S.D.	Rank	N	Mean	S.D.	Rank	F	Sig.
Developing policies for adequate screening of new employees	120	4.25	0.9	1	200	4.27	0.9	1	120	4.39	0.79	1	0.95	0.387
Designing internal control including segregation of duties	120	4.09	1	4	200	4.14	0.78	3	120	4.1	0.73	4	0.16	0.849
External audit of employees performance	120	3.76	1.3	10	200	3.83	1.1	9	120	3.96	0.96	7	1.01	0.366
Proper control over storage of smart cards	120	3.88	1.1	7	200	3.97	1.03	5	120	3.86	1.14	10	0.46	0.63
Rotation in the distribution of work	120	3.78	1.3	9	200	3.83	1.17	10	120	3.86	1.05	9	0.15	0.859
Designing policies for developing an anti- fraud culture	120	3.84	1.2	8	200	3.87	1.14	8	120	3.95	1.1	8	0.29	0.749
Clear boundaries between acceptable and unacceptable behaviour of the employees	120	4.15	1	2	200	4.17	0.89	2	120	4.25	0.77	2	0.44	0.646
Assessing the relative likelihood and potential significance of inherent risks of fraud	120	4.07	1	5	200	3.99	0.98	4	120	4.12	0.73	3	0.87	0.418
Designing of anti-fraud control measures including appropriate steps to deal with risk	120	3.97	1.1	6	200	3.94	1.05	7	120	4.05	0.98	6	0.48	0.62
Executing anti-fraud control measures by the competent and honest employees	120	4.11	1	3	200	3.97	1.08	6	120	4.06	1.09	5	0.79	0.456

Source: Survey, Note: *=Significant at 5 percent level, Degrees of Freedom (df) = 2,437

Table 3 (B): Measures for Overcoming Frauds in the Selected Banks

Measures	N/P	Response						Descriptive			ANOVA	
		SD	D	N	A	SA	Total	Mean	S.D.	Rank	F	Sig.
Developing policies for adequate screening of new employees	N	8	21	8	197	206	440	4.3	0.9	1	0.57	0.837
	P	1.8	4.8	1.8	45	46.8	100					
Designing internal control including segregation of duties	N	5	30	15	247	143	440	4.12	0.8	3	0.9	0.535
	P	1.1	6.8	3.4	56	32.5	100					
External auditing of employees performance	N	19	60	17	215	129	440	3.85	1.1	9	1.06	0.394
	P	4.3	14	3.9	49	29.3	100					
Proper control over storage of smart cards	N	21	47	14	222	136	440	3.92	1.1	7	2.24	0.015*
	P	4.8	11	3.2	51	30.9	100					
Rotation in the distribution of work	N	24	62	17	200	137	440	3.82	1.2	10	1.09	0.369
	P	5.5	14	3.9	46	31.1	100					
Designing initiatives and policies for developing an anti-fraud culture	N	22	59	14	198	147	440	3.88	1.2	8	0.78	0.649
	P	5	13	3.2	45	33.4	100					
Clear boundaries between acceptable and unacceptable behaviour	N	10	25	11	218	176	440					
	P	2.3	5.7	2.5	50	40	100	4.19	0.9	2	1.34	0.208
Assessing the relative likelihood and potential significance of inherent risks of fraud	N	12	28	18	250	132	440					
	P	2.7	6.4	4.1	57	30	100	4.05	0.9	4	3.1	0.001*
Designing of anti-fraud control measures including appropriate steps to deal with risk	N	17	43	15	221	144	440					
	P	3.9	9.8	3.4	50	32.7	100	3.98	1	6	1.96	0.037*
Executing anti-fraud control measures by the competent and honest employees	N	16	42	16	202	164	440					
	P	3.6	9.5	3.6	46	37.3	100	4.03	1.1	5	0.91	0.527

Source: Survey, N=Number of Respondents, P=Percent, Degree of Freedom (df) = 10,429 , *=Significant at 5 percent level.

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Study The Role Of Judiciary For The Laws Of Article 21

Vipin Kumar

ABSTRACT

This grant catches the exceptional qualities of these rights with regards to legal authorization, and highlights the situations at play. It characterizes all the more plainly the decisions the Supreme Court will without a doubt be gone up against with, and establishes the framework for the investigation to take after. The trust is that these points of view can reveal some insight into how the Indian Courts may implement Article 21A in a principled yet workable way; and, similarly, that the decisions and encounters of the Indian Constitution may empower us to return to our essential suppositions about the justifiability of such rights.

1. Introduction

Article 21 is one of the prime Articles contained in Part III of the Constitution of India managing major rights. Major rights recorded in Part III are enforceable against State as characterized by Article 12 of the Constitution of India. State incorporates the Government and Parliament of India and the Government and the Legislature of each of the States and all nearby or different experts inside the region of India or under the control of the administration of India. As set around Article 13 laws conflicting with or in disparagement of major rights to the degree of such irregularity or discrediting are dealt with to be void[1]. The State is likewise urged not to make any law which takes away or compresses the rights gave by Part III of the Constitution of India and any law made in contradiction of Article 13 might, to the degree of the negation, be void. So far asArticle 21[2] is concerned it sets out that no individual might be denied of his life or individual freedom aside from as indicated by methodology built up by law. The unsettled question is what is the right meaning of "life" as included by the said Article? Will it incorporate ideal to occupation or ideal to work or will it indicate just exposed physical presence.

2. A Theoretical Conception Of Socio- Economic Constitutional Rights

The troublesome inquiries relating to the legal part in implementing positive (social and financial) established rights – as opposed to the verifiably more overwhelming class of common and political freedoms – have induced a significant assortment of grant. The extent of this article does not allow a farreaching survey of this writing, and I don't claim to have embraced the same here. Or maybe, I concentrate on a specific structure of examination, created by Tushnet, which includes a large portion of the issues at play, and in this manner seems, by all accounts, to be a promising instrument of investigation for my present reason.

Tushnet's investigation of positive financial rights continues as far as an applied bifurcation of sacred rights and remedies. He contends that both the basic established appropriate being referred to, and in addition the cure managed by Courts (ought to a sacred infringement be set up), can be grouped into "solid" and "powerless" categories. Weak financial rights are those sorts which, while installed in the Constitution and justiciable, in any case don't (or don't really) bear the cost of unmistakable security to an individual offended party denied of the right. He arranges the privilege to lodging in South Africa, in light of the judgment of the Constitutional Court in Grootboom, as a frail substantive ideal to housing[3]. On the other hand, the privilege to wellbeing in the South African setting, in any event with regards to the actualities of the Treatment Action Campaign case , was interpreted to be a solid right.

Further, accepting a protected infringement to have been set up, the scope of cures that may be embraced by Courts could be delegated "feeble" or "solid" too. A solid cure would be one that gave a redressal of the established infringement promptly, while a frail cure would be one where the Court recognized unequivocally or certainly that a total redressal of the infringement would require some investment, and took into consideration such adaptability in the alleviation proclaimed[4]. Tushnet gives the case of Brown II , where the Court requested integration of schools "with all think speed", as a delineation of the conceivable concurrence of solid rights and feeble remedies. He brings up that frail cures may be insufficient be that as it may, for that very reason, are probably not going to create critical political resistance. Solid cures may adjust administrative conduct all the more generously however are probably going to be seriously dubious.

The Indian Orthodoxy – Fundamental Rights, Education And Beyond

i. Fundamental Rights, Education and the Indian Supreme Court - A Brief Overview

1. It is past the extent of this exposition to show a far reaching audit of basic rights law in India. The concise review beneath - of established solutions for the break of principal rights - is planned only to contextualize the talkthat takes after, and help clarify why Article 21A presents an in a general sense unmistakable test for protected law in India[5].

ii. The Godavarman Model – Lessons for the implementation of Article 21A

In the Godavarman case, prominently known as the 'Timberland Bench', a writ request of was recorded under Article in 1995 looking for specific headings from the Supreme Court concerning natural preservation, particularly to secure a piece of the Nilgiri woodland from unlawful timber felling[6].

What is exceptional about the Godavarman case is that the Supreme Court has held purview over the matter for more than fifteen years, delegated various famous guidance to help it as amici, and kept on issueing a progression of substantive and sweeping bearings on differing issues identifying with backwoods protection?

In the most recent couple of years, the Central Government has raised progressively pointed assaults on the lawful reason for the Court's maintenance of locale, and its obvious mediation in the circle of woods preservation. While various natural activists and preservationists keep on employing Godavarman as a gathering for propelling their cases, it is fascinating to note that various others have raised worries about the long haul effect of the Court's drawn out intervention. Critics attest that the Court can't – "unavoidably or for all intents and purposes" – deal with India's timberlands, and that it ought to stop at guiding the State to satisfy its sacred obligation by creating proper programs.

Seeing Godavarman as far as Tushnet's rights- cures system clarifies a considerable measure. While Godavarman was – and is – unquestionably a case which can (in any event frequently) be named solid on the cures measurement – that is not what is really questionable about it. Truth be told, it is the expansive and resolute depiction of the privilege to ecological insurance that seems to have affronted the Government most. Notwithstanding accepting that natural rights are verifiable justified to life, it is surely not evident that it has fundamentally to be comprehended as a solid independently enforceable right. It is likely that successful, time-bound alleviation as for a weaker right won't not make 'detachment of force' worries to the same degree. Significantly, none of this touches the center worries that roused feedback of the Godavarmanprocedures[7]. In this examination, in this manner, Godavarman received a solid rights-solid cures approach, and it is the legal meaning of the correct that has pulled in the most feedback. Maybe unexpectedly, this doubtful legal overextend has prompt to requires the disintegration of the Forest Bench in its entirety, an opportune suggestion to the Indian Courts that when a political backfire happens, it is not really a proportionate or painstakingly aligned one.

3. The Proposed Approach To Article 21A

i. TheBeginnings of the Judicial Interpretation of Article 21A

It has been observed earlier that any attempt to define the contours of Article 21A necessarily involves entering unchartered waters. This is substantially, but not entirely, correct. Inspite of the fact that Article 21A has only recently entered into force, there is already a limited amount of judicial dicta on its scope and meaning.

The most prominent example is the opinion of Bhandari J. in AshokaKumar Thakurostensibly the most huge governmental policy regarding minorities in society case to be chosen by the Indian Supreme Court in the most recent decade or more. All over, Ashoka Kumar Thakur would seem to have little to do with elementary school instruction. The sacred question fixated on whether the reservation of spots in instructive organizations for individuals from the Other Backward Classes (i.e. socially and instructively in reverse classes of subjects of India) was violative of the protected certification of balance. The setting for the dicta on the privilege to essential instruction seems to have been the Petitioner's expansive and general test to the levelheadedness and bona fides of the Government's Education Policy, of which the subset of reservations was the specific reason for damage to them[8].

As he would see it in Ashoka Kumar Thakur, Bhandari J. significantly joined alternate judges in maintaining the criticized governmental policy regarding minorities in society policies. Nonetheless, there was a clear difference in the tenor of his judgment. He was strongly disparaging of the Government for organizing advanced education (and, all the more especially, governmental policy regarding minorities in society in advanced education) over essential instruction, in what he considered to constitute a reversal of established needs. It is in this setting his sentiment contains dicta on Article 21A. He visualized two-overlap content for Article 21A; to begin with, that all youngsters in the essential age aggregate should necessarily go to class, and second, that the training gave to them must constitute "quality" instruction. This is a preliminary indicator that, when the question eventually arises in the context of concrete claims under Article 21A, the Supreme Court might be inclined to hold that a minimum core guarantee of quality is essential for satisfaction of the constitutional mandate.

ii. A Critical Analysis Of The Strength Of The Right

Seeing the essential ideal to training through the crystal of Tushnet's grouping, it is difficult to get away from the conclusion that the privilege contains no less than an insignificant substantive substance. It can't escape see that the privilege in Article 21A is not prefaced on the accessibility of assets, nor is it expressed as far as a dynamic commitment with respect to the State. The recipients of the privilege are recognized in obvious and exact terms, being youngsters between the ages of six and fourteen years."should" possibly indicates a compulsory commitment, and there is nothing in the scenery of the surrounding of the correct which would recommend something else. Truth be told, an option, non-compulsory understanding of "should" would be oxymoronic with regards to Part III of the Indian Constitution, in spite of the fact that it is obviously conceivable to think about different details of the correct that may diminish its extension and reach even inside the setting of Part III.

As a simply doctrinal matter, along these lines, a center quality of the privilege (as far as legal enforceability) is unmistakably present, despite the fact that the harder question of the reverence to be stood to Parliament in its selection of means still stays to be considered. The last bit of Article 21A – i.e. "in such way as the State may, by law, decide" – firmly recommends that the way to be received to satisfy the command of the principal right are to be inside the space of the State. This squares well with general worries about the capability of Courts to settle troublesome matters of social and monetary strategy. Basically, Article 21A suggests that the end is no longer debatable, however the Executive is absolutely qualified for receive the arrangements it supposes would best achieve that end[9].

iii. Remedies For The Breach Of Article 21A

Since this article distinguishes legislative inactivity to be an unmistakable reason for the flawed acknowledgment of the protected objective of free and necessary training, obviously the topic of cures likely requires more prominent consideration than the shapes of the basic right itself. I now swing to the sorts of cures that the Supreme Court should consider, alongside the potential advantages and pitfalls these might involve.

In Ashoka Kumar Thakur, Bhandari J. watched that it was essential that the Government upgrade spending disseminations for preparing, and set a sensible concentration for totally fulfilling the benefit loved in Article 21A. While perceiving this may require the legitimate to direct government spending, he concentrated on that the drive of the pursewas supplied to Parliament, and that spending was in this manner one area where the lawful must not surpass its built up mandate[10]. Drawing a similitude to the law made by the Supreme Court in the space of normal law, he concentrated on that, inspite of these characteristic imperatives on the lawful, it remained inside its augmentation to approve the real perfect to guideline.

iv. A Normative Account Of The Proposed Approach

Do we have any motivation to anticipate that the Supreme Court will build up a particular law as for Article 21A, altogether not quite the same as what we have seen in (for instance) Mohini Jain and Unni Krishnan? I contend here in the agreed, both as a prescient and as a regulating matter. Firstly, I contend that the Amendment Act itself removes essential instruction from the domain of vote based open deliberation, and thusly majority rule protests to Courts implementing the privilege don't hold much remarkable quality. At the end of the day, the Constitution now summons that essential training is a non-debatable right, regardless of the needs of transient political dominant parts.

This comprehension of the Amendment (and encompassing conditions) clarifies numerous things. It clarifies the evident oddity that includes Parliament collectively authorizing the sacred revision in 2002, and progressive governments being not able or unwilling to bring it into compel, or to sanction an executing enactment, for just about eight years. It clarifies the significant and continuously strengthening (albeit unmistakably deficient) strides taken by governments in the course of recent decades to give essential instruction to all kids. It clarifies why Parliament reacts reasonably emphatically to the judgments of the Supreme Court in Mohini Jain and Unni Krishnan, inspite of the way that these judgments were apparently flawed in many regards[11].

4. Objectives Of The Study

There have a relationship amongst's Environment and Judicial Activisms. Legal keeps dynamic part in ensuring condition. Remembering the relationship the Supreme Court of Bangladesh have come advances and articulated various judgments and issued different bearings with the goals of securing the insurance and protection of Environment and Ecosystem[12]. The Supreme Court of India worked from case to case for making condition as a basic right and afterward extending its intending to appropriate for pay, clean water and air.

Improving the Role of Judiciary in Bangladesh and India for Protecting the Environment

Recently, Judiciary of India, improving its part by disseminating the concepts of Sustainable Development Polluter pay and Precautionary principle.

Sustainable development

Maintainable improvement mirrors the rule of feasible and evenhanded utilization of normal assets and its mix in the Bangladesh lawful framework. As an umbrella concept, it has a tendency to accommodate the clashing objectives of monetary improvement and natural insurance. It should be based rule that would apply to all issues whether they are named ecological, social, and monetary or any blend of the three. Haughton (1999) plots five value standards:

(i) futurity-between generational value;
(ii) social equity intra-generational value;
(iii) transfrontier obligation land value;
(iv) procedural value individuals treated transparently and decently and
(v) Between species value significance of biodiversity.

In the FAP case, the Bangladeshi court connected reasonable improvement in an aberrant way and offered need to advancement extend financed by worldwide donors. Taking a human-centric view, the court characterized maintainable improvement which incorporates a personal satisfaction that is financially and biologically manageable. In spite of the fact that the national natural approach and enactment mirror the sympathy toward a harmony between the exchange, advancement and condition, no case straightforwardly says this idea[13].

The Precautionary Principle

The prudent guideline gives direction in the improvement and utilization of worldwide ecological law where there is logical instability. The object is to urge the chiefs to consider destructive impacts of their exercises on nature before they weight those activities Precautionary rule is considered in Bangladesh as a directing non-restricting standard for approach making. As a result of the successive utilization of this rule in the substantive law, the legal in Bangladesh, while choosing natural cases, can apply this guideline without hardly lifting a finger. In one case, the court inspected the earnestness ofcondition harm to figure out if there is any requirement for preparatory approach. Be that as it may, the limit of the earnestness of such harm was not analyzed and the court did not acknowledge it as a major aspect of standard law[14]. Keeping in mind the end goal to maintain a strategic distance from the strict standards and methods of confirmation and causation, the Indian courts, then again, connected preparatory rule as a major aspect of the standard law.

Polluter Pays Principle

The polluter pays guideline (from this point forward, PPP) is utilized to avoid, control and diminish ecological mischief. This rule anticipates that polluters will bear the expenses of apportions conveyed by the general population experts as for potential and genuine ecological damage. There is no uniform way and the states are allowed to decide their own particular national standard. It is simply after these models are set by the general population specialists, the polluters will find a way to conform to them. It ought to likewise be noticed that base contamination is permitted by the enactment[15]. The Indian court connected total obligation for the polluters to pay up the cost of contamination and embraced more stringent limit of risk than required by global law . Also, the Indian courts took after the _clean up or shut down' equation and trusted that the enterprises ought to be subject to pay the social cost of completing intrinsically perilous exercises.

5. Conclusion

What lessons, then, for the judicial enforcement of Article 21A? First of all, for reasons I have given above, the example of Mohini Jain and Unnikrishnanis no longer apposite. It would be a clear abdication of the constitutional mandate – and indeed, profoundly disrespectful to democracy itself - for the judiciary to refrain from enforcing the right. The Godavarman model may represent the best route, with the caveat that the definition of the right should be undertaken with a greater degree of circumspection than has sometimes been the case with Godavarman[16]. The cautionary note that needs to be struck with respect to the enunciation of the underlying right has a clear textual basis – "in such manner as the state may, by law, determine" – in Article 21A. It is clear that primary education must be provided, but it is unlikely that the Supreme Court will significantly constrain the Government with respect to the type of education that is considered to satisfy the constitutional mandate. Nor should the Court prioritize concerns about quality, at the margin, over effectively supervising the attainment of universal access at the earliest[17].This means that while the substantive content of the right will undoubtedly evolve in common law fashion, the focus for the Supreme Court should be to enforce the right universally. The tension between Executive and Judiciary that Godavarman engendered is unlikely to be replicated here, for many reasons. The constitutional commitment to free and compulsory education is one voluntarily undertaken, and the Supreme Court would certainly be perceived, even by a Government traditionally suspicious of judicial overreach, to have the authority to oversee progress towards this constitutional goal. Enforcing Article 21A in a principled yet workable manner may well be the most consequential challenge the Indian Supreme Court faces in the coming decade. A delicate balance has to be struck, and the stakes for Indian democracy and constitutionalism could not be higher.

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Impact Of Risk, Control ,Cost And Return In Corporate Financing Strategies

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Introduction

Before beginning a discussion of the financial strategy, it is important to understand the types of strategy that may be part of any business operation. Strategy is a process that never ends for a business. It is extremely important in the early stage of any new venture when the entrepreneur will need to prepare a preliminary business plan and existing business also. The strategy will become finalized as the entrepreneur has a better sense of the market, the product or services to be marketed, the management team, and the financial needs of the venture. As the venture evolves from an early start-up to a mature business, strategy will continue as management seeks to meet its short-term or long-term business goals. For any given organization, it is possible to find financial strategy, marketing strategy, human resource strategy, production strategy, and sales plan. Strategies may be short term or long term, or they may be operational. Strategies will also differ in scope depending on the type of business or the anticipated size of the operation. Even though they may serve different functions, all the strategies have one important purpose : to provide guidance and structure to management in a rapidly changing market environment.

Strategies : As long term factor : Strategies are generally long term plans for the organization. In this current competitive global era strategies are generally very common acceptable concepts. Without strategies, planning for the organization is day dreaming or nightmare. Specially when we are talking about the financial decisions like project selection decisions, pricing decisions, dividend decisions, cost decision, and other market and competitors decision. We have to concentrate more and more on the decisions which are very essential and effective for the organization. In the project selection or we can say capital budgeting decisions it is very important task of the finance manager to maintain the level of decision for the ongoing health of the organization. The cost involvement in the project is very important factor.

Corporate Financial Strategies: The level of management for an organization is generally divided into three levels. They are very important as per organization need. The strategies can be understood under the following three forms:-

1) Corporate Level Strategy.

2) Business level strategy.
3) Functional level strategy.

Finance area deals primarily with raising, administering, and distributing financial resources to various activities so that a proper balance is maintained and the organization achieves its objectives. Since the objective achievement is often expressed in monetary terms, the areas of finance and accounting have assumed added importance. The extent to which the organization has effective financial management and accounting system, it is strong. The strengths and weakness in the area of finance and accounting can be ascertained in the following ways.

1. Capital Cost
2. Capital structure
3. Financial planning
4. Tax Benefit
5. Pattern of shareholding
6. Relationship with shareholders and financiers
7. Accounting Procedures

1. Capital Cost : The various sources through which the organization raises its financial fund determine the capital cost. A proper balancing of various sources of financing ensures that the overall cost of capital for the is low. While determining the sources of fund, various factors can be taken into account, such as debt/equity norm, capital market position, profitability of organization, and various conditions attached with funds. A low capital cost is a strength and high capital cost is weakness.

2. Capital Structure : Capital structure of an organization determines the scope for flexibility in raising additional capital needed, maintaining financial leverage, and maintaining minimum capital cost. An effective capital structure is strength which provides for greater flexibility for raising funds and appropriating various sources of funds so as to take advantages of trading on equity.

3. Financial Planning : Financial planning is the determination. In advance of the quantum of capital requirement and its forms. Thus, it determines what types of assets will be required to run the business and how much capital will be required for this, time when the capital is required, and from where the necessary capital will be available. If the organization plans all these things well in advance, it stands to benefit and thus, it is its strength.

4. Tax Benefits. : Tax benefits are partly the result of efficient financial planning and partly the result of environmental variables, particularly government policy. If the organization is planning its investment pattern properly, it takes the advantages of tax benefits under the provisions of sections 32A, 80-I, 80-HH, 35(2-ai), and 35(28-a). Advantages under these provisions may reduce the tax liability of the organization to a very low level or even zero level, consequently improving its liquidity. Similar advantages may accrue in indirect taxes also.

5. Pattern of Shareholding : The pattern of share holding decides the type of threats the organization may face regarding its take over by another companies or group. If the shareholding is widely distributed, the company and its present management can run things smoothly and can think in long term perspective. Thus, wider shareholding provides strength to the organization but concentration of shareholding even in the hands of financial institutions may be a weakness.

6. Relationship with shareholder and financiers : The type of relationship between the company and its shareholders and financiers determines the type of risk that the company can take . If such relationship is cordial, the company can go for smooth working even in case of adversity and can undertake major policy changes. The role of shareholders and financiers is quite important in formulating and implementing these policies because such actions can be taken only after their approval.

7. Accounting Procedure: Efficient accounting procedures and systems for costing, budgeting, profit planning and auditing not only determine that there is no misappropriation of funds but also provide feedback for further course of action. They provide information at the points where it is needed and the time when it is needed. Absence of such systems provides in efficiency in the organization and it cannot know the way in which it is progressing.

Finance Functions

It may be difficult to separate the finance functions form production, marketing and other functions, but the functions themselves can be readily identified. The functions of raising funds, investing them in assets and distributing returns earned from assets to shareholders are respectively known as financing decision, investment decision and dividend decision. A firm attempts to balance cash inflows and outflows while performing these functions. This is called liquidity decision, and we may add it to the list of important finance decisions or functions. Thus finance functions include:

- Long term assets-mix or investment decision

- Capital mix or financing decision
- Profit allocation or dividend decision
- Sort-term asset-mix or liquidity decision

Impact Of Risk, Control ,Cost And Return In Corporate Financing Strategies

The sources of corporate financing, generically, comprises some combination of debt and equity. Financing a project through debt results in a liability that must be serviced-and hence there are cash flow implications regardless of the project's success. Equity financing is less risky in the sense of cash flow commitment, but results in a dilution of ownership and earnings. Thus, while striving for taking a core decisions like corporate financing ,the major considerations that often vitiate the ultimate fruitfulness thereof i.e. Risk, Control, Cost and Return should be properly calibrated.

1. Risk Of Finance:- Risk Refers to the situation that may or may not happen in the near future. An act or a happening of something is said to be risky if it is understood that the same can not be expected to occur with hundred percent accuracy.

2. Control of Ownership: The term control means the authority or capacity of someone to manage, direct and exert powers over others in a beneficial manner for the betterment of himself or herself. It can also be interpreted as the dominating capacity of a person to influence others in a favorable way as he desires

3. Cost of Capital: The aspect cost consideration in capital structuring decision occupies a vital role. It is so important because every organization must earn sufficient revenue from its capital investment to meet the cost of capital and necessary finance to provide for its growth and prosperity.

4. Traditional Approaches: The proponent of traditional approach claim and argue that an organization can successfully change or control its overall cost of capital in its favourable way by manipulating the debt-equity mix, i.e, by increasing the total debt content in the total capital structure or by decreasing the same.

5. Modigilani and Miller Approach: F.Modigilani and M.H.Miller in their approach paper vehemently argues that the cost of capital of an enterprise is independent of its method as well as level of financing.

6. The Modern trade–off Model : In contrast to M&M Approach where the basic contention rests on the indifference of the level of its debt-equity mix in capital structure of a firm to vacillate its cost of capital, the modern trade-off model overviews the proposition that the capital structure does matters so.

7. Agency Cost: An agency cost is the cost incurred by an organization and is associated with the issue of principal-agent problem such as divergent management –shareholder objective and information asymmetry.

8. Bankruptcy Cost: The bankruptcy cost of a firm is related to the function of two variable-the cost of going bankrupt and the cost related there to mitigate the causalities other things being equal, the greater the implicit of bankruptcy cost in the operating cash inflows of the firm, the less debt the firm should afford to use.

9. The Pecking Order Model: The pecking order model of corporate capital structure was evolved by Stewart Myers in 1984.Myers argues that the management of an organization will follow order in its preferences for using sources of corporate finance for investment and therefore do not seek to maintain an optimal or target capital structure.

Conclusion : In every form entrepreneurial activities finance plays a vital and role model of perfection to dominate over the whole process of enterprising to make it a real success. Corporate financing decisions like procurement of funds and its effective utilization form the basic philosophy of financial management and are highly influenced by the three distinct factors like cost, control and risk. There are many sources of raising finance and each source has its own cost, control and risk vulnerability corresponding to its nature and size. It is the prime duty of the financial manager to take appropriate financing decision from among the several alternatives to raise corporate finance in a cost effective manner and to ensure the optimum and judicious application of fund to avert loss of finance as far as practicable since it is finance that alone satisfies the eternal desire of a firm i.e. survival. The most dilemma of raising finance either by way of own financing or debt financing or a robust ally of them has to be deciphered with all care and expertise to construct the compact capital structure of a firm and should be calibrated meticulously before adopting a specific corporate finance decision since a financing decision once taken cannot be altered substantially without suffering a sizeable loss. Any reshuffling of corporate financing decision afterwards will lead to jugglery of corporate interests.

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