

# AURORA'S JOURNAL OF MANAGEMENT

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**Aurora's Business School**  
Dwarakapuri Colony  
Hyderabad - 500082, INDIA

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April-June, 2019



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## **NON-PERFORMING ASSETS AND PROFITABILITY OF THE BANKING SYSTEM IN INDIA**

**Dr K. Raghu Naga Prabhakar, Director, Aurora's Business School, Hyderabad  
(He can be reached at prabhakalepu@gmail.com)**

### **Abstract**

The economy of a country largely depends on the banking sector. Banking plays a vital role in economic development; by providing credit to various sectors and lending money is the main function of the banks. Banks extend credit for business loans, crop loans, vehicle-loans, housing loans, personal loans etc. The lending process leads to credit risk resulting in Non-Performing Assets (NPA). They increase the carrying cost to a considerable extent and show negative impact on both the profits of the banks and their net worth. In this general background this article throws light on the performance of banks in India, with reference to their non-performing assets.

### **Keywords**

Capital Adequacy, Fund-mobilisation, Credit management, Non-standard assets, Priority sector, Gestation period, Return on investment, Restructuring, Digitalisation, Credit assessment, Recovery mechanism.

### **What is an NPA?**

A non-performing asset is a credit facility in which the interest and installment of principal has remained “past due”, for a specified period of time. In other words, an asset ceases to generate income to the bank. The portion of the NPA in the bank's asset portfolio swallows the portion of profits gained by the bank, affecting the value of the banking service, very badly. The financial strength of the bank is evaluated by the number of the NPAs, in the bank's asset portfolio. The NPA ratios are taken into consideration for measuring the financial performance of the banks.

Let us examine various views expressed by scholars on banking protagonists in this regard. Prasad and Veena are of the view that the public sector banks are more affected by the NPAs, than private sector and foreign banks. They suggested several remedies for reducing the NPAs, lending to priority sector is the main reasons for the mounting of NPAs. The so-called welfare measures failed miserably on various grounds in meeting their objectives. The loans granted under these schemes become unrecoverable by banks. Political interference, misuse of funds and non-reliability of targets are the real culprits.

Samir and Kamra have also expressed similar views in 2013. They observed that in non-priority sector, the problem of NPAs is more than that in the priority sector. Consequently, the financial soundness of the banks is being affected. The policies implemented by banks to tackle the NPAs are also weak. Hence, they suggested a multi-faced strategy to speed up the recovery of NPAs in the banking system. The basic principles of banking have to be adhered to solve this mounting problem.

In 2013, Ahmad and Jegadiswaran studied this issue in depth; with reference to nationalised banks. Banks are ranked as per the average gross NPA rank and net NPA rank, which are proposed to be different.

Singh(2016), a noted banking expert examined this issue. He tried to analyse the status and tendency of NPAs in the scheduled commercial banks. He traced reasons for the high adverse impact of NPAs on them and suggested a few strategies for the recovery of advances. He that unlike observes foreign banks, it is not possible for Indian banks to have Zero NPAs. The problem of recovery is not with small borrowers but with big industrialists. The government should also provide some more provisions for faster settlement of pending cases.

Guptha and Gautham (2017) evaluated the performance of Punjab National Bank and its NPAs. It is found that the level of NPAs both gross and net exhibited increasing trend and the relationship between Net Profits and NPA of PNB was negative; due to the mismanagement and wrong choice of the client.

## **The Background**

The Public Sector Banks played crucial role in Indian Economy, before economic liberalization. The Government of India appointed the Narasimhan Committee in 1991, to bring about reforms in the financial sector in the backdrop of many private and foreign firms entering the Indian Financial System, offering stiff competition to the Public Sector Banks (PSBs). The private and foreign banks were well-organised and affluent. The PSBs had to provide best and distinctive products and services, to fulfill the needs of the customers. In the process of globalization of economy, scheduled commercial banks had to face challenges of stiff competition in the market, in terms of technical advancement. To face this challenge, the PSBs had to strengthen their internal controlling system, reduce cost of banking operations, adapt innovative techniques of banking, introducing innovative services and products, and enforce stringent norms of bank management etc.



The basic modus-operandi of the banking sector is, mobilising funds from the public in the form of deposits and diverting them to various sectors in the form of loans and advances; which occupies the largest part of asset portfolio of the bank. The chief source of income is generated by the interest from these assets. Banks also invest money in securities.

The Narasimhan committee made some constructive suggestions to the government. Consequently, in credit management and asset quality, a great and welcome change has taken place in the banking. Asset quality has become very crucial now whereas it was not important prior to 1991 with this change banks have more cautious than before in sanctioning loans so that NPAs do not mount.

### **Gross and Net NPA**

As per the guidelines of the Reserve Bank of India, as on the date of balance sheet, the total of all loan assets which are classified as NPAs are called Gross NPAs. They are advances which cannot be recovered, which are still held in the account books. They consist of all the non-standard assets like doubtful and loss assets. Net NPAs are those in which the bank has deducted the provisions made for them. Net NPA shows the actual burden of the bank. At present, the balance sheet of any bank contains a huge amount of NPAs. Their recovery as well as their writing off takes a long time. Hence, as per the guidelines issued by the RBI, significant provisions have to be made against the NPAs. That is why the difference between gross and Net NPA is very high

Hariprasad and G.V. Bhavani Prasad's study found that during the period of 2001 and 2016, no valid study was conducted regarding NPAs. No comprehensive research on quality aspects of the NPAs was taken up. A few studies here and there focused on the causes, impact and management aspects of the NPAs; but the recovery of NPAs was ignored in these studies. This article bridges this gap and concentrates on their recovery, through various means.

Objective of the study:of this research are to go into the NPA positions of Indian scheduled commercial banks during 2001-2016; to analyse the comparative percentage of both the GNP and NNPA as a part of advances and to suggest remedial measures to cut down the damage caused by the NPAs. The data for this study is gathered from the published sources like the bulletins brought out by the RBI, reputed magazines and journals. However, every research has certain limitations. NPAs change from time to time. But this study is confined to the present environment only.

Only the NPAs cannot explain the asset quality of advances provided by banks. In some cases the lenders are offered some incentives and choices to repay loans like reduction of interest rates and extension of the time period of repayment. Some advances, called written off assets are compensated through other means. In this regard, assets can be classified in a new way: 1. Stressed assets which consists of restructured loans, 2. Written off assets besides NPAs. Thus the following equation is formed.  $\text{Stressed assets} = \text{NPAs} + \text{Restructured loans} + \text{Written off assets}$ .

Indian economy net mentions that since 2013, the ratio of stressed assets to gross advances of the Indian Scheduled commercial banks has been in rise; from 6% to 11.5% private banks have an edge over the PSBs in this regard. The stressed asset ratio for the former is only 4.6% where as it is 14.5% for the latter.

NPAs showed an unhealthy impact on Bank's credit. In the flow of credit, the share of the banks have fallen from 50% in 2015-16 to 38% in 2016-17. But the aggregate flow resources to the commercial sector stands unaffected. The reason for this is the sharp increase in private placements of debt by non-financial entities and net issuance of CPs (Commercial Papers).

### **Why do NPAs increase?**

One of the main reasons for the increase of NPAs is the economic slowdown resulting in the hike of interest rates. That is why the corporates are unable to repay the loans. When the global economy slows down, the foreign trade becomes low in case of exports. It contributes to 40% of GDP. This affects the functioning of the corporates. Sometimes, sanctioning of permits is delayed to environmental projects which causes variation in prices of inputs. As a consequence, cost of production increases, performance is affected and there paying capacity of companies decreases.

In our country, Banks have to provide 40 percent of the total advances to priority sectors. This PSL (Priority Sector Lending) has significantly contributed to the increase in NPA. The unsystematic advance polices adopted by the public sector banks is also one of the main reasons. The banks lack a rigorous loan appraisal system, while sanctioning loans to infrastructure projects. The high gestation period and lack of proper monitoring system makes the NPAs rise, Banks follow a poor recovery mechanism which paralyses the asset quality of banks.

NPAs affect the banks in many ways. They reduce the interest income to banks and their capacity to invest. They block the bank-money in terms of bad asset which increases the cost of opportunity and decreases the profitability. They badly affect the ROI (Return On Investment), impacting both the present and future profits. Liquidity is also damaged by NPAs. When money gets blocked, the profit of the banks is reduced. Due to lack of cash in hand, the bank has to borrow money from other sources which incur additional cost. NPAs also increase indirect cost of time and effort of management. The same efforts and time put into the handling of NPAs would have been diverted to some other constructive functions, to obtain better returns. Appointing extra staff to deal with NPAs is an additional cost to the bank. They damage the value of the bank in terms of market credit. It will lead to the losing of bank's good will and brand image and the depositors generally pull a wry face to keep their money in the bank.

### **What is the Solution?**

To prevent NPAs, Banks should adopt a more conventional approach in sanctioning the advances to the sectors which cause NPAs. Infrastructure sectors invite NPAs due to long gestation period of the projects. The financial statements and credit history of the companies should be verified thoroughly. Noted credit agencies have to be relied upon, to obtain information. Restructuring the loans have to be discouraged. Instead, an official process should be initiated to recover such loans. Digitalisation of banking transaction is also a remedy for this. It will improve the asset quality of banks. Priority should be given to small and marginal borrowers having less credit risk and higher profitability. The recovery machinery has to be modernised.

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## **RENEWABLE ENERGY: THE ONLY SOLUTION TO INDIA'S POWER PROBLEMS**

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### **Abstract**

Since long, the renewable energy field has assumed considerable significance and attention from the government which has left no stone unturned to strengthen the sector through policy changes, fiscal incentives and increased access to funding. Consequently, since the financial year 2014-2015 a healthy growth rate in capacity has emerged. At present India's installed renewable capacity is above 75 GW. It is expected that it will be reaching 95 GW by 2020. The government should be applauded for creating an enabling environment and for focusing and on ramping up renewable capacity in the last five years. This article throws light on this crucial issues in the management of renewable energy sector in India.

### **Keywords**

Installed capacity, Solar modules, Smart technology, Fossil-fuels, Green infrastructure, Sustainability, Carbon emissions, Corporate citizenship.

### **Introduction**

Interest has been growing in the use of renewable energy sources like photovoltaic energy systems, due to the high cost of conventional energy sources and environmental hazards of conventional energy techniques. At present the solar energy is facing many challenges such as high cost, unpredictability, storage and low efficiency. Along with economic growth, the demand of electricity is also in rise; which can be met by more efficient and sustainable solar system. It is in this background there is a need for an added emphasis on renewable energy and to understand crucial issues in the management of renewable energy.

### **Water Scarcity: a hindrance**

India has set a new solar target of 100 GW to be reached 2022. Solar energy production expansion in the country is affected due to water scarcity, which is acute in many parts of the country. A major part of the energy capacity is likely to come up in areas with water scarcity which intensifies regarding the solar modules in arid and dry regions. If the modules have to be cleaned two times in a month, nearly 7000 to 20000 liters of water is needed per MW per year, for the maintenance and

operation of solar plants. Water scarcity leads to a fall in the amount of power generated by India's solar plants; which can be bettered by adopting a more efficient cleaning system.

Though the demand for solar energy is high, the conventional solar companies are not so well-equipped, to meet the demand. The sun shines brightly over the large utility-scale solar projects for a while. But unfortunately, many SMEs and MSMEs are not in a position to derive benefit from this, though solar power offers big and well-documented financial benefits. There is a wide gap between the market and the need of the consumers at the receiving end. The consumers have to be enabled to estimate their saving correctly by switching over to solar power, with easy financing options and advanced technology solar systems.

India is proud of being among the world leaders in renewable energy. The Government of India fixed a target of installing 175 GW of renewable energy capacity by 2022. The Economic Times Power Focus Summit is destined to bring stalwarts from government, industry and academia together, so that the energy sector will play a crucial role in the economic growth of our country, making a brighter future for us. India is well on its way to reaching these targets with the nation already producing 75 GW of renewable energy from all sources as on February 2019. It reflects 21.43 % of all energy generation in the country. Although the scarcity faced by the country is addressed by various alternative powers, these shortages still remain to be a challenge. Besides these shortages, high tariffs and a dependence on imported fuels are a serious threat to the economy. The distribution system too is in doldrums, resulting in a fall in investments. Unless these challenges are addressed to effectively, the economic growth of the country will be at stake. There is no dearth of sunlight in India, which is boldly treading towards making non fossil fuels 40% of the total power generation capacity of the nation by 2032 and to add 100 GW of solar power by 2022. India has been facing energy paucity issues for years. Sufficient availability of sunlight will certainly reduce our import dependence for its power needs.

The Energy researcher, Bloomberg NEF submitted a report in 2018 on the scope of climate. According to it Chile stands first among the emerging economies powering the transition to clean energy. India occupies the second place among the global leaders in renewable energy; by dint of increased investment, clean energy installations and the global-standard renewable auction market. It is the correct time to bring about the change. Our power sector generates roughly 1.2 trillion k w h of electricity annually. It can be divided into thousand k w h per person; which is comparatively low, as per the international standards. China produces four times greater and U S, thirteen times higher than India. No doubt, ours is a fast-growing country which requires energy at a massive level. We have to double our energy output by 2030, to sustain this pace of growth.

We should not fail to recognise the fact that renewable energy is the only alternative. That is why our country is leaving no stone unturned to transform its energy mix and move towards renewable sources. But the challenges are affordability and last mile connectivity. They are the major hindrances in our way to overcome our dependence and cost of energy derived from fossil sources.

No doubt, we recorded a good growth in our renewable energy capacity during the last decade but that is not enough. Optimal grid management is one such thing through which the intermittent nature of renewable energy can be managed. Unless renewable energy becomes the main source of energy, this intermittency cannot be managed. By 2035, it is expected that our demand for renewable energy is expected to grow seven times; comprising 8% of the country's fuel mix. The optimism is that solar power tariffs may fall further. Commercially viable energy storage solutions will help achieve grid stability. Hence, as the saying goes. “make hay while the sun shines”, India's Power Policy makers should give top priority for solar power.

The Government of India should ensure continuous growth in our power resources, meeting the demands of expanding economy and growing population. Energy security and universal access to electricity must be the chief concerns of the government. Unfortunately, our per capita consumption of electricity is very low, 1000 k w h per annum which has to be doubled after a decade. We should add to our capacity by doubling our energy output. It is obvious that our traditional dependence on coal as the primary source of energy gas its own limitations. Our c=coal-stocks are fast running out. Moreover, If we continue to depend on fossil fuels, It will be disastrous to our eco system, as they emit harmful greenhouse gases. Due to the threat of climate change, we have already been under pressure to honor our global commitment on curbing carbon emissions. Hence renewable sources are the only alternative before us. We are fortunately blessed by nature with Plethora of sunlight and wind.

The renewable energy sector will be much helpful in supplying electricity to all sections of people, for affordable tariff and in generating employment too. The renewable will have to contribute half of India's new energy capacity adding potentially 25 G W of renewable capacity every year till 2030.

Over the last few years, the renewables sector has received much focus and attention from the government which has been taking several measures to boost the sector through policy changes, fiscal incentives and easier access to funding. As a results, a healthy growth rate in capacity has been witnessed during 2014-18. Now the capacity of installed renewables is over 75 G W and

should reach 95 G W by 2020.

Gradually, India has been becoming Urban-Centric. Even small towns will be urban hubs tomorrow. This curbs intercity migration and offers opportunities for more industrial activity. In this regard, we must be prepared for more power generation which is the only prerequisite for any industry, without which the productivity comes to a standstill. By 2030, we expect a far higher share of the renewable power in the energy mix, Public and Private investment in this sector is an important step in this process. We need advanced infrastructure to cater to our industrial requirements we must be self-sufficient in our energy production. Heavy investments must be poured in into the green infrastructure, smart transport and energy efficient buildings. Even the research and development in the field has to be incentivised. We also should invest in education and appropriate skill development, to help our future generations process towards sustainability.

The RE sector in India will have bright future, with growing awareness of climate change and increasing pressure to reduce pollutants. So, deprioritisation of this sector will result in disaster. In addition to energy security and climatic change, the RE sector provides many economic advantages. It creates many employment opportunities. It fulfills the target of last mile accessibility. It is the cleaner and more affordable option which adds o our renewables capacity.

If low cost smart technology is implemented effectively, that will improve the grid in future. The hybridization of solar and wind energy will enhance the capacity utilization factors which are nearer to that of coal-fired power plants, considerably reducing the intermittency challenge and increasing renewable energy as a source of available power. By 2025, the cost of energy storage through batteries, and energy generation through RE, will be as equal as the cost of energy generation through fossil-fuels.

If the generated power is distributed effectively, it lessens the cost considerably, to provide electricity, to the nook and corner of the country. To achieve this, there are many technological advances emerging, like advanced systems, more compact and efficient electrical inverters, smart electricity meters etc. In the near future, there is every possibility that many consumers may go off the grid completely.

Adoption of electric vehicles which are attributable to lower acquisition and maintenance cost, when compared to petrol/diesel vehicles, will trigger the fall of battery prices.

In Europe, which is a highly developed market, renewable energy has the highest penetration

rates in the power mix. There, they are spending proportionately more to integrate renewables into the transmission and distribution networks comparatively, those markets are more focused on building new infrastructure. This is a wonderful opportunity for India too, which is poised to be the global leader in RE sector.

There will a scope to improvising in RE sector, if the latest technology and the huge amount of data available to us is utilised properly. We must adopt innovative technology to enhance the efficiency of our solar and wind farms, controlling the cost of operations effectively. Robotics can play a crucial role in this regard, to clean panels, drones to maintain and inspect wind blades. Predictive digital maintenance has to be improved so that wind turbines can operate reliably. Besides these, more efficient solar panels, more powerful wind turbines, batteries with longer durations and lower costs are required.

Newer avenues of power generations have to be explored like floating solar and offshore wind. State-of-art diagnostic centers and regional command and control centers must be set up to enhance the performance and reliability of the devices, through real time monitoring and analysis, based on a “Prevention by prediction” philosophy. Innovations like module thermography, automatic module cleaning systems are to be launched. Sensors must be installed to collect granular data on the speed and direction of the wind, so that the turbines are aligned perfectly, for maximum yield. Such innovations should be duly rewarded. In the recently concluded Economic Times Innovation Awards, RENEW power, a leader in the private sector received the “Best Process Innovation” award. The organisation has introduced innovative financing, by raising funds through a diverse set of capital sources such as foreign equity, developing bank instruments, infrastructure debt funds, green bonds etc.

The government of India should be appreciated for its noble vision for moulding the RE sector constructively. It has been creating an enabling environment to ramp up the country's renewable capacity to great heights. Besides, if the government can focus on the following areas, it will be a big boost to the RE sector.

The Govt should ensure a healthy and competitive sector in which the developers are able to sustain their business in the long run. It should generously fix the tariff so that profit margins cannot be squeezed. Such steps can enable better returns for the private sector and induce inflow of less risky capital. Of course, India is a mixed economy where both public as well as private sectors should thrive together. The Grid has to be strengthened through better management, more transmission lines and adoption of latest technology, so that it can absorb



more RE than at present. Steps should be taken to build robust evacuation infrastructure which can transmit power from rich to deficient regions. More storage based bidding should be introduced, and development of battery storage in the country should be promoted, for better grid management. The health of the ailing discoms should be restored and out dated infrastructure should be replaced to cut down leakage; to minimize theft and improve finances through a timely collection of customer dues.

**Reference:** Economic Times: 3<sup>rd</sup> May 2019: Interview given by Mr. Sumant Sinha, Chairman and M.D. Re New Power

**SYNCHRONISATION OF VARIOUS MANAGEMENT SYSTEMS:  
ADMINISTRATIVE BENEFITS DERIVED BY TQM**

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**Abstract**

This article intends to develop a system for implementing integrated management systems, which have hitherto been used separately, by different industrial organisations. Now there are two objectives before the stalwarts of management. The first is how to deal with these separate management systems and the second is how to combine them for a constructive business goal. Compatibility has been increasing between these standards, paving the way for their alignment. TQM can co-ordinate in this regard, as it is a holistic way of thinking. It will enhance the present quality, health and safety, social responsibility and environmental process, by contributing to the culture of continuing development. There has been many researches taken up to understand the different aspects of integration. But no suitable aspect has been arrived yet. This article offers a sense of optimism that integration on the basis of philosophical compatibility between Total Quality Management and other standards can create a generic approach for implementation. It will also lead to administrative maturity in implementing and maintaining the systems. Professor Subrata Talapatra, Professor Md. Kutub Uddin and Prof Md Habibur Rahman, belonging to Khulna University of Engineering and Technology, Bangladesh have rendered yeoman's service in this regard.

**Keywords**

Total Quality Management, Process Performance, Social Compliance, Symmetric representation, Employee empowerment.

A model has to be developed for IMS (Integrated Management Systems) which will include the whole product chain and all the stake holders. A better aspect for integration has to be figured out. If integration takes place on compatible criteria, it is nothing but an ordinary step. For a better integration. It is needed to project various disciplines in a single management system on the basis of their intra personal relationship. To understand this, internal co-ordination, a culture of learning, stakeholder participation and continuous improvement of process performance has to be generated.

Any organisation has to practice some parallel compliance standards to meet the demands of its customers, for their extreme satisfaction. They are, Quality, environment, health and safety and social responsibility. But it is difficult to deal with various management systems at a time, covering all standards of compliance. Their integration too is a burning problem. Hence a wider approach is needed for internal coordination of philosophical compatibility among various management systems. This article endeavours to develop a framework for implementation of integrated management systems to satisfy the demands of all stakeholders in a company.

Let us look into the views of management gurus in this regard. Wilkinson and Dale are of the opinion that an integrated management system should have a common concept with no scope for individual differences. They stressed the importance of the health culture of TQM, which promotes the virtues like involvement teams, training, commitment and leadership. Granerud and Rocha advised that a team based approach to solve a problem is needed in which the ideas and actions of all employees are given weight.

Naturally, every organisation has already a quality management system when it amalgamates other systems, it creates a problem of neglecting the other systems compared to quality. The level of integration is decided on the basis of the complexity of its present system as well as the motives of the firm for integration. A positive vision is required to create positive interaction between the fields of management. Instead of merely integrating the systems, a better option should be arrived at, by adopting a pro-active approach to problem-solving. When an organisation decides whether to integrate or not, or up to what level, the deciding factors will be the structure and size of the organisation, its market competition and regulatory in demand.

The method of integration is of two stages. The first stage is partial integration, which is based on the compatibilities among the different management standards. Its aim is to develop a common standard for quality, health and safety, environment, social responsibility and a universal audit system. The second stage is total integration. It goes beyond the common procedure and is based on continuous improvement philosophy of TQM.

In modern times the consumers are very particular about the product quality and safety. Several management systems are being practiced all over the world to meet the demands of the customers. Though every management system is unique in itself, as far as its policies and objectives are concerned, the audit of these systems is conducted as per their functional needs. Sometimes duplication of efforts occurs in some common cross functional areas. So, there is possibility of misalignment of audit aims from the organisational viewpoint. To overcome such lapses an

integrated management system is highly needed. It is easy to operate and manage. But a common framework is necessary. This is difficult to develop. In this study, the common requirements are identified first and then brought into a single entity. This is called partial integration.

Actually, no activity of an organisation is unique, but it is interlinked with other activities. So mere joining will not serve the purpose of integration. It can only fulfill higher degree of constancy among various management standards. Hence integration should take place on the basis of cross functional linkage among various disciplines which can be a better framework. It is total integration.

Mostly, integration does not ensure the degree of consistency among the different functional Audit. Consequently, it does not act properly in an organisation due to the absence of a single comprehensive universal audit system. This research projects multidisciplinary functions in a single management system and tries to align it under the holistic philosophy of TQM. By assessing the performance of various functions of an organisation, a truly universal audit system can be formulated.

TQM oversees the improvement of the entire system. So all the systems running simultaneously are a subset of TQM; which gives scope to integrate all operational process. The common factors which are equally important for meeting the requirements of different management systems and TQM practices are looked deep into by this present approach. There are six common factors which become sources of general guidelines in the process of integration, which is meant to meet the compliance requirements in these areas. Let us examine them.

### **1. Continual Improvement**

A continuous improvement is highly essential in quality as well as other aspects, to achieve essential in quality as well as other aspects, to achieve excellence. Better working procedures have to be worked out by every employee so that an improvement habit will be inculcated; leading to an improvement culture which will help to establish TQM philosophy.

### **2. Employee Participation**

All the employees should participate earnestly on TQM practices. This is possible only through a friendly working environment, which will increase the team spirit. This environment can be created by regular payment, Job security, formal requirement, no wages penalties and discriminations. This is essential for social accountability of the employees too.

### **3. Delegation of Authority and Responsibility**

If the management is centralized and all the employees have no share in powers and duties, the administration will be paralysed and collective participation will be obsolete. Hence powers and duties must properly be delegated to all employees, on the basis of their talent, experience and performance.

### **4. Training for employees**

Various disciplines of the organisation undertake several improvement initiatives. To identify and enforce them, constructive training has to be imparted to the staff at all levels, to enhance the caliber and knowledge of them, to fulfill their job requirements efficiently. Training will make them committed and they will be motivated to a higher level of productivity. This is a very desirable element in TQM.

### **5. Leadership**

In any management system, each activity is directly linked with performance and fixed targets. An effective leadership matches the activities with objectives, to enhance the productive and constructive approach to the management system in TQM pursuit.

### **6. Empowerment of employees**

Empowerment implies granting certain power to the employees, to take crucial decisions and implement them, at their respective levels. This will make them confident and create the feeling among them that they too are part and parcel of the organisation. This ultimately judges the success or otherwise of the implementations of TQM.

Planning, execution review and modification are the four elements in the process of TQM. Its philosophy is reflected in the quality, occupational safety, environmental and social accountability etc aspects. An integrated management system supports these four elements. Its framework is a generic process. It will work well only when the philosophy of TQM can correctly integrate the objectives of different management systems.

### **To Sum up**

There has been a significant change in the industrial sector, on account of globalization. The organisations are facing acute pressure from the stakeholders whose requirements are diverse. In this regard, integration of different management systems is the need of the hour. This concept adds value not only to the organisation but also to its stake holders. It will avoid conflicts in the

individual management systems. It curbs wastage of time, money and material. It is very simple, easy to adopt for any organisation of any dimension and market position. Of course, the dimensions are not tested empirically, it being the limitation of this research. Let us be optimistic that in future, more studies will go into the identification of items for each of these dimensions so that a reliable and valid measure for integrated management system can be arrived at.

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**THE NATIONAL STATISTICAL COMMISSION:  
IN NEED OF URGENT REFORMS**

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**Abstract**

MINT magazine recently took up an investigation into the apex statistical organisation of India and found that the National Statistical Commission (NSC) has been on the verge of losing its credibility, becoming impotent and powerless. NSC needs five full-pledged members for its effective functioning. But in December 2018, two of its members resigned, in protest against the undue government influence in the publication of NSSO (National Sample Survey Office) report, which the NSC had already cleared. The report was on jobs, which the government was alleged to have suppressed. Thus, the NSC was rendered defunct. This article throws light on the negative issues which have paralysed the NSC and the corrective measures needed to uphold the prestige of the crucial National organisation. The writer of this article is highly indebted to Mr. Pramit Bhattacharya's investigative presentation, which is the main source.

**Keywords**

Consumption crisis, GDP growth, Macroeconomic indicators.

The National Statistical Commission was constituted in 2006, through a government resolution, with a part-time chairman and a few part time members. In 2008 a draft National Statistical Commission Bill, for a full-pledged body was approved. Even a third endeavor was made to strengthen the commission with powers and resources. The first CSI, Pronab Sen objected to the draft bill. He felt that it was not possible for a body working outside the government to involve the other departments in sharing the data. He further opined that if there are two power centers, there will be ample scope for ambiguity and conflict.

Mr. Amitabh Kundu, noted economist and one of the members of the first NSC was of the opinion that the staff of NSC secretariat owes its allegiance to the secretary who controls everything, even funds. Though the NSC chairman holds the position equal to that of a minister of state, the CSI can stall things quoting procedural issues. In 2010, the composition of the Standing Committee on Industrial Statistics (SCIS) was modified by the secretary, without consulting the NSC which expressed its displeasure. Sen, the then secretary minced no words in telling that the authority and accountability of the both power centers must be clear. While the

CSI (Chief Statistician of India) is accountable to the government, the NSC is accountable to the parliament. Sen aimed that the NSC has nothing to do with the decisions taken on the SCIS.

Later R. Radhakrishna had become the chairman later. He constituted a committee under the leadership of a Mr. N. R. Madhava Menon, who was a legal stalwart, to go into a law which can be enacted to provide powers to the NSC, with a clarity about its roles and responsibilities. He submitted a report to that effect. The members of the NSC should be appointed from the government as well as the opposition, who will be answerable to the parliament directly. After making rounds along various ministries, the report was cleared by the law ministry but the government was not favourable to it.

M V S Ranganathan, acted as member secretary in the Menon Committee. He was a former statistician too. He aimed that lack of active involvement by the then CSI was the main reason for delay in implementation of Menon committee report. The CSI has to pilot the NSC bill in the government circles and enlist the political support for it. He further aimed that dual role should not be assigned to the CSI, as secretary, NSC and as secretary MOSPI (Ministry of Statistics and programme implementation). The NSC members lacked statutory backing and struggled for an identity of their own. Hence, their recommendations were not heeded to. The NSC could regulate the NSSO surveys, as it acted as a governing council. But it could not oversee the activities of the CSO, who could ignore it. This was the conflict between the CSI and NSC. Even the GDP estimation process was affected this conflict. If we examine the first credibility crisis which was faced by the statistical system of the country, we can understand this conflict well.

The first credibility crisis arose when the National Sample survey office, in the year 1999-2000, showed a sharp spike in average consumption expenditure, which resulted in a considerable decline in poverty in 1990s. But the survey was based on a different recall period. It faced criticism that the change in the recall period rendered the new estimates incomparable with the past. The raw data was reviewed by many experts who analysed the trends in the said components of consumption expenditure. They were not likely to be affected by the methodical changes in the survey. It was suggested that the fall in poverty levels was not as steep as shows by the official estimates.

Traditionally, the NSSO has used a uniform 30 day recall period to report average consumption expenditure. But later it adopted a dual approach, one shorter recall window for high frequency items, another longer one for low frequency items. Consequently, a bump was hinted in



consumption and less poverty. But it was not clear which approach was not correct. A committee which went to clarity suggested that the old method was sufficient. As the report was not available, the new methodology was adopted in haste. Experts like Angus Deaton aimed that the hasty adoption was due to the severe criticism faced by the NSSO, made by some economists that though India was experiencing high growth rate, the decline in poverty reported in earlier surveys was not as low as it was shown. This episode stressed the need for protecting official statistics from political interference. Under the Chairmanship of C. Rangarajan, former governor of the RBI, a high level committee presented a plan of action. The committee strongly recommended to create a permanent and apex statutory body, the National Statistical Commission which will act independent of the government and responsible to the parliament regarding policies, Coordination and certification of quality of core statistics. When Sen was the chairman of the NSC, there was little conflict between the two bodies. The NSC and the CSI and even with MOSPI. But it was intensified in 2016, when Radha Binod Barman became the chairman. The NSC suffered from dearth of funds and it was ignored even in the issues within its jurisdiction.

The second credibility crisis for the National Statistical Commission came in the form of the new GDP series; released in 2015, basing on the year 2011-12. The series faced severe criticism that they were completely variant with the other macroeconomic indicators' version about the economy. Even the estimates regarding the growth of the corporate sector invited disagreement. As the share of private sector grew, the corporate sector had been weak, comparatively. The CSO depended on a sample survey conducted by the RBI, which consisted of only a few thousand companies. So the estimates were increased in proportion to the coverage of the paid up capital of the sample companies to the total number of companies registered with the ministry of company affairs. The Rangarajan commission raised its eyebrow in this regard. It criticised the method that if a large number of 'shell' companies are included in the records of the MCA, It will certainly lend an overestimation bias in the GDP numbers.

To construct a new GDP series, a new data base, MCA.21, was suggested by a subcommittee appointed by the ACNAS (The Advisory Committee on National Accounts). But unfortunately, the CSO scaled up even these estimates to account for non-reporting companies which had declared returns in earlier years. He would have used the estimates generated from the database directly, instead, as agreed by the sub-committee. The CSO explained that it was at the eleventh hour that the decision had been taken, consulting the then chairman of the subcommittee. It was

alleged that all the subcommittee members were neither consulted nor informed, about this change. The actual number of genuine companies in India was not MCA-21 data was verified, or it was validated using other databases; such as the Annual survey of Industries. It was found to be astonishing by the NSSO field staff that most of so called 'active' companies reported to be so by the MCA are existing only on paper, in reality. The CSOs explanation could not convince the economists of the country. Raj Kumar, Presently the Vice chairman of the NITI AAYOG, was then working at CPR (Center for Policy Research). He expressed doubts about the response of the CSO saying that the final estimates might considerably be overestimated. He further aimed that the government has to ascertain the authenticity of its statics, beyond doubt, so that it will provide a real and honest basis for policy-making. He suggested that the CSO should review the methodology, make it more important by discussing it in public domain. Surprisingly, Raj Kumar did not follow up this matter later.

The new methodology faced another type of criticism too; that it used formal sector indicators to estimate the growth of the informal sector; and used the growth rates of the organised manufacturing industry to estimate those of the unorganized. Consequently, the growth of one sector has been attributed to another because the use of inappropriate deflators tended to overstate the real GDP growth numbers. Ravindra H. Dholakia was a noted economist and member of the monetary policy committee of the RBI. In a research paper brought out in 2018, he pointed out that in the early national accounts figures; state level data was not available. Gujarat was a standing example. Generally, the proportion of all India estimates were used to derive state level estimates. The GSDO (Gross State Domestic Product) share declined to 30%. This shows that 70% of the Gujarat's GSDP was being measured through indicators linked directly to the state economy. It should have been through an indirect and adhoc allocation based on national figures.

But when base year was changed recently, the GSDP for Gujarat shot up to 74 % whose large share was approximately calculated on national figures rather than on the basis of the real economy of Gujarat. This was due to non-breaking of the MCA 21 database, state wise, as per the value added by companies. Even other states too faced similar issues, with a little difference. H. dholakia suggested that for the estimation of GDP on state level, the new series has to be done away with; whereas the old series has to be continued till the base year is revised. The data base must be used cleverly.

The CSO, in his response to the Public criticism about the GDP numbers, simply repeated the methodology note, which made the NSC angry. Meanwhile, Goldar pointed out several

drawbacks and inconsistencies in the MCA 21 data base. He headed a sub-committee on industrial statistics, which has to report to the NSC. He suggested that the reliability of the database can be improved by verifying it thoroughly.

In the beginning, the situation was not so disgusting. As a part of the ISI(Indian Statistical Institute), the NSSO was first set up. Later it became an independent organisation. Which conducted nationally representative household surveys perfectly. P. C. Mahalanobis was its founder, the architect of India's five year plan model, and builder of a reliable statistical setup for the country. Jawaharlal Nehru supported him in establishing the CSO, the NSS and the ASI. Nehru wanted to subordinate the civil servants to the superior rationality of scientists and economists. Mahalanobis made the Nehru's cabinet realise the importance of regular surveys to gather reliable data so that the economy of the country can be planned in a systematical way. He invited some protagonists of the globe who were expert statisticians, to establish the credibility of these surveys. This tradition & was followed other countries.

But times have changed, unlike in Nehru's time, the will of the bureaucrats is dominating the rationality of scientists and economists the rationality of scientist and economists. Statisticians feel that they should rush to adopt methodological changes, which will lead to politically acceptable results, though they are questionable statistically.

Deaton; who received the prestigious Nobel prize in 2015 minced no words in his interview given to “Hindustan Times”; that the national accounts in India are relatively weak. The growth shown by the accounts is not as high as it is. Revisions that increase growth are more readily accepted than those which reduce it. According to Deaton the overstated growth is more dangerous than the understated poverty. The CSO would have made proactive disclosures on the error estimates of different sub-sectors of GDP. He would have explained why the output estimates for some sectors were more reliable than that of others. He would have noted the data gaps and limitations of the estimates carefully. Transparency and releasing raw data are very important. Researches should work on the raw data, rather than the politicians. In spite of much public demand, the MCA-21 data base was not made public. The minutes of NSC meetings were not available online. An audit by independent experts commissioned by the NSC or a parliamentary standing committee could have also helped to restore the credibility.

Today, resources are abundant politicians and bureaucrats should realise the importance of data. Surveys of their own are being conducted by many ministries, spending a lot of money on collecting the data. A well administered and responsive statistical system, led by able leaders

can save costs for the government. Political leaders have to be convinced. But at the same time the independence of the statistical system has to be kept up. The NSC has to be restructured with a re-defined role and with greater resources. The government should empower the NSC.

**QUALITATIVE JOURNALISM:  
A MUST FOR THE SUCCESS OF DEMOCRACY**  
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**Abstract:**

The press is also called “the fourth estate”, the other three pillars of democracy being Legislature, the executive and the Judiciary. These four supporting forces carry the burden of democracy on their shoulders. The Fourth estate used to safeguard the interests of the people, by un-earthing various scams of the governments in power. Even in the dark days of the National Emergency, the print media never yielded to the suppression of the state. People used to believe in what the press revealed, in all earnestness. With the advent of electronic media in 90's, the fourth estate was further strengthened bringing the latest and authentic news to the very households of the people. For a long time, both the print and electronic media strove to enlighten people, with a thorough insight into the contemporary political, economical and cultural affairs of the nation. But the tables turned. Like all walks of the society, the field of journalism started becoming corrupt, contaminated and biased. Every political party “owns” a media house, a news channel. The peculiar concept of “paid news” which has hitherto been unknown has come into existence. 'The news' is replaced by 'versions', subjecting the readers and viewers to utter confusion. Fortunately, still there are some sincere, bold and impartial news papers and channels which never fail to do their duty. The students of management education should be aware of the day to day developments in the country and abroad. They should not be misled by false 'versions' or 'fake news'.

This article throws light on certain values and ethics to which the fourth estate should adhere. The author of this article is highly indebted to Mr. A.G Noorani, a legal luminary for generating inspiring source material on the press freedom.

**Key words**

Protection of information, Mass-media, Investigative journalism, Qualified privilege.

**Protection of journalistic sources: crucial for the freedom of the press**

A.G Noorani clarifies that the right of the press to gather information, to put it in the public domain and the right not to reveal sources are legitimate, unless they become detrimental to the interests of justice, national security and prevention of crime. The press aspires to share the influence of

statesmen as well as their responsibilities. The responsibilities of the both are always different and independent too. The press must always be free of political interference and control. Once the statesmen bear the palm over the press, throwing it into a desperate ancillary position, its dignity and freedom are at stake. Hence the press should not enter into close and binding alliance with the political leaders or parties. It should not surrender its interests to the convenience of governments in power. Then only it can perform its duties with entire freedom.

The basic duty of the press is to gather authentic information of the contemporary events and disclose it, making it the common property of the public. There is a lot of difference between the statesmen and the press in this regard. The former collect the information by secret means and even conceal it with precaution where as the latter lives by disclosures. The information it gets become a part of the knowledge and the history of our times. It appeals to the enlightened force of public opinion. Hence its duties are noble and valuable.

### **Public Interest**

It is accepted universally that the press performs its duty in public interest. People acquire information, not by first hand observation, not by word of mouth from those who witnessed the events, but chiefly through print and electronic media which functions as surrogates for the public. That is why the journalists are provided special seating and priority of entry so that they can report what people in attendance have seen and heard. They have the right even to attend criminal trials and report observations. Even the courts have recognized that without some protection for seeking out the news, freedom of the press could be done away with. Every democratic country, in its constitution confers this protection on the press, as a fundamental right to freedom of speech and expression. Article 19(2) of the International Covenant on civil and political Rights clearly indicates that this right shall include freedom to seek, receive and impart information. Section 125 of the Indian Evidence Act 1872 clarifies that no magistrate or police officer shall be compelled to say the source for the information he got because detection of crime depends a lot on information provided in confidence by a net work of informants who deny providing it, if their names are revealed. This applies to journalism too. An interesting example is the exposure of Watergate scam in the U.S. Bob Woodward and Carl Bernstein played a crucial role in unearthing this scandal. The Associate Director of FBI, popularly known as “Deep Throat”, Mr. W. Mark felt furnished the crucial information to them. Had they disclosed his identity, they would not have been able to accomplish this herculean task.

The press council of India Act 1978 too contains a clear provision regarding the protection of

sources in enquires. As per Section 15(2), no newspaper, news agency, editor or journalist need not disclose the source of any news or information published or received or reported by them. Even the parliament endorsed this principle.

### **Investigative Journalism**

Investigative Journalism is a valuable adjunct of the freedom of the press, which should not be hindered by the law. Generally, those who impart information to the press do it confidentially. Though they are guilty of the breach of confidence in telling the same to the press, this is not the reason to disclose their names. Otherwise the information which ought to be made public will never be furnished. The same is the case with documents which may infringe copy right. But that is not the reason for compelling their disclosure. The news papers are the agents to speak of the public to collect information and to tell the public of it. In support of this right of access, the newspapers should not be compelled to disclose their sources of information, except in extraordinary circumstances. If they are forced to do so, they will be deprived of the information which they ought to have. Moreover, their sources will dry up. It will end in dire consequences. Wrong doings are not disclosed, charlatans are not exposed, and corruption in the public and private sectors will become rampant.

### **Qualified Privilege**

A .GNoorani quotes the case, “Gaddafi Vs Daily Telegraph”, in which the court of Appeal directly permitted journalists to protect their sources, asserting that they were so reliable and there was a qualified privilege in communicating their information.

The eldest son of colonel Gaddafi, dictator of Libya sued “Daily Telegraph” which leveled allegations against him. The newspaper revealed his involvement in attempts to breach economic sanctions imposed in consequence of Lockerbie bombing. The newspaper was permitted to enter a defense of qualified privilege. Its sources were members of a “western government security agency. Their lives could be at risk, if their identities were disclosed. The court upheld the right of journalists to protect the confidentiality of their source.

The European court of Human Rights asserted that protection of journalistic sources is one of the basic conditions for press freedom. It is reflected in the laws and the professional codes of conduct and is affirmed in several international instruments on journalistic freedom. Without such protection, sources may be deterred from assisting the press in informing the public on matters of public interest. Consequently it affects the role of the press to provide accurate and

reliable information, as the vital public watchdog.

Under exceptional circumstances, the government may ask a journalist to appear before a grand jury and reveal confidences. The government should show a probable cause to believe that the newsman has information clearly relevant to a specific probable violation of law. It should show that the information cannot be obtained by alternative means less destructive of first amendment rights. It should show a compelling and overriding interest in the information.

News should not be separated from its source. If there is no freedom to acquire information, the right to publish will be at compromise. Hence the asserted claim to privilege should be judged on its facts by striking a proper balance between freedom of the press and the obligation of all citizens to give relevant testimony with respect to criminal conduct. The press was protected so that it could bare the secrets of government and inform people. The right to publish must be right to gather news. Unless protections are afforded, the full flow of information to the public, protected by the free press guarantee will be severely curtailed. That is why the right to publish without prior government approval is recognized.

There are three factual predicates noted which proceed the simple logic that the right to gather news implies, in turn a right to a confidential relationship between a reporter and his source. Firstly, reporters require informants to gather news. Secondly, to maintain an intimate relationship with them. It is essential to the reporters a sort of firm confidentiality, an understanding that names or certain aspects of communication are not revealed. Thirdly, there is a need for an unbridled power, the absence of a constitutional right protecting, a confidential relationship from compulsory process, will prevent sources from divulging information or reporters from gathering and publishing information.

### **Importance of informants in the constitutional mission of the press**

To the news gathering of contemporary times, informants are necessarily required. No one can deny this fact. The constitutional duty of the press is fulfilled only when it has certain protections for the information it gathers. Instead of merely printing public statements or publish prepared handouts, it has to do better service. It should develop familiarity with the people and circumstances involved in the activities that lead to the generation of news without which the responsibility of journalism is completed, unless the fourth estate is a “prisoner spokesman” of news makers.



The promise or understanding of confidentiality is a must between a reporter and his source. There are so many irregularities and loopholes in every branch of the system. There are certainly some people who silently suffer, being unable to face them. An employee may be scared by his superior, a bureaucrat may be afraid of his associates; a dissident may be hesitating to lay bare the tyranny of the majority. All these may have valuable information valuable to the public discourse. But they will provide it to the press only in confidence. This is because of their precaution or of a fear of reprisals or censure. Hence the main focus must be with the conditions in which the informants of all types may make information available through the press to the public, but not with the motives of any particular news source.

**MAHATMA GANDHI AND KARL MARX:  
A STRIKING PARALLEL IN THEIR IDEOLOGIES**  
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**Abstract**

Gandhi and Marx are considered as two great figures with different outlooks. But there are some significant similarities between them. Both of them shared a similar criticism of modernity as alienation from nature. Some leftist writers took to anti-Gandhian invective. But it is interesting to note that there is very original “radical” or left-wing Gandhiji, known from his writings as well as his activities. Mr. Akeel Bilgrami, an Indian philosopher of global renown, now holds the prestigious, most coveted chair in the department of philosophy at Columbia university. Mr. Jipson John and Mr. Jitish P.M, noted writers and versatile contributors to various national and international publications interviewed Mr. Akeel Bilgrami who revealed thought provoking views on Gandhiji's modernity, Marxist approach, his integrity etc. The author of this article is intensely indebted to them, for drawing the essence from their interview.

**Key-words**

Radical, Integrity, Spiritual practice, Alienation, Enlightenment, Modernity, Rationality, Liberty and Equality, Liberalism

**Introduction**

Mr. Akeel Bilgrami aims that we should observe the other side of the coin in Gandhiji contained, of course some inconsistencies here and there because he expressed them in the context of political demands from the world around him. Gandhiji's affinities with Marx are a matter of interpretation of the both.

In his work “Hind Swaraj”, and in many of his letters, including those addressed to Rabindranath Tagore, Gandhiji did not want India to go down the path that Europe had taken from Early Modernity to late Modernity. He sincerely felt that there are some alternatives to that path which are possible for India. In this respect his outlook is akin to that of Marx in the last period of the latter's life, when he was writing about Russia's peasant communes. Marx argued that countries like Russia and India need not embrace capitalism like Europe, to arrive at a revolutionary transformation. Gandhiji was not a socialist. He has no serious understanding of the notion, “class”. But he hated capitalism and its negative impact on human society. In

“Hind Swaraj”, Gandhiji made it clear that if capitalism takes hold of the society, it affects all human attitudes and social realtions, to a great extent.

In his willingness to pre-empt the developments in political economy which occurred in subsequent European modernity Gandhiji comes closer not only to Marx but also to the Pre-Marxian radical thinkers like Gerradwinstanley.

Mr. Bilgrami says that liberalism and liberal politics have their own limitations. They cannot protect us from capitalism. We have to go beyond liberalism. He minces no words in rejecting the ideology of capitalism and suggests an alternative way forward for humanity. It is left-centric and socialistic in perspective. Bilgrami's writings and ideas on Marxism and Gandhi have produced new perspectives. His highly influential essay, “Gandhi, the philosopher” unearths the integrity in Gandhi's ideas. He is an instructive force in society. To Quote,

“Religion is not primarily a  
Matter of belief and doctrine,  
but about the sense of commu-  
nity and shared values”

### **Gandhi: The Philosopher**

Mr. Bilgrami wrote the essay, “Gandhi, the philosopher” over 20 years ago. He grew up in a secular Muslim home. In his youth, he had read almost everything Gandhi has written; including his speeches. He respected him, but he was a distant figure. By then, he had not read Gandhiji's autobiography yet. In the early 1990s, he read Gandhi more deeply and understood that he was a far more deeper and original thinker than any of his contemporaries. His thinking was strikingly independent. He discusses familiar issues from surprising angles. We could not see many of the things he said about politics as being independent of his abstract thought about human nature and experience, about moral values and about Truth. His political claims are on par with these notions. He integrated politics with high philosophy. That was why Mr. Bilgrami was struck by the integrity of ideas.

### **A mass leader leading a spiritual life**

Gandhiji was a mass-leader. Every section of the society was behind him while he was leading the national movement. But at the same time, he was leading a spiritual life and experimenting with spiritual practices. He names his autobiography, “My experiments with truth”. This virtue

is unique. Mr Bilgrami says that Gandhi's political successes have an interest for us, quite independent of his philosophy. His political actions were integrated with his philosophical ideas. That integrity is the main force in the appeal he had for the Indian masses who responded to his philosophy, rather than to his political skills.

Some people claim Gandhi to be an anti-political thinker. It is preposterous to think like that. Gandhi believed that what was bad in us can be corrected by good politics. All other commitments to rights, constitution etc flow from the most fundamental commitment of the political Enlightenment. Gandhi did not think that you could make human beings better by transforming them into citizens. He is one and only a philosopher with no serious interest in politics. Our interest in him is only in his political successes but not in his philosophy.

### **Modernity: Cognitive and cultural fall**

These days, modernity is being criticised as “instrumental rationality”, “Western Centric”, “anti-religious” etc. But it is a fact that modernity shaped and influenced us in all parts of the world. One cannot be anti-imperialist, without having been anti-modern. Imperialism is essential to capitalism which is an economic formation of modernity. Being an anti-imperialist is to be opposed to capitalism and that would ultimately mean being against modernity. It is this point that brought Gandhi and the left together. The left concentrated more on the economic structures of colonialism. But Gandhi opposed the cognitive and cultural fall out of capitalist modernity.

The terms used to describe modernity, by its critics are somewhat blunt, according to Mr. Bilgrami. For example, “Instrumental rationality” conveys the notion that we have made reason too focused on identifying and pursuing the most efficient means for the goals that have emerged in bourgeois society. It needs very careful attentiveness to define “instrumentalism. Gandhi understood this concept well. He opposes it like this.

“How and when did we transform  
The concept of the “world” as not merely  
A place to live in, but a place to  
master and control?”

The above question yields many connotations. He meant that we change the concept of nature to that of natural resources, the concept of human beings to that of citizens, of people to that of

populations, of knowledge to that of expertise etc. It is very difficult to answer this question. If these questions can be answered, the concepts of “means and ends” can be interpreted, in terms of anti instrumentalism.

The failure of modernity lies in the tension prevailing between the sloganised ideals of “Liberty” and “equality” when these two were articulated by the political enlightenment, the tension intensifies. Liberty generalized is spread over to the liberty of others, to enjoy the excellence of the productions if individual talent. At present, we have merit rises for salaried professionals, bonuses for bankers, endorsements for sportsmen, prizes for authors etc., in the name of individual liberty. At the same time this gives rise to tensions with aspirations to equity. Modernity's main political tradition developed its two great ideals of liberty and equality, so that they cannot be realised together.

Neither Marx nor Gandhi made these ideals central to their thought. Marx dismissed them as bourgeois ideals. Gandhi was completely indifferent to them. They both rejected these ideals, merely on account of the tension prevailing between them. They wanted something much more fundamental, much more human, much more permanent, than these ideals of Enlightenment modernity.

### **The Ideal of unalienated life**

Mr. Bilgrami's view is that the Marxist and Gandhian ideal of “Unalienated life will replace the modern liberal ideals of liberty and equality. But he does not mean that those ideal are irrelevant. He feels that they cannot be the notions any longer in liberal modernity. He quotes Thomas Kahn who had said that radical changes in the theory do not retain the old concepts but they change the subject. In a new framework, the old concepts are reconceptualised by them. They change the meaning but not the basic theory.

If we remove liberty and equality from the theoretical centre stage of European modernity and put on centre stage instead the ideal of an unalienated life then liberty and equality can be brought back; and inner tension between them can be removed. “Alienation” is relatively ambiguous term one should have a clear idea about what one seeks in seeking the ideal of an alienated life. Great thinkers like Rousseau, Marx and Gandhi viewed it as an anguish, a bye-product of modernity. In premodernity, alienation was not one of the defects and deprivations of premodern societies. Mr. Bilgrami projects them to be the necessary conditions for the achievement of “Unalienated life”. But it is not the one found in premodernity because it was not accompanied by liberty and equality.

The political Enlightenment and its legacy is massively shaped by liberal thought and ideals. Terms like 'modernity' and "Enlightenment" are self-contradictory terms.

### **Indian Philosophy**

Mr. Bilgrami opines that though there are different traditions like western, German, Chinese, Arabic, Indian etc, they deal with the same issues, in different conceptual idioms; in spite of their vocabularies and methods. He taught graduate seminars with his English, French and other colleagues on the political philosophies of Gandhi, Nehru, Iqbal etc great thinkers. In their collective discussions, they arrived at a common perspective, which would not have been possible, If different traditions of thought had not the same concept.

It is a fact that unlike the western societies, philosophy has not grown much as an academic discipline in India; moreover it has been neglected in India; though it is highly relevant and needed. Same is the case with some other social sciences. Mr. Bilgrami explains that in past the history of philosophy was more important than 'doing' it. The teachers of philosophy would quote Adi Sankara or other ancient philosophers, rather than expressing their own analysis. English philosophy on the other hand avoided this tendency completely; stressing on analysing concepts.

As far as philosophy is concerned in Indian academics, it has not been as popular as history and Economics. No one can deny this fact with the advent of globalization, social sciences lost the vocabulary and independence of thought. The curricular and ideological prejudices of western universities are imitated. That is why the history-oriented and value oriented approaches to the subjects deteriorated. This is the right time to consider philosophy in terms with social, political and economic issues that confront us. The globalised society brings pressure on social sciences causing their impoverishment but philosophy does not face this pressure.

Mr. Bilgrami concludes that Marx has shaped his thinking and provided a framework within which to think about politics and society. Gandhi too influenced his ideology to a great extent. A thorough understanding of their concepts will make the students of management education socially responsible in their career. The future business leaders will learn noble leadership qualities by studying them attentively.

### Call for Papers

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- Conclusion, Limitations and Recommendations
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- Tables, figures, etc. in their appropriate location in the paper (if applicable)
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