

Book Review

Editor's Note

Our policy is to review all books which are either sent to us or in our opinion are useful to our readers.

Vij, Madhu Vij and Swati Dhawan; *Merchant Banking and Financial Services*; 2018, 2nd Edition, McGraw Hill , Chennai, India pp. 568, Price ₹ 695

Merchant Banking and Financial Services is one the most sought after electives among finance students. This finance subject covers topics like Financial System, Markets and Services, Financial and Money Markets, Merchant Banking, Issue Management, Depository System and Broking Services/Stock Exchange. One of the most comprehensive coverage of this subject can be found in this book. Financial services firms have to understand the way insurance, banking and mutual funds are integrated at national and international level financial markets. Financial Services firm will have to be competitive and ahead of the learning curve to be able to succeed. Merchant bankers play a key role between company and investors especially after liberalisation and increasing globalisation. They provide the necessary link between the savers and entrepreneurs. One can learn about the significance of merchant banking and financial services in the economic development of India in this book. India remained protected during the global financial meltdown of 2008 because of prudent regulation, accounting standards and transparency in Indian markets. The second edition has covered newer areas like Basel III rules, Insolvency and Banking code 2016, and Digitalization in India and its impact on Financial Services.

The entire content has been divided into four sections with Part I provides an overview of the financial system in India. Focus has also been laid on the changing role and importance of financial system. Changing contours of Indian Banking sector has also been highlighted. Latest developments in equity and bond markets have been included in the chapter on Financial and Money markets. In-depth details of merchant banking and advisory services in India can be found in this book. Merchant bankers have been instrumental in providing a one stop solution to corporate interested in raising money from the primary security

markets. One can learn the nuances of IPOs, Bonus and Rights. Review of functioning of the depository participants like NDSL, CDSL and SHCIL have also been discussed. An overview of stock exchanges in India has also been provided. Discussion on demutualization, insider trading, algo trading and high frequency trading is very interesting.

Part II provides a vivid understanding of Financial Services. One can read about the latest developments in mutual fund sector. An interesting case on direct plan imitates real world scenario. One can also read about the role of the mutual fund sector in mobilisation of domestic savings in this section. Briefly authors have discussed insurance sector, micro-insurance, reinsurance, bancassurance and Health Insurance. One can learn about hedge funds, private equity and securitization deals in this section. One can also learn about the recent "Insolvency and Bankruptcy Code 2016". The growing significance of leasing and hire purchase has also been outlined. One can acquire skill that will enable readers to distinguish between hire purchase and instalment credit and Lease Finance and Term Loans. One can also learn to find the Net Present Value of a leasing transaction. This section ends with emphasis on growth, importance and challenges faced by non-banking financial companies (NBFCs) in India.

Part III focuses on advisory services in India. Importance and significance of Credit rating agencies and the procedure adopted by them for rating companies can also be learnt in this section. One can learn the rating methodology of SMERA, Brickwork's rating and Moody's rating. Rating process of CARE, ICRA and CRISIL can also be learnt. The challenges of financial crisis have also been outlined. Focus has been laid on framework of authorizing and settling a credit card transaction, working of credit cards and digitalization in India while discussing Consumer Finance. Key venture capital firms and the SEBI (Alternative Investment Funds) regulations, 2012 have also been discussed. One can also learn about Bill Discounting, Factoring and Forfaiting, Export Finance and letters of credit as a means of financing the working capital requirements.

Part IV is the final concluding section covering financial statement analysis of banks. One can learn to understand and interpret financial statements of banks and compare financial statement of two banks. The asset liability management models with focus on gap, duration, simulation and value at risk are very insightful. Detailed insights on how Interest rate Risk, Liquidity Risk, Funding Liquidity and Funding Liquidity Risk affect Indian banks can be found in this section. Basel accord and its impact on Indian Banks have also been discussed. Bankers will find this section very fruitful as they can learn ways and means of how banks can handle risk management. Mergers and Acquisitions and Leveraged buyouts have been very beautifully explained with the case study of Tata and Tetley. Cases on Vodafone-Hutchison Essar, Tata Steel-Corus, Tata Motors-Jaguar Land Rover are very interesting and insightful. Latest topics of microfinance like Priority Sector Certificates, Financial Inclusion Advisory Committee, Mudra and Peer-to-Peer Lending have also been covered. One can also analyse the latest statistics related to loan disbursements by top Micro Finance Institutions and Banks and Financial Institutions.

The book is well structured with learning objectives, opening case, summary and key terms. Group learning exercises and critical thinking exercises would enable students develop critical thinking. Various concepts, functions, regulatory issues and the contemporary developments in the industry have been provided in an easy to understand manner. Cases at the end of each chapter will prepare the students for real-world situations. The book is suitable for undergraduate and postgraduate courses at universities and other professional institutes. Students pursuing MBA, MCom, MBE and other postgraduate courses in Management and Economics will relish learning from this book. Students pursuing professional courses like CA, ICWA and CS would also learn a lot from reading this book. This is an excellent book for developing out of box thinking. I strongly recommend this book for students, researchers, teachers and practitioners.

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J.D. Agarwal

Kochhar, Sameer and Rohan Kochhar; *India 2030 : A Socio Economic paradigm*, Skoch Media Pvt Ltd., Delhi, India, pp. 483, Price ₹ 495

India 2030 is an collection of papers by a galaxy of eminent experts on different aspects of development as we move towards 2030. A world bank report submitted its report to the union rural development ministry in June 2019, evaluated the impact of flagship Pradhan Mantri Yojana (PMGSY) in three states—Himachal Pradesh, Madhya Pradesh and Rajasthan—based on data collected between 2009 and 2017. According to the report, rural road scheme has improved mobility, increased access to opportunities and boosted attendance of children in schools. It is also claimed that the number of babies delivered at home has come down substantially in areas connected through rural roads, a major improvement in the health sector. Improved road connectivity has “triggered a shift from farm to non-farm employment” and “women stepped out of the house to take care of their farms”, indicating better employment opportunities for the rural households. This report concluded that the entry of women was the main factor behind the employment connected habitations. This report assumed significance as prime minister Narendra Modi—led government had drawn criticism from some over rising joblessness in the country. After he assumed office for the second term, PM Modi had constituted a cabinet committee to tackle the issue of unemployment. The impact of better roads on employment had a relation with distance from urban centres. In places that are ten kilometres away from rural areas, employment “opportunity increased by 6%”. In education sector on an average, student in the middle and high schools has “0.7 more years of schooling in 2017”. PMGSY has changed the face of rural India along with schemes for housing cooking gas and national rural livelihood mission (a poverty alleviation programme).

Development has many dimensions. It has to be inclusive, sustainable (UN-20 points), reducing poverty, growth with equity, growth must be environmental friendly and so on. With rising population, changing

demographic distribution, coming decades will be crucial for India, to transit from a low income to an upper middle income country and then to become a high-income country. Economic development is the answer to our many socio-economic problems.

Today, BJP Government Mantra, “ Sabka Saath Sabka Vikas” – it is simply inclusive growth. Between 2009-2014, scams and slowing economy eroded the government credibility and the consequent policy paralysis undermined policy making and implementation. Corruption charges over 2G Spectrum allocation and Coal block allocation paralysed parliament proceedings. Narendra Modi (Good governance record in Gujarat) has made BJP’s Prime Ministerial candidate in 2013 (Position was no accident). Congress had no match to Modi’s star power, combined with his charisma, charm, clean public image with the appetite for change for good governance. Modi is known to focus on outcomes and social audit in his goal of good governance. Modi is known to focus on outcomes and social audit in his goal of good governance and economic prosperity. Modinomics : the economy, managing growth, agriculture, infrastructure, human capital, grassroots development and sustainability. These touched the lives of the poorest of the poor, the commonest of the common man and the richest of the rich. “Modi hai to mumkin hai” _____ “Sab ka Saath Sab ka Vikas”. Pradhan Mantri Jan Dhan Yojana, Pradhan Mantri Mudra Yojana, Beti Bachao, Beti Padhao Yojana, Digital India, Make in India, Smart Cities, Pradhan Mantri Awas Yojana, Deendayal Antyodaya Yojana and Ayushman Bharat, to name a few initiatives of Modi Government.

Today, our foreign exchange reserves are much higher than before. By October 2018, the reserves were US\$ 394.46 bn. However, Indian banking system is facing a crisis due to NPA’s (12.2% March 2019). Actual NPAs is much higher than this. Due to high NPAs Banks are reluctant in lending (almost stagnated). Capital outflows and the FDI slowdown contributed to the woes of the Indian Economy as noted by world investment report 2018. On the other hand, China had been capturing the Indian Markets in a big way for the last twenty years, utilizing the rules of the WTO. In fact, China has trade surplus with around 130 countries. This has led to huge unemployment in all these countries. China is using its surplus to capture the local industries and infrastructure in these countries. We do not want our infrastructure, industries and public health to be controlled by Chinese companies. Ashwini Mahajan in his paper made same observations, “While free trade is good in theory, its success depends on the honesty with which different countries practice it”. After adoption of protectionist policies by US government, other countries have to think of free trade. Free trade cannot be one sided. Manish Tiwari discussed the issue of deglobalization as it is being witnessed around the world. Author argued that deglobalization in the form of data localization and stoppage of cross border data flows is an antithesis to the spirit of globalization led growth. Internet base de-globalization is a new and interesting trend. It is very difficult to stop flows of data.

The policy tussle between the government and the banking regulator, the RBI, can be viewed from the angle of economic development Vs socio-economic development. Generally, regulators view policy from pure economic point of view, rather than a broad socio-economic one. Banking is assumed to be a profitable business, but then why time and again public

sector banks need capital infusion from public exchequer? What explains huge NPAs? The RBI's prompt corrective action for stressed bank appeared to be friction point between government and RBI in late 2018. In one of the papers, late S.S.Tarapore called for innovative thinking on handling the problem of financing the capital requirements of public sector banks and the government's majority ownership in them. Be it the NPAs or the PNB crisis, any negative spill over of the banking sector is a stain on RBI's oversight. A fundamental problem of Indian banking system is that, we cannot allow a commercial bank to fail (democratic framework). Poorly functioning banks are merged with other banks and the authorities end up bearing the cost. Thus, an attitude is to lend, loose and live. Urgent need is to change this attitude at the earliest.

Tamal Bandopadhyay, in his paper, focussed on NPAs problem of India's banking sector. Government usually resort to recapitalization. It had proven futile as public money has been wasted regularly for capital infusion in the vain hope of cleaning up the system. 'Why have not we instituted stringent norms for using taxpayer's money for such bailouts? Because, Government and Central bank hold that commercial banks are too important to fail. Thus, government has no choice but to depend on cash rich institutions like LIC and ONGC to bailout. The recurring bad debt crisis is as much a result of lack of corporate governance as it is of the capricious business cycles. PNB episode has clearly shown. Norms are openly flouted without fear. Haphazard policy making process coupled with weak enforcement architecture is a recipe for failure. In India, the real economy is four times bigger than the financial economy. There is huge need for banking sector reforms to support sustainable growth. There is need for greater consolidation and penetration. Mounting bad loans, poor accounting standards, tax supervision and recurring banking frauds highlight the need for overhauling of India's financial system. It is necessary to strengthen the RBI'S Regulatory capacity and enforcement muscle.

Rathin Roy talked about several issues related with Universal Basic Income (UBI) instrument of poverty alleviation, MGNREG's subsidies and the PDS and so on, UBI is simply "an income subsidy to the poor". UBI is to use taxation to alter income distribution created by market forces. State intervention reduces income inequality. In order to have inclusive growth in future, state will need to intervene continuously and massively. Nitin Gadkari, Minister for Road Transport and Highways, Shipping and Water Resources, River Development and Ganga Rejuvenation, in his paper, narrated about infrastructure financing and introduced the models that he started for financing of the NHAI as well as of major road projects. Mega projects like Bharatmala and Sagarmala, modern, access controlled expressways like the best in the world, preparing waterways as the alternative mode of transport bear testimony to a transport revolution rapidly unfolding on the Indian landscape. The Umbrella programme for the highways sectors that aims to optimize the efficiency of road traffic movement across the country by bridging critical infrastructure gaps.

Indira Rajaraman addressed the growth requirement to reach the targetted destination (GDP of target US\$ 2.6 trillion in FY18 to US\$ 10 trillion in FY 30), going from fiscal year 2017-18 to fiscal year 2029-2030, in her paper. Author investigated the trajectory of investment in the

Indian Economy. Physical capital formation cannot yield the desired growth dividend without equivalent human capital formation. A clear link between school learning and avenues of employability would improve incentives to learn.

Rana Kapoor, in his paper, argued that India is strongly positioned to sustain its growth as the world's fastest growing major economy. India is now being included in the \$ 5 trillion club and is well on its way towards becoming a \$ 10 trillion economy. With the adoption of right policy to create institutions, improvement in EoDB and job creation for talented youth India is transforming at an unprecedented pace, supported by a stable government, given strong reform and growth agenda of the government, with digital dividend, a capable private sector and energetic and visionary entrepreneur.

Deepender Singh Hooda in his paper, "India of our dreams in 2030", invoked Pandit Jawaharlal Nehru's, "Wipe Tear from every eye" goal, stated in his "Tryst with destiny" speech at the stroke of the midnight hour. Author questioned, will we be able to achieve this? Or, will we be able to provide mandatory minimum for every citizen? Author's thrust had been on socio-economic growth with socio equality. According to him, India's growth can be much better than it had been in the past and for that, politicians need to rise above politics and personal prejudice. We need to rethink our strategy to boost agricultural Income. We need to expand all food processing capabilities, to ensure value addition to our crops, fruits, vegetables and milk. The biggest challenge in rural areas is to shift rural youth to agri-services and rural manufacturing to expand avenues of non-farm rural employment. Improving the quality of education has to be accorded the topmost priority. Once we have resources, we may move towards Universal scholarship system. By 2030, along with opportunities for skilled and educated human resources, we must ensure access to quality healthcare to all Indians. Improved social and health indicators will lay strong foundation for bottom-up growth. There is urgent need to reskill our software professional in AI and Blockchain. We will fail if any Indian die of starvation in the World's sixth largest economy.

Ashima Goyal, in her paper, investigated monetary fiscal framework that can support high growth for India to become a \$10 trillion economy by 2030. The Fiscal Authority gives more weight to growth and monetary authority to inflation. With coordination each can act more effectively on the other's objective and vice-versa. Rules that could implement optimal macroeconomic policy co-ordination force a long-term perspective, yet retain flexibility. Balance, flexibility, understanding of context and constrained discretion are all required. The structure of the economy can be such that fiscal actions have a greater effect on the supply-side, while monetary actions affect demand more. Therefore, coordination becomes essential to achieve optimal outcomes, stresses the author. With over 65% of the population in working age of 15-59 years, giving India the longest window of opportunity to exploit its demographic dividend. The challenge in India as explained by Radhika Kapoor in her paper, is not just one of productively absorbing the new additions to labour force but also one of transferring masses of workers from disguise employment to full time employment in high productive activities. Where will these

productive jobs come from? According to the author, the answer lies in the manufacturing led growth. There are crucial lessons for India in China's success in the manufacturing sector. An effective industrial policy requires the efforts of both the central and state governments. Yet the role of central government is more important. Centre needs to formulate a trade policy that compliments and aligns with industrial policy. Alleviating the bottlenecks constraining the growth of the manufacturing sector will require co-ordinated action at multiple layers of government. Agricultural development is very crucial for manufacturing sector to develop and provide opportunities for employment and income.

K.G. Karmakar, in his paper, "Revitalizing Indian Agriculture: A farmer's action Wish-List", is of the opinion that some major initiatives are required to rejuvenate the agriculture sector. By using AI, ML and deep-learning, agricultural production can be enhanced. Author proposed a comprehensive Agriculture Improvement Framework which contains 70 eminently sensible, short, medium and long-term innovation and strategies to revitalize India's agriculture sector. "Energy, Security to Fuel Economy", authored by Gurusharan Dhaniyal, tackled the multiple challenges to the power sector and investigated the progress made by the reforms in the last 25 years. Author is of the opinion that thermal power has a lot o change in terms of network upgradation and technology induction. Government has announced that it will tender enough renewable energy projects over the next three years to surpass 200 GW of green capacity build by 2022 (PM's Climate Pledge).

Deepali Pant Joshi analyzed rural women's imperative for growth development and country's progress. Increasing agricultural productivity of small holdings, raising wage earning of women, is a direct route to addressing poverty and women empowerment. Naresh Chandra Saxena identified some crucial problem areas regarding social-economic in his paper, "What India must achieve by 2030 and how? Some of them are : promote Value Chain in agriculture, double the income of farmers by 2022, empower Women, re-skilling, generating employment, rental housing and night-shelters, rural toilets, pension, social spending, equitable inter-state transfer of funds and so on. The WCD involves itself in family welfare, justice and equality, economic and social empowerment of women, protection of women from domestic violence, dowry prohibition and protection from sexual harassment.

Wajahat Habibullah, in his paper, analysed the trends in socio-economic development of India's minority communities since independence. Author is of opinion that the fundamental rights of equality and equal opportunity have not been realized in the context of minorities in India. Education sector reform is an important area. For universalization of basic education , RTI Act was passed in 2009. Rohan Kochar, in his paper, analysed the elementary education policy of the government of India. According to him, elementary school system is still in poor condition. Author recommended that the government of India should mandate state governments to restructure state school education budget such that public expenditure on school infrastructure and public expenditure on teacher training receive a greater allocation of the total school education budget.

Soma Wadhwa and Devutty Ratnakaran analyzed a first of its kind career counselling programme launched by Delhi government in 2017 to map how girls student in class twelve plan their future, in their article. Authors opined that career counselling and guidance at school can help girls achieve their potential and be productive citizens of India.

Murugank Paranjape, in his paper, specified the agenda of development of India's commodity market. The national commodity derivatives market was created with the objectives of constructing a market driven solutions for price risk management and price discovery. The e-NAM, GST, regulation of warehousing sector, development of electronic warehouse receipt repositories, identifying measures for integration of spot and derivative markets for commodities etc. are some of the prominent policy and regulatory steps taken to empower development of India's commodity Market. Saurabh Chandra, in his paper, traced the history of oil as an instrument of geopolitics and wrote about the Nixon era, the stepping up of oil exploration in different countries, exploration of alternative energy sources and peaking of US production in the 1970's. Arvind Mayaram and Vivek Tyagi, in their paper, analyzed different parameters of financing sustainable infrastructure for achieving sustainable development goals (UN 2015) for enhanced inclusiveness shared prosperity by 2030. Investing in developing sustainable infrastructure is key to tackling with the three fundamental challenges faced by global community: Re-igniting growth trend, delivering on the SDGs, fighting and reducing Climate risk in line with the Paris Agreement. Multilateral and other DFIs can support countries and act as a catalyst towards sustainable infrastructure. However, a range of barriers must be tackled to raise the quantity and the quality of infrastructure investment.

Data is the backbone of today's digital economy. Studies worldwide indicated that data silos hurt economic interests. Data localization formed to key part of B.N.Srikrishna committee report released in July, 2018, on India's first data protection law. Navin Surya, assessing the payment and settlement Systems Bill 2018, said that the genesis of this proposed bill can be last trailed to the Ratan Watal Committee report on Digital payments framework. Author believed that, if this bill is implemented with some proposed changes, we might see a path towards a "less cash society" and 'growth much faster'. Morgan Stanley predicted that India's e-commerce sales will surge 10 fold to reach \$100 billion in 2020. The Digital India programme offers India a blueprint to make an epochal transition to a technology___ driven society. Rameesh Kailasam, in his paper, emphasised that start-ups are very crucial to India's economic and social growth. Not only it provides huge jobs to unemployed youth, but also livelihood across different strata of the society. Jayesh Ranjan in his article, "Telangana— The Start- up States of India, stated that it is imperative for the state to promote startups and emerging technologies to accelerate the growth of the state". T-Hub is a unique public private partnership between the government of Telangana, 3 of India's premier academic institutes (IIT-H, ISB & NALSAR) and key private sector leaders. T-Hub anchors the entire Telangana start up ecosystem with India's largest incubation building dedicated entirely to entrepreneurs, a state of the art 70,000 sq ft/ 800 seater building called catalyst. In order to ensure that

growth is equitable and not saturated towards any single demography or demographic, 5 incubation centres of 2500 sqft each across the state have been commissioned. Charan Singh analysed the changes and progress of financial inclusion till March 2018, in his paper. Financial inclusion focuses on raising the standard of living of the underprivileged people in the society with the objectives of making them self sufficient and well informed to take better financial decisions. In August 2014, GOI initiated PMJDY, aimed at ensuring universal access to financial services. In April 2015, Central government introduced Micro Units Development Refinance Agency (MUDRA) bank, to fund the unfunded in the country. There is need to focus on synergy between post-offices and ATMs. There is also need for regulating formal and informal financial institutions who are competing for collecting savings of rural people and offering Credit.

This book in all have twenty eight articles, divided into three sections. Each paper is dedicated to a vital topic that could affect India's socio-economic paradigm in 2030. Each paper is unique in its subject, content, direction, issues and level of importance in development phase. Sameer and Rohan both have done a very crucial and difficult task in bringing out such an excellent collection of papers at one place, in respect to: Economy, Infrastructure, Fiscal-Monetary Framework, De-globalization, Education, Manufacturing, Power, Commodities, Petroleum, Banking, Minorities, Agriculture, Financial Inclusion etc. Book is must for each academic library. This book is useful for students of Economics and Finance. Book is of great use for policymakers. I congratulate Sameer and Rohan for bringing out this book in the academic world. Last but not the least, I must thank its publisher "Skoch Media Pvt. Ltd" for bringing out this book in this shape and size and very light weight book to hold in one's hand.

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Manju Agarwal

Kumar, Sudhir; *INDIA : A US\$ 20 Trillion Economy ! by 2035-2040?*; 2019, Adhyyan Books, Delhi, India, pp. 278, Price ₹ 350

India has made enormous strides in the last 72 years of India's having regained independence. India enjoys a rich heritage, intense diverse cultural and socially rich setup. Economic growth and development in India, has been amongst the fastest in the world; social indicators for literacy, education enrollment, disease and mortality, and gender have steadily improved; and poverty has fallen since the mid-1970s. All this is despite having a population base of around 1.3 billion people, which had been growing at the given Hindu growth rate of 2.3% till 2010 and at 1.7% henceforth. India today stands to be the Youngest Nation globally with over 742 million people (71% of total population) below 35 years of age and over 65% of young working population (between 15-45 yrs of age). Various international agencies have forecasted India to be amongst the top three economic nations by 2020.

National Building is a process of bringing joy and prosperity to all “Vasudev Kutambkam”. We hope to achieve the dream vision pictured by our Honorable President (Late) APJ Abdul Kalam in his work “India 2020” and our Honourable Prime Minister Narendra Modi in his speeches since 2014. All this has been made possible only because of the dedicated and law abiding citizens of this great nation, who are the soldiers of the socio-economic growth and the vision of our leaders who are the pillars behind success of our sustained democratic progressive Bharat.

The author brings forth the fact that the Prime Minister Modi along with his team of some extremely competent ministers supported by 1.30 billion Indians has already laid a strong foundation and a resilient ecosystem in the form of a robust and structured formal economy framework with a tight fiscal discipline removing public paralysis and indecisiveness that prevailed in previous regimes and pursuing bold reforms with the latest technology intervention to sustain growth, micro and macro-economic parameter and delivered a spectacular performance in the last 4 years. He has a grand vision, will, clarity, capacity, decisiveness and a pragmatism to push it at a scale and the speed needed. The biggest contribution by the Prime Minister is that he brought a definite change in the mind-set, a behavioural change amongst the people of India where they are now enthusiastic towards honesty, positivity and willingly participating in governance and making a great contribution in Nation Building. The book by Sudhir is an attempt to facilitate efforts towards a strong and capable India 3.0 with a US\$ 20 Trillion economy by 2035-40, an ambitious mission but certainly achievable as pointed out by the author at various places. For this political will has already been demonstrated and now requires strong support from R&D institutions to continue this momentum by providing the science and technology interventions said DK Aswal (Director, National Physical Laboratory).

The book has covered the growth journey of India and the future prospects under 15 chapters with a focus beginning with India Transformed ! ; The Audit of National Asset’s Management & Monetisation Initiative (AAMMI or A2M2i) ; How to Get over NPAs ! ; 05 Base Point (A Must for India Smart City Mission); In-equality ; The India’s Cyber Security Defence Pursuit; Swachh Bharat Abhiyan (Clean India Initiative) - The game changing economic and Social Drive; An Analysis of Indian Economy post DeMo and GST? The Challenges & Recommendation ; The simultaneous Elections & Electoral Reforms? ;The recommendations for the Budget 2018 (India) ; A significant Boost to R&D & Black Money to the Finish ?; In-Equality & Privatisation?; Dis-investment is now an Answer ?; India’s Biggest ever Global Engagement at Davos! - A way ahead - India becoming US\$ 20 Trillion Economy by 2035-40. There is a special chapter on “Why Narendra Modi” at the end summarising as to how and why people of India have chosen the right man to achieve these targets to induce growth and sustained development for a bright India’s tomorrow.

The text by Sudhir, bring forth the challenges and opportunities which lie ahead of India (erstwhile Hindustan) in making the feeling of the golden bird “Sone ki Chidiya” in the hearts of all Indians in India and worldwide. The book is an indepth analytical review of policies and steps

undertaken by the Government in the right direction under the strong, apt and able leadership of our PM Narendra Modi. The book is highly relevant for policy makers and students of graduate and post graduate studies wanting to understand the seaface level of changes observed by India in a short span of last 4 years and what kind of task India is moving head for. Representatives of International agencies and MBA students would find the book of immense importance in furthering their work for growth in organisation and Nation Building.

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Yamini Agarwal

Makkar, Urvashi and Babita Bhati, *Digitization Innovation and Disruption : Keys to Achieving Global Competitiveness*; 2018, Bharti Publications, Delhi, India pp. 174, Price ₹ 880

Digital disruption is “an effect that changes the fundamental expectations and behaviours in a culture, market, industry or process that is caused by, or expressed through, digital capabilities, channels or assets”. Digital disruptions can be seen in marketing where customers prefer to shop online on Amazon or Flipkart rather than visiting brick and mortar stores. Shifting from DTH services to OTT platforms like Netflix, Hotstaretc is another example of digital disruption. The shift from local cab operators to Ola or uber has impacted the auto industry in a major way. The innovation of PCs or the shift to netbanking and ATMs has also changed the ways businesses operate. While some disruptions have a long term impact, while others like Pokemon Go, Orkut etc. have limited impact. Companies using Artificial intelligence, Blockchain or cloud computing are likely to have a greater impact on all businesses. Many companies which were part of Fortune 500 a decade ago are no longer part of it now. This clearly shows how the business models have changed. Survival and existence of firms depends upon how quickly they can innovate and create new products and services which are going to be liked by the customers.

This edited book focusses on “Reinventing Marketing in the Digital Era; Allied Management Practices in the Digital Age and Technology Driven Evolution of Financial Management Practices”. Kumar has focussed on how “Deal of the Day” acts as a motivational factor for online shopping. Hassan with the help of a case study on Starbuck’s shows the opportunities and challenges of Multinational corporations in India. Maurya has explained how online reviews are impacting the business for creating brand value. Srivastava and Joshi discuss how e-commerce, developed logistics and use of information technology is adding to enhanced customer experiences.

While discussing allied management practices in the digital age, Gupta, Gupta and Rana lay attention on competency management based approach in Auto industry in NCR. Suryanarayan discusses the rule of HR in leadership development. Disruptive leadership followed in some leaders like Steve Jobs, Narayan Murthy etc. have created a much larger

gap. New leadership positions like Chief Technology officer have also emerged. Kushwaha's work discusses the concept of a common kernel that can support both Linux and Windows system calls. It is extremely complex to develop such an executable format. Gaur has tried to identify that if Start-ups in India have made a shift from conventional to modern ways of financing. Dubey has mapped the technology trajectory of business along with providing a historical perspective. The paper provides a way to link technology development with future business applications. Gupta, Gupta and Kumar find that technology helps in offering newer products and services to customers. Customers benefit by easy accessibility and cost savings. Akhauri while discussing Power Company has tried to analyse the role of performance management system on employee engagement.

Panda feels that through financial inclusion we can fuel economic growth and the growth achieved henceforth will be inclusive. Financial inclusion will lead to greater economic activity and better opportunities for employment. It is through financial inclusion that the gap between rich and poor or the urban rural divide can be decreased. Fabrizio discusses conditional beta CAPM. Results have also been compared with traditional CAPM. Further research has been carried out by Fabrizio and Raffaele who have provided an innovative approach of analysis using Kernel Regression and Lp-norm Regression models. Mahapatra, Patra and Mohanty have analysed the impact of Insolvency and Bankruptcy code. Verma and Kumar discuss IPO Grading and consequent long run performance with the help of review of literature.

This is an excellent book consisting of a collection of research work on Digital Marketing, Digital Management and Fintech. The book is recommended as a reference reading by researchers, Professors and students of Management, Commerce, Economics and Finance.

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Saurabh Agarwal

Thaler, Richard H. and Cass R. Sunstein; *Nudge : Improving Decisions about Health, Wealth and Happiness*; Penguin Books, Delhi, India, pp. 396, Price ₹ 499 or GBP 9.99

Thaler received the 2017 Nobel Prize for his contribution towards the field of Economics and it is the first time that a Behavioural Economist has been awarded a Nobel Prize. This book gives a fine insight into Thaler's work in the field of Economics. It talks about how small changes or what are referred to as 'nudges' can influence human decisions and behaviour. These small changes in behaviour could lead to big benefits. The power of these nudges lies in directing people's attention in a particular direction. In explaining their concept. Thaler and Sunstein have taken help of some really amusing real life studies and applications. They have brought in some novel concepts such as 'Choice Architecture', 'Libertarian Paternalism', 'Econs', etc. And give the readers a very informative as well as novel reading experience.

Choice Architecture revolves around the concept of designing products and services in such a way so that the default choices around these products or services are always more beneficial to the end consumer. Since the choosers are humans, so the designers should try to make their decision process as simple as possible. Libertarian Paternalism, though a paradoxical term is very interesting in the context of 'Nudges'. The word Libertarian more or less means the freedom of choice as it comes from the word liberty. Thaler and Sunstein explain Libertarian Paternalism as 'Liberty preserving'. A more succinct explanation would be that choice architects preserve the freedom of choice of the people and do not burden them with their choices but at the same time try to influence people's behaviour in order to make their lives longer, healthier and better. The term 'Paternalistic' sounds a bit overbearing and hence the authors have laid considerable stress on explaining that 'a policy is paternalistic if it tries to influence choices in such a way that will make choosers better off, as judged by themselves' which means that the decision makers (choice architects) will make better decisions than them. However, these choice architects will never impose a choice or make it burdensome. They will only give a 'nudge'.

Thaler and Sunstein further go on to explain the reason why nudges are required. They explain that human beings though, considered rational do not always make rational choice/decisions. By rational, one means that always make optimal choices. For example, though everyone knows that smoking can result in lot of health issues, lot of people smoke. If human beings were really rational, no one would smoke. But it is because of this irrational trait which demarcates humans from what Thaler and Sunstein call Econs. An Econ is a perfectly rational human (almost impossible to find). But humans are actually not what one might define as always economically rational. Since, humans might at times make decisions which are not in their best interests or sub optimal, 'Nudges' might help most of them veer towards economic rationality. Rationality does not refer to always making the right choices; rather it refers to making unbiased choices. It is interesting to note that Econs are only driven by incentives like if the price of sugar increases Econs will consume less sugar. However, humans do not behave thus. It is not that humans are not influenced by incentives, but they are also influenced by nudges. For example, a little message written on the packet of sugar which indicates a direct correlation between sugar consumption and obesity/health issues, might also influence humans to consume less sugar besides the rise in price. Hence, nudges which can be designed by choice architects using Libertarian Paternalism can help humans make better choices and help solve a variety of societal problems; all this can be achieved while still retaining people's freedom to choose.

The book starts with the authors trying to explain the complexities of the human psychological process. They throw light on two types of processes of the human mind, i.e. the Automatic processes and the Reflective processes. They go on to explain problems with certain automatic systems like rules of thumb and biases. They bring out the problems of human fallibility due to biases such as anchoring bias, status quo bias,

over optimism and confidence, framing bias etc. And how these biases can affect predictions and behaviour wrongly. They prepare the background on which further concepts of the book can be brought forward. The concept of Dynamic inconsistency (preferring A to B at one time point and B to A at a later time point) is discussed along with mindless choosing and self-control strategies. They bring out that most people have a propensity to follow herd mentality and make certain decision without proper thought (example stock selections). The role of choice architecture in making correct decisions with respect to taxes, non-drinking and priming is elaborated in this part.

A very important part of the book is focussed on when people need nudges. It has been observed that at times people make sound decisions which lead to fabulous results and at times they make rather silly ones. Hence the pertinent question is why? Thaler and Sunstein explain that when the decisions are difficult and the benefits accrue later than the costs, people would probably need nudging to make the correct/ optimal choice. Some decisions in life are crucial and cannot be frequently repeated (for example selecting one's retirement plan). Nudges would probably be required for them too. Decisions where the feedback system is not fast or adequate would also require choice architecture to help people make decisions. Choice architecture and nudges would also be required where people are not sure about the choices that they have. When people are ill informed or not aware of the best alternative for them, they would do well with nudges. Questions such as 'Why do most people not find insurance products attractive?' are also discussed. A whole chapter in the book is dedicated to choice Architecture. The discussion starts with some examples of design of everyday goods such as door handles, colours and what they would normally portray, how wrong design could lead to confusion even if one were using the same gadgets on a day to day basis (one example was the linear arrangement of gas knobs which would actually control two burners at the front of the stove and two behind). The authors go on to explain that if one indirectly influences the choices that others make, then he/she is a choice architect. Since, these choices are going to be made by humans, choice architects should be well aware of how humans behave. Succinct and interesting (at times extremely hilarious) examples bring out a few distinct situations where choice architecture could be very helpful. Choice architecture can be used to structure complex choices and make the decision process simpler; it can be used where it is expected that the person will make an error if not prompted otherwise (example forgetting to collect the ATM card from the machine after use), where feedback systems are required-example - how many calories are burned after a 30 minute workout etc.

The second part of the book focuses on the most interesting and also most important use cases of nudges and choice architecture. Since, most of human life is spent obsessing and striving towards money and earnings, Thaler and Sunstein have focused some very important chapters on investments and savings, loans and credit and the common mistakes that people make around money. Since, both the authors are renowned

economists, it was expected, that the book would sooner than later veer towards economics and money ! They bring out interesting , thought provoking and seemingly simple mistakes that people make all the time which could be easily rectified by simple nudges. They have written a good chapter on social security since, that is a very important part of the fabric of the American life post retirement (now needed globally). As one can fathom, making optimal choices with respect to investments, savings, loans, credit cards, insurance plans are by no measure simple. Even the most educated people, such as doctors or scientists may make the most illiterate choices as far as the above mentioned matters are concerned. Here, the authors make a very prolific remark, as they write. "it is usually good to provide people in the right directions".

The third part of the book is on the use of nudges and choice architecture on society. They start the discussion with a chapter on prescription drugs. They talk about the design of the medicare system in the USA. They bring out the shocking fact that even though healthcare for the low income groups was heavily subsidized, not lot of people enrolled in the healthcare programme and hence never got the benefits of these subsidies. They bring out how choice architecture can make a difference to the enrolment rate. I would like to mention that an international reader would feel a little lost in this part of the book since it is very USA specific. One chapter is devoted to organ donations and how the rates of organ donation can be made more efficient. The use of nudges is also brought out in helping to save the planet.

An important part of the book have been devoted to the social system of marriage. The Institution of marriage is extremely important; as it not only has long lasting social effects, but also leave indelible financial consequences for the partners concerned. Thaler and Sunstein have laid down some very though provoking concepts about the restructuring the whole institution of marriage in a manner which would make the after marriage or after divorce life of the partners easier. They have some delightful insights on making married life more blissful by bringing out the concept of making marriage a private affair !

The last part of the book is a general section on the various uses of choice architecture and nudges in several important aspects of life such as charities, taxes, trying to give up vices such as smoking, gambling or alcoholism, wearing of helmets and several others.

I really appreciate the author's efforts in bringing out such a comprehensive literature on the use cases of nudges and choice architecture. Unlike other books written by serious economists, this book can be understood and applied by common people in their everyday lives. I think, that the beauty of the great theory lies in how general and wide spread its applications could be. I think this has been achieved beautifully by Thaler and Sunstein. The sincerity and profundity of their work is made apparent by the fact that in the last chapter of the book, they themselves have listed out the objections to their theories and have tried to give reasonable explanations to these objections.

In the final part of the book, they talk of a possible 'real third way' of doing things wherein the officials of public organizations can nudge people in directions that will make their lives better while also insisting that the choice that they are making is for the good of the individual and not the state.

"Nudge" is all in all a very insightful book which slowly and steadily takes the reader through all the important decisions that a common man would encounter in his / her life. They discuss how things are currently usually done and point out certain common mistakes that people make due to lack of information, laziness, too many choices, tedious processes and sometimes oversight. Then a discussion on how choice architecture and small nudges could make huge differences in the outcomes have been discussed for almost all these major decisions. It is a gripping book, written by two of the brightest minds in the field of behavioural economics ! It is a must read for teachers of economics and behavioural finance.

This is a must for all academic libraries. This book will be of great use to students of economics, political science and finance. This book can be of great use to policy framers. Certainly, a book for all. I must thank , the publisher "Penguin Books" for bringing out a book - which is very light , easy to handle and looks like a novel , priced very reasonable. Cover page of the book will give a "nudge" to anyone to pickup and must read. Book would be a proud possession for the reader.

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