

## BOOSTING TOY INDUSTRY

The present Government has brought in a number of major reformations in every sector, right from healthcare to space technology. At present, there is no sector, in which the transformative measures taken by the Government have not been implemented. The further point of satisfaction is that besides introducing various new scientific advancements, the Government has always advocated for supporting the country-made products through several schemes, so that dependency on other nations can be reduced and the country can become self-dependent in every aspect, as the same will not only save a huge amount of Government exchequer but will also boost the economy to a major extent. It is only due to such proactive initiatives of the Government that at present, the country has improved its ranking and standing proudly as 5th largest economy of the world, surpassing a number of nations. Prime Minister, Narendra Modi, during his Mann Ki Baat broadcast in August 2020, expressed a desire to establish India as a global toy manufacturing hub and to strengthen domestic designing and manufacturing capabilities. The Toy Industry in India has historically been import dependent. Lack of raw-material, technology, design capability etc. led to huge imports of Toys and its components. In 2018-19, Toys worth USD 371 Mn (Rs. 2960 cr.) were imported into our country. A large proportion of these toys were unsafe, substandard, counterfeit, and cheap. To address the import of low-quality and hazardous toys and to enhance domestic manufacturing of toys, several strategic interventions have been taken by government. Some key initiatives include increase of Basic Custom Duty from 20 per cent to 60 per cent, implementation of Quality Control Order, mandatory sample testing of imported toys, granting more than 850 BIS licenses to domestic toy manufacturers, development of toy clusters etc. Several promotional initiatives including The India Toy Fair 2021, Toyecathon 2021, Toy Business League 2022 were conducted to promote indigenous toys to encourage innovation and new-age design to suit global requirements. Complimented by sincere efforts of domestic toy manufacturers, the growth of Indian Toy industry has been remarkable in less than 2 years despite COVID-19 pandemic. The import of toys in FY 21-22 have reduced by 70 per cent to USD 110 Mn (Rs. 877.8 cr.). There has also been a distinct improvement in quality of toys in domestic market. Simultaneously, the efforts of the industry have led to an export of 326 Mn USD (Rs. 2601.5 cr.) of toys in FY21-22, which is an increase of over 61 per cent over 202 Mn USD (Rs. 1612 cr.) of FY18-19. India's export of toys registered tremendous growth of 636 per cent in April-August 2022 over the same period in 2013. There are several trends that mark a shift in Indian manufacturing, which includes increase in domestic value addition & local sourcing, a greater focus on R & D, innovation and sustainability measures. The Make in India initiative has been striving to ensure that the business ecosystem in the nation is conducive for investors doing business in India and contributing to growth and development of the Nation. This has been done through a range of reforms that has led to increased investment inflows as well as economic growth. With this initiative at the forefront, the businesses in India are aiming that the products that are 'Made in India' are also 'Made for the World,' adhering to global standards of quality.



## Are We Using Our Time Wisely?

As we look at our lives, we find that there are many activities and priorities that draw our attention during the day. Some among us are focused on tending to the needs of the body, others focus on building a career and livelihood, many others spend their time on activities of the outer world. In whatever way we spend our time, one thing is for sure. We each have only 24 hours in a day, and how we spend that time determines how successful we are in fulfilling the purpose for which we have been given this human existence. Rather than remaining focused on activities that bring us only material gain, which we will leave behind when we leave this world. In our quest to fulfil our obligations and to find happiness and comfort in this world, we become too entrenched in worldly activities, spending much of our waking hours focused on them, at the expense of more important tasks. Ironically, when we get caught up in these activities in the pursuit of future gains, we are in fact allowing ourselves to be owned by these activities. We become the owned rather than the owner.

Every moment of every day, time is just ticking away. Of the twenty-four hours in a day, we may allot a certain number to sleep, a few hours to tending to the needs of our bodies, a few more hours to work and activities to fulfil our worldly obligations. This leaves, at the end of the day, only a handful of hours that are available to us to put to good use so that we can progress spiritually. Time

—San Rajinder Singh Ji Maharaj

## J&amp;K Bank - A Jewel in the Crown

■ ANIL DEEP MEHTA

Founded on October 1, 1938 by the then Maharaja of Jammu & Kashmir, Maharaja Hari Singh, J&K Bank commenced banking business on July 4, 1939. J&K Bank is defined as a government company as per provisions of Indian Companies Act 2013. Post-independence, the two branches of the Bank out of 10 branches viz. Muzaffarabad, Rawalakot and Mirpur (now PAK) fell to the other side of the Line of Control along with cash and other assets. In 1971, the bank acquired the status of a Scheduled bank and was declared an 'A' class bank by Reserve Bank of India in 1976. J&K Bank is the scheduled commercial and one of oldest private sector banks in India and as a state-owned bank in the country. The bank's equity is held by Governments of UTs of Jammu and Kashmir and Ladakh (distributed after bifurcation of UTs of Jammu and Kashmir and Ladakh from erstwhile J&K State) and also by public. The participating percentage of equity as on last audited annual financials ending March 2022 is, Promoters: 70.12 per cent, FII: 00.71 per cent, Mutual Funds: 00.21 per cent and others: 28.96 per cent

The shares of the bank are listed in the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). J&K Bank is also sponsor bank for J&K Grameen Bank with a share holding of 35 per cent engaged in providing all kinds of financial services in UT of J&K and Ladakh. J&K Grameen Bank was established on June 30, 2009, and is functioning in 11 districts in the Union Territory of Jammu & Kashmir and 2 districts in UT of Ladakh. Bank provides investment & stock broking through its wholly owned subsidiary JKB Financial Services Limited (JKBFSL) and under bank assurance has tie up with reputed companies for life as well as for non-life insurance. The bank celebrated its platinum jubilee in 2013 and in this October it will be completing 84 years of existence. In July 2020, the bank figured among the top 4 banks in India in achieving targets in digital payments, contributing towards Digital India mission. The bank has its branches all across the country covering length and breadth of the country except north-east region, where it has not yet made any foray. It has precisely 2384 touch points as on March 2022 comprising of 980 branches, 1404 ATMs. Out of these 980 BUs, 820 are operating in the Union Territory of Jammu & Kashmir, 36 in Union Territory of Ladakh and 124 are operating outside the UTs of J&K and Ladakh. Bank has 77 Easy Banking Units (EBUs) in UT of J&K and Ladakh out of which 35 EBUs are operating in UT of Ladakh. From a stature of a regional bank it has assumed the status of old age private sector bank. It has emerged as a leading institute / premium brand of J&K and Ladakh and is fulfilling UT government's developmental plans, whether it is financial inclusion or poverty elevation programs. The data of UTIBC (Union Territory Level Bankers' Committee) will vouch that bank is the highest achiever of annual action plan targets persistently for so many years and business wise possesses monopolistic share of total banking business registered by all banks in a financial year in J&K and Ladakh. It continues to be the major financial player in these territories with market share of 64 per cent in J&K and 58 per cent in Ladakh, which though has decreased compared to near 70 per cent few years back in erstwhile state of J&K. Out of total credit exposure bank has share of 56 per cent in J&K and Ladakh and 44 per cent in rest of India. The core strength of the bank is resilience which has made it withstand the ordeals occurred one after the other either by wrath of God or by disturbances on account of unrest. The bank has passed

through the challenges caused sequentially first by floods in the valley due to spread of coronavirus (COVID-19) and various other reasons. The bank has always come to the forefront as a savior of sinking business activities because of aforementioned factors and kept the hopes and businesses afloat by providing timely help. No surprises then that in UTs of J&K and Ladakh J&K Bank enjoys trust of maximum banking population and has a major share in all banking business and has a customer base of 2 crore approx. The tree which bears the maximum fruit receives maximum stones and J&K Bank was no exception. Being single most performer within territories of J&K and Ladakh it's working was watched minutely by the stakeholders and media alike and lot of decisions taken by it were criticized in print as well as in social media. The performance of the bank came into close scrutiny particularly for the decisions taken during the period starting October 2016 up to June 2019. The Bank has been allegedly accused on multiple occasions of un-accountability and resultantly lost the trust of the major stakeholder which not only resulted into unholly sacking of the then Chairman and CEO but also opened floodgates of investigation by various outside agencies. Since certain issues are under the scrutiny of the courts and thus will not be appropriate to comment on their relative merits. Apart from the incumbent boss lot of staff was also investigated having cascading effect which resulted into casting an element of fear in the psyche of staff and majority of the operation resources started taking extreme caution even for simplest of transactions. It is a fact that banking is a job of taking decisions, which entail risks, and if a decision goes adverse does not necessarily imply that there is some malafide. The investigations were ripple effect of the actions of the top echelon of power and had the incumbent boss resigned on-time, on knowing the displeasure of all stakeholders, the ire probably would have not fallen on the staff down the line. The data performance parameters discussed somewhere down in the article will reveal the effect caused by the unfortunate raids and investigations. This notoriety also gets mention in Wikipedia's brief description about the bank. In my personal opinion the aforementioned period goes down as the darkest period in the annals of the bank and also in the memory of our generation. But J&K Bank has over the years made its presence felt across length and breadth of the country and also by dint of its persistent performance emerged as most preferred bank in UTs of Jammu & Kashmir and Ladakh and now considered as the premier institute of this geography notwithstanding negativity spread by some vested interests. The bank has acquired the position because of excellent human capital it possesses. The staff of the bank is one of the finest in the industry which can be judged from the fact that the new age private sector banks consider it imperative to poach on to the existing staff in order to hold foot in this territory. Not only they save training cost on poaching on to trained staff of JK Bank but also get business referrals in the bargain. While posted in rest of India branches the staff performs as ambassadors and achieves desired results for the bank.

Deposits: The journey for the last 5 years reveals that position on deposits have remained commensurate with industry trend and growth trajectory is by and large satisfactory i.e., grown at compounded annual growth rate (CAGR) of 8.75 per cent approximately. Off late bank has almost surplus funds of more than Rs 5000 to Rs 8000 crore and thus it has as a matter of strategy focusing on retail deposit and discouraging corporate and/or inter-bank deposits. CASA deposits, which are primarily low cost deposits

comprising of balances held in saving and current deposit accounts, have resultantly increased, which is considered as position of strength is banking parlance. CASA deposit at 57 per cent probably is best in the banking industry, second only to newly entrant Kodak Mahindra Bank.

Advances: From the data above it can be seen that advances (primarily loans expended) has grown by 16.44 per cent in FY 2018-19 but became casualty thereafter pursuant to unfavorable events and surge of investigation of staff by outside investigative agencies and negative news spread against the bank. The portfolio grew by CAGR of 5.50 per cent only. Since bank's primary job is to lend the lukewarm performance of the bank, which was on certain occasions less than the national average, is a consequential effect of mental blocks and fear the ground staff has gone through. Still on minute study the picture does not look very gloomy as growth in hinterland was more than 12 per cent but was been bogged down by performance in rest of India. Bank has accordingly revisited its strategy and has embarked on new initiatives and structural changes ostensibly to boost its business in rest of India. The scope of further dispensation is large, particularly in Jammu where huge investment is expected pursuant to announcement of industrial package and incentives by UT of J&K. The performance of J&K Bank though is appreciable in priority sector lending where CAGR of 11.50 per cent is observed and for the last three persistently meeting and surpassing the 40 per cent target prescribed by RBI for all banks. Bank's achievement has been excellent in sponsored cases and has been praised in UTIBC meetings for its performance remaining better than all other banks in UTs of J&K and Ladakh.

CD Ratio: CD ratio in percentage gives us an idea how much money is given in loans for every Rs.100 rupees of deposit received. Higher CD ratio is considered as depositors money put to constructive use. J&K Bank has CD ratio of 73.93 per cent in FY 2018-19 but in subsequent years it decreased continually on year to year basis. The CD ratio of the bank was at 61.37 per cent as on March 2022. The decline in ratio over the years infers that advances have not grown in proportion to growth rate in deposits. Bank has identified niche area where fresh dispensation can be made and pursuing that it has modified most of its advances products to make them conducive to the demand emanating from the market.

Non Performing Assets: Non Performing Asset (NPA) is a asset, largely loans, which has stopped performing and thus categorized as non-performing asset and the interest applied on that asset, though recoverable, yet is not taken into profit till the time NPAs status remains and which is also reckoned as an important parameter in assessing the strength and performance of any bank. Banking sector having gone through the worst phase throughout the country also affected J&K and NPAs has remained a bigger challenge for it all through these years. The Gross NPAs and Net NPAs however have reduced a bit yet lot of effort is required in this critical area. Reduction in NPA will directly result in generation of revenue and improvement of bottom line (profit) of the Bank. Lot of rumors have been spread, which have no base, thus official declaration should be relied on than on the rumor mongers.

Provisioning Coverage Ratio (PCR): PCR is a

provision, prescribed by RBI, which is a cushion

created against the bad debts/NPAs from the profits of the bank just in case in worst case scenario the bank have to fall back upon. It is an insulation against the shocks bad debts can cause to a bank. The per centage denotes the extent the provision is created against the bad debts. Bank's PCR at 84.26 per cent as on 31st

March 2022 is one of the best in the industry and reveals the preparedness and strength of the bank for NPAs. More recovery in bad debts will unlock the more provision and will result into boosting of profit.

Profit: The net difference between the interest earned from loans and advances and interest dispensed on deposits gives the net profit. J&K Bank after recovering from mammoth loss of Rs 1632.29 crore in FY 2016-19 registered profit in subsequent financial years 2017-18 and 2018-19. Bank again has to suffer loss of Rs 1139.41 crore in FY 2019-20 because of downgrading of loans and spurt increase in GNPA to 11.91 per cent from 9.39 per cent from the corresponding previous year. But with sustained efforts bank is in profit for the last two financial years and has registered a net profit of Rs 502 crore as on March, 2022. With bank having registered net profit of Rs 165.97 crore in first quarter the annual profit is expected to be more than Rs 700 crore in the ensuing financial year.

Cost to Income Ratio: This ratio thrives up an idea how much cost bank incurs against the income earned by it and is a very important parameter in assessment of any bank's performance. This ratio in J&K Bank has been on continuous rise and has been a matter of great concern. The ratio which was at 58.95 per cent in FY 2017-18 rose to 64.14 per cent in FY 2019-20 and exorbitantly to 76.57 per cent in FY 2021-22. Sudden spurt can be attributed to fresh recruitment bank has made in the last financial year and also revision in salary in banking industry. Major component of cost is establishment cost incurred on staff and is more or less a fixed component and has to be made even the institute is in red. Only alternative available to cut unnecessary cost and improve the income. Realizing and understanding this aspect bank has devolved on a policy where need to increase the interest income, by focus increase in credit portfolio, and also efforts to increase non-interest income and other income.

Return on Assets: The ratio is an indicator how much profitable is bank against all the assets deployed by it. Commensurate to journey of other vital parameters return on assets has moved up and down intermittently. But the ratio is continually improving for the last two financial years on improvement of overall business of the bank. The above explanation clearly reveals that J&K Bank has stronger parameters, exhibits strength and is safely placed. It is poised to achieve total business of Rs 2.22 lakh crore, earmarked by it in ensuing FY 2022-23. With the structural changes and revisiting of working model the bank has already made bold but prudent moves which by persistent follow up will definitely give rich dividends. Chief Secretary UT of J&K while inaugurating multiple J&K Bank initiatives under Azadi Ka Amrit Mahotsav praised the bank for doing well in very difficult times and urged the bank to keep the spirit of being the best and emotional connect with the people of J&K intact. He asked the bank to gear-up to capitalize on the huge upcoming business opportunities available in the UT and expecting to grow together wished the bank a great future. The confidence of the top bureaucrat speaks volume on strategic importance of J&K Bank and the future which it beholds. Setting aside all the mis-informations surrounded by rumor mongers and vested interests J&K Bank is beyond doubt a functional marvel of J&K. It must embark on the growth path designed for it by the destiny and justify the adage fits suitably to its stature-A Jewel In The Crown.

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## Impact of global warming on agricultural production

■ PROF DR R D GUPTA

Agricultural production is a function of climate, which is, now itself in unpredictable condition due to 'Global Warming' effect, so the agricultural Production of various crops will be affected badly. It is not only agricultural crops but the production of fruits and vegetables will also be influenced by the change of climate. Climate variability, in fact, has a great input on agricultural productivity both it's magnitude and stability than does climate change. Extremes in weather rather than averages affect agriculture sector considerably. Both crops and livestock are very sensitive to weather over relatively short periods of time. Annual average of temperature and rainfall do not convey short time deficiencies. Such deficiencies have great impact both on the volume and stability of food output. The history shows that for the food crops production, warming is better than cooling. However, too much warmth is quite injurious to the functioning of normal growth and development of the crops. Off all the natural climatic hazards, drought is that which hits the yield of many crops, particularly in dry land/rain-fed agriculture. Drought situation, for instance, were observed in many parts of India since 1998 to 2003 due to monsoon failures. Because of paucity of water or moisture in soils many farmers of Kandi belt of J&K, Himachal Pradesh, Uttarakhand, Punjab and Haryana could not see their crops during Kharif. A report by Scientists from 23 countries found that warming of the earth due to 'Global Warming' would reduce agricultural production in many developing countries, especially those belonging to the third world. The Scientists have found that production of wheat, rice, soybeans and maize would be more seriously damaged as temperature would rise. By the middle of the 21st Century there would be increase in atmospheric temperature to an extent of 1.5 to 4.0 degree Celsius if emissions of the gases that are trapping heat on the Earth are not curbed. At 4 degree Celsius level, production of cereals would be reduced to the order of 9 to 11 percent in the developing countries. However, in the developed countries farm production would generally increase if the Earth warms. This would happen for two reasons. Firstly the higher temperature would permit crops to be grown further north in the temperate zones and growing seasons would be lengthened. Secondly when warming would occur, the developed countries can take up large scale adaptive measures because of having much more resources to their credits for tackling such situation. The impact of rising levels of atmospheric carbon dioxide with respect to the agricultural production is narrated here under: Elevated levels of atmospheric carbon dioxide have a decidedly beneficial effect on crop production through an enhancement of photosynthetic capacity and an increase in water use efficiency. Arrhenius (1896), the first author for describing the concept of "Global Warming", suggested it possibilities over 100 years ago. He favoured the view that slow warming without doubling of the Earth's atmospheric CO<sub>2</sub> would result better living conditions and higher crop yields. Concerning with the changes in levels of atmospheric carbon dioxide, there are some well known facts. First, there is a documented increase. The isolated Test site at Mauna Loa in Hawaii shows more than a 12 percent increase in the mean and really Concentration from 316 PPM (by volume of dry air) during 1959 which at present is 370 PPM. The current annual rate of increase is about 1.6 PPM. Carbon dioxide source sink models predict that the current level of atmospheric CO<sub>2</sub> will be doubled by the latter part of the twenty first Century (Wittwer, 1998). This was also supported by the scientists of Ohio State University, USA (Anonymous, 2002) according to whom the CO<sub>2</sub> levels would become double by the end of twenty first Century. Second there is increase in truly global. The earth's atmosphere is very effective in dispensing emissions from whatever the source, be it natural or manmade. Third, with the average level of CO<sub>2</sub> rising there is an annual oscillation of the Earth's atmospheric CO<sub>2</sub>. The atmospheric CO<sub>2</sub> level begins to fall in the spring and continues through the summer months. In the late autumn, there is resurgence of CO<sub>2</sub> into the atmosphere. This results in new heights by mid winter. With an amplitude increasing by about 1.66 PPM each year, it seems that concentration amount of Earth's biomass is either increasing or is steady. A new study revealed that rising level of CO<sub>2</sub> in the atmosphere could be a boon for agricultural crops, as this green house gas helps crop plants to grow and reproduce more (Anonymous, 2002). But this boon comes with a price, says Peter Curtis a professor of evolution, ecology and organismal biology at Ohio State University (USA) as greater growth and reproduction may hurt the nutritional value of crops. According to Curtis, while crops may be more productive, but the resulting produce will be of lower nutritional quality. Nutritional quality decreases because when the plant yield more seeds under higher CO<sub>2</sub> levels, the seeds contain less nitrogen. Less nitrogen means less protein as the former is a critical component for building protein in animals after taking food. Climate change and food security: According to the latest report of Intergovernmental Panel and Climate Change (IPCC), the temperatures are likely to rise by 1.1 to 6.4 degree Celsius by 2100 (Shiv, 2007). This climatic change is also projected as food security, with decline in rice yields by 15 to 42 percent and wheat yields by 3 to 4 percent loss to agricultural revenues would be 12.3 percent in India. Because of climate change 9 percent Gross Domestic Product (GDP) could be wiped out. Apart from affecting the agricultural production, climatic change also threatens marine habitants and livelihood of people who depend upon them. The oceans have absorbed approximately half of the CO<sub>2</sub> produced during the past 200 years, producing carbonic acid and lowering the pH of the surface sea water. This would affect the process of calcification by which animals such as corals and mull sues make their shells from calcium carbonate. The rising levels of the seas in the coastal areas will damage nursery areas for fisheries. The change of the climate also predicts coastal erosion due to a rise in sea levels of about 30-40 cm resulting from faster melting of glaciers. Changing climate could be leading to increased river flows in many parts of the world. Fast melting of the glaciers in the Himalayas and Hindukush ranges would affect half a million people in India alone because of excessive flooding in coastal areas, and can also increase the salinity of the ground water in the Sunder bans and Surface water in coastal areas. Owing to increase in salinity the farmers of the area have to explore of changing crops suitable for saline/alkaline soils. Two separate studies conducted by the climate researchers and the space agency NASA, showed that parts of Antarctica are steadily melting. After melting the glaciers are flowing into Antarctica's Weddell Sea (Anonymous, 2004). Large ice shelves in Antarctica Peninsula disintegrated in 1995 and 2002 as a result of climate warming. These ice shelves did not affect sea level as they melted. A drastic change has been seen in just 15 years in 240 km of coastline. The affected area is at far northern tip of the Antarctica (just south of Chile and Argentina). Temperature there has risen by up to 2.5 degree Celsius in the past 63 years faster than almost any region in the world. In the past 53 years ice shelves in the region have lost more than 13,500 km<sup>2</sup> area. Geologists of Geological Survey of India have found that Himalayan Glaciers are reducing by 15m every year. According to Vasudeva (2007) Gangotri Glacier is receding by 25m every year; Pindari Glacier by 23m every year, Dokriani by 18m every year and Sonapani by 17m every year. According to Working Group-II of Inter governmental Panel on climate change, the Himalayan glaciers are receding faster than any other part of the world. Himalayan glaciers faced with the danger of receding and causing havoc with the regional ecology, India has taken up the matter with China for a joint solution to the problem of climatic change (Anonymous 2007). The melting of Himalayan glaciers is an important issue because it can have catastrophic effect on the ecology of not only of the region but while of world also. Scientists of Chinese Academy of Sciences have found rapid melting of glaciers of the Tibetan Plateau. The melting of the glaciers will ultimately trigger more draughts, more expanse of deserts and increasing of sand storms. Climate change is affecting rainfall and snowfall patterns, which in turn toll on food production in Jammu and Kashmir. Vegetation production is sliding. The saffron growing belt is in crises while the oil seed crop is down by 76 percent, according to a research by a nongovernmental organization.

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