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All correspondence relating to publication of the Journal should be addressed to:

The Principal
Shri Ram College of Commerce
University of Delhi, Maurice Nagar
Delhi - 110 007 (India)
E-mail: principaloffice@srcc.du.ac.in

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STRIDES – A STUDENTS' JOURNAL OF SHRI RAM COLLEGE OF COMMERCE

ISSN 2581-4931 (Print)

Shri Ram College of Commerce is well known for its academic excellence and dedicated approach towards dissemination of knowledge in the academic world. The college appreciates the role of research in education and is committed to developing an inclination towards research in both faculty and students. In this pursuit, the college has taken the initiative to launch a new Journal named 'Strides – A Students' Journal of Shri Ram College of Commerce'.

ABOUT THE JOURNAL

It is a double blind reviewed bi-annual Journal launched exclusively to encourage students to pursue research on the contemporary topics and issues in the area of commerce, economics, management, governance, polices etc. The journal provides an opportunity to the students and faculty of Shri Ram College of Commerce to publish their academic research work.

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Shri Ram College of Commerce is committed to upholding the high academic standards. Therefore, the Committee on Publication Ethics (COPE) follows a 3-Stage Selection Process while approving a paper for publication in this Journal. The policy is as follows:

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b) Name(s) of the student(s) and mentor along with their details

c) Abstract

d) Keywords

Abstract

The abstract should capture the essence of the article and entice the reader. It should typically be of 100 -150 words, and in Italics.

Font type and word limit

The research paper is to be typed on A-4 size paper with single line spacing. The complete length of the paper should not exceed 5000 words including endnotes and references. The font size should be 12 and font style should be Times New Roman.

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The Journal adheres to the APA (American Psychological Association) Referencing Style, Sixth Edition. Students must refer to the APA Referencing Guidelines to ensure conformance to this reference style. For further information you may visit the following link - http://www.apastyle.org

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Endnotes should be serially arranged at the end of the article well before the references and after conclusion.

Table, Figures, Graphs

The first letter of the caption for table, figure, graph, diagram, picture etc. should be in capital letter and the other words should be in small letter - e.g. Table-1: Demographic Data of Delhi, Figure-1: Pictorial Presentation of Population etc.

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Hard Copy: The hard copy (3-Sets) of the manuscripts should be submitted in the Administrative Office of the College.

Declaration

As part of the submission process, the student and mentor needs to declare that they are submitting original work for first publication in the Journal and that their work is not being considered for publication elsewhere and has not already been published elsewhere. Again, the paper should not have been presented in any seminar or conference. The scanned copy of duly signed declaration by the students and their respective mentors has to be emailed along with the research paper.

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The authors of best three papers from every Issue are awarded – First Prize, Second Prize and Third Prize on the SRCC Annual Day.

Principal's Message

The mission statement of the college signifying the existence and its road map to the achievement of its vision, reads as:

"To achieve and sustain excellence in teaching and research, enrich local, national and international communities through our research, improve skills of alumni, and to publish academic and educational resources"

To achieve and promote excellence in publications and applied research, the college has taken the initiative to launch a new journal exclusively to publish students' research papers and articles. It will be an add-on to the enriched catalogue of college publications and academic literature.

The Journal has provided an opportunity to the students of our college to focus on research. Since the students were not opened to the research methodologies at the undergraduate level, they were mentored by experienced faculty of our college. Simultaneously, their articles were also reviewed by the referees and tested for plagiarism before publication. After reporting all the suggestions recommended by the referees, the articles were revised and then finally published. The college had successfully released the foundation issue of the Journal **"Strides – A Students' Journal of Shri Ram College of Commerce, Volume 1, Issue 1, 2016-17"** on the occasion of 91st Annual Day of the College held on 13th April, 2017. The Journal was released by Shri Prakash Javadekar, Honb'le Union Minister of Human Resource Development, Government of India.

I would like to congratulate the students whose papers are published in this issue of the journal and simultaneously encourage all the students to contribute their research papers and articles for the successive issues of the Journal.

Best wishes for their future endeavors.

Prof. Simrit Kaur
Principal

Editor's Message

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In order to maintain high standards of publication, COPE (Committee on Publication Ethics) has been constituted. The COPE shall be the apex authority to take all decisions related to publication of research papers and articles in Strides. The decision of COPE shall be final and binding.

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for publication. The research work published in Strides is original and not published or presented at any other public forum.

The foundation issue of the Journal **"Strides – A Students' Journal of Shri Ram College of Commerce, Volume 1, Issue 1, 2016-17"** was successfully released on 91st Annual Day of SRCC held on 13th April, 2017 by Shri Prakash Javadekar, Honb'le Union Minister of Human Resource Development, Government of India.

The successive Issues of 'Strides – A Students' Journal of Shri Ram College of Commerce' shall be bi-annually released.

I congratulate all the students whose research papers are published in this Issue of Strides and express my sincere thanks to their mentors and referees.

Dr. Santosh Kumari
Editor

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STRIDES – A STUDENTS' JOURNAL OF SHRI RAM COLLEGE OF COMMERCE

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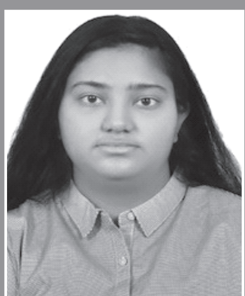
RESEARCH PAPERS

Avi Gupta
B.Com (Hons.)-IIIrd Year
Shri Ram College of Commerce
University of Delhi



Kawal Nain Kaur Kohli
B.Com (Hons.)-IIIrd Year
Shri Ram College of Commerce
University of Delhi

Mentor

Ms. Anushruti
Assistant Professor
Department of Economics
Shri Ram College of Commerce

Understanding Tax Neutrality – A Comparative Study of Indian and Estonian Tax Structure

Abstract

Tax neutrality is crucial in determining the fairness of a tax system because establishing a tax system without affecting the economic decisions of individuals has been a major challenge especially since the work done so far is largely theoretical. The paper looks at how the Indian taxation system, by deviating from neutrality, impacts the investment decisions. It first checks the neutrality of taxes through 'Internal Rate of Return' method and then analyses how the tax system affects the incentives to invest by employing statistical tools such as linear regression and ANOVA. The neutral tax regime of Estonia is used as a proxy to determine the probable investment level for India in case of tax neutrality and conclusions are drawn regarding the relevance of neutrality for India and the scope for improvement in the same by making some changes in the components of corporate tax structure that create distortion. However, given that a hundred percent neutrality may have shortfalls on social front, a tax structure that is approaching towards neutrality should be adopted.

[1]What "Tax Neutrality" Means and Why Businesses Don't Care. Retrieved from https://www.gradingstates.org/ the-tax-foundations-state-business-tax-climate-index/the-sbtci-is-a-poor-measure-of-growth-potential/ what-tax-neutrality-means-and-why-businesses-dont-care/

INTRODUCTION

The Concept of Tax Neutrality

Tax neutrality[1] refers to a tax system which does not interfere with the economic decision making process. In simple words, a neutral tax rate is one which does not affect an individual's consumption or investment decisions. Non- neutral tax rates create a distortion in consumption and investment and that is why non- neutral tax rates are not desirable. However, some people say that neutral tax rates are a myth and do not exist in reality.

To explain the concept, we can take the following example. While choosing between tea and coffee, the choice of the individual should be based on his/ her preference of tea or coffee and not on the tax charged on the products. Obviously, if the difference between the tax rate on tea and that on coffee is extremely significant, the individual's choice will also be influenced by tax rates, given that he/ she has an income constraint.

This paper deals mainly with the non-neutrality of Corporate Income tax in India and its effect on investment decisions in India.

Most of the policymakers, while designing a tax system, chose not to take into consideration the concept of tax neutrality as the concept was supposed to be impractical. For example, India overlooked the concept of neutrality while developing or amending the Goods and Services Tax laws, creating a 5 slab structure with frequent amendments in the product list for each rates. This created a lot of distortions and uncertainty[2]. However, countries like Estonia have actually made it possible. The reason tax neutrality has been an emerging issue is that the behavioural response of taxpayers has a macroeconomic impact. Firstly, since the non- neutral tax rates affect the taxpayers' behavior, it in turn affects the government's revenue. Secondly, it affects the consumption and investment choices which impact the aggregate demand and employment levels, which further affect composition of GDP.

Non neutral tax rates are also termed as 'inefficient' because they are distortive in nature. Efficient tax rates are those which do not result in increased satisfaction for some and decreased satisfaction for others. Since non- neutral tax rates create distortions or deadweight loss[3] by influencing economic decisions, they have different impact on satisfaction of different groups of people and thereby, resulting in inefficient economic conditions. Therefore, for an efficient economy, it is mandatory to have neutral tax rates.

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[2] Bhatia, S. (2018). Goods and Services Tax: A Good Idea Gone Bad. India Legal. Retrieved from http://www.indialegallive.com/cover-story-articles/focus/goods-and-services-tax-a-good-idea-gone-bad-52286

[3] Dead weight loss is a loss for the economy as a whole created due to changes in behavior of economic participants with the introduction of some influencing factors such as tax, price ceilings etc.

IMPACT OF NON- NEUTRAL TAX RATES ON INVESTMENT

Investments are an important macroeconomic factor for determining a country's economic growth and therefore, it is necessary to take into consideration the variables affecting the rate of investment. Investments are dependent on national income, availability of natural resources, real interest rates, rate of technological advancements, institutional factors, market size, etc. Corporate Tax rates are also an important factor in determining the level of investments. Firms finance their investments mostly from retained earnings, which are influenced by the corporate tax rates. Therefore, higher the corporate tax rates, lower will be the retained earnings and lower will be the level of investments. Neutral tax rates are necessary to ensure that corporate tax rates no longer remain a factor determining the level of investments in the country.

INDIAN TAXATION SYSTEM

This paper deals with the non-neutrality of Corporate Tax in India, so it is essential to first understand the Corporate Taxation System(CIT henceforth) of the nation. India is known for having one of the highest corporate tax rates in the world and mandates both Indian and Foreign companies to pay CIT under Income Tax Act, 1961. While, a resident company is taxed on its global income, a foreign company is taxed on income that is received in India or that arises or is deemed to accrue in India. A flat corporate tax rate of 30 per cent (for resident companies) and of 40 per cent (for foreign companies) is levied and an additional surcharge, education cess, and secondary and higher education cess is applied to tax payable amount.

The table below shows the various tax slabs under CIT:

Income*	Domestic company				Foreign company	
	Rate of CIT (%)					
	Turnover less than INR 500 million in FY 2015/16		Turnover above INR 500 million in FY 2015/16		Basic	Effective**
	Basic	Effective**	Basic	Effective**		
Less than 10 million Indian rupees (INR)	25	25.75	30	30.90	40	41.20
More than INR 10 million but less than INR	25	27.55	30	33.06	40	42.024
More than INR 100 million	25	28.84	30	34.61	40	43.26

** Effective tax rates include surcharge, education cess, and secondary and higher education cess.
Source: Corporate taxes on Corporate Income, PWC, available at http://taxsummaries.pwc.com/ID/India-Corporate-Taxes-on-corporate-income

Also, there is a wide array of deductions available for investment in certain categories of assets or businesses. Some of these deductions are available under section 80I (deductions available to industrial undertakings), section 80IA (deduction for undertakings engaged in infrastructure development), deductions for hotels and convention centers, etc. Due to the availability of so many tax benefits individual preferences become distorted and the tax can be said to be non-neutral.

The CIT creates distortion through following ways:

- CIT allows interest payments to be deducted while calculating taxable income, thus making debt as the preferred mode for financing, thereby influencing the investing and financing decisions.
- CIT allows special deductions, exemptions or reliefs for certain businesses (as mentioned above), due to which some corporations are able to reduce tax burdens and change their investment decisions accordingly.
- In general, all corporate taxes, including CIT, tend to increase required rate of return, which impacts the quantum of investment.

TAX SYSTEM OF ESTONIA

Although it is mostly argued that neutral tax regime is practically not feasible, Estonia has developed a tax system which is near perfect to neutrality and has ranked no. 1 as per the International Tax Competitiveness Index (ITCI)[4] for the past few years continuously. The government of Estonia realised the costs of deadweight losses due to the impact on decisions made by the distortions of tax. Thus, the tax system, which was developed, was focused to be neutral at all ends. There are no local or municipal taxes or any corporate tax. However profits distributed to shareholders in any form be it dividend, payment at the time of liquidation, buy back of shares, etc. are taxable at the same flat rate. So even capital gains are exempt from tax. Moreover there is no specific exemption or deduction for any category of investments or entities. Therefore, there are no distortions because of tax rate and no decision making is affected by the tax regime of the nation.

METHODOLOGY

Objective

The paper analyses tax neutrality in India with the following specific objective:-

- To show the non-neutrality of Corporate Taxation system in India
- To assess the impact of corporate tax rates on investments in India

[4]International Tax Competitiveness Index (ITCI) is an index that measures the tax regimes of countries on 2 basic aspects: competitiveness and neutrality.

THEORETICAL FRAMEWORK

(Auerbach, 1980) proposed that a tax system is said to be non-neutral if the effective tax rate on different categories of assets remains the same. It implies that the tax laws of a nation do not favour one investment over other. This is possible only if the effective tax rate of an asset is not dependent on the depreciation rates as these are dictated by the tax policy of the government. Effective tax rate of an asset can be mathematically written as

$$P(\delta) = \frac{(r+\delta)(1-k(\delta)-\tau z(\delta))}{1-\tau} - \delta$$

Where,
'P(δ)' is the effective tax rate of an asset,
'r' is the required rate of return of the organisation,
'k(δ)' is the tax credit on investment made,
'τ' is the applicable tax rate,
'z(δ)' is the present value of depreciation allowance and,
'δ' is the decay rate or depreciation rate\

Let's take a scenario where there is a company X located in India so applicable tax rate is 34.61% inclusive of surcharges and cesses. The depreciation rate on plant and machinery is 15% and the credit on investment in new plant is 20% as per section 32(1)(iia) of Income Tax Act, 1961. Let us assume the required rate of return of the organisation to be 9.38%[5]. Then the present value of depreciation allowance on an investment of Rs.1, assuming the life of machinery to be 10 years, comes out to be Rs.0.5658[6]. Putting the above information in the equation, we get P(δ) to be around 0.0753.

However, if we change the depreciation rate to say 20%, z(δ) changes to 0.6509[7] and the effective tax rate changes to 0.0582. Thus, it can be deduced that Indian tax structure is non- neutral in nature and it influences an individual's decision-making process.

Empirical verification through Regression Analysis

To prove that Corporate Tax rates in India are non-neutral and to check the impact of such tax rates on investment, a regression analysis is carried out through which a relationship is established between the tax rate and the investment.

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[5]The required rate of return is taken to be the same as the implied market return of equity in India for February 2018. (http://www.market-risk-premia.com, 2018)
[6]Refer to table 1 of appendix for calculations
[7]Refer to table 2 of appendix for calculations

Data:The data has been taken from World Bank website for variables like investment, interest rates, inflation rates and GDP. The figures for corporate tax rates have been taken from moneycontrol website[8].

Model Specification: For our regression model, we have tried to establish a relationship between investment and its factors. Investment is taken as a variable dependent on the following factors- corporate income tax (CIT), gross domestic product (GDP), interest rates, and inflation rates, keeping all other variables as exogenous. The following equation is as follows:

$I = \alpha + \beta_1 G + \beta_2 i + \beta_3 \pi + \beta_4 CT$, where

G = GDP
CT= Corporate Tax Rate
π = Inflation
i = Interest Rates
Interpretation of Results/ Findings

The following table shows the results of the regression analysis:

Regression Statistics	
Multiple R	0.99
R Square	0.98
Adjusted R Square	0.98
Standard Error	38104.19
Observations	25.00

(Source: Excel)[9]

R square depicts the dependence of dependent variable on independent variables. The significant R square (0.98) here shows that the 98% of variance in investment can be explained collectively by the explanatory variables taken in the model.

Analysis of Variance

	Df	SS	MS	F	Significance F
Regression	4.00	1529175381085.64	382293845271.41	263.30	0.00
Residual	20.00	29038585288.74	1451929264.44		
Total	24.00	1558213966374.38			

[8] Budget 2017: Here's what you need to know about corporate taxes. (2018). Retrieved from https://www.moneycontrol.com/news/business/economy/budget-2017-heresyou-need-to-know-about-corporate-taxes-947227.html
[9] Refer to Table 3 of appendix for data

ANOVA analysis was conducted to check the appropriateness of the model. Based on the number of independent variables (4) and number of observations (25), the critical f-value is calculated to be 2.8660 and since the f-value of 263.30 is quite greater than the critical f-value, the model is considered to be significant. This means that all the explanatory variables are different from each other.

The significance F in the above table gives the p value for the entire model and since significance F of 0.0, i.e. the p-value is less than the significance level (α) 0.05, we can reject the null hypothesis (i.e., $\beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$)[10] and prove that our model fits the data better than a model with no independent variables.The significance F (0.00) shows that the probability of null hypothesis being true is 0.This would suggest that the variability or differences in the data is not due to thesampling effect but due to variation in the actual population data. Thus, concluding that the investment has significant relationship with at least one of the variables.

Coefficient Analysis

	Coefficients	***Standard Error***	***t Stat***	***P-value***	***Lower 95%***	***Upper 95%***
Intercept	178666.85	84317.09	2.12	0.05	2784.47	354549.22
GDP	0.33	0.02	18.05	0.00	0.29	0.37
inflation rates	11187.22	6724.23	1.66	0.11	-2839.28	25213.72
interest rates	-3701.37	6800.03	-0.54	0.59	-17885.99	10483.25
tax rates	-5950.09	2290.90	-2.60	0.02	-10728.82	-1171.36

(source: Excel)

The coefficient analysis gives the value of dependence of investment on each of the independent variable. The following figures are derived from the above study:

$\alpha = 85$

$\beta_1 = 0.33$

$\beta_2 = 11187.22$

$\beta_3 = -3701.37$

$\beta_4 = -5950.09$.

These coefficients reveal the degree of dependence of investment on each of the individual variables[11].

[10]Null hypothesis taken in this model: H_0: Investment has no significant relationship with any of the independent variables. While alternate hypothesis is taken as H_1: Investment has significant relationship with at least one of the independent variables. In a F- test, H_0 can be rejected if f-value> critical value and the significance f < (1- confidence interval).

[11]For example, a unit change in GDP will result in $0.33 million (= □1) change in the investment. Similarly, for a unit change in inflation rates, or interest rates or tax rates, the investment will be affected by □2, □3, □4 respectively.

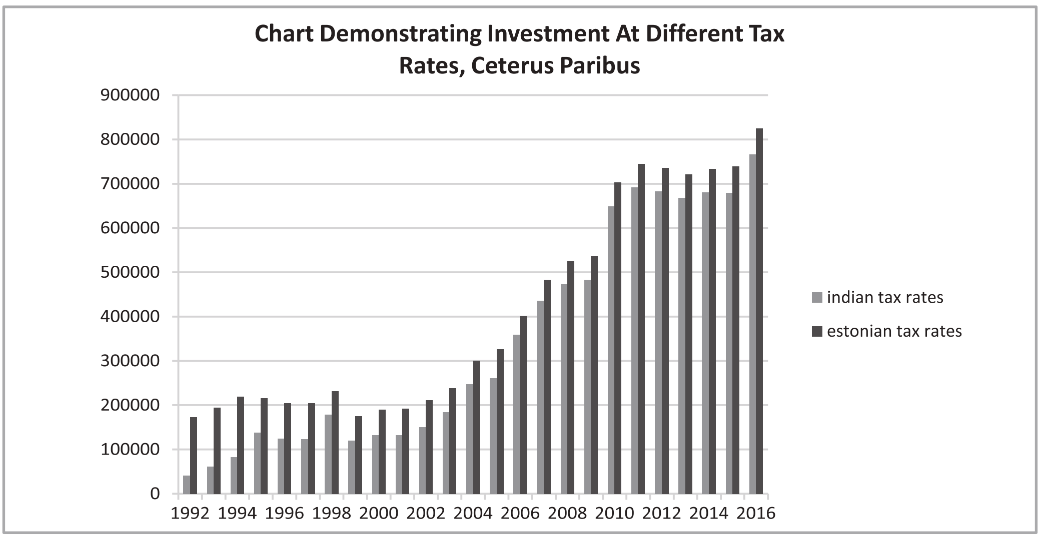
From the above coefficient analysis, we can say that there is a negative relationship between investments and tax rates since the coefficient of tax rates is negative and quite significant. Since p value is extremely low, the null hypothesis can be rejected[12] and a linear relationship can be established between investment and tax rates. A unit change in taxes will lead to -$5950 million change in the investments, thus showing that the tax rate is non-neutral and influences the investment decisions.

ANALYSIS OF INVESTMENT IN INDIA AT ESTONIAN (NEUTRAL) TAX RATES

As we earlier noted that investment is majorly affected by 4 independent variables which are Gross Domestic Product, interest rates, inflation rates and tax rates. The regression equation that emerged was

$$I = 178666.85 + 0.33\,G - 3701.37\,i + 11187.22\pi - 5950.09\,CT$$

Keeping all other variables as constant but substituting Corporate Tax Rate of India with that of Estonia for the past 25 years, we tried to analyze the impact of neutrality on the decision making behaviour of the nation as a whole. Tax rates of Estonia have constantly been lower than tax rates of India thus we can observe that there is a vast difference between what would have been invested at neutral tax rates and what was actually invested. Even though India cannot be perfectly compared with Estonia, due to differences in size, population and GDP of the two countries, it is acceptable to take Estonian tax rates for this study as no other country with comparable figures has achieved tax neutrality.



(Source: Excel)[13]

[12] In a p- test, H0 can be rejected if p value< (1- confidence interval).
[13] Refer to table 4 of appendix for data.

In the graph, blue bars represent the investment levels of India using the regression line and replacing the variables with actual data for the past years. However if we replace the actual tax rates of India with the 'neutral' tax rates of Estonia for the same time period we observe that the investment level risessubstantially and the modified investment level is reflected through the red bars. There is a vast difference between these two and this arose due to difference in tax rates.

Given that we have observed that the tax system of India is burdened with lots of non-neutralities, arguments can be made in favour of deviations from neutrality in the case of certain qualitative factors such as environmental bads, pension scheme etc. Still, there is a vast scope for improvement in the current tax regime in India. However "To the degree that policymakers depart from neutrality to achieve specific goals like encouraging homeownership or childcare, it is generally better to implement these measures through refundable tax credits rather than deductions."[14] The tax structure is non-neutral on various fronts which are unjustifiable from a social welfare angle. To resolve this issue, (Mirlees and Adam, 2011) made the following three recommendations:

First, introduction of measures such as Allowance for Corporate Equity (ACE) to remove the preference for debt due to its tax deductibility. If a specified deduction is available on equity as well then distortions between equity and debt will be eliminated. Secondly, the preference of one organizational form over others needs to be removed. For this, tax treatment of distributed profit need to be brought in line with tax treatment of employed person. So it means similar rate of taxation for all entities. Third recommendation, which will solve most of the problems, altogether, could be the substitution of corporate tax structure with land value taxation. All the deductions and tax preferences for different kinds of businesses will vanish and a more neutral and efficient tax regime could be established.

CONCLUSION

The objective of the study was to show the non-neutrality of Indian corporate tax system and establish the relationship between such taxes and investment decisions. The model of study used shows that non neutral tax rates have much greater impact on investments and therefore, to build an efficient economy, neutral tax rates are a desirable.

While comparing the Indian and Estonian corporate tax models, we realize that India is still a long way from establishing neutral taxation system and neutral tax rates should be an important economic goal for Indian policymakers. This is because current corporate tax rates are hampering the investments in India (as established by the regression model), which has been an impediment in country's growth rate.

[14]Furman, J. (2018). The Concept of Neutrality in Tax Policy. Retrieved from https://www.brookings.edu/testimonies/the-concept-of-neutrality-in-tax-policy/

Our regression study helped shedding a light on the importance of neutral tax rates and in calculating the size of impact of non-neutral tax rates. Policymakers should aspire to implement neutral tax rates, which will result in less distortion of income and help people make decisions based on their preferences and not based on the tax rates, thereby creating an efficient decision making system in the country. However tax neutrality cannot be established in all cases of distortions and one should compare the advantages of deviating from tax neutrality with the demerits ofcomplexing the tax structure and then, a tax policy should be developed which is neutral at those ends which result in unwanted and unjustifiable distortions and which is not too complex for the citizens to understand.The quote by Hans Hoffman - “The ability to simplify means to eliminate the unnecessary so that the necessary may speak” also fully applies to the tax regime and therefore, we recommend that the nature of taxes should be flexible in the sense that they can be decided on a case-by-case, context specific basis. But at the same time, this should not lead to complications such as multiple levels of taxation. The tax regime should be simple and one that approaches a neutral tax regime but we do not recommend an entirely neutral tax system because it has pitfalls of its own.

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APPENDIX

Table 1
(Calculation of Present Value of Depreciation Allowance @ 15%)

period	**Opening**	**Depreciation @15%**	**closing**	**pvf@9.38**	**present value of Depreciation**
1	₹ 1.00	₹ 0.1500	₹ 0.85	0.914244	₹ 0.13714
2	₹ 0.85	₹ 0.1275	₹ 0.72	0.835842	₹ 0.10657
3	₹ 0.72	₹ 0.1084	₹ 0.61	0.764163	₹ 0.08282
4	₹ 0.61	₹ 0.0921	₹ 0.52	0.698632	₹ 0.06436
5	₹ 0.52	₹ 0.0783	₹ 0.44	0.63872	₹ 0.05001
6	₹ 0.44	₹ 0.0666	₹ 0.38	0.583946	₹ 0.03886
7	₹ 0.38	₹ 0.0566	₹ 0.32	0.533869	₹ 0.03020
8	₹ 0.32	₹ 0.0481	₹ 0.27	0.488086	₹ 0.02347
9	₹ 0.27	₹ 0.0409	₹ 0.23	0.44623	₹ 0.01824
10	₹ 0.23	₹ 0.0347	₹ 0.20	0.407963	₹ 0.01417
			SUM	₹ 0.56584	

Table 2
(Calculation of Present Value of Depreciation Allowance @ 20%)

period	Opening	Depreciation @20%	closing	pvf@9.38	present value of depreciation
1	₹ 1.00	₹ 0.2000	₹ 0.80	0.914244	₹ 0.18285
2	₹ 0.80	₹ 0.1600	₹ 0.64	0.835842	₹ 0.13373
3	₹ 0.64	₹ 0.1280	₹ 0.51	0.764163	₹ 0.09781
4	₹ 0.51	₹ 0.1024	₹ 0.41	0.698632	₹ 0.07154
5	₹ 0.41	₹ 0.0819	₹ 0.33	0.63872	₹ 0.05232
6	₹ 0.33	₹ 0.0655	₹ 0.26	0.583946	₹ 0.03827
7	₹ 0.26	₹ 0.0524	₹ 0.21	0.533869	₹ 0.02799
8	₹ 0.21	₹ 0.0419	₹ 0.17	0.488086	₹ 0.02047
9	₹ 0.17	₹ 0.0336	₹ 0.13	0.44623	₹ 0.01497
10	₹ 0.13	₹ 0.0268	₹ 0.11	0.407963	₹ 0.01095
			SUM	₹ 0.65092	

Table 3
(Data of Past 25 Years for Running Regression)

Year	GDP (in million dollars)	inflation rates	interest rates	tax rates	INVESTMENT (in million dollars)
1992	284363.88	8.965152361	9.132749407	50	73009.2
1993	275570.36	9.861782853	5.814776514	50	68146.05
1994	322909.90	9.980044775	4.337109732	50	88991.49
1995	355475.98	9.062702221	5.864178113	40	100127.55
1996	387656.02	7.575018289	7.792994301	40	102316.55
1997	410320.30	6.476271263	6.909578991	40	116937.19
1998	415730.87	8.010167524	5.12127633	35	112149.30
1999	452700.00	3.06839552	9.191247326	35	134371.49
2000	462146.80	3.644970161	8.34261083	35	124963.94
2001	478965.49	3.215616018	8.591449296	35	129410.80
2002	508068.95	3.715683776	7.90717719	35	140140.98
2003	599592.90	3.867798086	7.30788116	35	179294.20
2004	699688.85	5.72540656	4.910134919	35	255910.25
2005	808901.08	4.236931692	6.2483308	35	312366.79
2006	920316.53	6.422584341	4.477353833	30	365735.73

2007	1201111.77	5.756243466	6.869182971	30	510187.23
2008	1186952.76	8.664665347	4.277227228	30	453788.57
2009	1323940.30	6.063829304	5.773571194	30	538260.71
2010	1656617.07	8.983819558	-0.596849661	30	673937.49
2011	1823049.93	8.539714396	1.498946519	30	721753.15
2012	1827637.86	7.934387478	2.473520489	30	700851.89
2013	1856722.12	6.186504001	3.865992863	30	631716.32
2014	2035393.46	3.051401319	6.985444729	30	703579.88
2015	2089865.41	1.785789761	8.078282432	30	687652.84
2016	2263792.50	3.611788437	5.84944209	30	687642.86

Table 4
(Investment in India at Indian As Well As Estonian Tax Rates Using the Regression Equation)

Year	**GDP (in million dollars)**	**inflation rates**	**interest rates**	**tax rates (India)**	**Investment (at indian tax rate) (in million dollars)**	**tax rates (Estonia)[15]**	**Investment (at Estonian tax rate) (in dollars)**
1992	284364	8.96515	9.13275	50	41493.8775	27.8	173577.3
1993	275570	9.86178	5.81478	50	60903.8638	27.5	194788.3
1994	322910	9.98004	4.33711	50	83318.3257	27.2	219009.9
1995	355476	9.0627	5.86418	40	137651.274	26.9	215655.6
1996	387656	7.57502	7.79299	40	124488.377	26.6	204313.5
1997	410320	6.47627	6.90958	40	122945.512	26.3	204599.5
1998	415731	8.01017	5.12128	35	178260.655	26.0	232001.7
1999	452700	3.0684	9.19125	35	120111.309	25.7	175699.6
2000	462147	3.64497	8.34261	35	132820.138	25.3	190266.5
2001	478965	3.21562	8.59145	35	132645.983	25.0	191962.7
2002	508069	3.71568	7.90718	35	150377.237	24.7	211578.2
2003	599593	3.8678	7.30788	35	184500.093	26	238050.9
2004	699689	5.72541	4.91013	35	247188.177	26	300739
2005	808901	4.23693	6.24833	35	261623.159	24	327074.1
2006	920317	6.42258	4.47735	30	359147.126	23	400797.8
2007	1201112	5.75624	6.86918	30	435502.008	22	483102.7

2008	1186953	8.66467	4.27723	30	472960.478	21	526511.3
2009	1323940	6.06383	5.77357	30	483531.718	21	537082.5
2010	1656617	8.98382	-0.5968	30	649560.91	21	703111.7
2011	1823050	8.53971	1.49895	30	691758.135	21	745308.9
2012	1827638	7.93439	2.47352	30	682892.968	21	736443.8
2013	1856722	6.1865	3.86599	30	667782.761	21	721333.6
2014	2035393	3.0514	6.98544	30	680124.974	21	733675.8
2015	2089865	1.78579	8.07828	30	679897.046	20	739397.9
2016	2263793	3.61179	5.84944	30	765970.597	20	825471.5

[15] The tax rates of Estonia were available only for 14 years so we extrapolated the data for more 11 years.

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STRIDES – A STUDENTS' JOURNAL OF SHRI RAM COLLEGE OF COMMERCE

HISTORY OF THE JOURNAL

The idea to launch this Journal was discussed in December 2016 by the former Officiating Principal, **Dr. R.P. Rustagi** with **Dr. Santosh Kumari**, the Editor of the Journal. Since the idea appealed to **Dr. Santosh Kumari**, she took the initiative to contribute to SRCC by creating this new academic research Journal and took the responsibility for its Creation, Registration, License and ISSN (International Standard Serial Number) etc. along with *Editorship*. Therefore, **Dr. Santosh Kumari, Assistant Professor in the Department of Commerce, Shri Ram College of Commerce** was appointed as the Editor of the Journal vide. Office Order – SRCC/AD-158/2017 dated March 14, 2017. She meticulously worked hard in creating the concept and developing the structure of the Journal. She introduced the concept of COPE (Committee on Publication Ethics) to maintain high academic standards of publication.

On behalf of the college, **Dr. Santosh Kumari** made every effort in seeking License from Deputy Commissioner of Police (Licensing), Delhi to register the Journal at "The Registrar of Newspapers for India, Ministry of Information and Broadcasting, Government of India". The paper work for seeking license started under the former Officiating Principal, **Dr. R.P. Rustagi** on March 27, 2017. The foundation Issue of the Journal **"Strides – A Students' Journal of Shri Ram College of Commerce, Volume 1, Issue 1, 2016-17"** was successfully released on the 91st Annual Day of SRCC held on April 13, 2017 by **Shri Prakash Javadekar, Honb'le Union Minister of Human Resource Development, Government of India.** The title of the Journal got verified and approved by the Registrar of Newspapers for India, Ministry of Information and Broadcasting, Government of India on April 21, 2017. On September 1, 2017, **Prof. Simrit Kaur** joined SRCC as Principal and signed each and every legal document required for further processing and supported **Dr. Santosh Kumari**.

On December 18, 2017, the College got the license **"License No. - DCP / LIC No. F. 2 (S / 37) Press / 2017"** to publish 'Strides – A Students' Journal of Shri Ram College of Commerce'. Due to change of Printing Press, the License got updated on March 09, 2018. On April 26, 2018, the SRCC Staff Council unanimously appointed **Dr. Santosh Kumari** as the **'Editor of Strides'** for the next two academic years.

On April 27, 2018 (The Foundation Day of the College), **Dr. Santosh Kumari** submitted the application for the registration of the Journal. On May 04, 2018, the college received the 'Certificate of Registration' for Strides – A Students' Journal of Shri Ram College of Commerce and got the **Registration No. DELENG/2018/75093** dated May 04, 2018. ***On behalf of SRCC, it was a moment of pride for Dr. Santosh Kumari to receive the 'Certificate of Registration' on May 04, 2018 at the Office of Registrar of Newspapers for India, Ministry of Information and Broadcasting, Government of India (website - www.rni.nic.in).***

On May 07, 2018, **Dr. Santosh Kumari** submitted the application for seeking ISSN (International Standard Serial Number) at "ISSN National Centre – India, National Science Library, NISCAIR (National Institute of Science Communication and Information Resources). Weblink - http://nsl.niscair.res.in/ISSNPROCESS/issn.jsp". Finally, the College received the International Standard Serial Number **"ISSN 2581-4931 (Print)"** on June 01, 2018.

We are proud that this journal is an add-on to the enriched catalogue of SRCC's publications and academic literature.

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SHRI RAM COLLEGE OF COMMERCE
University of Delhi, Maurice Nagar, Delhi - 110 007
Phone: 011-27667905 Fax: 011-27666510
Website: www.srcc.edu