

## HEDGE ACCOUNTING FOR FOREIGN CURRENCY FIRM COMMITMENTS UNDER INDIAN GAAP

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### Introduction

Institute of Chartered Accountants of India (ICAI) had come out with an announcement in February 2011, on Application of AS 30, *Financial Instruments: Recognition and Measurement*. It was clarified that 'the prepares of Financial Statements are encouraged to follow the principles enunciated in accounting treatments contained in AS 30'. This is subject to any existing accounting standard or any regulatory requirement, which will prevail over AS 30. Thus, considering the above exception, an entity can only follow 'Hedge Accounting' only to a certain extent i.e. only for forward contracts for highly probable future transactions or firm commitments in foreign currency, as these are excluded from the scope of AS 11.

This Article brings out the aspect of hedging currency exposure during the commitment period, by applying cash flow hedge accounting, taking a currency forward contract as an example for the concept, accounting and measurement; with limited application of AS 30, in line with ICAI's announcement in February 2011 in comparison to accounting such contract without applying AS 30.

To begin with, till the time Ind AS implementation dates are notified, entities can take the benefit of following hedge accounting and avoid volatility in income statement that arises from mark to market of forward contracts, taken for highly probable forecast transactions or firm commitments.

Entities enter into foreign exchange transactions during its regular course of business. These foreign exchange transactions include purchase & sale of goods and services as well as financing transactions such as foreign currency borrowings to leverage the interest rates of the international market. It is to be noted that these entities continue to operate in India and are thus exposed to foreign exchange fluctuation.

### Foreign Currency Exposure in a Business

Let us consider an entity that has started a trading business with a \$100 loan, received on

1/4/xx when the rate was Rs. 45. Thus the total loan amount received in is Rs. 4,500. The same amount was invested to buy goods for trade in the Indian domestic market. Assume the repayment period of 12 months and margin of 10%, the entity could recover Rs. 4,950 (Rs. 4,500 investment and Rs. 450 profit) over a period of 12 months. If the exchange rate remains constant, there is no risk or exposure to the entity on foreign exchange borrowings. It will be able to retain Rs. 450 in its own bank account and repay the \$100 loan by transferring Rs. 4,500 to the lending bank.

In the above case, if the exchange rate depreciates to Rs. 50, the expected cash obligation for repayment of \$100 loan will be Rs. 5,000. In this case, the entity would lose the entire margin earned from its pure business and incur a loss of Rs. 50 (Rs. 4,950 – Rs. 5,000).

The above example considers one side exposure of foreign exchange. If the business was to trade the goods in the international market with the dollar, it would have been able to get some natural offset on exchange fluctuations on the revenue front. This is because the debtors would have also got converted in Rupees at a higher rate. Thus, the loss would have restricted only to the extent of mismatch in foreign currency inflows and outflows.

### What is Hedge?

In simple terms, it is a technique or an approach whereby the entity in the above example can secure or protect its profit margin, even when the exchange rate depreciates to Rs. 50. However, if the exchange rate goes to Rs. 40, the opportunity to take advantage of the exchange is lost. Thus, the profit may not increase but will remain intact.

It is to note that hedging is not about gaining or losing. It is about fixing the price risk, like freezing the volatility for the future. It can be on account of interest rates, commodity prices, currency, etc.

*"Hedge is a way of protecting oneself against financial loss or other adverse circumstances"*  
– Oxford Dictionary

*"A **hedge** is an investment position intended to offset potential losses that may be incurred by a companion investment. In simple language, Hedge (Hedging Technique) is used to reduce any substantial losses suffered by an individual or an organization."* – Wikipedia

An entity can protect its profits and meet its business plan by entering into various types of derivative contracts. Exposure on foreign currency can be hedged by forward contracts, future contracts and currency options, etc. These contracts can be entered into with various banks as counter parties.

The entity can buy these contracts from market participants such as banks who charge certain costs that include the interest differential and transaction fees. This cost is known as 'premium'. In above example discussed, the entity could protect its margin by paying a premium, say Rs. 50, and thus, secure a net margin of Rs. 400 irrespective of change in exchange rates.

#### Hedge Accounting:

*"A **hedging instrument** is a designated derivative or (for a hedge of the risk of changes in foreign currency exchange rates only) a designated non-derivative financial asset or non-derivative financial liability whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item."*

*"A **hedged item** is an asset, liability, firm commitment, highly probable forecast transaction or net investment in a foreign operation that (a) exposes the entity to risk of changes in fair value or future*

*cash flows and (b) is designated as being hedged". (Paragraph 8 of AS 30)*

The objective of Hedge accounting is to offset the gain/loss of the Hedge instrument with that of the hedge item.

A hedge taken by way of a forward contract can be of two types, namely cash flow hedge or fair value hedge. The governing factor for identifying the correct type of designation is dependent on the hedged item and goes with the objective of hedge accounting.

*"Cash flow hedge is a hedge of the exposure to variability in cash flows that:*

- (i) *is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and*
- (ii) *could affect profit or loss.*

*Fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss." (Paragraph 86 of AS 30)*

*"A hedge of the foreign currency risk of a firm commitment may be accounted for as a fair value hedge or as a cash flow hedge." (Paragraph 97 of AS 30)*

**Table 1: Differences between a Cash Flow Hedge & a Fair Value Hedge**

| Cash Flow Hedge                                                                                                             | Fair Value Hedge                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Fair value adjustment or Mark to Market (MTM) adjustment is parked in Other Comprehensive Income (OCI), net of Deferred tax | Fair value adjustment or Mark to Market adjustment is accounted in Income statement.                                          |
| These are typically hedges of items not on the Balance Sheet                                                                | These are typically hedges for items on the Balance Sheet.                                                                    |
| It is a hedge for a future transaction and thus, MTM does not impact present profitability.                                 | It is a hedge of a balance sheet exposure and thus MTM is accounted in income statement to offset the MTM of the hedged item. |
| The MTM deferred in OCI is recycled to Income statement when the hedged item is accounted in books.                         | There is no deferment of MTM in this case.                                                                                    |
| Interest rate swap for a floating interest rate debt instrument to fixed rate is a cash flow hedge (floating to fixed)      | Interest rate swap for a fixed interest rate debt instrument to floating rate is a fair value (fixed to floating)             |

As an exception to the identification of a type of hedge, entities can choose to account derivatives taken such as forward contracts, to hedge the foreign currency exposure on raw material or capital commitments, as either a 'cash flow hedge' or a 'fair value hedge'.

As seen from various practical implementations, an entity usually chooses to designate such forward contracts as a cash flow hedge. This designation allows posting of mark to market (MTM) gains and losses in 'hedging reserve', which is part of reserves and surplus, without impacting the profit & loss account. Since the transaction will happen in the future, there is no offset available in the current period's profit & loss account and hence, it is more logical to defer the impact till the transaction happens.

The documentation, accounting treatment and hedge effectiveness testing can be done on the assumption that the hedge is entered into prior to booking the asset and related liability in the accounts, i.e. there is only a commitment at the point the hedge is entered into.

Sample documentation for hedging a foreign currency exposure on firm commitment for purchase of raw material is illustrated in Table 2.

**Table 2: Documentation for Hedging of a Foreign Currency Exposure**

Company: XYZ Limited.

Functional Currency: Indian Rupees

|                     |                                                                                                                                                                                                |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hedging objective   | The objective of the transaction is to hedge currency exchange fluctuations in respect of firm commitment for any foreign currency denominated purchase, which is initially off balance sheet. |
| Date of designation | ..... (date of entering a forward contract)                                                                                                                                                    |
| Type of hedge       | Cash flow hedge till the hedge item is off Balance Sheet.                                                                                                                                      |
| Hedging instrument  | Forward foreign exchange contract (Attach confirmation for details regarding the counterparty, the buy currency and amount, the maturity date, as well as other relevant details.)             |

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hedged item                              | The forward contract is designated as a hedge of the firm commitment to purchase at \$..... on X.X.20XX.                                                                                                                                                                                                                                                                                                                                                                                                      |
| Hedged period                            | ..... (Forward contract settlement date or underlying maturity date, whichever is earlier)                                                                                                                                                                                                                                                                                                                                                                                                                    |
| How hedge effectiveness will be assessed | As the critical terms of the forward contract and the hedged transaction are the same, changes in cash flows attributable to the risk being hedged are expected to be completely offset by the hedging forward contract.<br>If the critical terms of the forward contract and the hedged transaction do not match, hedge effectiveness will be assessed prospectively and retrospectively by comparing the underlying cash flow being hedged against the hedged amount for that specific period being hedged. |
| How hedge effectiveness will be measured | Effectiveness will be measured by using Hypothetical derivative approach on forward rate. The entity chooses to apply dollar offset method of testing the effective under Hypothetical derivative approach. The hedge will be effective if the effective percentage is with 80% - 125% range.                                                                                                                                                                                                                 |

COMPLETED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

#### Application of AS 30 under existing Indian GAAP as per ICAI's announcement:

ICAI vide its circular dated 11th February 2011, has clarified that in respect of the financial statements or other financial information for the accounting periods commencing on or after 1st April 2009 and ending on or before 31st March 2011, the status of AS 30 would be as below:

- (i) To the extent of accounting treatments covered by any of the existing notified accounting standards (for eg. AS 11, AS 13 etc.) the existing accounting standards would continue to prevail over AS 30.
- (ii) In cases where a relevant regulatory authority has prescribed specific regulatory requirements (e.g. Loan impairment, investment classification or accounting for securitisations by the RBI, etc), the prescribed regulatory requirements would continue to prevail over AS 30.

- (iii) The preparers of the financial statements are encouraged to follow the principles enunciated in the accounting treatments contained in AS 30. The aforesaid is, however, subject to (i) and (ii) above.

From 1st April 2011 onwards

- (i) the entities to which converged Indian accounting standards will be applied as per the roadmap issued by MCA, the Indian Accounting Standard (Ind AS) 39, Financial Instruments; Recognition and Measurement, will apply.
- (ii) for entities other than those covered under paragraph (i) above, the status of AS 30 will continue as clarified in paragraph above.

Let us take an example of an Indian entity:

- Entered into a \$ 100 payable commitment to import raw material on 1st January, 20xx
- Delivery of raw material is on 31st December, 20xx and payment on the same date.
- On 1st January, 20xx, the entity enters into a forward contract to hedge the foreign currency risk
- As part of the treasury policy, the entity first enters a shorter period contract till 30th June, 20xx
- Rolls it over on 30th June, 20xx to meet the cash outflow on 31st December, 20xx
- Refer Table 3 for details of exchange rates and MTMs on various dates.

**Table 3: Exchange Rates and MTM**

| Report date | Forward Contract Maturity date | Forward Rate | Spot Rate | MTM    | Cum MTM |
|-------------|--------------------------------|--------------|-----------|--------|---------|
| 01/01/xx    | 30/06/xx                       | 42.50        | 42.00*    | -      | -       |
| 31/03/xx    | 30/06/xx                       | 43.50        | 43.00*    | 1.00   | 1.00    |
| 30/06/xx    | 31/12/xx                       | 44.00        | 43.75     | 0.25   | 1.25    |
| 30/09/xx    | 31/12/xx                       | 44.50        | 44.25*    | 0.50   | 1.75    |
| 31/12/xx    | 31/12/xx                       | 43.50        | 43.50     | (1.00) | 0.75    |

\* Only for completeness, not relevant for accounting schema.

Note:

- a. Forward rates mentioned in the above table are the Mark to Market (MTM) rates. They are arrived at by considering the spot rate with reference to reporting date plus premium quoted for balance maturity of each contract on that date.

- b. Forward rate and spot rate on final settlement is same because the balance period in that case for premium quote is Zero.
- c. Entity has designated the forward to hedge 'forward rates' and has been fully effective during the period.

### Accounting Schema as follows:

#### 1st January, 20xx:

The contract has zero value; therefore no entry is required. The commitment is also not yet recognised. The hedge is designated as cash flow hedge in line with the choice available under para 97 of AS 30 read with notification issued by ICAI in February 2011.

Example: A Forward cover is taken on 01/01/xx with maturity of 30/06/xx @ Rs. 42.5/\$ for \$100. There would be no accounting entry as on 01/01/xx.

#### 31st March, 20xx:

The commitment is not yet recognised. MTM gain/loss on cover till the date of period closing would be recognised in hedging reserve (Equity), following cash flow hedge accounting.

As on 31/03/xx, forward cover for maturity of 30/06/xx is available @ Rs. 43.50/\$, thus MTM gain of Rs. 1.00/\$ (MTM forward rate – Original forward rate) would be accounted as under.

|          |        |                  |     |
|----------|--------|------------------|-----|
| 31/03/11 | Debit  | Derivative Asset | 100 |
|          | Credit | Hedging Reserve  | 100 |

#### 30th June, 20xx:

The commitment is not yet recognised hence the cover is rolled forward. The rolled forward contract is treated as a new contract, part of the existing hedge strategy. It is still a Cash flow hedge.

[Paragraph 112a of AS 30: "... replacement or rollover of a hedging instrument into another hedging instrument is not an expiration or termination if such replacement or rollover is part of the entity's documented hedging strategy".]

As on 30/06/xx, the rolled forward rate is Rs. 44/\$ for maturity of 31/12/xx when the spot rate is

Rs. 43.75/\$, thus following entries are passed:

- a. For booking Settlement gain on cover (43.75/\$ - 43.50/\$) (i.e. Spot value - last MTM forward rate)

|          |        |                  |    |
|----------|--------|------------------|----|
| 30/06/xx | Debit  | Derivative Asset | 25 |
|          | Credit | Hedging Reserve  | 25 |

- b. Rollover gain received from bank (43.75/\$ - 42.50/\$) (i.e. Spot value - Original forward value)

|          |        |                  |     |
|----------|--------|------------------|-----|
| 30/06/xx | Debit  | Bank             | 125 |
|          | Credit | Derivative Asset | 125 |

**30th September, 20xx :**

The commitment is not yet recognised. MTM gain/loss on cover till the date of period closing would be recognised in hedging reserve (Equity), following cash flow hedge accounting.

As on 30/09/xx, forward cover with maturity of 31/12/xx is available @ Rs. 44.50/\$. Thus, MTM gain of Rs. 0.50/\$. (MTM forward rate \$44.50- original forward rate of the rolled over contract \$ 44.00)

|          |        |                  |    |
|----------|--------|------------------|----|
| 30/09/xx | Debit  | Derivative Asset | 50 |
|          | Credit | Hedging Reserve  | 50 |

**31st December, 20xx :**

- a. Record the purchase at spot rate of 43.5/\$:

|          |        |              |       |
|----------|--------|--------------|-------|
| 31/12/xx | Debit  | Raw Material | 4,350 |
|          | Credit | Liability    | 4,350 |

- b. For booking MTM Settlement loss (43.50/\$ - 44.50/\$) (i.e. Spot value - last MTM forward rate)

|          |        |                  |     |
|----------|--------|------------------|-----|
| 31/12/xx | Debit  | Hedging Reserve  | 100 |
|          | Credit | Derivative Asset | 100 |

- c. Record the payment of the liability to vendor

|          |        |           |       |
|----------|--------|-----------|-------|
| 31/12/xx | Debit  | Liability | 4,350 |
|          | Credit | Bank      | 4,350 |

- d. Net Settlement loss paid to bank (43.5/\$ - 44.0/\$) (i.e. Spot value - Original forward value)

|          |        |                  |    |
|----------|--------|------------------|----|
| 31/12/xx | Debit  | Derivative Asset | 50 |
|          | Credit | Bank             | 50 |

- e. Balance in hedging reserve transferred to income statement

|          |        |                    |    |
|----------|--------|--------------------|----|
| 31/12/xx | Debit  | Hedging Reserve    | 75 |
|          | Credit | Cost of Goods Sold | 75 |

The commitment recognised in books at the rate mentioned in Bill of lading and the change in fair value of forward contract from the date of inception to the date of recognising commitment is allocated to cost of raw material consumed.

*"Paragraph 109b of AS 30: "It removes the associated gains and losses that were recognised in other comprehensive income in accordance with paragraph 106, and includes them in the initial cost or other carrying amount of the asset or liability"*

**Note:** As per AS 30 para 109b, head of Profit & Loss Account would depend upon the nature of underlying for which the cover is taken. Since AS 2 on *Inventory Valuation* does not permit MTM as part of valuation for unsold goods, the MTM will be released from hedging reserve to profit & loss account as and when the inventory is consumed. Thus the MTM will remain in Hedging Reserve till the underlying transaction is debited in Profit & loss account. This essentially in line with option available under para 109a of AS 30.

Refer table 4 for various accounts at a glance for entries passed above at various dates.

**Table 4: Accounts at Glance for Accounting under AS 30**

**Derivative Asset Account**

| Date  | Particulars   | Dr. Amt       | Per \$      | Date  | Particulars   | Cr. Amt       | Per \$      |
|-------|---------------|---------------|-------------|-------|---------------|---------------|-------------|
| 31/3  | To H. Reserve | 50.00         | 1.00        | 30/6  | By Bank       | 125.00        | 1.25        |
| 30/6  | To H. Reserve | 25.00         | 0.25        | 31/12 | By H. Reserve | 100.00        | 1.00        |
| 30/9  | To H. Reserve | 50.00         | 0.50        |       |               |               |             |
| 31/12 | To Bank       | 50.00         | 0.50        |       |               |               |             |
|       |               | <b>225.00</b> | <b>2.25</b> |       |               | <b>225.00</b> | <b>2.25</b> |

Table 4: Accounts at Glance for Accounting under AS 30 (contd.)

**Hedging Reserve Account**

| Date  | Particulars                 | Dr / (Cr)   |
|-------|-----------------------------|-------------|
| 31/3  | Derivative asset – gain     | (100)       |
| 30/6  | Derivative asset – gain     | (25)        |
| 30/9  | Derivative asset – gain     | (50)        |
| 31/12 | Derivative asset – loss     | 100         |
|       | <b>Less: transf to Cost</b> | <b>(75)</b> |

**Bank Account**

| Date  | Particulars                 | Dr / (Cr)      |
|-------|-----------------------------|----------------|
| 30/6  | Derivative                  | 125            |
| 31/12 | Derivative                  | (50)           |
| 31/12 | Liability debit             | (4,350)        |
|       | <b>Cost of Raw Material</b> | <b>(4,275)</b> |

**Inventory/Cost of Goods Sold Account**

| Date  | Particulars              | Dr / (Cr)    |
|-------|--------------------------|--------------|
| 31/12 | Purchase                 | 4,350        |
| 31/12 | Hedging Reserve          | (75)         |
|       | <b>Cost of Inventory</b> | <b>4,275</b> |

**Liability Account**

| Date  | Particulars | Dr / (Cr) |
|-------|-------------|-----------|
| 31/12 | By Purchase | (4,350)   |
| 31/12 | To Bank     | 4,350     |

**Commercial Analysis**

It can be seen in the above example, that the organisation had an exposure on import of raw material. The exposure started from the date when it entered into a firm commitment and ended when the actual outflow is made.

The exchange rate has been volatile during the period as it moved upwards from Rs. 42.5/\$ as on 01/1 to Rs. 44.25/\$ on 30/9 before closing at Rs. 43.5/\$ on 31/12. The company decided to fix its outflow on the date of its commitment and entered into a forward contract to buy dollars at Rs. 42.5 per dollar. Subsequently the same contract was rolled over for meeting the scheduled payment to the creditor by incurring 0.25 paisa premium per dollar bought. The Company's exposure was hedged by two contracts at the effective cost of Rs. 42.75 per dollar. These types of two contracts are common where the underlying exposure is longer.

The Company's cost of raw material has not been impacted on account of the volatilities in foreign exchange rate and is accounted at Rs. 4,275. Refer Table 5 below to understand the effective rate per \$.

**Table 5: Effective Rate per Dollar**

| Particulars                      | \$           |
|----------------------------------|--------------|
| Original Spot Rate               | 42.00        |
| Premium on first contract        | 0.50         |
| Premium on second contract       | 0.25         |
| <b>Effective Rate per dollar</b> | <b>42.75</b> |

The above entries hold true even when the entity has a commitment for capital asset. The raw material account in the above example will be replaced by fixed asset account/depreciation.

**Accounting without Application of AS 30 Principles**

The forward contract being taken for a firm commitment, will not fall under AS 11. It will have to follow the conservative principles of AS 1 as laid down by ICAI in its announcement on 29-03-08.

*"In case an entity does not follow AS 30, keeping in view the principle of prudence as enunciated in AS 1, Disclosure of Accounting Policies, the entity is required to provide for losses in respect of all outstanding derivative contracts at the balance sheet date by marking them to market."*

In the above example, as on 31st March, the MTM is a gain and hence, there is no accounting entry for this contract. Had there been a loss in the contract, entity would have provided for the same.

The auditors would consider making appropriate disclosures in their reports if the aforesaid accounting treatment and disclosures are not made.

One may note that ICAI's announcement dated 16-12-05 on disclosure continues to apply in both scenarios (i.e. AS 30 is applied or ICAI announcement dated 29-03-08 is followed). Thus, enterprises continue to make the following disclosures regarding Derivative

Instruments in their financial statements irrespective of accounting choice:

1. category-wise quantitative data about derivative instruments that are outstanding at the balance sheet date,
2. the purpose, viz., hedging or speculation, for which such derivative instruments have been acquired, and
3. the foreign currency exposures that are not hedged by a derivative instrument or otherwise.

#### A. Industry Applications

##### Mahindra & Mahindra Ltd (March 2012)

##### *Derivative Instruments and Hedge Accounting:*

The Company uses foreign currency forward contracts/options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. Effective 1st April, 2007, the company designates some of these as cash flow hedges, applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments: Recognition and Measurements"(AS 30).

Foreign currency forward contract/option derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in reserves and the ineffective portion is recognised immediately in Profit & Loss Account.

The accumulated gains and losses on the derivatives in reserves are transferred to Profit and Loss Account in the same period in which gains or losses

on the item hedged are recognised in Profit & Loss Account.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Profit & Loss Account as they arise.

##### **Great Eastern Shipping (March 2012) Derivative Financial Instruments and Hedging**

##### **Cash Flow Hedge:**

Commodity future contracts, forward exchange contracts entered into to hedge foreign currency risks of firm commitments or highly probable forecast transactions, forward rate options, interest rate swaps and currency swaps which do not form an integral part of the loans, that qualify as cash flow hedges, are recorded in accordance with the principles of hedge accounting enunciated in Accounting Standard (AS) 30-Financial Instruments: Recognition and Measurement as issued by the Institute of Chartered Accountant of India. The gains or losses on designated hedging instruments that qualify as effective hedges is recorded in the Hedging Reserve Account and is recognised in the Statement of Profit and Loss in the same period or periods during which the hedged transaction affects profit and loss or is transferred to the cost of the hedged non-monetary asset upon acquisition. Gains or losses on the ineffective transactions are immediately recognised in the Statement of Profit and Loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the Hedging Reserve, are transferred to the Statement of Profit and Loss immediately.

Companies that have adopted AS 30 under Indian GAAP include Essar Shipping Limited, First Source Solutions, Tata Coffee, Sterlite Industries (I) Limited, etc.



#### **Errata for October 2012 issue - Missing Paragraphs in Namaskar**

"Recall the face of the poorest and the weakest man you may have seen and ask yourself if the step your contemplate is going to be of any use of him. Will he gain anything by it? Will it restore him to a control over his own life and destiny? In other words, will it lead to swaraj for the hungry and spiritually starving millions?"

Let us then, resolve never to forget Gandhiji and continue to serve our people. Let us make our country free from hunger, poverty and illiteracy and make it a better place to live.