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Dr. D.D. Kulkarni's Special Issue

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Assistant Professor,

S. D. V. S. Sangh's

Shri L. K. Khot College of Commerce,

Sankeshwar (Karnataka).

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Or submit your paper by mail – info@gurukuljournal.com, mohan.gitte@gmail.com

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1) Promote your Special Issue and invite authors to submit manuscripts with copy right form.
2) Make decisions on the acceptance or rejection of manuscripts.
3) Cross-check the manuscripts and ensure their quality.
4) Have to communicate in your group regarding this SI by either email or any other way.
5) You have to collect minimum 10 research papers. Those s hould be able to pay our publication charges.

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1) Publish Own Idea's in your Special Issue.
2) Get extra rewards based on the number of papers in your SI (May promote to permanent member in editorial Team).
3) Receive the Certificate of Honor and a Letter of Thanks when the SI is finished.
4) Receive the Certificate of Publication in each participated authors when the Special Issue is finished.
5) Your brief bio-data with your photo (Maximum 5 pages) will be published along with your Special Issue.
6) Publish 1 paper of Guest Editor for FREE in your SI.

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CURRICULUM VITAE

DIGAMBAR KULKARNI
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Cell: 9481742709

Educational Qualification

Course	University/Board	Institution	Year
Ph. D	Karnatak Univeristy, Dharwad		2015
M. Com	Karnataka University Dharwad	P.G. Dept of Studies and Research in Commerce, Dharwad	2003
SLET	Kuvempu University, Shankargatta Shimoga	-----	2006
B. Com	Karnatak University, Dharwad	A. S. S. College of Commerce Gadag	2001
S. S. L. C.	K. S. E. E Board Bangalore	Model High School, Gadag	1996

Work Experience:

Served as a Lecturer in Commerce for Four years (2004-2008) in A. S. S. College of Commerce Gadag.

Assistant Professor of Commerce since 2008 in S. D. V. S. Sangh's Shri L. K. Khot College of Commerce, Sankeshwar

Seminars Conference Workshop attended and Paper presentations:

- Attended Three days Workshop on Research Methodology held at Kousali Institute of Management Studies, Karnatak University, Dharwad during March 03-05, 2005.
- **Presented** a paper on "CRM in Bank-Methods and Practices" held at **State level** One day seminar on Emerging Trends in Banking Sector organized by K. R. Bellad Arts and Commerce College on 4th March 2006.
- Participated Faculty Development Workshop on Innovative Teaching Methodologies at UG level conducted by ICFAI National College Hubli on 2nd December 2006.
- Participated Symposium on Role of Foreign Capital in India held at A. S. S. College of Commerce, Gadag on 20th January 2007.
- Participation in "Global Skills Enhancement" Programme conducted by Infosys BPO at Infosys Leadership Institute, Mysore during June 2007.
- Participated in 60th All India Commerce Conference organized by Osmania University, Hyderabad from 27th to 29th December 2007.
- Participated Two days State level Workshop on **"Entrepreneurship Development of Small Enterprises Through Teacher Participation"** on 30th & 31st August 2008 held at Shri. L. K. Khot College of Commerce, Sankeshwar.
- **Presented** a paper on '***Innovative Teaching Methodologies at UG Level'*** in NAAC sponsored Two Days National Seminar on "Innovative Practices in Degree College for

Ensuring Quality" organized by S. V. M. Arts, Science & Commerce College Ilkal held on 6th & 7th November 2008.

- Attended One Day Workshop on Research Techniques organized by Shahu Institute of Business Education & Research (SIBER) and Shri L. K. Khot College of Commerce, Sankeshwar on 19th December 2008.
- Participated in UGC sponsored State level Seminar on "Right to Information: Taking it to Common Man" organized by S. S. Arts & T. P. Science Institute, Sankeshwar on 26th March 2009.
- Participated in Two Day UGC sponsored National Seminar on "An Impact of Globalization on Indian Business Environment" organized by Shri Sangmeshwar Arts & Commerce College, Chadchan on 8th & 9th May 2009.
- Participated in UGC sponsored Two Day National Seminar on Human Rights Education: Need of the hour organized by S. S. Arts & T. P. Science Institute, Sankeshwar on 11th & 12th September 2009.
- Participated in One day State level Seminar on "The Process of NAAC Re-accreditation of Rural Colleges Methods & Procedures" organized by S. S. N. Arts & Commerce College, Hukkeri on 31st January 2010.
- Participated in One Day Conference on 'Domestic Violence Act- A Boon or Bane' on 26th February 2010 sponsored by KILPAR Bangalore Co-sponsored by Mahatma Gandhi Vishwastha Mandali Belgaum and hosted by Shri L. K. Khot College of Commerce, Sankeshwar.
- Attended UGC sponsored Two Day National Seminar on "Global Meltdown and Its Impact on India" on 10th & 11th April 2010 organized by GGD Art, BMP Commerce and SVS Science College, Bailhongal.
- Attended UGC sponsored Two Day International Workshop on Human Rights Education organized by STC Arts & Commerce College Banahatti on 23rd & 24th April 2010.
- **Presented** a paper on Role of Commercial banks in farm credit at UGC sponsored National Seminar on ***"The Role of Commercial Banks in Rural Development*** conducted by S. S. Arts College & T. P. Science Institute Sankeshwar on 19th September 2011.
- Participated in UGC sponsored One Day State level Seminar on "Rural Entrepreneurship Development" organized by S.V.S. Bellubbi Arts & Commerce College Saundatti on 14th October 2011.
- **Presented** a paper ***on "Problems of Micro Enterprises- A Case Study of Bubbled Rice Industries in Sankeshwar"*** at National Conference on Entrepreneurship and Business Development in India- Issues and Cases organized by Kousali Institute of Management Studies on 4th & 5th November 2011.
- Participated in One Day Workshop on Income Tax jointly organized by J. T. College, Gadag and Collegiate Education Department Joint Director Office, Dharwad on 21st January 2012.
- **Presented** a paper on ***"Role of Financial Institution in Industrial Development- A Case Study of Karnataka State Financial Corporation*** at National Conference on 'New

Paradigms and perspectives for Business Excellence' on 4th August 2012 at Tumkur University, Tumkur.

- **Presented** a paper on "***Job Satisfaction of Management Employees in An Educational Institution"*** at 65th All India Commerce Conference of Indian Commerce Association organized by K.P.B. Hinduja College of Commerce, Mumbai from November 9-11, 2012.
- **Presented** a paper on "***Green Marketing as a strategy of Corporate Social Responsibility"*** at National Seminar on 'Corporate Social Responsibility' organized by M. P. Mirji College of Commerce, Belguam on 2nd April 2013.
- Attended a national workshop on "Data Analysis Using SPSS" organized by Christ University, Bengaluru from 16 May to 18 May, 2013.
- **Presented** a paper on ***"Awareness about Green Products among consumers"*** at National seminar on 'Green Marketing- Opportunities & Challenges' organized by Shri L. K. Khot College of Commerce, Sankeshwar on 20th September 2013.
- Attended National seminar on 'Elderly Women- Their Income Security' Shri L. K. Khot College of Commerce, Sankeshwar on 21st September 2013.
- **Presented** a paper on ***"SHG and Empowerment-A Fighter against Social Cause"*** at International Conference organized by Barshi College Barshi on 20th October 2013.
- **Presented** a paper on ***"Performance of Postal Life Insurance"*** organized by IGCCIA at International Conference organized at Goa on 23rd November 2013.
- **Presented** a paper on ***"Mahatma Gandhi National Rural Employment Guarantee Scheme- A Ray of Hope for Rural Mass"*** at International Research Conference on Global Revolution: It's impact on Commerce, Economics, Management, Engineering, Technology and Social Sciences organized by IGCCIA at Pune on 18th January 2014.
- Attended one-day workshop on ***"Revision of B. Com Syllabus"*** organized at S.S.S. Samiti's M.P.Mirji College of Commerce, Belagavi jointly organized by RCU-Commerce & Management College Teachers' Association and P.G.Dept of Commerce Rani Channamma University, Belagavi on 10th June 2014.
- Attended three-day national workshop on **"Data Manipulation and Statistical Analysis using SAS"** from 1st to 3rd Aug 2014 organized by Department of Statistics Manipal Univeristy, Manipal.
- **Presented** a paper on ***"Performance of SHG-Bank Linkage"*** at International Seminar organized by Smt Somavva Angadi Govt First Grade College K.K. Koppa on 27th September 2014.
- **Presented** a paper on ***"Foreign Direct Investment-Issue"*** at national seminar on Indian Financial System- Issues & Challenges organized by Smt Kusmavati Arts & Commerce College, Bedkihal on 29th September 2014.
- **Presented** a paper on ***"Impact of Foreign Direct Investment on Service Sector"*** in International Seminar on Globalization of Business & Management Education organized by K.L.E. Society's B.K. College, Chikkodi on 28th & 29th December 2014.
- **Presented** a paper on **"Performance of Mid Day Meal Scheme- A Security for Learners"** in national Seminar on Food Security in India organized by J.S.S. Arts, Science & Commerce College Gokak on 12 & 13th January 2015.

- Presented research paper on "**Impact of SHGs on Socio-Political Empowerment of Women"** in National seminar on Sustainable Rural Development: Challenges & Opportunities in India" organized Dept of Economics of RCU Belagavi on 27 & 28th February 2015.
- Attended one day workshop on **B.Com Curriculum Revision** organized by Dept of Commerce RCU Belagavi on 04th March 2015.
- **Presented** a paper on **"Challenges of Medias in Rural Markets"** in national seminar on Emerging Trends in Rural Marketing of India organized by Sangmeshwar College Solapur on 7 & 8th March 2015.
- Attended workshop on **"Role of Teachers in Quality Management in Higher Education"** jointly organized by Rani Channamma University Commerce & Management Teachers Association and Gogate College of Commerce, Belagavi on 8th June 2015.
- Attended Two Days Faculty Development Programme at Shri L.K.Khot College of Commerce conducted by Ascent Training Academy on 25th & 26th July 2015.
- Attended One Day workshop on Research Methodologies organized by I.Q.A.C. of Shri L.K.Khot College & B.C.A & B.B.A. Colleges Sankeshwar on 28th August 2015.
- **Presented** paper on **"Rural Entrepreneurship-Opportunities & Challenges"** at national seminar on Emerging Trends in Rural Entrepreneurship in India organized by Shri L.K. Khot College of Commerce, Sankeshwar on 8th September 2015.
- **Presented** paper on **"Direct Tax-A Booster for Economy"** at national seminar on Impact of Direct Tax and Indirect Tax on Economy organized by Basaveshwar College of Commerce, Bagalkot on 9 & 10th October 2015.

Publications:

- Published a paper on ***SHG- Bank Linkage –A Helping Hand to The Needy Poor*** in **Peer Reviewed Referred International Journal of Research in Commerce, Economics and Management (ISSN 2231-4245) in VOLUME NO. 1 (2011), ISSUE NO. 5 (SEPTEMBER)**
- Published a paper on ***"Who Is the Real Gainer In Portability?"*** in a **Peer Reviewed International Journal of Asian Research Consortium (ISSN 2249-7315)** in May 2012 Volume 2, Issue 5.
- Published a paper on ***"Role of Financial Institution in Industrial Development- A Case Study of Karnataka State Financial Corporation"*** in Conference Proceeding published by Department of Studies and Research in Business Administration Tumkur University in August 2012 (**ISBN 978-81-924393-6-5**)
- Published a paper on ***"Problems of Micro Enterprises- A Case Study of Bubbled Rice Industries in Sankeshwar"*** in Academia South Asian Academic Research Journal a **Peer Reviewed International Journal** Volume 3, Issue 2 (February, 2013) **ISSN 2249-7137** in February2013.
- Published a paper on **"Role of Commercial banks in farm credit"** a National Seminar Souvenir published by S. S. Arts College & T. P. Science Institute Sankeshwar.

- Published a research paper on **"Awareness of Green Products among the consumers" in seminar souvenir "Green Marketing- Opportunities & Challenges"** (***(ISBN: 978-93-5137-203-5) 20th Sept 2013.***
- Published a paper on "**Performance of Postal Life Insurance" in International Journal of Business, Management & Social Sciences Vol III, Issue 3(1), November 2013 (ISSN: 2249-7463)** of Goa conference Vol III Issue 3(1) Nov 2013.
- Published a paper on ***"Mahatma Gandhi National Rural Employment Guarantee Scheme- A Ray of Hope for Rural Mass"*** Vol II Issue 10(1) January 2014 **ISSN: 2277-9302 Vol II, Issue 10(1) Jan 2014**
- Published a research paper **"SHG and Empowerment- A Fighter against Social Cause"** in ***Indian Journal of Commerce and Management Studies in Vol 5 Issue 1 Jan 2014(ISSN:2249-0310)*** with **an impact factor 0.405**
- Published a research paper **"Problems of SHG entrepreneurs"** in ***Asian Journal of Research in Economics, Business and Management with an Impact factor of 0.375 (ISSN 2250-1673) Vol IV Issue-II February 2014.***
- Published a research paper on **"Impact of SHGs on Economic Empowerment of members"** in ***Indian Journal of Applied Research with an Impact Factor of 2.1652 (ISSN-2249-555X) Vol 4 Issue 7 July 2014.***
- Published a research paper on **"Performance of SHG-Bank linkage"** in ***International Research Journal of Commerce and Social Sciences (ISSN: 2277-9310) Vol III, Issue 6(1), September 2014.***
- Published a paper on "***Impact of FDI on Service Sector"*** in Seminar Souvenir of International Seminar on Globalization of Business & Management Education organized by K.L.E. Society's B.K. College, Chikkodi **(ISBN: 978-81-930847-0-0)**
- Published research paper on **Micro Entrepreneurship-A Way of Living of Poor** in ***International Journal of Management Prudence*** December2014 Vol VI Issue 1.
- Published a paper on **"Banking with Unbankable"** in ***Banking Finance (ISSN:0971-4498)*** Vol XXVIII (1) January 2015
- Published a paper on **"Mid Day Meal Scheme: A Security of food for learners"** in ***Journal of Green & Sustainable Development (ISSN: 2350-1464)*** Vol 2 (2) January 2015.
- Published research paper on "**Impact of SHGs on Socio-Political Empowerment of Women"** in ***Sustainable Rural Development- Challenges and Opportunities in India*** **(ISBN: 978-81-909728-8-8) February 2015.**
- Published a paper on "**Challenges of Media in Rural Markets"** in ***Contemporary Research in India –A Peer Reviewed Multi-Disciplinary International Journal*** Special issue March 2015 **(ISSN 2231-2137)**
- Published a research paper on **"Job Satisfaction of Employees in Selected Co-operative Credit Souhard Societies-A Case Study of Sankeshwar Town" in *International Journal of Multidisciplinary Approach and Studies (ISSN:2348-537X)* Vol 2 No 4, July-August 2015.**

- Published a paper on **"Rural Entrepreneurship –Opportunities & Challenges"** in ***Multi-Disciplinary Journal of Research in Commerce & Management*** Vol 1 No 3 September 2015 **(ISSN: 2277-5838).**
- Published a paper on **"Make in India and Tourism Industry"** in ***Indian Journal of Applied Research Peer Reviewed & Referred International Journal (ISSN-2249-555X)*** with an Impact Factor: 3.6241 Vol 5 Issue No 10 October 2015.
- Published a paper on **"Direct Tax- A Booster for Economy"** in ***Indian Journal of Research in Commerce, Management, Engineering and Applied Science (ISSN: 2454-6593)*** Vol 1 October 2015

Books:

- Co-authored a book on ***Management Accounting*** published by Sai Publications, Gadag in 2007.
- Coauthored a book on ***Fundamental of Financial Management*** published by Himalaya Publishing House Mumbai **(ISBN: 978-93-5142-424-6) 2014.**
- Coauthored a book on ***Accounting Theory*** published by Himalaya Publishing House Mumbai **(ISBN: 978-93-5142-480-2) 2014.**
- Edited Souvenir of seminar proceedings of ***"Green Marketing- Opportunities & Challenges (ISBN: 978-93-5137-203-5)*** published by Shri L. K. Khot College of Commerce, Sankeshwar
- Edited Souvenir of seminar proceedings of ***"Entrepreneurship- A Tool for Economic Development (ISBN: 978-93-5174-737-6)*** published by Shri L. K. Khot College of Commerce, Sankeshwar

Orientation & Refresher Programme:

- Attended 44th Orientation Programme at Academic Staff College of Karnatak University, Dharwad from 13th November 2008 to 10th December 2008 and obtained the Grade A.
- Participated in Refresher Course in Commerce at Academic Staff college of University of Pune, Pune from 26 November 2012 to 16 December 2012 and obtained the Grade B.

Seminars Workshop Conference organized:

- Member of organizing committee of UGC sponsored Two-Day workshop on "Entrepreneurship Development of Small Enterprises Through Teacher Participation" on 30th & 31st August 2008.
- **Organizing Secretary** of One-Day Conference on Domestic Violence Act- A Boon or Bane on 26th February 2010.
- **Organizing Secretary** of UGC sponsored One Day National Seminar on Impact of Global Meltdown on Indian Human Resources on 2 May 2011.
- Member of organizing committee of UGC sponsored One Day National Seminar on Hardware Vs Software- An Obligatory Race on 3rd May 2011
- Member of organizing committee of UGC sponsored One Day National Seminar on Green Marketing- Opportunities & Challenges held on 20 September 2013.
- Member of organizing committee of UGC sponsored One Day National Seminar on Elderly Women and Their Income Security held on 21 September 2013.

- **Treasurer** of National Seminar on Entrepreneurship- A Tool for Economic Development of India held 7th February 2015.
- **Treasurer** of National Seminar on Emerging Trends in Rural Entrepreneurship in India held on 8th September 2015.

Membership:

- Life member of Indian Commerce Association New Delhi.
- Life member of Kannada Sahitya Parishad, Bengaluru.
- Life member of Commerce & Management Teachers Association of Rani Channamma Univeristy Belgavi.

Guest of Honor:

- Guest to S. V. M. Arts & Commerce College, Raibagh for "Arunodaya" Commerce festival closing ceremony on 13 April 2013.
- Guest to S. D. V. S. Sangh's Arts Science & Commerce PU College, Sankeshwar for "Freshers' Day.
- Guest to S.D.V.S.Sangh's B.B.A College for Valedictory of Entrepreneurship Week.

Others Responsibilities:

- **Worked as NAAC coordinator and helped the institution in reaccreditation with CGPA of 2.41 in 2011.**
- **Worked as Coordinator of RUSA(Rastriaya Uchcha Shikshan Samiti) from 2013-14**

An Analytical Study on Direct Tax Revenue Collection

Dr. D. D. Kulkarni
Shri L. K.Khot College of Commerce
Sankeshwar.

Introduction:

Tax is the major source of revenue to the government. Tax is the originator of all developmental activities. Tax revenue is utilized for public expenditure. In most of the countries, there is something in return for something for the tax payer. Taxes are the principal source of recurring revenue under government control. The taxes are classified into direct taxes and indirect taxes. The share of tax revenue is comparatively high compared to non-tax revenue. Direct taxes can be defined as the burden of payment which cannot be transferred to others. Indirect taxation is defined as taxation imposed upon others tan the person who is intended to bear the final burden. The rate of collection direct tax is less as compared to rate of collection of indirect taxes. Still, it has gained greater attention. The reason is that it has propensity towards personal.

Objectives:

- To evaluate the contribution of direct taxes to total tax revenue.
- To analyze cost of collection of direct taxes.
- To compare the effectiveness of assesses.
- To offer useful suggestions.

Research Methodology:

The study is purely based on secondary data. The data is collected from 2000-01 to 2014-15. The data is analyzed with help of statistical tools such as percentage. One way Anova is used to test the significant contribution of direct taxes.

Hypotheses:

Ho: There is no significant difference in collection of direct tax among the types of it.
Ha: There is significant difference in collection of direct taxes among the types of it.
Ho: The contribution of direct taxes is relatively low to contribution of indirect taxes.
Ha: The contribution of direct taxes is relative high to contribution of indirect taxes.

Direct tax collection:

The direct taxes may of different forms such as income tax, gift tax and wealth tax. Income tax is the prominent source of collection of direct taxes. Income tax is collected from company, individual and other assesses.

Table 1: Direct collection **(Rs in crores)**

Financial year	Corporate Tax	Personal IT	Other direct tax	Total
2000-01	35696	31764	845	68305
2001-02	36609(2.565)	32004(0.76)	585(-30.77)	69198
2002-03	46172(26.12)	36866(15.19)	50(-91.45)	83088
2003-04	63562(37.66)	41386(12.26)	140(180)	105088
2004-05	82680(30.08)	49268(19.05)	823(487.25)	132771

2005-06	101277(22.49)	63689(29.88)	250(-69.62)	165216
2006-07	144318(42.50)	85623(33.80)	240(-4)	230181
2007-08	193561(34.12)	120429(40.65)	340(41.67)	314330
2008-09	213395(10.25)	120034(-0.32)	389(14.41)	333818
2009-10	244725(14.68)	132833(10.66)	505(29.82)	3788063
2010-11	298688(22.05)	146258(10.10)	1049(107.72)	445995
2011-12	322816(8.08)	170181(16.36)	990(-5.62)	493987
2012-13	356326(10.38)	201840(18.60)	823(-16.87)	558989
2013-14	394678(10.76)	242888(20.34)	1030(25.15)	638596
2014-15	428925(8.68)	265772(9.42)	1095(6.31)	695792
2015-16*	454419(5.94)	286801(7.91)	1075(-1.83)	742295

ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	2.69488E+12	3	8.98E+11	4.343651	0.007776	2.758078
Within Groups	1.24084E+13	60	2.07E+11			
Total	1.51033E+13	63				

Source: www.incometax.gov.in

*Provisional

It is revealed from table that the trend in collect ion of direct taxes is lower fluctuation between 2002-03 to 2007-08. This is due to implication of Minimum Alternative Tax provisions u/s 115JB. The rate of collection of corporate tax is decreasing because of the policies of government to create feasible environment for industrial development. The rate collection of personal income tax is the highest during 2007-08. Tax avoidance and tax planning have reduced the rate of collection of taxes. The calculated F value is greater than its crucial value at 5 per cent level of significance. Hence, the null hypothesis is rejected. It is revealed from the one-way anova that there is significant difference in collection of taxes among several of types of direct taxes.

Table 2: State-wise Breakup of collection **(Rs in crores)**

Financial year States	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**
Andhra Pradesh	23133.4	25180	29947.7	32296.1	26769.01
Arunachal Pradesh	70.1	87.6	84.0	111.8	17.19
Assam	2937.8	3742.8	4564.0	4486.8	3658.69
Bihar	2581.1	3058.4	3806.7	4491.6	4425.75
Chattisgarah	1882.3	1987.1	2281.9	3067.9	1286.86
Delhi	64208.1	68410.5	79137.1	88140.4	91247.90
Goa	4886.3	4583.9	2600.4	2100.3	2820.02
Gujarat	17017.0	20961.7	25196.1	28783.9	35912.46

Harayana	9212.6	11168.0	13788	16778.6	12638.80
Jammu & Kashmir	711.6	869.9	1160.7	1459.1	1284.22
Jarkhand	1691.4	1977.7	2497.9	3482.7	1344.70
Karnataka	35824.8	40956.0	49047.8	59769.8	60595.22
Kerala	5493.2	6810.0	8524.4	10155.6	11909.69
Maharastra	174968.8	177363.3	202128.9	229494.9	277720.11
Manipur	44.1	38.4	55.4	79.20	53.31
Meghalaya	367.0	406.3	474.0	577.3	292.75
Mizoram	6.9	9.2	12.6	17.8	39.79
Nagaland	19.3	20.7	30.4	35.1	30.36
Odisha	6172.7	7014.4	8630.5	9394.2	9871.25
Punjab	5019.2	6181.6	6977.0	7783.6	7072.98
Rajasthan	5813.3	7689.2	9951.9	11246.5	13146.11
Sikkim	48.2	64.4	199.5	205.4	323.88
Tamil Nadu	28409.5	28327.5	33051.3	42681.3	44732.62
Telangana	Newly formed state				439.46
Tripura	100.5	142.2	166.3	218.7	138.91
Uttar Pradesh	19850.5	20130.3	25745.6	25886.5	27159.83
Uttarkhand	1080.0	1255.7	1591.9	1941.9	1750.63
West Bengal	19458.0	20592.0	24462.9	26900.7	27793.48

Source: www.incometax.gov.in

It is professed from table that the southern states such as Andhra Pradesh, Karnataka, and Tamil Nadu have played a significant role in collection of direct taxes. The state of Delhi has been top among the all states in collection of taxes. Efforts have to be made to collection tax from north eastern states such as Tripura, Meghalaya, Assam and Mizoram.

Table 3: Cost of Collection **(Rs in crores)**

Financial Year	Total collection	Total expenditure	Cost of collection (%)
2000-01	68305	929	1.36
2001-02	69198	933	1.35
2002-03	83088	984	1.18
2003-04	105088	1050	1.00
2004-05	132771	1138	0.86
2005-06	165216	1194	0.72
2006-07	230181	1349	0.59
2007-08	314330	1687	0.54
2008-09	333818	2248	0.67
2009-10	378063	2726	0.72
2010-11	445995	2698	0.60
2011-12	493987	2976	0.60

2012-13	558989	3283	0.59
2013-14	638596	3641	0.57
2014-15	695792	4101	0.59
2015-16*	742295	4593	0.62

Source: www.incometax.gov.in
*Provisional

It is shown from table that the rate of cost of collection has exceeded 1 per cent till 2003-04 but subsequently the rate of collection has not exceeded 1 per cent. However, the total collection of tax is on increasing trend.

Table 4: Contribution of Direct Taxes (Rs in crores)

FY	Direct Tax	Indirect Tax	Total Taxes
2000-01	68305	119814	188119
2001-02	69198(1.30)	117318(-2.08)	186516(-0.85)
2002-03	83088(20.07)	132608(13.03)	215696(15.79)
2003-04	105088(26.48)	148608(12.06)	253696(17.62)
2004-05	132771(26.34)	170936(15.02)	303707(19.71)
2005-06	162516(22.40)	199348(16.62)	364564(20.03)
2006-07	230181(41.64)	241538(21.16)	471719(29.39)
2007-08	314330(36.56)	279031(15.52)	593361(25.77)
2008-09	333818(6.20)	269433(-3.44)	603251(1.67)
2009-10	378063(13.25)	243939(-9.46)	622002(3.10)
2010-11	445995(17.97)	343716(40.90)	789711(26.96)
2011-12	493987(10.76)	390953(13.74)	884940(12.06)
2012-13	558989(13.15)	472915(20.91)	1031904(16.60)
2013-14	638596(14.24)	495347(4.74)	1133943(9.89)
2014-15	695792(8.98)	543215(9.66)	1239007(9.27)
2015-16	742295(6.68)	711885(31.05)	1454180(17.37)

ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	1.02E+10	1	1.02E+10	0.240804	0.627197	4.170877
Within Groups	1.28E+12	30	4.25E+10			
Total	1.29E+12	31				

Source: www.incometax.gov.in
*Provisional

It is observed from table that the collection of direct taxes is the highest during 2006-07 i.e. 41.64 per cent and is the lowest during 2001-02. But it has volatile from 2011-12 to 2015-16. As

regard to collection of indirect taxes, it has shown negative result in some of the year. It is concluded that the collection of direct tax is comparatively high compared with indirect taxes. As calculated F value is lesser that its critical value at 5 per cent level of significance, the null hypothesis is rejected. Hence, it is concluded that the contribution of direct taxes is relatively low compared to collection of indirect taxes.

Table 5: Number of Effectives Assesses

PAN/Category	AY 2011-12	AY 2012-13	AY 2013-14	AY 2014-15
Association of persons	110230	124010 (12.50)	138098 (11.36)	142192 (2.96)
Body of Individuals	5392	5688 (5.48)	6052 (6.40)	6221 (2079)
Company	596377	654766 (9.79)	702621 (7.30)	714419 (2.79)
Partnership firm	950147	995648 (4.79)	1038309 (4.28)	1031457 (-0.66)
Government	62	94 (51.61)	159 (69.15)	294 (84.90)
Hindu Undivided Family	892205	931387 (4.39)	956233 (2.67)	907047 (-5.14)
Artificial Judicial Person	9896	9897 (0.10)	10039 (1.43)	9649 (-3.88)
Local authority	5056	5459 (7.97)	5935 (8.72)	6807 (14.69)
Individual	40883558	44346852 (8.47)	49033288 (10.56)	48663680 (-0.75)
Trust	184563	193781 (5.00)	202590 (4.55)	192056 (-5.20)
Total	43637486	47267582	52093324	51673822

Source: www.incometax.gov.in

It is professed from table that there has been decrease in rate of growth of Association of Persons. But the establishment of government and local authorities has increased year by year. Surprisingly, the rate of growth of company assessee has decreased. This is due to tax incentives provided to companies by government.

Findings of study:

- ✓ The rate of collection of corporate taxes is falling over a period of time.
- ✓ There is disparity in collection of taxes among the states.
- ✓ The cost of collection of tax is relatively low.
- ✓ The rate of collection of direct taxes is greater compared to collection of indirect taxes.
- ✓ The effectiveness of assesses of company has decreased whereas the same of government has increased.

Suggestions:

Removal of disparity:

There is imbalance in collection of taxes among the states especially among north eastern states. This is because of tax shields enjoyed by the corporate assesses. These corporate enjoy tax benefit u/s 80 IA, IB etc. Hence, the period of exemption should be reduced.

Transparency:

The rate of collection indirect is lesser because of not-raising of receipts. Most of the traders to evade tax do not provide receipt who convenience customers to save their money. The transparency system should be introduced to generate bills in triplicate so as to provide receipts to customer, trader and government like purchase through debit cards in point of sales. This hikes collection of indirect taxes.

Awareness of tax payment:

Government should make efforts to create awareness about tax payment among general public. Government should propagate tax planning in print and electronic media. Such efforts should be carried throughout the year instead during the time filing of return of income.

Conclusion:

Tax is major source of public revenue. It is necessary to concentrate on collection of tax for its developmental projects. A proper tax management leads to shining of India.

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Gender Specific Brand Loyalty With Reference To Footwears In Hubli City-A Case Study

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INTRODUCTION:

The new millennium is not just a new beginning; it is a continuation of trends in human behavior that have been following cyclical patterns throughout our country's history. Just because we have entered a new era does not mean we have to start from scratch when it comes to interpreting why certain consumers are loyal to certain brands, and what type of factors influence these allegiances. Brand Loyalty is the consumer's conscious or unconscious decision, expressed through intention or behavior, to repurchase a brand continually. It occurs because the consumer perceives that the brand offers the right product features, image, or level of quality at the right price. Consumer behavior is habitual because habits are safe and familiar. In order to create brand loyalty, advertisers must break consumer habits, help them acquire new habits, and reinforce those habits by reminding consumers of the value of their purchase and encourage them to continue purchasing those products in the future. The image surrounding a company's brand is the principal source of its competitive advantage and is therefore a valuable strategic asset. Unfortunately, many companies are not adept at disseminating a strong, clear message that not only distinguishes their brand from the competitors', but distinguishes it in a memorable and positive manner. The challenge for all brands is to avoid the pitfalls of portraying a muddled or negative image, and instead, create a broad brand vision or identity that recognizes a brand as something greater than a set of attributes that can be imitated or surpassed. Branding is by far one of the most important factors influencing an item's success or failure in the marketplace, and can have a dramatic impact on how the "company behind the brand" is perceived by the buying public.

OBJECTIVES OF THE STUDY:

The present study attempts to find out and analyse the existence and extent of brand loyalty among men and women with regard to their purchase decision of footwear's. An attempt is also made to find out the purchase behavior of different segments of loyal customers based on age.

METHODOLOGY USED:

The scope of research is confined to Hubli-Dharwad Municipal Corporation. The duration of the study is six months (March 2010 – August 2010). The present study is focused on men and women consumers aged 15 years and above. The total sample size of the respondents is 100. the sample selected are based on stratified random sampling method. The samples are divided in to age groups of 15-21, 22-31, 32-41, 42 and above. On the basis of their level of loyalty, the respondents are categorized into four groups

Determined loyal customers: who buy the same brand all the time.

Partially loyal customers: loyal to two or three brands.

Undetermined loyal customers: moving from one brand to another.

Non loyal customers: Those who are not loyal to any brand.

SOURCES OF DATA COLLECTED: The data is collected from both primary and secondary sources. Primary data is collected by using survey method. Secondary data is collected from journals, business magazines, and internet.

STATISTICAL TOOLS USED: The collected data had been analyzed by using: - **(a)** Percentage analysis **(b)** Cross tabulation

SAMPLE PROFILE:

Table 1: Profile of the Sample

Demographic factor	No of respondents	Percentage
Gender	Male:54 Female:46	54% 46%
Age	15-21: 15 22-31: 50 32-41: 23 42 & above: 12	15% 50% 23% 12%

BRAND AS A MAJOR CRITERIA FOR PURCHASE DECISIONS:

Table 2: Percentage distribution showing brand as a criteria for purchase decisions.

Brand as a criteria	Total no of respondents	Men%	Women%
I always prefer branded footwear	35	20%	15%
If branded is not available, I continue to search for it	25	19%	6%
I buy branded footwear even if it is costlier than unbranded.	16	12%	4%
Sometimes I buy unbranded footwear	24	5%	19%
Total	**100**	**56%**	**44%**

Source: Field Survey

GENDER SPECIFIC BRAND LOYALTY:

Table 3: Percentage distribution showing gender specific brand loyalty.

Always buy the same brand	No of respondents	Men%	Women%
YES	67	47%	20%
NO	33	14%	19%
Total	**100**	**61%**	**39%**

Source: Field Survey

CLASSIFICATION OF RESPONDENTS BASED ON THEIR LEVEL OF LOYALTY:

Table 4: percentage distribution showing respondent groups based on level of loyalty.

Loyal groups	No of respondents	Men%	Women%
Determined loyal customers	15	10%	5%
Partially loyal customers	50	12%	38%
Undetermined loyal customers	23	11%	12%

Non loyal customers	12	5%	7%
Total	**100**	**38%**	**62%**

Source: Field Survey

CLASSIFICATION OF RESPONDENTS BAISED ON THEIR LOYALTY:

Table 5: Cross tabulation of the respondents biased on their loyalty and age:

Loyal groups	**Age groups (years)**							
	15-21		**22-31**		**32-41**		**42 & above**	
	Frequency	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**
Determined loyal customers	3	11.5	6	15	3	16	3	20
Partially loyal customers	10	38.5	24	60	12	63	4	27
Undetermined loyal customers	7	27.0	8	20	3	16	5	33
Non loyal customers	6	23.0	2	5	1	5	3	20
Total	**15**	**100**	**50**	**100**	**23**	**100**	**12**	**100**

Source: Field Survey

FACTORS OF BRAND LOYALTY:

Lau *et al.* (2006) in his article mentioned that there were seven factors that influenced consumers' brand loyalty towards certain sportswear brands. The factors were: brand name, product quality, price, promotion and service quality.

Brand name:

According to Kohli and Thakor (1997), brand name is the creation of an image or the development of a brand identity and is an expensive and time consuming process. The development of a brand name is an essential part of the process since the name is the basis of a brand's image. Brand name is important for the firm to attract customers to purchase the product and influence repeat purchasing behavior. Consumers tend to perceive the products from an overall perspective, associating with the brand name all the attributes and satisfaction experienced by the purchase and use of the product.

Factors for the preference of brand for brand name:

1st factor: Brand name and image attracts me

2nd factor: Brand represents my personality

3rd factor: Brand name is above price

4th factor: Prestige is a part of brand name

Table 6: Cross tabulation of respondents based on their preference for brand name:

Factors	**Men**		**Women**	
	Frequency	**%**	**Frequency**	**%**
1st Factor	10	19	15	33
2nd Factor	17	31	10	22
3rd Factor	12	22	08	17
4th Factor	15	28	13	28
Total	**54**	**100**	**46**	**100**

Source: Field Survey

INFERENCE: From the above table it is clear that a majority of men (i.e. 31%) consider that brand represents their personality and a considerable number of women (i.e. 33%) believe that brand name and image attracts them to prefer a particular brand.

Product quality:

Consumers may repeat the purchase of single brands or switch around several brands due to the tangible quality of the product sold. Perfectionist or quality consciousness is defined as an awareness of and desire for high quality products, and the need to make the best or perfect choice versus buying the first product or brand available (Sproles and Kendall, 1986). This indicates that quality characteristics are also related to performance.

Factors for the preference of brand for product quality:

1st factor: The materials used are of high quality

2nd factor: The brand offers variety of colors and textures

3rd factor: The brand uses materials that are comfortable to wear

4th factor: The brand offers footwear of all sizes

Table 7: Cross tabulation of respondents based on their preference for product quality:

Factors	Men		Women	
	Frequency	%	Frequency	%
1st Factor	17	31	08	17
2nd Factor	09	17	10	22
3rd Factor	12	22	17	37
4th Factor	16	30	11	24
Total	**54**	**100**	**46**	**100**

Source: Field Survey

INFERENCE: A majority of men (i.e. 31%) prefer a particular brand because they find the material used by the brand is of high quality. But majority of women (i.e.37%) prefer a brand because they find the brand uses materials that are comfortable to wear. And a considerable number of respondents find that the brand offers footwear of every size.

Price:

Consumers with high brand loyalty are willing to pay a premium price for their favored brand, so, their purchase intention is not easily affected by price. Loyal customers are willing to pay a premium even if the price has increased because the perceived risk is very high and they prefer to pay a higher price to avoid the risk of any change. Basically, long-term relationships of service loyalty make loyal customers more prices tolerant, since loyalty discourages customers from making price comparison with other products by shopping around. Price has increasingly become a focal point in consumer's judgments of offer value as well as their overall assessment of the retailer.

Factors for the preference of brand even if price rises:

1st factor: Increase in the price of the brand does not hinder my purchase decision.

2nd factor: The brand is worth the price.

Table 8: Cross tabulation of respondents based on their indifference towards price rise

Factors	Men		Women	
	Frequency	%	Frequency	%
1st Factor	37	69	06	13
2nd Factor	17	31	40	87
Total	54	100	46	100

Source: Field Survey

INFERENCE:

From the above table it can be inferred that, as compared to women, men are more inelastic in their purchase decisions when there is a price rise. As per the survey, 69% of men purchase the brand even if price rises as compared to women (13%).

Promotion:

Promotion is a marketing mix component which is a kind of communication with consumers. Promotion includes the use of advertising, sales promotions, personal selling and publicity. Advertising is a non-personal presentation of information in mass media about a product, brand, company or store. This shows that promotion, especially through advertising, can help establish ideas or perceptions in the consumers' minds as well as help differentiate products against other brands.

1st factor: Ads of the brand attracts me to purchase

2nd factor: The promotional activities of the brand are convincing

Table 9: Cross tabulation of influence of promotional activities on the respondents.

Factors	Men		Women	
	Frequency	%	Frequency	%
1st factor	32	59	26	57
2nd factor	22	41	20	43
Total	54	100	46	100

Source: Field Survey

INFERENCE:

From the above findings it is clear that irrespective of the gender, both men (i.e.59%) and women (i.e. 57%) gets attracted to the various promotional activities of the brand. This proves that promotion is a key factor for purchase decisions.

Service quality:

Service quality is a kind of personal selling, and involves direct interactions between salespeople and potential buyers. Consumers like to shop at specific stores because they like the services provided and are assured of certain service privileges.

Service quality as one of the factors for brand loyalty

1st factor: Salesperson of the store is well-trained.
2nd factor: Salesperson of the stores is willing to help.
3rd factor: Salesperson of the store is friendly and courteous.
4th factor: Salespersons of the stores have neat appearance.

Table 10: cross tabulation of factors for brand loyalty influenced by service quality

Factors	Men		Women	
	Frequency	%	Frequency	%
1st factor	05	9	05	11
2nd factor	22	41	18	39
3rd factor	16	30	14	30
4th factor	11	20	09	20
Total	**54**	**100**	**46**	**100**

Source: Field Survey

INFERENCE:

The above table proves that service quality is also one of the major factors that influence a person to buy a particular brand. Irrespective of the gender both men (i.e.41%) and women (i.e.39%) find that the salesmen in the stores are cordial and friendly and are always willing to help.

CONCLUTION:

The purpose of this research is to investigate how the respondents are influenced by factors of brand loyalty towards footwear brands. Brand loyalty is important for an organization to ensure that its product is kept in the minds of consumers and prevent them from switching to other brands. The research showed that it was not easy to obtain and maintain consumer loyalty for a company's product because there were many forces drawing consumers away such as competition, consumers' thirst for variety, etc. From the analysis of this study, it was shown that Irrespective of the gender factor, men and women equally become loyal to brands influenced by various factors like product quality, style, store environment, promotion, price and above all brand name. Another major finding of the study is that as compared to women, men are more loyal and stick on to the same brand because women tend to keep on changing their footwear as per the latest trends and fashion. Therefore they sometimes go for unbranded footwear.

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MICRO INSURANCE IN INDIA

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ABSTRACT:

Micro insurance, the term used to refer to insurance to the low income people, is different from insurance in general as it is low value product (involving modest premium and benefit package) which requires different design and distribution strategies such as premium based on community risk rating, active involvement of an intermediate agency representing the target community and so forth insurance is fast emerging as an important strategy even for the low income people engaged in wide variety of income generation activities, and who remain exposed to variety of risks mainly because of absence of cost-effective risk hedging instruments. In this present paper an attempt has been made to narrate Development of Micro-Insurance in India, Micro-Insurance Products and Intermediaries of Micro Insurance. .

INTRODUCTION:

Micro Insurance can play a crucial role as a comprehensive tool to help reduce the vulnerability of the poor. Micro insurance refers to insurance designed to protect under-served low income people against specific perils in exchange for low premiums. The prime aim of micro insurance is to reduce the vulnerability that poor house holds face and as a consequence, enable the poor to improve their lives. .

OBJECTIVE OF THE STUDY:

The main objectives of the present study are as follows:

- To discuss Development of Micro Insurance;
- To understand Micro-Insurance Products;
- To examine Intermediaries of Micro-Insurance.

METHODOLOGY:

The present study is based only on secondary data. The data were collected from journals and website.

DEVELOPMENT OF MICRO-INSURANCE IN INDIA:

Historically in India, a few Micro-Insurance schemes were initiated, either by non-governmental organizations (NGO's) due to the felt need in the communities in which these organizations were involved or by the Trust Hospitals. These schemes have now gathered momentum partly due to the development of micro-finance activity and partly due to the regulation that makes it mandatory for all formal insurance companies to extend their activities to rural and well-identified social sector in the country (IRDA 2000). As a result increasingly micro-finance institutions (MFIS) and NGOs are negotiating with the fore-profit insurers for the purchase of customized group or standardized individual insurance schemes for the low income people.

MICRO INSURANCE PRODUCTS:

The insurance companies offer several services and few of their main products are listed below.

- **Protection (Term Insurance)**

  This scheme provides accident benefits. In addition some companies also offer permanent disability benefits.

- **Endowment / Savings / Pension:**

  Under this category, the insurance company offers life protection, both on survival and death. Pensions can also be built in to the product. Company's may offer accident benefits and permanent disability benefits during the premium paying term only or for the full term. The sum accepted is ranging from Rs. 30,000/- to Rs. 50,000/-

- **Health:**

  This scheme covers disability, hospitalization etc. It offers a fixed sum in case of hospitalization [pre, during and post]. The details of claims are given in the following table.

The table showing Micro Insurance Products - Health

Benefits	Amount Claimed
Hospitalization Expenses	Rs. 150 per day
Consultancy Fees	Up to Rs. 4500 on hospitalization
Diagnostic Expenses	Rs. 4500 on hospitalization
Transportation Expenses	Rs. 350 on hospitalization

Source: *Business and Economic, Facts for you, June 2014 – P. 20.*

- **Property:**

  This policy gives protection against key risks faced by low-income households such as crop insurance. It also covers loss of live stock due to disease and accidents.

- **Personal accident:**

  This scheme offers insurance cover for death and permanent disabilities as well as medical expenses for pre and post hospitalization.

INTERMEDIARIES OF MICRO INSURANCE:

Micro-insurance business is done through the following intermediaries.

1) Micro Finance Institutions;
2) Non-Government Organizations;
3) Self-Help Groups.

CONSLUSION:

Micro Insurance is designed to provide and to extend help to low income and downtrodden people to cope with common risks.

REFERENCES:

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"FINANCIAL SECTOR REFORMS IN INDIA"
(Banking Sector Reforms In India)

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INTRODUCTION

Financial sector is the backbone of any economy and it plays a crucial role in the mobilisation and allocation of resources. The constituents of the financial sector are Banks, Financial Institutions, Instruments and markets which mobilise the resources from the surplus sector and channelise the same to the different needy sectors in the economy. The process of increasing capital accumulation through institutionalisation of savings and investment fosters economic growth. The main objectives of the financial sector reforms are to allocate the resources efficiently, increasing the return on investment and accelerated growth of the real sectors in the economy. The measures initiated by the Government of India under the reform process are meant to increase the operational efficiency of each of the constituent of the financial sector. The discussion of the present text has been restricted to the role of the development banks in the era of reforms.

Financial Sector Reforms: A Summary

Financial sector reforms are at the centre stage of the economic liberalization that was initiated in India in mid 1991. This is partly because the economic reform process itself took place amidst two serious crises involving the financial sector:

□□the balance of payments crisis that threatened the international credibility of the country and pushed it to the brink of default; and

□□the grave threat of insolvency confronting the banking system which had for years concealed its problems with the help of defective accounting policies.

Moreover, many of the deeper rooted problems of the Indian economy in the early nineties were also strongly related to the financial sector:

□□the problem of financial repression in the sense of McKinnon-Shaw (McKinnon, 1973; Shaw, 1973) induced by administered interest rates pegged at unrealistically low levels;

□□large scale pre-emption of resources from the banking system by the government to finance its fiscal deficit;

□□excessive structural and micro regulation that inhibited financial innovation and increased transaction costs;

□□relatively inadequate level of prudential regulation in the financial sector;

□□poorly developed debt and money markets; and

□□outdated (often primitive) technological and institutional structures that made the capital markets and the rest of the financial system highly inefficient.

Banking and credit policy

At the beginning of the reform process, the banking system probably had a negative net worth when all financial assets and liabilities were restated at fair market values (Varma 1992). This

unhappy state of affairs had been brought about partly by imprudent lending and partly by adverse interest rate movements. At the peak of this crisis, the balance sheets of the banks, however, painted a very different rosy picture. Accounting policies not only allowed the banks to avoid making provisions for bad loans, but also permitted them to recognize as income the overdue interest on these loans. The severity of the problem was thus hidden from the general public.

The threat of insolvency that loomed large in the early 1990s was, by and large, corrected by the government extending financial support of over Rs 100 billion to the public sector banks. The banks have also used a large part of their operating profits in recent years to make provisions for non performing assets (NPAs). Capital adequacy has been further shored up by revaluation of real estate and by raising money from the capital markets in the form of equity and subordinated debt. With the possible exception of two or three weak banks, the public sector banks have now put the threat of insolvency behind them.

The major reforms relating to the banking system were:

- Capital base of the banks were strengthened by recapitalization, public equity issues and subordinated debt.
- Prudential norms were introduced and progressively tightened for income recognition, classification of assets, provisioning of bad debts, marking to market of investments.
- Pre-emption of bank resources by the government was reduced sharply.
- New private sector banks were licensed and branch licensing restrictions were relaxed.

At the same time, several operational reforms were introduced in the realm of credit policy:

- Detailed regulations relating to Maximum Permissible Bank Finance were abolished
- Consortium regulations were relaxed substantially
- Credit delivery was shifted away from cash credit to loan method

The government support to the banking system of Rs 100 billion amounts to only about 1.5% of GDP. By comparison, governments in developed countries like the United States have expended 3-4% of GDP to pull their banking systems out of crisis (International Monetary Fund, 1993) and governments in developing countries like Chile and Philippines have expended far more (Sunderarajan and Balino, 1991).

However, it would be incorrect to jump to the conclusion that the banking system has been nursed back to health painlessly and at low cost. The working results of the banks for 1995-96 which showed a marked deterioration in the profitability of the banking system was a stark reminder that banks still have to make large provisions to clean up their balance sheets completely. Though bank profitability improved substantially in 1996-97, it will be several more years before the unhealthy legacy of the past (when directed credit forced banks to lend to uncreditworthy borrowers) is wiped out completely by tighter provisioning. It is pertinent to note that independent estimates of the percentage of bank loans which could be problematic are far higher than the reported figures on non performing assets worked out on the basis of the central bank's accounting standards. For example, a recent report estimates potential (worst case) problem loans in the Indian banking sector at 35-60% of total bank credit (Standard and Poor, 1997). The higher end of this range probably reflects excessivepessimism, but the lower end of

the range is perhaps a realistic assessment of the potential problem loans in the Indian banking system.

The even more daunting question is whether the banks' lending practices have improved sufficiently to ensure that fresh lending (in the deregulated era) does not generate excessive non performing assets (NPAs). That should be the true test of the success of the banking reforms. There are really two questions here. First, whether the banks now possess sufficient managerial autonomy to resist the kind of political pressure that led to excessive NPAs in the past through lending to borrowers known to be poor credit risks. Second, whether the banks' ability to appraise credit risk and take prompt corrective action in the case of problem accounts has improved sufficiently. It is difficult to give an affirmative answer to either of these questions (Varma 1996b).

Turning to financial institutions, economic reforms deprived them of their access to cheap funding via the statutory pre-emptions from the banking system. They have been forced to raise resources at market rates of interest. Concomitantly, the subsidized rates at which they used to lend to industry have given to market driven rates that reflect the institutions' cost of funds as well as an appropriate credit spread. In the process, institutions have been exposed to competition from the banks who are able to mobilize deposits at lower cost because of their large retail branch network. Responding to these changes, financial institutions have attempted to restructure their businesses and move towards the universal banking model prevalent in continental Europe. It is too early to judge the success of these attempts.

Interest rate deregulation and financial repression

Perhaps the single most important element of the financial sector reforms has been the deregulation of interest rates.

- Interest rates were freed on corporate bonds, most bank lending, and bank deposits above one year maturity.
- Introduction of auctions coupled with reduced pre-emption led to more market determined interest rates for government securities.
- Administered interest rates are now confined mainly to short term bank deposits, priority sector lending, and deposits of non banking financial companies.

For all practical purposes, financial repression is a thing of the past. Even on short term retail bank deposits which are still regulated, the ceiling rate is well above the historic average rate of inflation. Moreover, quite often the ceiling has not been a binding constraint in the sense that actual interest rates have often been below the regulatory ceiling.

Similarly, the prices of most other financial assets are also now determined by the more or less free play of market forces. Consequently, financial markets are increasingly able to perform the important function of allocating resources efficiently to the most productive sectors of the economy. This must count as one of the most enduring and decisive successes of the financial reforms.

New banks, new types

As early as in April last year, the Reserve Bank of India (RBI) awarded universal bank licences to two entities , infra financier IDFC and micro lender Bandhan Financial Services. These were issued aftermore than a decade. The process, completed in April, was started in February 2010.

Also for the first time, RBI opened the sector for differentiated bank licences. Over 100 applications were received, from those who wanted to set up payments banks and small finance banks. Big corporate entities like Reliance, Bharti Airtel and the Aditya Birla Group had applied for payment banks. RBI is in the process of vetting the bids and is expected to award licences in the next few months.

Governance

Recommendations of the P J Nayak committee to review governance issues in banks hasn't been accepted fully but the government has shown an intention to start the reform process. The Narendra Modi-led government has already split the chairman and managing director's post in public sector banks and invited applications from those in private banks to head the state-run ones, at market-linked pay.

Capital infusion in Govt Banks

Public sector banks (PSBs) reeling under the pressure of stressed assets have seen their capital position worsening due to higher provisioning. Their capital raising ability from the market is also constrained due to poor valuations. However, breaking the tradition of infusing capital in banks that need it most, the government decided to do so in banks which are more efficiently run, sending a signal that banks must be run efficiently to survive.

Infra financing

Following an announcement in the Union Budget, the central bank has allowed banks to raise funds via long-term bonds for financing to the infrastructure sector. For these, they don't have to meet the cash reserve ratio, statutory liquidity ratio or priority sector norms. This will help lenders to boost infrastructure and affordable housing financing. In addition, banks are now allowed to refinance core sector projects every five years for four times, the '5/25 rule', helping lenders to address their asset liability issues.

Growth

Amid a slowing economy, when interest rates are high (RBI has reduced the policy rate by 50 basis points only since January), bank loan growth was the slowest in more than a decade. According to RBI data, loan growth till March 6 was 10.2 per cent (year on year) as compared to 14.3 per cent in the same period of the previous year. Deposit growth also slowed in the year, at 11.6 per cent as compared to 15.1 per cent the previous year.

Monetary policy

The year also saw the central bank shifting to an inflation targeting framework, with the mandate to keep inflation below six per cent by January 2016 and four per cent, with a variation of two per cent on both sides, in the years after. However, a monetary policy committee, as suggested by the Urjit Patel panel is yet to be set up and the government and central bank are in talks on this.

RBI, however, stands to lose some of its functions, like managing the government's debt. The Union Budget has proposed setting up of a Public Debt Management Office, independent of RBI.

FDI in insurance

A new pro-business government at the Centre also ensured the long-pending proposal of higher foreign direct investment in the insurance sector getting lawmakers' approval. Many foreign

insurers which have 24 per cent in their insurance venture in India said they'd raise it to 49 per cent, as regulations permit now.

FLASHBACK 2014-15: FINANCIAL SECTOR MILESTONES

APRIL

- After a gap for more than a decade, new bank licences were awarded by the Reserve Bank of India (RBI) to two applicants, IDFC & Bandhan Financial Services
- A new monetary framework kicks in, with 6 reviews per year as compared to 8 earlier

JULY

- To boost infra financing CRR/SLR exemption announced for banks for funds raised via infra bonds
- RBI issues draft norms for payments and small banks; for the first time a process to issue differentiated licences initiated

AUGUST

- CBI arrests Syndicate Bank Chairman and Managing Director (CMD) S K Jain over alleged bribery charges. Jain later sacked by the government, which, in an unprecedented move, cancels all CMD appointment decisions taken by the previous government
- Prime Minister Narendra Modi launches Pradhan mantri Jan Dhan Yojana – a scheme for opening bank accounts to foster financial inclusion. More than 130 million accounts opened in a matter of five months

NOVEMBER

- Kotak Mahindra Bank accounces it will acquire ING Vysya Bank to become the fourth largest private bank in the country

DECEMBER

- Goverment splits chairman and managing director's post in public sector banks, signalling its intention to initiate long-pending reforms in the banking sector
- Government issues ordinance to allow foreign firms to have 49 per cent stake in insurance companies, a decision that was stuck for several years

JANUARY

- In a first, government calls bankers for a brainstorming session, christened as Gyan Sangam, to chart the road ahead for the banking sector
- RBI brings out final guidelines on banks becoming insurance brokers

FEBRUARY

- RBI gets 41 applications for payments bank licence, 72 for small finance bank licence
- Government allocates capital to public sector banks based on their efficiency, clearly indicating its stance — perform or perish
- CEO position in government banks opened for private sector players with market-linked remuneration
- Union budget starts implementing proposals of the Financial Sector Legislative Reforms Commission, which takes away some important functions of the central bank like government debt management

MARCH

- Insurance Bill passed by both Houses of the Parliament
- SBI, the country's largest lender, says it will dilute its stake in its general insurance venture.

RELEVANCE OF ETHICS AND CORPORATE GOVERANANCE FOR INDIAN CORPORATES – A GLOBAL PERSPECTIVE

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Abstract:

Ethics and Corporate Governance has become a topic of hot debate at present. The global discussion has now tended increasingly in favor of ethics in all spheres of society and business Perce lance, not forgetting family and personal life. An attempt has been made in this article to find out a model that would ensure ethical corporate behavior? Further, an effort has been made to traces the efforts of Government across the world, in setting up of the Cadbury Committee (UK), The Tread way Commission (US), the King Committee (South Africa) and the National Task Force on Corporate Governance (India) from the past 15 years to ensure Corporate Governance.

But the latest development in the 90s in the field of accounting and reporting standards, the composition and functioning of boards, the supervision and regulatory framework and the smooth and efficiency of the capital markets has proved that to a certain extent a consolidated Approach is in place to ensure that business firms conducted their activities with the purpose of maximization of shareholder value without defeating the other stakeholder's interest.

But owing to some of the major financial crises that took place around the world in 1997 with respect to Enron and in 2001 the East Asian Countries, again raises doubt among the business circles that the thirst for an ideal model on corporate governance is like the search for the philosophers' stone that would change base metal into gold. The paper provides some of the steps to be followed in tackling the ethical issues. The article concludes with a remark that in India even with the best of best guidelines are set up for Corporate Governance, unless the atmosphere of corruption, unethical dealing, bribery are not kept under strict vigilance, there is little hope for major improvement in the behavior of the corporate sector. And again question raises does ethics and corporate governance has any relevance in corporate world?

Keywords: Ethics, Corporate Governance, Corporate world

Introduction:

In the present scenario Indian economy is in full swing. Companies have started changing their mindset from just "let's export" to the next phase of opening manufacturing, marketing and supply chain networks abroad. This shows us that organizations are now making their presence globally.

Given the double-digit growth rates norm, no Indian companies can think of being just having presence in domestic market but to prove that they are globally competitative by virtue of their operational excellence, efficient quality systems, smooth and reliable logistics and proactive Human resource strategies. This urge for being globalize, raises question is it ethics and corporate governance?

Corporation:A corporation is a collection of numerous stakeholders, mainly, investors, suppliers, employees, customers, government, analyst and society. A corporation needs to be true, fair and ethical in its business transactions.

Present Context of Corporate Governance:

In the present competitative globalized business world wherein corporate have access to global pools of capital, knowledgeable human capital and best vendors on global frontier to partner with. All this is possible only when the corporation exhibit and perform ethical business practices and good governance. On the other side, the consequences of ignoring ethics and governance issues can be serious. Board members and their senior executives of few US corporations have been sent to jail on account of irresponsible behavior, this has resulted into production of Sarbanes-Oxley Act with complex requirements regarding CEO Accountability, financial reporting, and "Sign-offs. With the emergence of governance issues Large Korean organizations are now struggling to implement damage-control actions. It is just a matter of one headline and entire brand name is split into pieces. In the light of this, Indian companies whether small or medium sized need to be conscious of once own requirement during the globalization journey.

As action speaks louder then words, mere being ethical will not serve the purpose, it should be put up in every action. Customers across the globe require to visualize the proof of ethics and governance systems in every aspect of work like documentation, systems and process. Just as ISO 9001 and process capability models expects minimum requirements for achieving credibility in quality system, Ethics and Corporate Governance policies and processes becomes the "next trend" effecting the global market place. Understanding this trend organizations have to stake some proactive steps in implementing strong ethics and governance systems, before the market dynamism and regulatory machinery force them to do so. Lot of efforts has already been made in this field and there are many Indian companies that are following religious good business practices.

Ethics and Corporate Governance

'Corporate Governance' hold within itself and obligation towards ethical business practices and value system maximize shareholder wealth on a continuous basis, by ensuring fairness to all those who are directly or indirectly connected with the company day to day business operation including customers, employees, and investors, vendors, Government and society at large. It is a yardstick through which companies are directed and managed. It influences how the objectives of the company are framed and achieved, how the risk is assessed and monitored and how performance is maximized. Good Corporate Governance is all about promoting corporate fairness, transparency and accountability. Corporate governance is concerned with ethical practices of an organization. Corporate governance in its totality is concerned with how companies are governed, how executive actions are supervised and how a company is accountable to regulations imposed on it by law or other commitments to shareholders.

It has been defined by the Cadbury committee report as:

The system by which companies are directed and controlled

Ethics is said to be the science of moral, moral principle and recognized rule of conduct, It explore the nature of moral and immoral behavior of an organization. Ethics is concerned with the code of values and principles that help a company to choose between right and wrong behavior, and thus select the right action from the set of alternative courses of action. Often managers confronted with ethical dilemma arising out of conflicting interests need to take

decisions. Those decisions would be based on set of principles influenced by the corporation values, context and culture.

With the changing conditions in a corporate world, existing good governance practice also need to change and must be tailor made so as to meet the new requirements. Hence, there is no single standard model of Corporate Governance. Corporate Governance is nothing but the moral or ethical or value framework under which corporate decisions are taken. It is quite possible that in the effort at arriving the best possible financial results or business results there could be attempts at doing things which are verging on the illegal or even illegal. There is also the possibility of grey areas where an act is not illegal but considered unethical.

All these results into moral issues being raised up.

Why Corporate Governance is relevant?

a) The liberalization and de-regulation world over gave greater freedom in management. It means management now has greater responsibilities to shoulder with.

b) Existence of more number of players in the market. Competition brings in its wake Weakness in standards of reporting and accountability.

c) Market conditions are increasingly becoming complex in the light of global developments like WTO, removal of barriers/reduction in duties.

d) The failure of corporate due to lack of transparency and disclosures and instances of Falsification of accounts/embezzlement and the effect of such undesirable practices in Other companies.

e) Increasing role of Foreign Institutional Investors in developing economy.

All these factors have resulted in growing importance of Corporate Governance and has become one of relevant issue in the corporate world.

In Britain owing to the concern of Corporate Governance in the private sector, a committee known as Cadbury Committee was set up in 1991, to examine the financial aspects of Corporate Governance. In 1992, the committee came up with a report, consisting of various recommendations for the Board of Directors of many listed companies of UK. The report mentioned the need to disclose financial statements and audit reports. So as to ensure that the stakeholder having legitimate interest in a company can have access to financial information necessary for exercising their rights and responsibilities. According to a 1993 London stock exchange regulation, companies were obliged to state in their annual reports whether they complied with the Code of Best Practices.

If companies have not complied these codes they need to give reason for non-compliance. Even in the Indian context, Securities and Exchange Board of India (SEBI), Company Act, Institute of Chartered Accountants of India (ICAI) through the use of their legal and regulatory framework are making several efforts with a view to evaluate the sufficiency of prevailing corporate governance practices in the country and steps to improve these practices.

Considering all this it's the time to act now. With the increase in the number of new entrants in the corporate world and cut throat competition. It is very much easier to influence the DNA of these new companies in the right direction as the company is new entrant and relatively young.

It is observed that employees by virtue of their caliber, attitudes and value systems develop a mindset of their behavior, but it is important for the company to set out its expectations clearly and enforce adherence with respect to good business practices. Ethical and Governance guidelines helps employees to decide what kind of actions need to be taken by them when they are faced with ethical issues. Leaving ethical issues to be decided by individual is highly risky for the organization.

Corruption and Corporate Governance:

Corruption is one of the root causes for bad business practices in India. In this regard if the existing players follow healthy principles of good corporate governance and eliminate corruption in their business dealings, then naturally India will improve its ranking in the Corruption Perception Index listed by the Transparency International. As per the survey conducted by KPMG's India Fraud Survey Report 2008 revealed that over 60 percent of the companies in India were in the dark on Anti-Corruption Laws. In India some of the states have high degree of corruption compare to other states. A joint study by TI India and Centre for Media Studies on corruption in the country in June 2008 showed Assam, Bihar, Goa, Jammu & Kashmir, Madhya Pradesh, Nagaland and Uttar Pradesh as the most corrupt states. Corporate India needs to clean up its act to get rid of its image as a highly corrupt country.

Dark Patches								
Transparency International's Corruption Index rankings indicate India is becoming a bit more corrupt, others show a mixed trend								
Countries	CPI Score				CPI* Rank			
	2012	2013	2014	2015	2012	2013	2014	2015
Denmark	90	91	92	91	1	1	1	1
Singapore	87	86	84	85	5	5	7	8
UK	74	76	78	81	17	14	14	10
Australia	85	81	80	79	7	9	11	13
US	73	73	74	76	19	19	17	16
Hongkong	77	75	74	75	14	15	17	18
Japan	74	74	76	75	17	18	15	18
France	71	71	69	70	22	22	26	23
South Africa	43	42	44	44	69	72	67	61
Brazil	43	42	43	38	69	72	69	76
India	36	36	38	38	94	94	85	76
China	39	40	36	37	80	80	100	83
Mexico	34	34	35	35	34	106	103	95
Philippines	34	36	38	35	105	94	85	95
Russia	28	28	27	29	133	127	136	119

- Source: https://www.transparency.org/cpi2014/results#myAnchor1

(The Corruption Perceptions Index ranks countries and territories based on how corrupt their public sector is perceived to be. A country or territory's score indicates the perceived level of public sector corruption on a scale of 0 (highly corrupt) to 100 (very clean). A country or

territory's rank indicates its position relative to the other countries and territories in the index. Every year around 170 to 180 countries and territories are included.)

From the above survey conducted across the world it is found that India position is improving over period of 4 years trying to reduce the level of corruption in public affairs and gain overall confidence among the corporate investors. Its position in the global ranking has also improved from 94 to 76 over period of 4 years. Further on comparison of India position with BRICS Nations in terms of CPI score and CPI ranking it has strong hold. Further Studies conducted in India and abroad reveal that investors and market by large keep eye on well managed companies and accordingly react positively towards them by way of rewarding them through higher valuation of that company's scrip. One of the common feature in this type of company's is well managed and implemented corporate governance practices which gives enough freedom to top management to take decisions in the betterment or the organization within the framework of effective accountability.

Key steps for tackling the issue.

It is said that Individual organizational approaches may change from one organization to another, but by following some of key steps mentioned below, it is believed that to some extent firm can tack the next frontier issue Ethics and Corporate Governance.

1. **Formulation of** Ethics and Governance Policy for the company through brain storming session with the top executive and senior level management and benchmarking it with the policies of market leader best practice. Putting down the policies framed in writing in easy and understanding language.

2. Print the Policy, in the most user friendly manner along with a Code of Conduct for the employees.

3. Inform the policy repeatedly and to all the stakeholders of the company. Make it as a habbit whenever there is an orientation program for new employee.

4. Motivate for open discussion in order to improve the understanding of the policy at the individual level.

5. Lead by Example from the top management to lower level management, practicing the policy consistently and clearly.

6. Distributing the policy among all the internal and external stakeholders.

7. Monitoring the policy guidelines by establishing Ethics Hotline which is secure, confidential and available to all employees for reporting any unethical practice directly to CEO.

8. Correct Measures and actions on reported unethical practices or violation of code of conduct, after due verification.

9. Updating the policy on timely basis, to incorporate as per the changing regulatory and market conditions and requirements

In order to strengthen the brand equity, stable growth in the long term, it is necessary that organization should possess behavioral traits.

Conclusion:

As it is rightly said that Ethics and governance are not just 'moral' or 'compliance' issues, but they are indispensable part of instrument for investor protection. Regulations and Policies are just one way of improving governance. Prevalence of a exhaustive system alone cannot act as full

proof against ethical pursuit of shareholder's interest by Directors, officers and employees. Ethical Principles and Quality of governance lies on the ability and integrity of Directors, who have to intentionally oversee the management while adhering to unpeachable ethical standards. Implementing Corporate Governance structures are Important but instilling the right culture – work culture is Most Essential.

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PRESENT SCENARIO OF INSURANCE SECTOR IN INDIA

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Introduction and meaning

The word **Fear** has only four alphabets like **love** but both of them have very different e meaning. Whatever man (male or female) does for the love of their families always starts with the background of fear. Generally so many times we have been asking ourselves that, what will happen if we were not there, but we keep on asking rather than doing something for it. Time is precious, it never stops for any one and we are living in the world of uncertainty; the uncertainty of job, the uncertainty of money, the uncertainty of property and like this the story goes continuous for the whole life of a man.

A thriving insurance sector is of vital importance to every modern economy. Firstly because it encourages the habit of saving, secondly because it provides a safety to rural and urban enterprises and productive individuals. And perhaps most importantly it generates long- term invisible funds for infrastructure building. The nature of the insurance business is such that the cash inflow of insurance companies is constant while the payout is deferred and contingency related.

This characteristic feature of the business makes insurance companies the biggest investors in long-gestation infrastructure development projects in all developed and aspiring nations. This is the most compelling reason why private sector (and foreign) companies, which will spread the insurance habit in the societal and consumer interest are urgently required in this vital sector of the economy. Opening up of insurance to private sector including foreign participation has resulted into various opportunities and challenges in India.

The nationalization of insurance business in the country resulted in the establishment of Life Insurance of India in 1956 as a wholly owned corporation of government of India with the main objective of mobilization of people savings by making insurance linked savings adequately attractive and investing fund to the best advantage of the investors as well as community as a whole keeping in view national priorities and obligations of attractive return.

When compared with the developed foreign countries the Indian life insurance industry has achieved only a little because of no quality strategies adopted by the LIC as well as our standard of education and awareness about savings, per capita income and employment opportunities are comparatively not up to the mark. Soon after the introduction of new economic policy (LPG) in the year 1991, the shape of Indian Life industry has been changing and it has geared up. Soon after then many players have entered into this industry and pose challenges and threat to its competitors These new challenges forced the industry to establish colorful strategies and plan for its survival and steady growth.

II RESEARCH METODOLOGY

The research design which has been formed for this article is descriptive research design. The nature of data which are collected and used for this research article is secondary in nature. The relevant and required data are collected from the secondary sources such as text books, national and international articles and dailies and annual reports of LIC.

The statistical tool which are used in this research article are the method of least squares and linear trend, the method of least square and the future prediction (expected value) is obtained using linear trend.

OBJECTIVES

i) To compare the overall performance of Indian Life Insurance Corporation of India between pre and post LPG era.

ii) To examine the current status, volume of competitions and challenges faced by the Indian Life Insurance Corporation.

LIMITATIONS

i) The data is secondary in nature.

ii) As such the data is taken from the records of LIC, the analysis is based on the rendered information from the LIC alone.

iii) The suggestions rendered may not be extended to the similar type of agency like LIC.

FINDINGS OF THE STUDY

The structure of the insurance industry has undergone adrastic change since liberalization, privatization andglobalization of the Indian economy, in general, and theinsurance sector in particular. For almost four decades LIC has been the sole player with virtual monopoly in the lifeinsurance sector. In the early 90's the Government of Indiaventured into policy of liberalization, privatization andglobalization.The entry of so many companies in this sector was likely toaffect the performance of Life Insurance Corporation.

Since LIC being a nationalized company enjoyed monopolyposition for over four decades, it emerged as one of the keypublic fundraisers in India. Nationalization leads to industrysolidity, growth, development and un-parallel reach.Moreover, along with these achievements there also grew afeeling of insensitivity to the needs of the market, butultimately led to a sense of lethargy, which probably led toa feeling amongst the public that the insurance industry wasnot fully responsive to customer needs. This led to openingof the insurance sector. The Malhotra committee's (formedto explore the possibility/feasibility of privatizing theIndian insurance industry) recommendations in 1994brought about a sea change in the industry.LIC found itself in a difficult situation when the newlyformed Insurance Regulatory Development Authority(IRDA) issued licenses to many private insurancecompanies (starting November 2000). To sustain its growthin an intensely competitive environment LIC startedinitiating organizational changes and became morecustomer-focused. In January 2000, it adopted a three prongedbusiness strategy for business, which involved **reduction in premiums, higher returns and introduction ofnew products.** It reworked its returns on its policies also. Atthe time of liberalization it was also forecasted that theelement of competition will bring out the best in LIC.There is good evidence to show that the rate of growth ofpublic sector undertaking viz. LIC had not shown

anydecline after the entry of the private sector companies. Allof them are obviously having a share of a larger market.

The Credit for enlarging the market goes to the privatesector as they came up with aggressive marketing strategies to establish their presence and public sector also followed suit. LIC faced the opportunities and challenges of liberalization.The opening of the insurance market has been far from abad thing for nationalized insurer. With a strong presence, awide network and considerable brand equity, they are in agood position to tap the very same segments profitably,while improving their product and service offerings.LIC leveraged information technology to service largenumber of customers efficiently and bring down overheads.Technology can complement or supplement distributionchannels cost-effectively. It can also help improve customer service levels considerably. Thus the key changes brought about after liberalization is:

a. Market Expansion
b. New Product Offerings
c. Customer Service
d. Channels of Distribution
e. Strategic Alternatives
g. Positioning-Focus on different segments to surviveand thrive in a multi-firm open environment
h. Choosing the Right Strategy

The competitiveenvironment presents opportunities and challenges. Thesoftening of interest rates and growing competition arepresenting a challenge. LIC needs to focus efforts,individually and collectively, to leverage its strengths andprove that it is the best whether it is in innovative productofferings, service to customers or competitive returns onproducts to meet the soaring expectations of policyholders.

Collective efforts at LIC will continue to ensure that LICremains a market maker and a market leader in the financialservices sector and all stakeholders share the glory.Today LIC stands tall in the whole financial arena in thecountry. This has been achieved through the dedication ofthousands of employees as well as agents. Since inceptionLIC has been growing and is one of the largest lifeinsurance organizations in the world. LIC stands out as anorganization which has been built in a very solid mannerand which encompasses in its mammoth size immensevalue and vast resources of innate strength which have beenadded to it through prudent conduct.LIC is fully poised to remain on the top ofpopular preferences because of the following main reasons

1. Systems and Procedures:LIC has robust systems andprocedures, follows prudent principles in actuarial,investment and accounting practices and has been bringingout a variety of products for the benefit of various segmentsof the Indian populace. It has always been its sincereendeavor to render prompt, error free and courteous serviceto its esteemed policyholders. LIC has been harnessinginformation technology very liberally and extensively insimplifying the processes, cutting delays and evolving newsystems to enhance customers' satisfaction.In order to provide the best experience to the insuringpublic, LIC has today put in place one of the largest IT andcomputerization infrastructure in the country with

tremendous depth of usage.

2.Customer Service: Providing policyholder's service withgreater accuracy, promptitude, pleasantness and courtesyand through channels of their choice and convenience is adefining characteristic of its servicing and marketingstrategies. All LIC actions today are imbued with therealization that marketing and servicing are united activitiesand this awareness should back all actions.LIC is one of the major companies providing life insurancein India. It has numerous products that address the need ofeach and every Indian from a newborn to a 70 year old. LICdid a commendable job of developing the life insurancemarket. Premiums from life insurance are 1.3% of GDP. Ithas achieved this by leveraging its phenomenal brand andits widespread network. These efforts have made it possibleto offer protection to more than 10 million policyholders,but even this is not 23% of insurable population. Thisindicates that the insurance awareness in India is low,insurance covers are expensive; returns from insuranceproducts are low. All these problems are hurdles for LIC toachieve higher productivity.A complete picture of productivity can be drawn byconsidering labor productivity and related appropriatemeasures e.g. - efficiency of management, lesser expenses,lesser losses etc. Efficient labour utilization in serviceindustry like LIC would help to generate funds forfinancing the development schemes of the nation and theorganization itself is able to prosper.

The introduction of private players in the industry has added colors to the dull industry. The initiatives taken by the private players are very competitive and have given immense competition to the on time monopoly of the market LIC. Since the advent of the private players in the market the industry has seen new and innovative steps taken by the players in the sector. The new players have improved the service quality of the insurance. As a result LIC down the years have seen the declining in its career. The market share was distributed among the private players. Though LIC still holds 75% of the insurance sector the upcoming nature of these private players are enough to give more competition to LIC in the near future. LIC market share has decreased from 95%(2002-03) to 81% (2004-05). The following company holds the rest of the market share of the insurance industry.

NAME OF THE PLAYER MARKET SHARE	(%)
LIC	82.3
ICICI PRUDENTIAL	5.63
BIRLA SUN LIFE	2.56
BAJA ALLIANZ	2.03
SBI LIFE	1.80
HDFC STANDARD	1.36
TATA AIG	1.29
MAX NEW YORK	0.90
AVIVA 0.79	
OM KOTAK MAHINDRA	0.51
ING VYASA	0.37
AMP SANMAR	0.26
METLIFE	0.21

PRESENT SCENARIO OF GLOBALISATION

In a tough battle to expand market shares the private sector life insurance industry consisting of 14 life insurance companies at 26% have lost 3% of market share to the state owned Life Insurance Corporation(LIC) in the domestic life insurance industry in 2006-07. According to the figures released by Insurance Regulatory & Development Authority, the total premium of these 14 companies have shot up by 90% to Rs 19,471.83 crore in 2006-07 from Rs 10, 252 crore.

LIC with a total premium mobilisation of Rs 55,934 crore has been able to retain a market share of 74.26 % during the reporting period. In total the life insurance industry in first year premium has grown by 110% to Rs 75, 406 crore during 2006-07. The 2006-07 performance has thrown a few surprises in the ranking among the private sector life insurance companies. New entrants like Reliance Life and SBI Life had shown a huge growth of over 381% and 210% respectively during the year. Reliance Life which has become one of the top five companies ended the year with a premium of Rs 930 crore during the year.

Though ICICI Prudential Life Insurance remained as the No 1 private sector life insurance company during the year. Bajaj Allianz overtook ICICI Prudential in terms of monthly market share in March, for the first time ever. Bajaj's market share among private players in non-single premium for March stood at 29.1% vs. ICICI Prudential's 23.8%. Bajaj gained 4.6 percentage point market share among private sector players for FY07.

Among other private players, SBI Life and Reliance Life continued to do well, each gaining 4% market share in FY07. SBI Life's growth was driven by increasing contribution from ULIP premiums. Another notable developments of the 2006-07 performance has been the expansion of retail markets by the life insurance comapnies. Bajaj Alliannz Life insurance has added 20 lakh policies while ICICI Prudential has expanded over 19 lakh policies during the year.

With the largest number of life insurance policies in force in the world, Insurance happens to be a mega opportunity in India. It's a business growing at the rate of 15-20 per cent annually and presently is of the order of Rs 450 billion. Together with banking services, it adds about 7 per cent to the country's GDP. Gross premium collection is nearly 2 per cent of GDP and funds available with LIC for investments are 8 per cent of GDP.

Yet, nearly 80 per cent of Indian population is without life insurance cover while health insurance and non-life insurance continues to be below international standards. And this part of the population is also subject to weak social security and pension systems with hardly any old age income security. This itself is an indicator that growth potential for the insurance sector is immense.

A well-developed and evolved insurance sector is needed for economic development as it provides long term funds for infrastructure development and at the same time strengthens the risk taking ability. It is estimated that over the next ten years India would require investments of the order of one trillion US dollar. The Insurance sector, to some extent, can enable investments in infrastructure development to sustain economic growth of the country.

Insurance is a federal subject in India. There are two legislations that govern the sector- The Insurance Act- 1938 and the IRDA Act- 1999. The insurance sector in India has become a full circle from being an open competitive market to nationalisation and back to a liberalised market

again. Tracing the developments in the Indian insurance sector reveals the 360 degree turn witnessed over a period of almost two centuries.

Important milestones in the life insurance business in India

1912: The Indian Life Assurance Companies Act enacted as the first statute to regulate the life insurance business.

1928: The Indian Insurance Companies Act enacted to enable the government to collect statistical information about both life and non-life insurance businesses.

1938: Earlier legislation consolidated and amended to by the Insurance Act with the objective of protecting the interests of the insuring public.

1956: 245 Indian and foreign insurers and provident societies taken over by the central government and nationalised. LIC formed by an Act of Parliament- LIC Act 1956- with a capital contribution of Rs. 5 crore from the Government of India.

In a tough battle to expand market shares the private sector life insurance industry consisting 14 life insurance companies at 26% have lost 3% of market share to the state owned Life Insurance Corporation(LIC) in the domestic life insurance industry in 2006-07. According to the figures released by Insurance Regulatory & Development Authority the total premium these 14 companies have shot up by 90% to Rs 19,471.83 crore in 2006-07 from Rs 10, 252 crore.

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OPPORTUNITES

- A state monopoly has little incentive to innovative or offers a wide range of products. It can be seen by a lack of certain products from LIC's portfolio and lack of extensive risk categorization in several GIC products such as health insurance. More competition in this business will spur firms to offer several new products and more complex and extensive risk categorization.
- It would also result in better customer services and help improve the variety and price of insurance products.

- The entry of new players would speed up the spread of both life and general insurance. Spread of insurance will be measured in terms of insurance penetration and measure of density.
- With the entry of private players, it is expected that insurance business roughly 400 billion rupees per year now, more than 20 per cent per year even leaving aside the relatively under developed sectors of health insurance, pen More importantly, it will also ensure a great mobalisation of funds that can be utilized for purpose of infrastructure development that was a factor considered for globalisation of insurance.
- More importantly, it will also ensure a great moblisation of funds that can be utilized for purpose of infrastructure development that was a factor considered for globalisation of insurance.
- With allowing of holding of equity shares by foreign company either itself or through its subsidiary company or nominee not exceeding 26% of paid up capital of Indian partners will be operated resulting into supplementing domestic savings and increasing economic progress of nation. Agreements of various ventures have already been made to be discussed later on in this paper.
- It has been estimated that insurance sector growth more than 3 times the growth of economy in India. So business or domestic firms will attempt to invest in insurance sector. Moreover, growth of insurance business in India is 13 times the growth insurance in developed countries. So it is natural, that foreign companies would be fostering a very strong desire to invest something in Indian insurance business.
- Most important not the least tremendous employment opportunities will be created in the field of insurance which is burning problem of the present day today issues.

CHALLENGES BEFORE THE INDUSTRY

New age companies have started their business as discussed earlier. Some of these companies have been able to float 3 or 4 products only and some have targeted to achieve the level of 8 or 10 products. At present, these companies are not in a position to pose any challenge to LIC and all other four companies operating in general insurance sector, but if we see the quality and standards of the products which they issued, they can certainly be a challenge in future. Because the challenge in the entire environment caused by globalisation and liberalization the industry is facing the following challenges.

- The existing insurer, LIC and GIC, have created a large group of dissatisfied customers due to the poor quality of service. Hence there will be shift of large number of customers from LIC and GIC to the private insurers.
- LIC may face problem of surrender of a large number of policies, as new insurers will woo them by offer of innovative products at lower prices.
- The corporate clients under group schemes and salary savings schemes may shift their loyalty from LIC to the private insurers.
- There is a likelihood of exit of young dynamic managers from LIC to the private insurer, as they will get higher package of remuneration.
- LIC has overstaffing and with the introduction of full computerization, a large number of the employees will be surplus. However they cannot be retrenched. Hence the operating costs of LIC will not be reduced. This will be a disadvantage in the competitive market, as the new insurers will operate with lean office and high technology to reduce the operating costs.

- GIC and its four subsidiary companies are going to face more challenges, because their management expenses are very high due to surplus staff. They can't reduce their number due to service rules.
- Management of claims will put strain on the financial resources, GIC and its subsidiaries since it is not up the mark.
- LIC has more than to 60 products and GLC has more than 180 products in their kitty, which are outdated in the present context as they are not suitable to the changing needs of the customers. Not only that they are not competent enough to complete with the new products offered by foreign companies in the market.
- Reaching the consumer expectations on par with foreign companies such as better yield and much improved quality of service particularly in the area of settlement of claims, issue of new policies, transfer of the policies and revival of policies in the liberalized market is very difficult to LIC and GIC.
- Intense competition from new insurers in winning the consumers by multi-distribution channels, which will include agents, brokers, corporate intermediaries, bank branches, affinity groups and direct marketing through telesales and interest.
- The market very soon will be flooded by a large number of products by fairly large number of insurers operating in the Indian market. Even with limited range of products offered by LIC and GIC, the consumers are confused in the market. Their confusion will further increase in the face for large number of products in the market. The existing level of awareness of the consumers for insurance products is very low. It is so because only 62% of the Indian population is literate and less than 10% educated. Even the educated consumers are ignorant about the various products of the insurance.
- The insurers will have to face an acute problem of the redressal of the consumers, grievances for deficiency in products and services.
- Increasing awareness will bring number of legal cases filled by the consumers against insurers is likely to increase substantially in future.
- Major challenges in canalizing the growth of insurance sector are product innovation, distribution network, investment management, customer service and education.

ESSENTIALS TO MEET THE CHALLENGES

- Indian insurance industry needs the following to meet the global challenges
- Understanding the customer better will enable insurance companies to design appropriate products, determine price correctly and increase profitability.
- Selection of right type of distribution channel mix along with prudent and efficient FOS [Fleet On Street] management.
- An efficient CRM system, which would eventually create sustainable competitive advantages and build a long-lasting relationship
- Insurers must follow best investment practices and must have a strong asset management company to maximize returns.
- Insurers should increase the customer base in semi urban and rural areas, which offer a huge potential.
- Promoting health insurance and using e-broking to increase the business.

CONCLUSION

Thus, in the last on basis of above the discussion we can conclude that need for private sector entry is justifiable on the basis of enhancing the efficiency of operation, achieving greater density and insurance coverage in the country and for greater mobilization of long-term savings for long gestation infrastructure projects. In the wake of such ompetition it is essential for the government monopolies (LIC and GIC) that they quickly up grade their technology, restructure themselves on more efficient lines and operate as broad run enterprise. New players should not be treated as rivalries to government companies, but they can supplement in achieving the objective of growth of insurance business in India

FINANCIAL INCLUSION OF RURAL WOMEN THROUGH SELF HELP GROUPS – A CASE STUDY OF KUNDGOL

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ABSTRACT:

Development of any economy needs contribution by both men and women. If women need to be the part of the economic development, then they need to be financially independent and self-sufficient. The SHGs are the means for financial inclusion of women. Collective effort through SHGs had lead to economic growth of a women. This paper highlights the extent of financial inclusion of rural women through SHGs in Kundgol. The study reveals that majority of women joining SHGs are between 30-40 years of age and nearly 66% of them are married. The purpose of joining the group was income generation. Even though women are financially sound they are not independent in taking the financial decisions of the family.

INTRODUCTION:

In the history of human development, woman has been as important as man. In fact, thestatus, employment and work performed by women in society is the indicator of a nation's overall progress. Without the participation of women in national activities, the social, economical or political progress of a country will be stagnated. Women constitute half of the humanity, even contributing two-thirds of world's work hours. She earns only one-third of the total income and owns less than one-tenth of the world's resources. This shows that the economic status of women is in pathetic condition and this is more so in a country like India.

CONCEPT OF EMPOWERMENT:

Empowerment is a multi-dimensional process, which should enable women or group of women to realize their full identity and power in all spheres of life. It consists of greater access to knowledge and resources, greater autonomy in decision making to enable them to have greater ability to plan their lives, or to have greater control over the circumstances that influence their lives and free from shocks imposed on them by custom, belief and practice. Generally development with justice is expected to generate the forces that lead to empowerment of various sections of population in a country and to raise their status especially in case of women.

In context of the above however, it should be noted that the term 'empowerment' has till-date not been very explicitly defined and it may be assumed that based upon context the term may be interpreted contextually & situational. However, in context of women, empowerment essentially refers to a feeling of awareness of one's own situation backed up with the knowledge, skills and information which could enable women to gain higher self-esteem and facilitate their role as decision makers in the current patriarchal society where women have always been subordinate to men.

SHGS AS TOOLS FOR WOMEN EMPOWERMENT:

Of late SHGs, a voluntary association of 10-20 people (mainly women) who come together to solve their problems based upon mutual help and self help have emerged as a vital tool to alleviate poverty and bring about empowerment of women who join the SHGs. Self help groups have emerged as one of the major strategies for women's empowerment and various schemes of

the Government of India have shown that strong women's groups could contribute substantially to the development and convergence of services and activities. Women cannot be ignored while devising various policies for rural and socioeconomic development. So, treating the women with equality of opportunities is very much required. Taking a look at the working and impact of SHGs across various countries it can be inferred with a reasonable degree of confidence that SHG approach towards poverty alleviation & women empowerment have been reasonably successful. However, in a developing country like India, there are some issues that need to be explored & critically examined before coming to any tangible conclusion regarding the success of SHGs as women empowerment tool.

OBJECTIVES OF THE STUDY

- To assess the impact of SHGs in women empowerment.
- To determine the current status of SHGs as far as their impact on women empowerment is concerned.
- To analyse the extent of financial inclusion of rural women through SHGs.

BACKGROUND OF THE STUDY AREA:

Kundgol is a well known taluk in Dharwad district of Karnataka located about 14 km south-west of Hubli and about 32km south-west of Dharwad. It has an average elevation of 615 meters (2018 feet). This town is the birth place of Rambha Kundgolkar (popularly known as Pandit Sawai Gandharva) a well-known Hindustani musician. Gangubai Hangal and Bharat Ratna Bhimsen Joshi were his disciples.

TABLE NO 1: MAJOR DEVELOPMENT INDICATORS OF KUNDGOL

INDICATORS		2001	2011
Population (in thousands)		12652	18763
Population (in thousands)	Total	12652	18726
	Male	6453	9423
	Female	6199	9303
literate population(in thousands)			
	Male	5424	7035
	Female	2585	5696

Source: Census 2001 and 2011

ANALYSIS & DISCUSSIONS

Table 2: ***Distribution of respondents on the basis of age***

AGE	NO OF RESPONDENTS	%
<20 years	00	00
20-30 years	12	24
30-40 years	33	66
40-50 years	05	10
>50 years	00	00
Total	50	100

(Source: Survey Data)

Interpretation: The above data clearly indicates that the age group between 30-40 years is mainly engaged in SHGs. And this indicates that middle aged women are more keen to join and participate in SHGs.

Table 3*: Marital status of respondents*

Marital Status	No. of respondents	%
Married	33	66
Unmarried	12	24
Widow	05	10
Total	50	100

(Source: Survey Data)

*Interpretation:*The above data shows that 66% of the participating women are married and they are responsible for the household activities in addition to being involved in income generation activities as well. And widows are the least participant in SHGs.

Table 4: Impact of SHGs on women empowerment

Impact of SHGs on Women Empowerment	Count	Total %
Why did you join the group?		
• For income generation	40	80
• For health services	03	6
• For peer support	02	4
• No response	05	10
Are you allowed to use the income on your own?		
• Yes	03	6
• No	43	86
• No response	04	8
Do you feel independent after joining the SHG?		
• Yes	13	26
• No	33	66
• No response	04	100

(Source: Survey Data)

Interpretation: The above data indicates that majority of women i.e 80% of them have joined the SHG for income generation and financially support their family and only 4% have joined for peer support. The data also reveals that 86% of women members are not allowed to use the income generated for their own personal purpose. This indicates that though women are employed, they are not given financial freedom by their respective families. The data further indicates that 66% of the women respondents do not feel independent even after being a part of the SHG.

FINDINGS:

1. It was observed that a majority of the women joined SHGs for getting involved in income generating activities to augment their family income.

2. Most of the participating women revealed that they had no spending rights over the income that they generated on their own after joining the group.
3. Generally most of the respondents felt that they have been enjoying increased importance at home from the family members due to the fact that they have now become capable enough to contribute to the family income but, they were unsure of whether it has indeed changed their socio-economic status in a significant way.
4. It is quite evident that the SHGs working in the region are excessively concentrating upon the income generation activities and this economic-centered focus is not translating into overall empowerment of women as far as their role in decision making and health related issues are concerned.

SUGGESTIONS:

To fulfill their true potential as a potent women empowerment tool SHGs should broaden their horizon and view empowerment as a multi-dimensional social process giving due importance to allied issues such as women's health, their decision making role, access to basichealth amenities & infrastructural facilities etc and therefore it is proposed that greater indepth research needs to be undertaken into SHGs so that more evidence can be obtained inorder to ascertain the consistency and long-term accomplishments of SHGs as a potent tool for holistic women empowerment.

CONCLUSION:

SHGs have been identified as a way to alleviate poverty and women empowerment. And women empowerment aims at realizing their identities, power and potentiality in all spheres of lives. But the real empowerment is possible only when a woman has increased access to economic resources, more confidence and self motivation, more strength, more recognition and say in the family matters and more involvement through participation. SHGs have the potential to have an impact on women empowerment. Self Help Group concept has been mooted along the rural and semi urban women to improve their living conditions. Even though SHG concept is applicable to men also in our country, it has been more successful only among women. To reduce poverty by enabling the poor household to access gainful self employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihood on a sustainable basis, through building strong grass-root institutions of the poor (SHGs) is now the main motive of the most of the employment schemes. Thus SHGs have been showing the way ahead to alleviate the poverty of India along with women empowerment.

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Investors Behaviour towards Post Office Saving Schemes in Belagavi city

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Abstract
This paper focuses on study of Investors attitudes towards post office saving schemes in Belagavi city. The present study is beginning towards this end and in this study an attempt has been made to estimate the level of awareness, perceived opinion and attitude of the investors and postal investment schemes, besides eliciting their opinion about the features of the different schemes and the approaches of the officials and agents concerned. Further an attempt has also been made to suggest an effective mechanism to the government for executing the schemes more effectively and to the fullest satisfaction of the post office small savings investors.
Keywords: *Attitude, Awareness, post office saving schemes,Belagavi city.*

Introduction of the study

The Indian economy is growing significantly and has various investment options but the government of India has provided the oldest investment option. However, it is a fact that the postal savings scheme has not gained much importance .The changing postal environment present an enormous challenge for traditional postal businesses, but it also creates a vast array of new business options and opportunities,as the interest rate compared to other schemes provided by postal scheme higher.

The study was carried out to analyze whether the postal savings schemes have gained importance among the people or not. Against this backdrop, the researcher tries to find out the on the investment pattern of the respondents of a rural area in the periphery of the Karnataka. The post office long been known as a medium to inculcate the habit of thrift and small savings among the workers various investment opportunities are available for an individual his small savings and he can choose the appropriate investment schemes which suit this needs. There are different types of investment opportunities provide by many financial institutions like public bank, private bank (cooperative),post office savings bank, life insurance corporation (LIC) and public limited companies. Of all the above mentioned institutions, post office savings banks play a vital role. It provides numerous benefits to the investors.Post office savings bank is the largest savings institution in the country.

There are number of attractive schemes, well designed to meet the individual requirements of different investors. Tax saving features of those schemes attracts the higher income group more small savers.

The investment avenues provided by the post offices are generally marketable as they are savings media. The major instrument post office schemes enjoy tax benefits such as exemption of investment contribution of interest income from tax or both up to certain limits.

Review of literature

Mishra Richa and Damodaran Harish (2004) in their study argued that the post office continues to be a major attraction for savers going by the 32.5 per cent higher collections during the first quarter of the current fiscal relative to that mobilized over the same period of 2003-2004.finance Ministry officials say that the attraction for the post office deposit schemes stems from the higher interest rate they offer vis-à-vis what banks give. Between 1999-2000 and 2003-04, gross collection under the savings deposits shot up from Rs34, 650 crore to Rs 91, 3000 crore

Dr.R.Ganapathi (2010) studied that various small saving schemes were mainly meant to help the investors and also those who in high brackets. The study concluded that proper advertisement must be made for post office savings schemes, so that even a layman could know about these schemes and deposits can be increased. They stated that investing their amount in post deposits provides safety and security for the amount invested.

Scher (2001) in their study had observed that in many countries postal savings and Giro remittances have long enabled provision of financial services to all segment of the population. Questionnaires were sent to the ministers and postal administrations of approximately 80 countries in July 1999. The review of experiences of Asian developing countries suggests many ways by which developing countries canhelp themselves to mobilize domestic savings and provide financial service through postal savings and remittance and thereby provide financial service to those most likely to be excluded.

PreetiSingh (2002) stated that post office schemes were generally like the post office deposits schemes and commercial bank schemes. They have a saving account, a recurring deposits account, time deposits account which is also recurring in nature. The saving account functions in the same way as commercial banks through cheques and there is no restriction on withdrawals.

Givini and athma (1999) found that social consideration, tax benefits, and provision for old age were the reasons cited for saving in urban areas, whereas to provide for old age was the main reason in rural areas. Among the post office schemes Indira Vikas Patra (IVP), KVP and Post Office Recurring Deposits Account (PORD) were the most popular, in both urban and rural areas.

Karthikeyan (2001) has conducted research on Small Investors Perception on Post office Saving Schemes and found that there was significant difference among the four age groups, in the level of awareness for kisanvikaspatra (KVP), National Savings Scheme (NSS), and deposit Scheme for Retired Employees (DSRE), and the Overall Score Confirmed that the level of awareness among investors in the old age group was higher than in those of young age group. NO differences were observed among male and female investors except for NSS and KVP.

Statement of the Problem

In a country like India, which is a developing one, the quantum of investment of the rural investors, downtrodden and middle class families will be comparatively small. But when they are pooled together, a very huge amount will be available for the country's economic development. Realizing this, Government of India has introduced certain postal investment schemes which are being implemented through post offices and commercial banks, in order to tap the investments of the poor people living in more than 5 lakhs villages throughout the country. This study was taken

up with the main idea of studying the "investor's attitude towards postal savings scheme". This study was taken up with the main idea of studying the investor's attitude towards post office savings schemes. Because of the lack of proper advertisement about the various schemes and most of the investors are still not fully aware about the various schemes. Most of the investors are influenced to make investment in post office small savings for tax benefits purpose only. Hence the researcher decide to the study identify and evaluate the effect and the attitude of investors towards post office small savings to create the awareness in the mind of the post office customers.

Objectives of the Study

1. To find out the level of awareness of various schemes of post office among the public.
2. To find out the purpose of investment in various schemes of post office.
3. To study the problem faced by the small savings in post office schemes.
4. To offer suggestion for the improvement of the features of postal of small savings thereby to increase the collection through to small savings.

Scope of the Study

The present study is based on geographical area under the jurisdiction of belagavicityand period study is 4 months. The study aims to create awareness among the investors about various post office savings schemes. It helps the working people to invest in various post office small savings and if will also help the national savings origination and post office to know the problem faced by the investors in while investing in post office savings schemes. On basis of the study, the government can make suitable changes to promote post office savings schemes according to the respective needs of the investors.

Sample Design The study covers only belagavicity of Karnataka state. The area selected by taking into account the time and cost sample size of 50 respondents from belagavi city district was chosen for the study using the convenience sampling method

Methodology for the Data Collection

Therequired primarydata to be collected and gathered through administer structured questionnaire to the investors at different places of Belagavi city.

The secondary data will be collected from the published sources like books, journals, Leading news papers, and institution websites. Which are related with the postal savings schemesthe statistical tools used for the purpose of analysis of data for this study is simple percentage.

Table 1: General Profile of the Respondents

Particular		No of Respondents	Percentage (%)
Age	Up to30	12	24
	31 to 40	20	40
	41 to 55	10	20
	56 above	08	16
Gender	Male	35	70
	Female	15	30
Education level	Up to S S L C	08	16

	Under graduate	20	40
	Post graduate	10	20
	Illiterate	05	10
	Diploma	07	14
Marital Status	Married	35	70
	Un-married	15	30
family Size	1 to 2	8	16
	3 to 5	18	36
	5 to 8	14	28
	8& above	10	20
Occupation	Daily wages	08	16
	Agriculture	03	6
	Businessman	11	22
	Professional	10	20
	Employed	18	36
MHI	Below 15000	11	22
	15001 to 25000	22	44
	25001 to 40000	13	26
	Above 40000	04	08
Locality	Rural	22	44
	Urban	10	20
	Semi urban	18	36

In above table it is clear that most of the respondent belongs to 30-40 age group followed by41-55.The study shows that the 70 percent respondents were married. Most of the respondent belongs to 3 to 5 family size 36 percent .For the purpose of analysing the attitude of investor demographical profile of respondent has been studied.

Table 2: shows the awareness among respondents about postal savings

Particular	No of Respondents	Percentage (%)
Yes	35	70
No	15	30
Total	**50**	**100**

Source: survey data

As shows in the above table 2.It indicates that the majority of investors aware for making postal savings i.e., 70% of investors and only 30% are getting advice for post office savings schemes. It signifies that all the investors are going for post office. It is only for philately and money order. All other function can be done the help of postal savings.

Table 3: Shows that duration of postal savings schemes investment

Particular	No of Respondent	Percentage (%)
1 to 4 years	25	50
5 to 10 years	13	26

11 to 15 years	07	14
More than 15 years	05	10
Total	**50**	**100**

Above table 3 State that recently investors or account opened persons are more that is 1 to 4 years experience is 50% and 5 to 10 years is experience is 26% and 11 to 15 years 14% next more than 15 years only investors is 10%.it state that is recently more benefits to the investors. Majority of the investors are 1 to 4 years.

Table 4:Postal investment schemes

Particular	No of Respondents	Percentage (%)
Post office savings bank A/C	18	36
Recurring deposits	13	26
Post office monthly income scheme	08	16
National savings certificate	5	10
Public provident fund	3	6
Any other	2	4
Total	**50**	**100**

As shows in the above table 4.That out of 50 respondents taken for the study 36% of the investors are investing of post office savings bank a/c, 26% of the investors are investing of recurring deposits, 16% of the investors are investing of post office monthly income scheme, 10% of the investors are investing of NSC, 6% of the investors are investing of PPF and 4% are investing senior citizens savings and KVP are equally. Majority of investors are investing post office saving bank A/c 36%.

Table 5:Shows the reasons to invest in postal investment schemes

Particular	No of Respondents	Percentage (%)
Safety and security	19	36
High rate of interest	7	14
Period of maturity	6	12
Tax benefits and rebate	18	36
Total	**50**	**100**

Source: survey data

As shows in the above table 5.The highest group i.e. 38% investors are belonged to safety and security .it is followed by 36% of the investors are tax benefits and rebate, 14% of the investors are high rate of interest, 12% of the investors are period of maturity. Majority of the respondents who are perceive safety and securities as investment supreme.

Table 6: Shows frequency of visit to post office by respondents

Particular	No of Respondents	Percentage (%)
Regularly	03	06
Weekly	09	18
Monthly	30	60
Half yearly	05	10
Yearly	04	08

Total	**50**	**100**

Source: survey data

As shows in the above table 6.It is very clear that majority of that is 60% of the respondents visit post monthly and very less percentage of respondents 6% visit regularly, 18% of the respondents are visit weekly next 10% of the respondents are visit half yearly and 8 % of the respondents visit yearly. It clearly signifiesthat, investors are reducinginterest of the post office.

Table 7: shows that source of awareness the respondents

Particular	No of Respondents	Percentage (%)
Visiting the post office	18	36
Advertisement	5	10
Development officer	25	50
Others	02	04
Total	**50**	**100**

Source: survey data

As shows in the above table 7.The highest group i.e., 50% investors were informed by development officers (agents).it is followed by 36% investors, who sought the information from visiting the post office, 10% investors who get information from advertisement; there are 4% investors who got opinion from investment friends /relative.Majorityrespondent sought the assistance of development officers (agents).

Table 8: Showing opinion of the respondents towards the post small saving schemes

Particular	No of Respondents	Percentage (%)
Very good	15	30
Good	20	40
Average	13	26
Poor	2	4
Total	**50**	**100**

Source: survey data

Regarding opinion of the respondents 40% of the respondents had good opinion regarding post office savings schemes,30% of the had very good opinion about the it.26% of the respondents had average opinion about it and only 4% of the respondents had poor opinion to the post office savings schemes. Majority of the respondents have good opinion regarding post office savings schemes which shows that investors like theme.

Table 9: problems regarding postal savings schemes

Particular	No of Respondents	Percentage (%)
Service related problem	12	24
Low rate return	27	54
Lack of awareness and knowledge	08	16
Others	03	06
Total	**50**	**100**

Source: survey data

As shows in the above table 9.Regarding problem faced by while investing 54% of the respondents had faced the problem of low rate of return, 24% of the respondents faced the problem related to the services while investing in post office small savings schemes, 16% of the respondents faced had lack of awareness and knowledge regarding post office savings schemes and 6% of the respondent faced other problem about it. The majority problem faced were the problem of low rate of return.

Table 10: shows that opinion respondent about attitude of staff

Particular	No of the Respondents	Percentage (%)
Excellent	08	16
Good	33	66
Fair	09	18
Poor	00	00
Total	**50**	**100**

Source: survey data

Regarding opinion of the respondents 66% of the respondents had good opinion regarding attitude of staff, 18% had fair opinion about it, 16 % of the respondents had excellent opinion regarding attitude of staff. Majority of the respondents have good opinion regarding attitude of staff.

Table 11: respondent's satisfaction level towards Postal saving

Particular	No of the Respondents	Percentage (%)
Yes	33	66
No	17	34
Total	**50**	**100**

Source: survey data

66% of the respondents satisfied with postal savings schemes and 34%of the investors is not satisfied .But 66% of satisfactions is not enough. Therefore post offices have to overcome the loopholes in the schemes.

Findings

- 40% of the respondents studied up to under graduate education.
- Majority i.e. 70% of investors are married.
- Majority i.e.40 of the investors belongs to be the age group 31 to 40 years.
- 36% of the investors have 3 to 5 members in their family
- 36% of the post office savings investors are salaried employed.
- 44% of the investors belongto the monthly income group of 15000 to 25000.
- 44% of the investors are rural back ground people.
- Majority i.e.70% of investor is aware with postal savings and 30% of investors are not aware.
- 50% of the investors are 1 to 4 year experience in postal investment schemes.
- Majority i.e.36 % of the investors is investment of post office savings bank A/C.
- 38% of the investors are investing post office small savings schemes for the purpose of safety and security only.
- Minority i.e.6% of the investor visit of post office regularly.

- 50% of the investors are aware of the post office small savings schemes through development officers (agents).
- Majority of .i.e.40% of the investors feel that post office small savings schemes are good.
- Considerable percentage i.e.54% of the respondentsfaced the problem of law rate of return.
- Majority i.e.66 % of the investors feel that attitude of staff are good.
- 66% of investors are satisfied with postal savings schemes and 34% of investors are not satisfied.

Suggestions

The following are the suggestion for future investment in post office small schemes.

- The found that for Indian post office there no other alternative than into leverage its infrastructure, trust and related services into a much larger role e-commerce and e-government.
- To be successful in competition with other private competitors, it must be ready to offer high quality IT related services.
- Small savings schemes interest rate is low compare with banks, financial institutions. It should be increased.
- Government must create more awareness among the rural and urban people about the postal savings schemes.
- The post office provide loan against the NSC, KVP.but the target is fixed are not reached.
- A mass and continuous awareness program me should be conducted.
- Every year at the time of preparing budget the government should introduce new schemes and discontinue a number of old schemes.
- The post offices should provide acknowledgment and feed back about the post office small savings schemes.
- Good reliable government authorized agents (development officers) should be appointed so that people find it easy to hand over the money so that mobilization of savings could be increased.
- The facility to the postal life insurance schemes provide by the all employee and common people and operate life insurance schemes they are not popular at the desired level.
- Computer facilities are recently introduced in the postal department. But the modernized equipments are not available in most of the post office

Conclusion

In this research, results are derived from data collected only from 50 investors in belagavi city over 4 months and are therefore not immediately generalisable our findings are yet indicative of a range of factors that influence investor's attitude of post office small saving schemes in the belagavi city context. The synthesis of previous literature, the theoretical understandings provided by the relating the findings to the earlier literature have added to existing theory in this area. On a practical level, the suggestions provided in this paper may be use full to belagavi city post offices and perhaps other cities post offices that are considering how to attract more investors to their post office small savings schemes investments. At a border level, our results may prove useful to other small savings financial institutions, banks looking to increase to adoption of the safety and security based services or in the process of developing such different

schemes. This study suggest that government of India better mange investor attitude towards new postal savings scheme services applications if the understand that such experiences involve a process of adjustment and awarenessover time and not merely the adoption of a new post office small saving schemes.

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PROBLEMS OF SELF HELP GROUPS – A CASE STUDY OF DHARWAD DISTRICT

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ABSTRACT:

In this era of globalization, even though many developments take place from time to time, the problem of poverty remains as an important issue in many parts of the world. Especially in developing countries like India, Pakistan, and Bangladesh etc. Under this context, the self help groups are emerging as a poverty reduction cum empowerment tool and it has made a silent revolution in the livelihood of the poor in rural India.

The present paper focusses on the problems faced by the members in self help groups in Dharwad district. It also throws light on major findings and the possible solutions for the same.

INTRODUCTION:

In this era of globalization, even though many developments take place from time to time, the problem of poverty remains as an important issue in many parts of the world. Especially in developing countries like India, Pakistan, and Bangladesh etc. Under this context, theself help groupsare emerging as a poverty reduction cum empowerment tool and it has made a silent revolution in the livelihood of the poor in rural India.

CONCEPT OF SELF-HELP-GROUPS (SHGS):

The SHG is an informal organization of persons from the homogeneous poor section of the society and it is controlled and managed by the members itself. It is an association of 10 to 20 local individual members who are financially weak and from the same socio-economic backgrounds. These groups start with saving and not with credit; the group then uses its savings to give loans to members to meet their emergency and other needs. The members decide on savings per members, maximum size of loans, guarantee mechanisms inloan sanction. The SHG is the platform or forum to the members to come together foremergency, disaster, social reasons, economic support to each other have ease of conversation, social interaction and economic interactions. The Self-Help Group (SHG) is a viable organised setup to disburse micro credit to rural women for the purpose of making them enterprising for enabling them into various entrepreneurial activities.

OBJECTIVES:

1) To study the socio-economic background of respondents.
2) To study the impact of SHGs on the respondents.
3) To study the various problems faced by the SHGs in the district.

PROFILE OF THE SAMPLE STUDY:

Dharwad District is an administrative district of the state of Karnataka in southern India. Dharwad is the cultural headquarters of North Karnataka.The administrative

headquarters of the district is the town of Dharwad. Dharwad, also known as Dharwar. Dharwad is famous for its Dharwad Peda – a milk based sweetmeat. Dharwad is the administrative seat of the district of the same name. The municipality (resulting from a merger with neighbouringHubli in 1961) covers 191 km. Dharwad is located 425 km northwest of Bangalore and 421 km south of Pune, on the main highway between Bangalore and Pune in Maharashtra. KREIS North Unit of National Projects Construction Corporation has its headquarters here. Karnataka High Court circuit Bench is also based here.Before 1997 the district had an area of 13738 km. In 1997, the new districts of Gadag and Haveri were created out of Dharwad's former territory, and a portion of Dharwad district was combined with lands formerly part of three other districts to create the new district of Davanagere.

Dharwad district is situated in the Western sector of the northern half of Karnataka State. The District encompasses an area of 4263 km^2 lying between the latitudinal parallels of 15°02' and 15°51' North and longitudes of 73°43' and 75°35' East. The district is bounded on the North by the District of Belgaum, on the East by the district of Gadag, on the South Haveri and on the West by Uttara Kannada district. All these districts which surround Dharwad district belong to Karnataka State itself.

TABLE 1: SOCIO-ECONOMIC CHARACTERISTICS OF THE RESPONDENTS:

Sl. no	Variables and Categories	Frequency (No.)	Percentage (%)
1	Age		
	Young age (18 to 30 years)	17	34
	Middle age (31 to 50years)	32	64
	Old age (above 50 years)	01	2
	TOTAL	**50**	**100**
2	Education		
	Illiterate	4	8
	Functionally illiterate	13	26
	Primary school	10	20
	Middle school	09	18
	High school	11	22
	College education (PUC and above)	03	6
	TOTAL	**50**	**100**
3	Marital status		
	Unmarried	03	6
	Married	38	76
	Widow	03	6
	Separated	06	12
	TOTAL	**50**	**100**
4	Family type		
	Nuclear	43	86

	Joint	07	14
	TOTAL	**50**	**100**
5	Family size		
	Small family	36	72
	Big family	14	28
	TOTAL	**50**	**100**

Source: Field Survey.

The above data indicates that middle aged group form the major part of the SHGs i.e. 64% this may due to their need for financial security and social status, where as only 2% of the age group of above 50 years are into SHGs this may be due to old age and less responsibility towards their families. The data also reveals that 26% of the respondents are functionally illiterate and only 6% are college educated. It is also found that 76% of the respondents are married and only 6% are either unmarried or widow. The study also finds that 86% of the respondents live as nuclear family and only 14% are in joint family. Finally the data reveals that 72% of the respondents have small family and only 28% have big families.

TABLE 2: PROBLEM FACED IN FUNCTIONING OF THE SHGS:

Problem	Frequency	Percentage
Lack of training programs	18	36
Improper utilization of funds	36	72
Improper accounts keeping	34	68
Formulation of group	21	42
Inequality in issuing loans	18	36
Repayment of loan	13	26
Establishing the activity	21	42
Running the groups	14	28
Lack of guidance & support from supportingagency	13	26
Misunderstanding among group members	29	58
Poor output from the group activity	10	20
Marketing problem	10	20
High rate of interest	08	16
Non-cooperation of banks	09	18
Too many formalities	22	44

Source: Field Survey.

FINDINGS:

1. Nearly two-third (64.0%) of respondents belonged to middle age group wherethree-forth of the respondents (i.e. 76%) were married.
2. Majority (86%) of respondents belonged to nuclear family.
3. 36% of respondents lack formal training.

4. The field survey reveals that 72% of the respondents have not utilized the funds properly and 68% of them have no knowledge of account keeping.
5. The study also shows that 58% of respondents do not have cooperation and understanding among the group this is a major problem faced by SHGs.
6. Finally the other prominent problems faced by the members of SHGs are inequality in issuing loans, repayment of loans, establishment of activity, too many formalities and lack of guidance from supporting agencies.

SUGGESTIONS:

Based on the present study the following suggestions have been made for future lineof work. Special training programme should be provided regarding the proper accounts keeping and accounting experts should be invited as a resource person so that the beneficiaries can enhance their accounting knowledge and maintain their cash book and other necessary books of accounts accurately.For better functioning of the groups women should be properly educated and periodical training at regular intervals may be made and also a study on the respective field may be conducted to outcome the findings.

CONCLUSIONS:

Finance is an element which everyone needs. Regular and immediate financecan play an important role for development of socio-economic conditions of the people particularly the rural poor. Microfinance is expected to play a significant role in poverty alleviation and rural development particularly the rural women. The potential for growing micro finance institutions in India is very high. Major cross-section can have been benefited if this sector will grow in its fastest pace.

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