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## INDIA'S STEEL INDUSTRY: A BIRD'S VIEW

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### Abstract

*India is currently the world's third largest producer of crude steel and is expected to become the second largest producer of crude steel in the world soon. India is the largest producer of direct reduced iron (DRI) or sponge iron in the world. Steel is the backbone of any economy. The experience of the developed, as well as the developing countries, has shown the important role played by the iron and steel industry in the economic growth. It is a core industry. For many industries such as engineering, machine tools, ship buildings, railways, transport, and equipment's, electrical and many others, Iron and Steel Industry is a basic industry. There is a close correlation between the level of economic growth of GDP of a country and the quantum of steel consumption. It means a direct relationship between investment in the economy and the growth of steel industry. Therefore, rapid industrialization and economic development of a country depend on the development of iron and steel industry to a great extent. The steel sector contributes to over 2 percent of the country's GDP and employs around 25 lakhs people in steel/allied sectors. This paper presents the global scenario of the steel industry as well as production, consumption and growth of the steel industry in India.*

**Key Words:** *Steel Industry, Domestic Demand, Steel Production, Economic Development.*

### Introduction

The Indian steel industry has entered into a new development stage, post-deregulation, growing economy and rising demand for steel. A rapid rise in production has resulted in India becoming the third largest producer of crude steel in 2016 as well as in 2017. The country was the largest producer of sponge iron or DRI (direct reduced iron) in the world during the period 2003-2015 and emerged as the second largest global producer of DRI in 2016 (after Iran). India is also the

third largest finished steel consumer in the world and maintained this status in 2016. Such rankings are based on provisional data released by the World Steel Association for the above year.

In a deregulated, liberalized economic/market scenario like India, the Government's role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism/structure for creating a conducive environment for improving efficiency and performance of the steel sector.

In this process, the Government has released the National Steel Policy 2017, which has laid down the broad roadmap for encouraging long-term growth for the Indian steel industry, both on demand and supply sides, by 2030-31. The said Policy is an updated version of National Steel Policy 2005 which was released earlier and which provided a long-term growth perspective for the domestic iron and steel industry by 2019-20.

The Government has also announced a policy for providing preference to domestically manufactured Iron & Steel products in Government procurement. This policy seeks to accomplish PM's vision of 'Make in India' with an objective of nation-building and encouraging domestic manufacturing and it is applicable on all government tenders where price bid is yet to be opened. Further, the Policy provides a minimum value addition of 15 percent in notified steel products which are covered under preferential procurement. In order to provide flexibility, Ministry of Steel may review specified steel products and the minimum value addition criterion.

**Objectives of the Present Study**

1. To present the global scenario of the steel industry as well as the production, consumption and growth of steel industry in India.

2. To study the trends in production of Crude Steel in private and public sector in India.
3. To highlight the Policy support driving investments of Indian Steel Industry.

**Methodology**

In this present study, the secondary data is the key source. The secondary data has been collected from various sources like internet, journals, books and reports. The following are a few of the sources of collecting information in this study.

- Obtaining material from the various reports available by the company specifically related to the Ministry of Steel, World Steel Association, Joint Plant Committee (JPC).
- Collecting material from the internet.
- Relevant books and business journals.

**Steel Industry: Global Scenario**

The current global steel industry is in its best position compared to its state in last decades. The demand expectations for steel products are rapidly growing. However steel production and consumption will be supported by continuous economic growth<sup>1</sup>. Details about the largest steel producing countries in the world are presented in table 1.

**The Largest Steel Producing Countries in the World**

Rank	Country	2017	2016	% Growth	% Share
1	China	831.700	786.900	5.69	49.18
2	Japan	104.700	104.800	-0.10	6.19
3	India	101.400	95.500	6.18	6.00
4	United States	81.600	78.500	3.95	4.82
5	Russia	71.300	70.500	1.13	4.22
6	South Korea	71.100	68.600	3.64	4.20
7	Germany	43.600	42.100	3.56	2.58
8	Turkey	37.500	33.200	12.95	2.22
9	Brazil	34.400	31.300	9.90	2.03
10	Italy	24.000	23.400	2.56	1.42
<b>Top 10 Countries</b>		<b>1632.909</b>	<b>1583.789</b>	<b>3.10</b>	<b>96.55</b>
<b>Total 66 Countries</b>		<b>1691.200</b>	<b>1606.300</b>	<b>5.29</b>	<b>100.00</b>

Source: World Steel Association, 2018

Table 1 explains how world crude steel production stood at 1691.2 million tonnes during January - December 2017. There was an increase of 5.29 percent over the same period of 2016 as per the data released by the World Steel Association. Chinese crude steel production reached 831.7 million tonnes during this period,

with a growth of 5.69 percent over the same period of 2016. China remained the largest crude steel producer in the world, accounting for 72 percent of Asian and 49 percent of world crude steel production during January - December 2017. India was the third largest crude steel producer during 2017 and recorded a production of 101.4 million tonnes with the

growth of 6.18 percent over 2016, accounting for 9 percent share of Asian and 6 percent of world crude steel production during January – December, 2017.

### Production, Consumption, and Growth of Steel Industry in India

India is also the third largest consumer of finished steel (83.5 million tonnes in 2016) in the world preceded by China (681.0 million tonnes in 2016) and the USA (91.6 million tonnes in 2016). Capacity for domestic crude steel production expanded from 97.024 million tonnes per annum (million tonnes) in 2012-13 to 128.277 million tonnes per annum in 2016-17 recording a CAGR (Compound Annual Growth Rate) growth of 7 percent during this

five year period. Crude steel production grew at 5.71 percent annually (CAGR) from 78.415 million tonnes in 2012-13 to 97.936 million tonnes in 2016-17. During January-December 2017, the country's crude steel production crossed the 100 million tonnes (million tonnes) mark for the first time in history, reaching 101.371 million tonnes, registering a growth of 6.18 percent over the same period of 2016. The steel sector contributed to over 2 percent of the country's GDP and employed around 25 lakhs people in steel/allied sectors during April-December, 2017-18<sup>2</sup>. Particulars about the production of finished steel and crude steel for the last five years are presented in table 2.

**Production of Finished Steel (alloy/stainless +non-alloy) and Crude Steel**

Item	2012-13	2013-14	2014-15	2015-16	2016-17	2017 -18
<b>Finished Steel</b>	<b>89.621</b>	<b>95.577</b>	<b>100.681</b>	<b>102.904</b>	<b>115.91</b>	<b>86.699</b>
Imports	7.925	5.45	9.32	11.712	7.227	6.097
Exports	5.368	5.985	5.596	4.079	8.243	7.606
<b>Consumption</b>	<b>73.483</b>	<b>74.096</b>	<b>76.992</b>	<b>81.525</b>	<b>84.042</b>	<b>64.868</b>
<b>Crude Steel</b>	<b>78.415</b>	<b>81.694</b>	<b>88.98</b>	<b>89.791</b>	<b>97.936</b>	<b>75.642</b>

Source: Joint Plant Committee (JPC)

Production of crude steel was at 75.642 million tonnes, with a growth of 4.8 percent compared to 2017-18 (April to December) to 2016-17(April to December). SAIL, RINL, TSL, ESSAR, and JSWL & JSPL produced 43.534 million tonnes during this period, which had a growth of 6.8 percent compared to the previous year. The rest amounting 32.108 million tonnes was the contribution of the Other Producers, which recorded a growth of 2.1 percent, compared to the previous year. Pig iron production for sale was 6.934 million tonnes (which recorded a decline of 0.5 percent compared to that of the previous year), after accounting for own consumption/IPT (Inter-Plant Transfer). The Private Sector accounted for 96 percent of the same and the rest 4 percent was the share of the Public Sector. In the case of total finished steel (non-alloy + alloy/stainless):

- Exports stood at 7.606 million tonnes, with a growth of 52.9 percent compared to the previous year.
- Imports stood at 6.097 million tonnes, with a growth of 10.9 percent compared to the previous year.
- India was a net exporter of total finished steel.
- Consumption stood at 64.867 million tonnes, with a growth of 5.2 percent compared to the previous year.

Indian Steel Sector has brought a new hope in Indian economy considering the production of steel product& as well as employment generation. Vast productions of steel products lead to an expansion of export of steel products reducing import dependence which made India a net exporter in the current period. Trend of finished steel for the last five years is presented in table 3.

**Trend of Finished Steel (alloy/stainless +non-alloy) in Last Five Years from 2012-13 to 2017-18**

Item	2012-13	2013-14	2014-15	2015-16	2016-17	2017 -18
<b>Production for sale</b>	<b>81.681</b>	<b>87.675</b>	<b>92.156</b>	<b>90.981</b>	<b>101.81</b>	<b>79.049</b>
Imports	7.925	5.45	9.32	11.712	7.227	6.097
Exports	5.368	5.985	5.596	4.079	8.243	7.606
<b>Actual Consumption</b>	<b>73.483</b>	<b>74.096</b>	<b>76.992</b>	<b>81.525</b>	<b>84.042</b>	<b>64.868</b>

Source: Joint Plant Committee (JPC)

- Production for sale of total finished steel (alloy /stainless+ non-alloy) stood at 101.805 million tonnes during 2016-17, as against 81.681 million tonnes in 2012-13, with an average annual (CAGR) growth rate of 6 percent.
- Export of total finished steel (alloy/stainless + non-alloy) during 2016-17 stood at 8.243 million tonnes against 5.368 million tonnes in 2012-13.
- Import of total finished steel (alloy /stainless + non-alloy) during 2016-17 stood at 7.227 million tonnes as against 7.925 million tonnes in 2012-13.
- Domestic actual consumption of total finished steel (alloy /stainless + non-alloy) stood at 84.042 million tonnes in 2016-17 as against 73.483 million tonnes in 2012-13, growing at a CAGR of 3.4 percent during the last five years, i.e. from 2012 to 2017-18.
- India became a net exporter of total finished steel in 2016-17 as well as during April-December 2017-18.

**Trend of Pig Iron Production in Last Five Years from 2012-13 to 2017-18**

Description	2012-13	2013-14	2014-15	2015-16	2016-17	2017 -18
Production for sale	6.870	7.950	9.694	9.228	9.388	6.934
Imports	0.021	0.034	0.023	0.022	0.034	0.012
Exports	0.414	0.540	0.540	0.297	0.387	0.427
Actual Consumption	6.500	7.110	9.057	9.021	9.040	6.524

Source: Joint Plant Committee (JPC)

- Production for sale of Pig iron stood at 9.388 million tonnes during 2016-17, as against 6.870 million tonnes in 2012-13 with an average annual (CAGR) growth rate of 6 percent.
- Export of total Pig iron during 2016-17 stood at 0.387 million tonnes against 0.414 million tonnes in 2012-13.
- Import of total Pig iron during 2016-17 stood at 0.034 million tonnes against 0.021 million tonnes in 2012-13.
- Domestic actual consumption of total Pig iron stood at 9.040 million tonnes in 2016-17 as against 6.500 million tonnes in 2012-13, growing at a CAGR of 9 percent during the last five years.
- India was a net Exporter of Pig iron during the last 5 years.

**Performance of Public & Private Sector in Crude Steel Production**

Sector	2012-13	2013-14	2014-15	2015-16	2016-17	2017 -18
Public Sector	16.482	16.777	17.205	17.92	18.456	14.387
Private Sector	61.933	64.917	71.755	71.871	79.48	61.255
<b>Total</b>	78.415	81.694	88.98	89.791	97.936	75.642
% Share of Public Sector	21%	21%	19%	20%	19%	19%

Source: Joint Plant Committee (JPC)

Expansion of private sector in steel making industry increases the contribution of private sector gradually in crude steel making. The public sector is contributed to the tune of 19 per cent both in 2016-17 and April-December 2017-18.

**Strong Demand and Policy Support Driving Investments - National Steel Policy 2017**

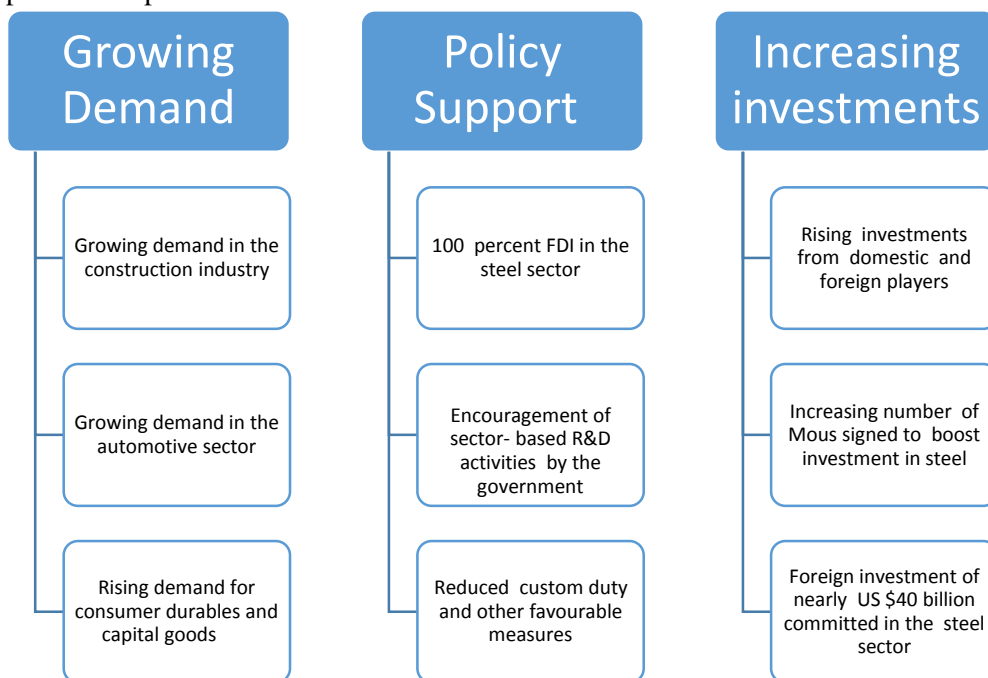
NSP 2017 aims to increase focus on the expansion of MSME sector, to improve raw material security, enhance R&D activities, reduce import dependency and cost of production, and thus develop a "technologically advanced and globally competitive steel industry that promotes economic growth"

observing self-sufficiency in production, developing globally economical steel manufacturing capabilities by facilitating investments and cost-efficient productions with adequate availability of raw materials. With the focus on R&D through establishment like Steel Research Technology Mission of India (SRTMI), the technology would be of utmost focus over the next decade and MSME steel plants would be the key drivers to achieve the additional capacity required for India's consumption-led growth and improvement in the overall productivity and quality.

**New Industrial Policy:** The New Industrial Policy opened up the Indian iron and steel industry for private investment by (a) removing

it from the list of industries reserved for public sector and (b) exempting it from compulsory licensing. Imports of foreign technology, as well as a foreign direct investment, are now freely permitted up to certain limits under an

automatic route. Ministry of Steel plays the role of a facilitator, providing broad directions and assistance to new and existing steel plants, in the liberalized scenario.



Source: Ministry of Steel

India's comparatively low per capita steel consumption and expected growth in consumption due to growing infrastructure construction, automobile and railways sectors have offered scope for growth. National Mineral Development Corporation is expected to increase the iron ore production of 75 million tonnes per annum (MTPA) until 2021 indicating new opportunities in the sector. Domestic players' investments in expanding and upgrading manufacturing facilities are expected to reduce reliance on imports. In addition, the entry of international players would provide benefits in terms of capital resources, technical know-how and more competitive industry dynamics.

**Conclusion**

Indian steel companies have now started benchmarking their facilities and processes against global standards, to enhance productivity. These steps are expected to help Indian companies improve raw material and

energy consumption as well as improve compliance with environmental and pollution yardsticks. Companies are attempting coal gasification and gas-based Direct-Reduced Iron (DRI) production. Other alternative technologies such as Hismelt, Finex, and ITmk3 are being adopted to produce hot metal. Ministry of Steel has issued necessary direction to the steel companies to frame a strategy for taking up more R&D projects by spending at least 1 percent of their sales turnover on R&D to facilitate technological innovations in the steel sector. Ministry of steel has established a task force to identify the need for technology development and R&D, Ministry of Steel has adopted energy efficiency improvement projects for mills operating with obsolete technologies.

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## **A STUDY ON PRODUCTION AND MARKETING PROBLEMS OF SUGARCANE PRODUCERS IN ATTUR TALUK, SALEM DISTRICT**

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### *Abstract*

*Sugar Industry is one of the most important agro-based industries in India. Sugar industry is seasonal in nature and its working period is only for 120 to 200 days in year. In India, sugar industry is the second largest industry after textiles. The country is the second largest sugar producer in the world. The sub-tropical region (Uttar Pradesh) contributes almost more than 50% of India's total sugar production. The following are the important hypotheses of the study are as under: There is no signification relationship between annual income and level of satisfaction of the sugarcane producers. There is no signification relationship between age and level of satisfaction of the sugarcane producers. The sampling used for the study is convenient sampling. This sampling is selected by the researcher for the purpose of convenience to access. For the study, sample sizes of 150 respondents were selected. The data collected were tabulated and analyzed by applying statistical tool are Simple percentage method, Chi-square test method and Correlation. The study was conducted in Attur Taluk, Salem District. The study covers a period of 12 months from October 2017 to October 2018. The survey was limited to Attur Taluk only, so it cannot be generalized to all the cities. The samples size is limited to 150 customers only. In sugarcane cultivation techniques and technologies are changing every day. So it is essential to accept and apply of all these new things during cultivation. The above study generally indicates a moderate trend in the production and the sales, variations in area, yield and sugar production.*

**Keywords:** *Sugarcane, Irrigation, Tropical Region, Production etc.*

### **Introduction**

Sugar Industry is one of the most important agro-based industries in India. Sugar industry is seasonal in nature and its working period is only for 120 to 200 days in year. In India, sugar industry is the second largest

industry after textiles. The country is the second largest sugar producer in the world. The sub-tropical region (Uttar Pradesh) contributes almost more than 50% of India's total sugar production, while the balance comes from the tropical region, mainly from Tamil Nadu,

Karnataka, Maharashtra and Madhya Pradesh. The sugar industry is one of the world's major agro-based industries. Maximum global sugar production comes from the top 10 producers, of which the top three (Brazil, India and the European Union) contribute 40% of the total. In 1930s Sugar was given protection. Since then, the industry has been traditionally called a "Child of Protection". The Industry grew after India's independence.

### Significance of the Study

In other countries sugar is a by-product, but in India sugar is the main product produced by sugar mills. India is producing large quantity of sugar because of our own needs, but now a day's only sugar production is not profitable for sugar mills. Sugar industry needs to increase their capacity in by products like alcohol, ethanol co-generation etc. This could be possible only through fuller and better utilization of the by-products and alternative produce, so that the higher value products are manufactured from them and sugar industry derives maximum benefit from the sugar crop. The ultimate prosperity of the Indian sugar industry depends upon diversification into numerous avenues based on the by-products of the sugar industry.

### Statement of the Problem

The cooperative sector plays an important role in the Indian sugar industry. Co-operative sugar factories are the processing unit established by the farmer in the rural area. The capital is collected from the farmers for their economical and social development. It is established as per the co-operative norms and rules. These cooperative sugar factories have created ample opportunities for employment in rural area.

### Objectives of the Study

Researcher has conducted research work on the basis of set objectives, the specific objectives are as follows:- 1. To know the economic conditions of the sugarcane producers in the study area. 2. To examine the financial position of the sugarcane producers in the study area. 3. To study the type of irrigation used by the sugarcane cultivation. 4. To study the finance for the sugarcane operations in the study area. 5. To know the problems of sugarcane producers in the study area. 6. To find out the level of satisfactions of the sugarcane cultivators in the study area. 7. To

offer suggestions for the improvement of sugarcane production and marketing.

### Hypothesis of the Study

The following are the important hypotheses of the study are as under: There is no signification relationship between annual income and level of satisfaction of the sugarcane producers. There is no signification relationship between age and level of satisfaction of the sugarcane producers. There is no signification relationship between annual income and level of satisfaction of the sugarcane producers. There is no signification relationship between annual income and type of irrigation of the sugarcane producers. There is no signification relationship between annual income and experience of the sugarcane producers.

### Research Methodology

**Research Design:** The research design of the project is descriptive as it describes data and characteristics associated with the population using mobile phones. Descriptive research is used to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables in a given situation.

**Method of Data Collection:** To accomplish the objectives of the study, both primary and secondary data's were collected.

**Primary Data:** Primary data is that data which is collected for the first time. It is original in nature in the shape of raw material for the purpose of collection of primary data a well structured questionnaire was filled by the respondents. The questionnaire comprises of close ended as well as ended questions.

**Secondary Data:** Secondary data is the data which is already collected by someone. They are secondary in nature and area in shape of finished product. Secondary data was collected so as to have accurate results. Required data was collected from various books, magazines, journals and internet.

**Sampling Method:** The sampling used for the study is convenient sampling. This sampling is selected by the researcher for the purpose of convenience to access.

**Sample Size:** For the study, sample sizes of 150 respondents were selected

**Statistical tools used for the study:** The data collected were tabulated and analyzed by applying statistical tool are simple percentage



method, Chi-square test method and Correlation

**Area of the Study:** The study was conducted in Attur Taluk, Salem District.

**Period of the Study:** The study covers a period of 12 months from October 2017 to October 2018.

**Limitations of the Study:** The survey was limited to Attur Taluk only, so it cannot be generalized to all the cities. The samples size is limited to 150 customers only. Time is one of the major constraints. At most care taken by the researches to choose the correct information from the respondents. The study is based upon primary data, so any wrong information given by the respondents may mislead the findings.

**Review of Literature**

**Prakash Rao and Venkateswara Rao (2005)** examined the “Problems and Prospects of Sugar Industry in India”. An attempt has been made to examine the problems and prospects of sugar industry in India. Though the industry contributes a lot to the socioeconomic development of the nation, it is plagued with a number of problems such as cyclical fluctuations, high support prices payable to farmers, lack of adequate working capital, partial decontrol and the uncertain export outlook. Despite the problems, the industry has good growth potential due to steady increase in sugar consumption, retail boom and diversification into areas such as power generation and production of ethanol.

**Goncharuk and Anatoliy (2009)** in his article entitled that “How to make sugar production more effective: A case of Ukraine” is devoted to the analysis of efficiency of sugar companies of Ukraine and the ways of its improving. The main factors of sugar plants inefficiency are defined and he finds that these problems have two sides: external and internal. The solving of external problems is not connected with actions of companies and depends on the government and its further policy in the field of regulation of agriculture and sugar production. The solving of internal problems of sugar companies depends on desire and abilities of their proprietors and management to manage a business performance. Recommendations for the improvement of efficiency of sugar companies and industry based on the study are the following; attraction of large foreign investors having high-efficiency technologies, own raw-

material base (beet, raw sugar) and distribution channels abroad, and directed to increasing of labour productivity, reduction of wastage, improving of energy efficiency and decreasing of materials-output ratio.

**Data Analysis and Interpretation of Production and Marketing Problems of Sugarcane Producers Annual Income**

Annual Income	Respondents	(%)
Below 1,00,000	38	25
1,00,000-3,00,000	60	40
3,00,000-5,00,000	42	28
Above 5,00,000	10	7
<b>TOTAL</b>	<b>150</b>	<b>100</b>

Source: Primary Data

Out of total respondents, the majority of respondents (40%) have got annual income Rs.1,00,000 – Rs.3,00,000, 28 percent of the respondents have got annual income between Rs.3,00,000 – Rs.5,00,000, 25 percent of the respondents have got annual income below Rs.1,00,000 remaining 7 percent of the respondents have got annual income above Rs.5,00,000 in the study area. Conclusion : It is completed that the majority of respondents (40%) have got annual income Rs.1,00,000 – Rs.3,00,000 in the study area.

**Association between Annual Income and Level of Satisfaction**

H<sub>0</sub> = There is no significant relationship between annual income and level of satisfaction of the sugarcane producers.

**Actual Frequency Table**

Annual income	Level of satisfaction	Total
38	28	66
60	68	128
42	34	76
10	20	30
0	0	0
<b>150</b>	<b>150</b>	<b>300</b>

**Degree of Freedom at 5%**

df= (r-1) (c-1) = (5-1) (2-1)=(4) (1)= 4 9.49.

**Hypothesis Testing:**

The calculated value is less than the table value. Hence the hypothesis is accepted.

**Conclusion:**

There is no significant relationship between annual income and level of satisfaction of the sugarcane producers.

## Findings of the Study

### Percentage Analysis

It is concluded that the majority of the respondents (39%) are belonging to the age between 31-40 years in the study area. It is accomplished that the most of the respondents (39%) are studied below 12<sup>th</sup> study the study area. It is concluded that the majority of the respondents (56%) are female respondents in the study area. It is completed that the majority of respondents (40%) have got annual income Rs.1,00,000 – Rs.3,00,000 in the study area. It is ended that the most of the respondents (51%) are living in joint family in the study area of Attur. It is concluded that the majority of the respondents (43%) are having members in the family between 3 -5 in the study area. It is ended that the most of the respondents (76%) are using own land for sugarcane cultivation in the study area. It is concluded that the majority of the respondents (35%) are having the land position between 2-4 (Acres) in the study area. It is concluded that the majority of the respondents (28%) are having experience in sugarcane cultivation below 4 years in the study area. It is concluded that the majority of the respondents (49%) are getting sugarcane cultivation awareness from family members in the study area. It is concluded that (56%) of the respondents are having nature of agriculture in regular sugarcane in the study area. It is concluded that the majority of the respondents of (73%) are using bore well for sugarcane cultivation in the study area. It is concluded that the most of respondents (47%) percent are getting finance form bank for the sugarcane operations in the study area. It is concluded that the great majority of the respondents (57%) are getting sugarcane production above 8 tones in the study area. It is concluded that the majority of the respondents (49%) are selling sugarcane in contract in the study area. It is concluded that the great majority of the respondents (65%) are selling sugarcane between Rs.2, 000 to Rs.4, 000 per ton in the study area. It is concluded that the majority of the respondent (57%) are getting sale proceeds of sugarcane within a month in the study area. It is concluded that the majority of the respondents (40%) are satisfied with the price of sugarcane in the study area. It is concluded that the majority of the respondents (52%) are not having membership in sugarcane association in the study area. It is concluded that the majority of the respondents (57%)

percent are not awareness about programme organized by the association in the study area. It is concluded that the majority of the respondents (64%) percent are getting govt subsidies in the study area. It is completed that the majority of respondents (48%) have got amount of subsidies from govt between Rs.2, 000-4, 000 in the study area. It is concluded that majority of the respondents (45%) are satisfied with the about sugarcane cultivation in the study area.

**Rank Analysis:** It is concluded that the water problem of sugarcane is getting first rank in the study area.

**Correction Analysis:** There is a positive correlation between experience of sugarcane cultivators and level of satisfaction of sugarcane cultivators in the study area.

**Chi-Square Test Analysis:** There is no significant relationship between annual income and level of satisfaction of the sugarcane producers. There is significant relationship between age and level of satisfaction of the sugarcane producers. There is significant relationship between education and level of satisfaction of the sugarcane producers. There is significant relationship between annual income and type of irrigation of the sugarcane producers. There is significant relationship between annual income and experience of the sugarcane producers. There is significant relationship between annual income and nature of sugarcane of the sugarcane producers. There is significant relationship between experience and production of sugarcane of the sugarcane producers.

**Suggestions of the Study:** Taking into consideration, the problems of sugarcane farmers the following suggestions are given to sustain Sugarcane cultivation and to improve the economic conditions of sugarcane farmers.

1. The Mahatma Gandhi National Rural Employment Guarantee Act has to be grounded strictly during non-agriculture season i.e. from April –June.
2. In view of huge labour cost, appropriate capital intensive techniques (machinery to plant sugarcane stems, de-weeding and harvesting machines) are to be supplied by the government on subsidy basis or 275 made available. Farmers who can afford them will purchase. Once they are available in the village, farmers can hire them as they are doing in case of tractors and crushing machines.
3. Sugarcane farmers need to be educated on

recent techniques of cultivation and Farm Management by government extension department functioning at Mandal level. 4. The sugarcane mills are to be strictly instructed to purchase cane immediately after harvest without loss of weight. 5. The most important recommendation is, proper review of government policy of MSP. This need to be increased. 6. Uninterrupted power supply need be ensured at least 8 hours in a day so that necessary irrigation from wells will be possible which affect the output. 7. Relation between the sugarcane growers and the factory should be always well knit. 8. There should be some systems for providing suitable seeds, fertilizers and pesticides to the member farmers. 9. There should be Option for factory's transportation service. 10. There should be new Techniques and Technologies in Sugarcane Cultivation

### Conclusion

In sugarcane cultivation techniques and technologies are changing every day. So it is essential to accept and apply of all these new things during cultivation. The above study generally indicates a moderate trend in the production and the sales, variations in area, yield, sugar production and recovery of sugar should be avoided. In recent years, sugar cane production in India has slow down due to water and power scarcity. In order to regular level of supply of water, all the area under sugar cane cultivation should be brought under drip irrigation. Drip irrigation equipments should be supplied free of cost by the government. Satisfactory and expected power supply to sugar cane growers and sugar factories would raise production and productivity. To boost the share of Indian sugar industry in global trade, quality and quantity of sugar need to be improved through modern technology. Hence efforts should be made to ensure a positive trend in the estimation and maintenance of the production and sales.

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## HRM PRACTICES IN CEMENT INDUSTRY

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### Abstract

*This paper entitles that today's highly Competitive and unstable business environment all modern organizations are operating in dynamic changing scenario. Due to increasing complexities and esophagus competition running organizations effectively became challenge for employers. To gain competitive advantage organizations need to implement unique strategies. Managing human resources is very challenging as compared to managing technology or capital and for its effective management, organization requires effective HRM system. HRM system should be backed up by sound HRM practices. Organization performance is influenced by set of effective HRM practices. It gives fruitful results like enhancing employee commitment, retention and reduced employee turnover. This article emphasizes the role of HRM practices in increasing organizational effectiveness. The research is carried out to find out the employee perception towards existing HRM practices for better improvement.*

**Keywords:** *Cut throat competition, Employee commitment, HRM Practices, Turbulent.*

### Introduction

Human resources are the source of achieving competitive advantage because of its capability to convert the other resources (money, machine, methods and material) in to output (product/service). The competitor can imitate other resources like technology and capital but the human resource are unique. In the view of resource based theory of Barney (1991) stated that Human resources lead to competitive advantage when they are valuable, inimitable and well organized. HRM can help firms improve organizational behaviour in such areas as staff commitment, competency and flexibility, which in turn leads to improved staff performance (Koch and McGrath, 1996). Managing human resources plays key role in

organizational success. The effective management of human resources requires sound Human Resource Management systems. In order to develop a sound HRM system, the organization should have effective Human Resource Management practices. HRM practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfilment of organizational goals (Schuler & Jackson, 1987; Schuler International Journal of HRM practices may differ from one organization to another and from one country to another. Employee-employer relations can be made improved if the organization implements effective HRM practices. HRM practices are related to turnover

and profitability. Every HRM practice has both direct and indirect influence on operational and financial performance of the organization.

#### **Literature Review:**

Human resource management (HRM) refers to the policies and practices involved in carrying out the „human resource (HR)“ aspects of a management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, and labour relations.

HRM is composed of the policies, practices, and systems that influence employees' behaviour, attitude, and performance (Noe, Hollenbeck, Gerhart, and Wright, 2007). Human Resource Management Practices have been changed dramatically during the last two decades owing to globalization, privatization/deregulation, competition and technological advancements. These highly turbulent environmental have forced organizations to adopt new workplace practices that enhance sustained level of high performance. Human Resource Management Practice underlines the importance of job satisfaction of employees. The relationship between appropriate human resource management practice and positive employee attitudes including employee satisfaction, loyalty and productivity has been widely analyzed. It is also suggested that treating employees as a valuable asset improves their commitment and loyalty which leads to higher performance and quality (Silvestro, 2002).

Academic research conducted at the organizational level supports that human resource practices affect organizational outcomes by shaping employee behaviors and attitudes (Arthur 1994; Huselid 1995). Ostroff and Bowen (2000) found that human resource practices shape work force attitudes by moulding employees' perceptions of what the organization is like and influencing their expectations of the nature and depth of their relationship with the organization. There is also a general notion that human resource practices interact with perceptions of organizational support to affect employee commitment. Researchers have over the years proposed countless varied lists of practices however; there is no agreement on what or which practice qualifies as an aspect of HRM (Beer et al 1984; Storey 1995; Guest 1997; Boselie et al. 2005).

It is interesting to note that there are still some practices that form the core of the various practices proposed. These include recruitment and selection, training and development, performance management and reward scheme, however, others such as job design and employee involvement are more sporadic and are yet to gain grounds in the HRM literature. Guest (1997) however puts forward seven practices namely, selection, training, appraisal, rewards, job design, involvement and status and security. However, the study focuses on six out of the seven practices in its analysis. Selection of the practices for study is based on its recurrence in the literature reviewed, its significance and measurability.

#### **Recruitment & Selection**

Recruitment is a process of attracting a pool of high quality applicants so as to select the best among them. Top performing companies allocate considerable sources of energy to creating high quality selection systems. Due to the complexity of work increases, organizations that now use more selection methods that capture the applicant's capability to do the work. Selection procedures should able to improve fit between applicant and other aspects of the Selection procedure should able match applicant's values with the organization culture.

#### **Training & Development**

Training and development deals with updating of skills and competencies of the employees through series of training and development programmes. In today's competitive environment skilled employees with necessary skills and competencies able to enhance productivity, organization competitiveness and performance. Training programs yield both tangible and intangible results. Tangible results like enhanced productivity and quality of goods and services. Intangible results are high self esteem, enhanced morale and high job satisfaction. Blair & Sisakthi (2000) argued that investments on training and development produce enormous benefits.

#### **Performance Appraisal**

Performance appraisal process is an activity that ensures mutual understanding between subordinate and supervisor. Performance appraisal is positively related to organizational performance. Lee & Lee (2007)

posited that successful performance appraisal systems enhance quality and productivity. Comprehensive, transparent performance appraisal systems enhance talent retention. Rahman (2006) established that a comprehensive performance appraisal system increases subordinate commitment. Performance appraisal influences organizational performance.

### **Compensation**

Effective compensation and reward process enhances productivity, employee retention, and overall organizational performance. (Delaney & Huselid 1996) Jyothi and Venkatesh (2006) established that competency based rewards and pay enhances the quality of goods/services, improves subordinate behavior thereby improving organizational performance. Compensation encompasses all forms of monetary, non-monetary returns. Bernardin and Rusell (1993) noted that reward planning and compensation are key dimensions of potent HRM practices.

### **Welfare & Safety Measures**

Employee welfare is flexible and elastic and differs widely with time and region, industry, social value and customs, degree of industrialization the general social-economic development of the people and the political ideologies prevailing at a particular time. It is also molded according to the age groups, socio-cultural background, and educational level of workers in various industries. Industrial progress depends on satisfied labour force and in this connection the importance of labour welfare measures was accepted long back. Way back in 1931 the Royal Commission on Labour stressed the need of labour welfare primarily because of the harsh treatment meted out to the workers. This need was further emphasized in independent India by the Constitution, (1950) which lays down the following articles in this regard: "Article 42: The state shall make provision for securing just and humane conditions of work..."

### **Need for the Study**

Organizations in present trend constantly wrestle with revolutionary changes like global competition, deregulation, technological and demographic change, they must strive to withstand in the turbulent business environment. Human Resource is the most important asset for any organization and it

is the source of achieving competitive and company performance is influenced by a set of effective HRM practices. Managing human resources is very challenging as compared to managing technology or capital and for its effective management, organization requires effective HRM system. HRM system should be backed up by sound HRM practices. HRM can help firms improve organizational behavior in such areas as staff commitment, competency and flexibility, which in turn leads to improved staff performance. HRM practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals. It gives fruitful results like enhancing employee commitment, retention and reduced employee turnover. Hence research has been undertaken to study the employee's opinion towards HRM practices in the organization.

### **Research Objectives**

1. To identify the role of HRM practices in enhancing employee job satisfaction.
2. To find out employees perception towards existing HRM practices in organization.
3. To suggest ways and means for improvement of HRM practices in the organization.

### **Scope of the Study**

The scope of the study is confined to the employees of Bharathi cement corporation private limited. The present study has identified various HRM practices like Recruitment & Selection, Performance appraisal, Training & Development, Compensation, Welfare and Safety measures.

### **Research Methodology**

A research design is the arrangement of conditions for collection and analysis of data. Regarding this study, descriptive research design concerned with describing the perception of each individuals or narrating factors on HRM Practices. The major purpose of descriptive research is description of the state of affairs as it exists at present.

Sources of Data: - The data collected for this study was through Primary & Secondary sources.

(i) Primary Data:- It consists of original information gathered for the study. The first hand information has been collected through a well structured questionnaire consisting of 30 items on 5 dimensions by direct contact

method. The study is mainly based on primary data collected from employees of Sagar cement corporation private limited. Employee opinion was rated on five point scale.

(ii) Secondary Data:- It consists of information that already exists that has been collected for the purpose of this study. The second hand information has been collected through the company websites, journals, magazines, & internet. Sample Size :- A sample size of 100 executives working in various departments of the organization was taken for the survey.

Statistical Tools :- The statistical tool used for this study is Simple percentage method & Weighted average method

### **Data Analysis and Results**

#### **Recruitment & Selection:**

Majority of the respondents opined that external source of recruitment is followed by the company. 40% of the respondents stated that Brand image attracted them to apply for the job, followed by 40% said management efficiency and work atmosphere. 20% stated that remuneration. Respondents expressed their moderate opinion towards trained managers and HR department's role in conducting recruitment and selection process with weighted mean scores of 3.87 & 3.65.

#### **Training & Development:**

Respondents stated that both on-the-job and off-the-job training methods are followed by the organization. Organization is providing continuous training to improve weaker skills and acquire new skills for better job performance stated by the respondents with weighted means of 4.02 & 3.65. Respondents stated that inadequate opportunities for professional growth and development with weighted means of 2.92 & 3.55. Performance Appraisal: 360 degree Performance appraisal is conducted annually in the organization.

#### **Performance Appraisal:**

Effective performance appraisal consists of promotions linked with performance stated by the respondents with weighted mean score of 3.35. Majority of the respondents expressed moderate dissatisfaction towards the existence of post performance appraisal feedback given by superiors in the organization with weighted mean score of 3.42.

#### **Compensation:**

Fair and competitive equitable pay package is provided by the organization stated by the respondents with weighted mean of 3.47.

Respondents expressed their moderate opinion towards adequate financial incentives and benefits by considering employee contributions with weighted means of 3.23 & 3.46. Respondents are having moderate satisfaction level towards current salary and benefits provided by the organization with weighted mean of 3.20.

#### **Welfare & Safety Measures**

Respondents stated that organization is creating awareness regarding safety rules to be followed at the work place provided with safety equipment with weighted mean of 4.02. Respondents expressed their moderate opinion towards medical facilities, fringe benefits and PF scheme existing in the organization with weighted means of 3.46 & 3.42.

#### **Suggestions and Conclusion**

Hence it is observed that the organization needs to improvise existing HRM practices that enhance employee engagement and commitment. Employee job satisfaction increases organizational effectiveness thus reduces employee turnover. Trained managers may be appointed by the management for the effective recruitment and selection process. Post-performance appraisal to be carried out in the organization for betterment of employee performance in the job. Organization need to implement integrated approach to talent management offers adequate opportunities for professional growth and development, good motivating pay package, exciting rewards and Social security measures. In today's environment the human resources is also important as the financial assets, technologies, etc. So organizations have to consider the human resource because these are very important for betterment of the organization.

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## **BRAND AWARENESS OF CONSUMERS ON DAIRY PRODUCTS WITH SPECIAL REFERENCE TO POLLACHI**

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### *Abstract*

*The main aim of the study is to reveal the brand awareness of dairy products in Pollachi. There are many Brands available in the study area so the researcher finds the level of awareness about the brands. There are 200 respondents were taken for the study using convenient sampling technique. The Age, Gender, Educational Qualification of the respondents is identified through Simple percentage tool. The awareness level of the respondents is assessed through ranking method.*

**Keywords:** Brand Awareness, Dairy Products.

### **Introduction**

Brand awareness plays a major role for every product. In general, awareness is all about the consumer's knowledge towards the product they purchase. Once the consumers are satisfied and well known about the product they purchase. The awareness can be created by promotional strategies. It is the consumer's ability to recollect the product and thus helps in decision making. There are different kinds of brand awareness. Consumers prefer various brands according to their considerations.

Brand awareness is like a key indicator to create some competitive market performance. To create brand awareness about the particular brand, the marketers collect various metric measures to make a particular product and make aware of it aware. Awareness level for the particular product must be done in various sectors and also from various places to

make, know about the product in a easy and simple way as it reaches the customers easily.

### **Definition**

According to the American Marketing Association, a brand is a "name", term, sign, symbol or design or a combination of them intended to identify the goods and services of sellers and to differentiate them from those of competition." (Keller, 1998).

"Brand awareness refers to the strength of a brand's presence in the consumer's mind" said by (Aaker, 1996, p.10)

### **Statement of the Problem**

In today's world everyone are using milk in a regular manner. It is considered as a health drink from children's to adults. There are many branded milk products are available in the competitive market, each products differ from various components such as fat content, protein, carbohydrate, water, vitamins, minerals. There

are many factors that influence the customers while purchasing the product. Since the study area is a place where the population is high and there are numerous milk brands are available, hence this study helps to know the awareness towards the milk they purchase.

**Objectives of the Study**

The present study was designed to study the Brand Awareness towards Dairy products, Pollachi with the following specific objectives:

- To analyze the Brand Awareness of dairy products in Pollachi.
- To assess the factors influencing brand awareness of milk products.

**Literature Review**

**Geetha (2015)** in the study has analyzed the brand awareness and brand perception. Have also analyzed the factors which affect the brand loyalty. The study has been made with the consumers who are using different brands of packaged milk. The interview schedule has been done to the respondent. The convenient sampling method has been used to analyze the brand loyalty. With 100 respondents and all brands available in Rohtak city are taken for the research. Suggests reducing the price of some brands, to attain new customers. The study reveals that the Amul brand is more aware and preferred by the respondents.

**Kalaiselvi (2014)** has revealed the perception, Brand preference, awareness of branded consumer FMCG products. The study has been done in Coimbatore city. The study has been done with 100 respondents selected by using simple random sampling method. The Anova and T.test has been used in SPSS. The attitude of male and female are different while preferring the brand of FMCG products. There should be more awareness created to the customers about the brands by their marketing agencies.

**Dhanya and Palanichamy (2018)** has analyzed the awareness and buying behavior of the consumers of dairy products. The research has been done in the Coimbatore district. 120 respondents are analyzed using simple random sampling technique. Out of 120 respondents 75 are only using Aroma products. The tools used to assess the data are Descriptive statistics, z test, Likert’s scaling, and Garrett’s rating method. The Aroma brand is well known to the customers. There should not arise any demand

for the product. The quality product should always available in the market without any demand.

**Research Methodology**

The research method adopted for the study was descriptive research and the sampling used was convenient sampling technique. The primary data around 200 milk users taken for the study. The questionnaire was collected with likert scaling method as a primary data. The secondary data was collected with the help of journal, thesis, and magazines. The tools such as percentage analysis and ranking method were used.

**Analysis and Interpretation**

**Age of the Respondents**

Age	Respondents	%
Below 20 Years	10	11
21 - 30 Years	97	48
31 - 40 Years	55	27
Above 40 Years	27	14
<b>Total</b>	<b>200</b>	<b>100</b>

The above table reveals that 11% of the respondents come under the group Below 20 Years and 48% of the respondents come under the group 21 to 30 Years and 27% of the respondents come under the group of 31 to 40 Years and 14% of the respondents comes under the group of above 40 Years.

(48%) of the maximum number of the respondents belongs to the age group of 21-30 Years.

**Gender of the Respondents**

Gender	No. of Respondents	%
Male	75	38
Female	125	62
<b>Total</b>	<b>200</b>	<b>100</b>

The above table shows that 38% of the respondents are Male, and 62% of the respondents are Female. (62%) of the maximum number of the respondents belongs to Female

**Educational Qualification of the Respondents**

Qualification	Respondents	%
No formal education	7	4
Upto Hr Sec	48	24
Degree	93	46
Post Graduate	41	20
Others	11	6
<b>Total</b>	<b>200</b>	<b>100</b>

The above table shows that 4% of the respondents comes under the group No formal

education, 24% of the respondents comes under the group UptoHr Sec, 46% of the respondents comes under the group Degree, 20% of the respondents comes under the group of Post Graduate, and 6% of the respondents come under the group of Others (46%) of the maximum numbers of the respondents are Degree holders.

#### Awareness of Branded Dairy Products

Dairy Products	Mean Score	Ranks
Sakthi	4.125	II
Aavin	4.085	III
Arokya	4.43	I
Cavin's	3.835	V
Amrut	3.77	VI
Amul	3.845	IV
KC+	3.295	IX
Aroma	3.495	VII
Patanjali	2.825	X
Cowma	3.37	VIII

The above table reveals that Arokya brand ranks I, the mean score value is (4.43), Sakthi brand ranks II, the mean score value is (4.125), Aavin brand ranks III, the mean score value is (4.085), Amul brand ranks IV, the mean score value is (3.845), Cavin's brand ranks V, the mean score value is (3.835), Amrut brand ranks VI, the mean score value is (3.77), Aroma brand ranks VII, the mean score value is (3.495), Cowma brand ranks VIII, the mean score value is (3.37), KC+ brand ranks IX, the mean score value is (3.295), Patanjali brand ranks X, the mean score value is (2.825).

#### Findings

- (48%) of the maximum number of the respondents belongs to the age group of 21-30 Years.
- (62%) of the maximum number of the respondents belongs to Female.
- (46%) of the maximum numbers of the respondents are Degree holders.
- (4.43) of the maximum numbers of the respondents are aware of Arokya brand.

#### Suggestions

There is a need for the other brands to improve the following factors to make their product to reach high standard.

- Taste
- Brand awareness
- Affordable price
- Fat content

#### CONCLUSION

The consumers based on the findings

they were aware about all the brands in dairy industry. Most of the consumers are aware about Arokya milk in study area. The awareness about the product is different from the brand preference.

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## AN OVERVIEW OF HEALTH CARE WASTE MANAGEMENT

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### Abstract

*Healthcare is one of the fastest growing sectors in India. The curative healthcare services are a basic requirement of human kind but inevitably create waste which itself may be hazardous to health. Health care waste is a special category of waste, which needs to be handled appropriately with precautions because it carries a higher potential for infection and injury than any other type of waste. With a rapid increase in the number of hospitals, clinics and laboratories in the country, the generation of health care waste has been increasing considerably. The health care employees and workers have serious health impact. Health care waste and exposure to such waste pose serious threats to the environment and human health. Hence, such wastes require specific treatment and management prior to its final disposal. This article highlights certain aspects of health care waste management practices in India.*

**Keywords:** Health Care Waste, Hospitals, Hazardous.

### Introduction

The health care is the basis for human life but the health care waste creates threat to human health. The health care employees and workers have serious health impact. If the health care wastes are not properly managed, it affects the health of the community. There has been a threat to human health due to health care waste. Awareness about the need of bio medical waste management among the health care personnel is of paramount importance.

'Hospital' is a place of the Almighty, a place to serve the sick persons. Hospitals are committed to patient care and community health. The impact of bio medical waste

management on environment results in several diseases to human beings. A modern hospital is a complex multidisciplinary system which uses thousands of items for delivery of medical care. The unused items in hospitals also generate waste.

### Health Care Waste

Health Care waste affects health care workers to a large extent. It also affects the public and the environment seriously. This problem has now become the threat for public health. The public faces the health risk due to hospital waste disposal. Bio medical waste is the waste generated due to diagnosis, treatment or immunization of humans or animals.

### Types of Hospital Waste

**General waste:** These wastes can be collected from the houses. These are harmless to human.

**Pathological waste:** The tissue, body part, organ waste, foetus. Blood and fluid from human body are pathological waste.

**Infectious waste:** The pathogens that could cause diseases is known as infectious waste. The infection from wastes of laboratories, surgery creates infection to the environment.

**Sharps:** Any waste causing cut or puncture of human skin is known as sharps. Examples are needles, broken glasses, blades etc.

**Pharmaceutical waste:** Pharmaceutical products, drugs and chemicals return from wards have been spilled, are outdated or contaminated are pharmaceutical waste.

**Chemical waste:** Any discarded solid, liquid and gaseous chemicals are chemical waste.

**Radioactive waste:** Any solid, liquid, and gaseous waste that is contaminated with radionuclide's generated from in-vitro analysis of body tissues and fluid, in-vivo body organ imaging and tumor localization and therapeutic procedures are radioactive wastes.

**Biomedical waste:** Any solid, fluid and liquid or liquid waste, including its container and any intermediate product, generated during the diagnosis, treatment or immunization of human or animals is bio medical waste.

### Rules of Health Care Waste Management

The Government of India, as contemplated under Section 6, 8, and 25 of the Environment (Protection) Act, 1986, has laid down the Bio-Medical Waste (Management and Handling) Rules, 1998. The legal provisions are applicable to every hospital generating bio medical waste, including hospitals, nursing homes, clinics, dispensaries, veterinary institutions, animal houses, pathological labs, and blood banks; the rules are applicable to even handlers. Bio medical waste management means management of a range of activities, which are mainly engineering functions such as collection, transportation, the operation or treatment of processing systems, and disposal of wastes.

This issue of improper Health Care Waste Management in India was first highlighted in the Supreme Court. The rules have been framed to regulate the disposal of bio medical waste so as to ensure the safety of the staff, patients, public and the environment. These rules are now modified in 2011.

The Bio-medical Waste Management Rules, 2016 restricts occupier for establishment of on-site or captive bio-medical waste treatment and disposal facility, if a service of common bio-medical waste treatment and disposal facility is available within a distance of seventy-five kilometer, as installation of individual treatment facility by health care industry. It requires comparatively high capital investment. It needs a separate dedicated and trained skilled manpower and infrastructure for proper operation and maintenance of treatment systems. The concept of common bio medical waste treatment facility addresses many problems to prevent proliferation of treatment technologies in a particular town or area. In turn, it reduces the monitoring pressure on regulatory agencies. The cost of treatment of per kilogram bio-medical waste gets significantly reduced by running the treatment equipment at common bio medical waste treatment facility. The common bio medical waste treatment facility has been proven as advantageous all over the world.

### Need For Health Care Waste Management

The risks associated with hazardous chemicals and drugs are applicable to the persons handling wastes at all levels. "Disposable" being repacked and sold by unscrupulous elements without even being washed. Lack of complete knowledge and awareness about HCW management among hospital staff greatly impacts practices of appropriate waste disposal. There is a need of continuous training programmes in the form of seminars, workshops and symposia on HCW management to create awareness among medical and paramedical staffs. The HCW management cannot be successfully implemented without the willingness, self-motivation and co-operation from all sections of employees of any healthcare establishments. This should be coupled with effective implementation of rules and regular monitoring by authorities.

### Health Care Waste Segregation and Storage

The segregation of hospital waste should be examined because facility standard operating procedures for hospital waste segregation have a direct impact on type and cost of health care waste treatment. Each category of waste has to be kept segregated in a proper container or bag. Such container or bag should have certain properties:

It should be without any leakage  
It must be able to contain the designed volume and weight of the waste without any damage.  
The container should have a cover preferably operated by foot.

When a bag or container is filled at 3/4th capacity it must be sealed and an appropriate label has to be attached.

Arrangement for separate receptacles in the storage area with prominent display of colour code has been made in accordance with the legislation yellow for hazardous health care waste and black for the non hazardous waste.

### **Health Care Wastes Handling and Transportation**

This activity has three components: collection of different kinds of waste from waste storage bags and containers inside the hospital, transportation and intermediate storage of segregated waste inside the premises and transportation of the waste outside the premises towards the treatment or final disposal. The biomedical waste has to be transported to the treatment or disposal facility site in a safe manner. The vehicle should have certain specifications, such as it should be covered and secured against accidental opening of door, leakage etc. The interior of the container should be without sharp edges or corners in the aim to be easily washed and disinfected there should be adequate arrangements for drainage and collection of any leakage.

### **Hospital Waste Treatment and Disposal**

Different methods have been developed for rendering biomedical waste environmentally innocuous and aesthetically acceptable. The biomedical waste legislation has elaborately mentioned the recommended treatment and disposal options according to the different categories of waste generated in hospitals. Different methods and treatment technologies have been developed (a) Incineration, (b) Autoclave treatment, (c) Hydroclave treatment, (d) Microwave treatment, (e) Mechanical/ Chemical Disinfecting, (f) Sanitary and secured Land filling and (g) General Waste.

### **Health Care Waste Treatment System**

Any health care waste treatment system should comprise of segregation at source, storage in colour coded containers, systematic collection, transportation to treatment site,

treatment considering the type of waste and disposal considering the type of waste.

Segregation of health care waste is based on the category of waste. Storage and collection of waste in colour-coded containers is based on the treatment adopted.

The treatment options for biomedical waste as per the schedule I of the Rules are incineration, deep burial, autoclave, microwave, chemical treatment, destruction and shredding, and disposal in secured landfills.

Disinfection refers to procedures, which reduce the number of microorganisms on an object or surface but not the complete destruction of all microorganisms or spores.

Sterilization on the other hand, refers to procedures, which would remove all microorganisms, including spores, from an object. Sterilization is undertaken either by dry heat (for 2 hours at 1700 C in an electric oven - method of choice for glass ware and sharps) or by various forms of moist heat (i.e. boiling in water for an effective contact time of 20 minutes or steam sterilization in an autoclave at 15 lb/ sq inch at 1210 C for 20 minute.

### **Benefits of Health Care Waste Management**

- Reduction in the incidence of hospital-acquired and general infections.
- Reduction in the cost of infection control within the hospital.
- The reuse and repackaging of infectious disposables reduced the chance of diseases and death.
- Low incidence of community and occupational health hazards.
- Proper waste treatment and its disposal reduce the cost of waste management and it also generates revenues.
- Improved image of the health care establishment and betterment in the quality of life.

### **Suggestions for Health Care Waste Treatment Practices**

All the institutions generating health care waste must be registered with central/state pollution control boards. All health care personnel involved in the generation, segregation or handling of biomedical waste must be trained in biomedical waste management including health and safety measures. All institutions generating biomedical waste must segregate waste into the prescribed colored containers. Legislation

should be implemented in its strict sense. Regulation of labeling of biomedical waste containers should be implemented. Use of offsite treatment facility for disposal of biomedical waste should be encouraged. Sharp waste should be disinfected before disposal and should be containerized in Blue/White puncture proof container as per the regulation.

#### Conclusion

Proper health care waste management system can control the diseases. Regarding the environmental issues, a correct and sustainable management system of health care waste will avoid the negative long term health effects, from the environmental release of toxic substances such as dioxin, mercury and others. The medical waste has been often mixed with household waste and disposed off with municipal solid waste landfills as harmful to the entire community. The safety and acceptability of many widely used health care waste management practices are of serious concern from the public health point of view. Disposal methods, including terrestrial dumping, uncontrolled burning and dumping of hospital waste specially in landfills, remain a prominent means of disposal and many landfills remain primitive in their operation. There has been increased public concerns over the improper disposal of health care wastes and resulted in a movement to regulate these wastes more systematically and stringently by the Indian Government. If we need to protect our environment and health of our people we must sensitize and motivate ourselves to this important issue not only in the interest of health care wastes but also in the interest of the society.

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## **A STUDY ON CONSUMER ATTITUDE MANAGEMENT TOWARDS ORGANIZED ON UNORGANIZED RETAIL SECTOR IN MYSORE CITY**

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### *Abstract*

*The retail sector in India has contributed significantly to the country's economic growth over the past few years. It is also a leading employment generating sector, which continues to play an important role in the upliftment of the country's economic and financial stability. However, it has been noticed that most retail companies in India are yet to attain the high standards of their international counterparts. Therefore, majority of the Indian retail companies are yet to make their presence felt in the global markets. Retailing is one of the pillars of the economy in India and accounts for 35% of GDP. The retail industry is divided into organised and unorganised sectors. Over 12 million outlets operate in the country and only 4% of them being larger than 500 sq ft (46 m<sup>2</sup>) in size. Organised retailing refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses. Unorganised retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local kirana shops, owner manned general stores, paan/ beedi shops, convenience stores, hand cart and pavement vendors, etc. Most Indian shopping takes place in open markets and millions of independent grocery shops called kirana. Organized retail such supermarkets accounts for just 4% of the market. . Regulations prevent most foreign investment in retailing. Moreover, over thirty regulations such as "signboard licences" and "anti-hoarding measures" may have to be complied before a store can open doors. There are taxes for moving goods to states, from states, and even within states.*

**Keywords:** Retailing, Unorganized, Retail Busienss.

### **Introduction**

The distribution of consumer products begins with the producer and ends at the ultimate consumer. Between the producer and the consumer there is a middleman—the retailer, who links the producers and the ultimate

consumers. Retailing is denned as a conclusive set of activities or steps used to sell a product or a service to consumers for their personal or family use. It is responsible for matching individual demands of the consumer with supplies of all the manufacturers. Retail plays a



major role in selling products to different types of customers. The play is very important when it comes to sell a product separately. So the retailing is the instrument for selling all those products. Nowadays retailing is an important task for analyzing the different products to be selected by the customers group. Retailers segment the market to identify specific groups of customers in their trade area on whom their selling efforts can be concentrated.

**Objectives of the Study**

1. Study the status of Organized Retailing and Unorganized Sector in Mysore city.
2. To study the consumers attitudes towards Organized on Unorganized Retail Sector in Mysore city..
3. To study the problems of Organized on Unorganized Retailing Sector and to suggest the suitable measures thereof.

**Methodology**

The study is based on both Primary as well as Secondary data. The primary data has been collected from the consumers in organized as well as unorganized retail outlets in Mysore city by administering questionnaire.

The secondary data on organized retail sector has been collected from selected organized retailers and also from unorganized retailers and City Corporation Office the other concerned Institutions/agencies.

In addition to this, the secondary data from the published Books, Journals, Research Papers, and Seminar Volumes and also from various Newspapers.

The Questionnaire based survey of consumers' shopping at organized retail outlets and also consumers' shopping at unorganized outlets.

**Sample Method**

The sampling method chosen is simple random sampling which is a type of probability sampling.

**Sample Size**

The 300 consumers are selected in both organize and unorganized retail sector, the data is collected using a random sample of

consumers. Consumers who have significant knowledge of the topic were identified and selected at random for questioning. The Reference period for the study will be 2018.

**Questionnaire**

The Questionnaire was designed keeping in mind the objectives of the study which were to analyze the impact of organized retailing on unorganized retail and to find out the survival strategies adopted by unorganized retailers in mall culture. The literature survey and pre study consultation with industry experts were taken into account. The questionnaire consisted of few open ended questions, some questions were either using ranking scale or Likert scale, and dicotomes type of questions and open ended question.

This survey intends to analyze the impact of organized retailing on unorganized retail sector in Mysore city. This research explicates various aspects like the perceived and expected levels of satisfaction of the consumers and the factors which unorganized retailer should take cognizance of in the course of establishing and enhancing their business. As per questionnaire, interviews were conducted face to face so as to capture the attitude and experience of consumers who had just purchased grocery items from organized and unorganized retail outlets. Both qualitative and quantitative data analysis is done in order to get deeper insights into the consumer behavior and store loyalty for local grocery stores. Larger the sample size greater is the precision or reliability when research is replicated.

**Statistical Tools and Techniques**

The suitable statistical tools and techniques have been adopted to draw a definite and precise conclusion of the study. In addition to these statistical techniques the tables, graphs and charts has generated from the analysis of both primary and secondary data collected. The statistical techniques which was adopted in the study are Growth Models, SPSS- Frequency analysis.

**RESULTS AND DISCUSSIONS**

**Consumers preference in organized retail outlets while purchasing of food products.**

Income	Branded	Quality	Quantity	Price	All of the them	Total
Up to 5000	8	28	2	2	8	48
5001 to 10000	8	26	6	8	22	70
10001 to 25000	14	40	2	2	40	98
25001 to 50000	4	32	0	0	22	58

50001 to 100000	4	2	0	0	8	14
Above 100000	2	6	0	0	4	12
<b>Total</b>	40	134	10	12	104	300

The table and figure depicted the consumers preference in food products in Organized retail outlets, of the 300 consumers 45 per cent opined that their preference on purchasing of food products in retail outlet has been given to Quality of the product, 35 per cent for all such as Brand, Quality, price as well quantity, 13 per cent would be given preference to Branded products, 4 per cent for Price and 3 per cent for Quantity.

The study highlights that, the preference in purchasing of food products in Organized retail outlets has been given to Quality of the products and then other aspects would be concentrated by the consumers.

**Buying Frequency of Food Products**

Particulars	Respondents	%
Daily	4	1
Monthly	148	49
Weekly	80	27
Occasionally	68	23
<b>Total</b>	300	100

The table and figure analyze the Buying Frequency of Food Products in Organized retail outlets. Out of 300 consumers, 49 per cent opined that they do shopping once a month, 29 per cent of the consumers does shopping once a weekly, 23 per cent occasionally the visit Organized retail outlets and 1 per cent of them buy food products daily. The study observed that the more number of consumers buy food products in organized retail outlets once in a month.

**Purchase of food products by respondents**

Particulars	Respondents	%
Only Raw products	42	14
Only processed products	32	11
Both products	226	75
<b>Total</b>	300	100

The table and figure indicates the purchase of food products in Organized retail outlets. The 75 per cent of the consumers buy in Organized retail outlets Both the products, 14 per cent buy only raw products and 11 per cent has interest towards only processed products. The majority

of the consumers have the interest to buy the both products.

**Purchasing of fruits and vegetables by the consumers**

Particulars	f	%
Organized retail outlets	198	66
HOPCOMS	30	10
Unorganized	72	24
<b>Total</b>	300	100

The table and figure depicts the purchasing of fruits and vegetables from various retail outlets. It is evident that, out of 300 consumers, 66 per cent indicates that they buy fruits and vegetables from Organized retail outlets, 24 per cent from Unorganized retailers and 10 per cent from HOPCOMS in Mysore city. The study reveals that the more number of consumers purchase fruits and vegetables from Organized retail outlets in Mysore city, because Organized retail outlets provide good service as well as quality fruits and vegetable and also price is less when compared other organized retail outlets in Mysore city.

**Reason for purchase of food products in organized retail outlets**

Reasons	f	%
Choice of preferred varieties	50	16
Better product Quality	50	17
Fresh/new stocks	96	31
Freedom to choose/sort	50	17
Specific product is available	10	3
One stop shopping	44	16
<b>Total</b>	300	100

The table and figure analyses the main reason for purchase of food products in Organized retail outlets. Out of 300 consumers, 31 per cent indicates that their main reason for buying food products in Organized retail outlets that they provide fresh products and new stock, 17 per cent indicates as freedom to choose or sort and better product quality, 16 per cent opined as choices would be given and one stop shopping and 3 per cent indicates that they get specific products. The majority of the consumers purchase fruits and vegetable in organized retail

outlets due to fresh and new stock are available.

**Composition of Purchase food products purchased**

Food Products	Respondents	%
Fruits	38	13
Vegetables	98	32
Food products	46	15
Processed food products	56	19
Other food products	50	17
Others	12	3
<b>Total</b>	<b>300</b>	<b>100</b>

The table and figure shows composition of food products purchased in organized Retail Outlets in Mysore city. The more number of consumers prefers to buy fresh vegetables in organized Retail outlets with 32 per cent of vegetables followed by 19 per cent of Processed food products, 17 per cent of Other food products, 15 per cent of Food Products, 13 per cent of Fruits and only 3 per cent of them preferred to by other food products. The study clearly identifies that majority of the consumers preferred to by vegetables in organized Retail Outlets.

**Frequency of purchase of food items very frequently**

Purchase of food items	f	%
Beverages	12	4
Confectionaries	28	9
Instant foods	68	23
Health foods	90	30
Dairy products	2	.7
Edible oils	80	27
Fruits and vegetables	12	4
Groceries	6	2
Processed foods	2	1
<b>Total</b>	<b>300</b>	<b>100</b>

The table and figure shows the frequency of purchase of food items very frequently in Organized Retail Outlets in Mysore city. Out of 300 respondents, majority of the consumers preferred Health foods with 30 per cent, followed by Edible oils with 27 per cent, Instant foods with 23 per cent, confectionaries with 9 per cent and Beverages and Fruits and Vegetables 4 per cent each. And other products having less than three per cent as indicated in table 11.

**Problems faced by the consumers in Organized retail outlet**

Problems	f	%
Parking	132	44
Less weight	12	4
High price	90	30
Quality of goods	10	4
Billing	30	10
Others	24	8
<b>Total</b>	<b>300</b>	<b>100</b>

**Findings of the study:**

- The more number of (49 per cent ) number of respondents expressed that the average price in organized retail outlets has been maintained when compared to unorganized retail outlets.
- The more number of consumers buy food products in organized retail outlets once in a month.
- The more number of consumers in organized retail outlets expressed themselves good opinion towards organized retail outlets with respect to service they provide to the consumers.
- The various schemes or promotional activities affecting for purchasing plans in organized retail outlets for consumers. It is evident that out 300 consumers, 69 per cent expressed as Yes.
- The majority of the consumers are the opinion that their expenditure has been increased in organized retail outlets while purchasing the food products.
- The survey observes that, more number of consumers have been visiting organized retail outlets from 1 to 2 year.
- The more number of the consumers have the interest to buy the both raw products as well as processed products.

**Recommendations**

- Organized retail sector should continuously aim at providing better value to customers. It should not to be a onetime process. Organized retail outlets should provide what customer feel will enhance their value and Big Bazaar, More and Reliance fresh can do easily.
- Once customers are drawn to stores though sales promotion to many hidden condition should not be applicable. The big bazaar super center, More and Reliance Fresh is advertising their products only in the urban areas whereas, some of the customers are

from rural areas too, for them there is a need to create awareness about organized retail outlets in Print as well as in mass media.

- At present, The organized retail outlets are not providing home delivery services for food products but they are giving the same service for electronic and other non food products, the home delivery services for food products have to be extended to food products, the sale turnover could be increased. Meanwhile, they could attract the more and more number of customers. Big Bazaar, More and Reliance Fresh should also make provision for home delivery if customer demands.
- The some of the consumers who has responded in the study mentioned that only some of the food products are available, therefore, should be proper assortment of various product categories.
- Proper training should be provided to sales executives so that they could handle the customers more efficiently inside the retail outlet.
- Store should inform about discount offers to loyal customers. Organized retail outlets could also enquire about loyal customers if they skip a periodic visit. The majority of consumers are in need of Discount price. But the discount price is provided to non food products and one plus one products such as buy one get one free etc schemes are available for cloths and other products put the same has to be extended to food products in Big Bazaar, More and Reliance Fresh.

#### **Conclusion**

The organised retail which accounts for 5 per cent of the total retail trade is poised to grow at an annual rate of around 11 per cent and is

likely to touch business levels of 53,000 billion by 2020. The retailing accounts for 18 per cent of the organised retail today and is likely to have a lower share (12%) by 2020. The study has identified a few major impediments, especially structural, hampering the growth of organised retail. Direct sourcing by retailers from farmers is less prevalent though it is most desirable and in the interest of all stakeholders. The overall retail trade including the food retail is set to witness a tremendous growth in the near future and is expected to almost double by 2020 from its current levels. As we move into the new decade, we have seen a rapid growth of modern formats in food retailing with the emergence of the organised food retail sector. The Credit has been an important facilitator for retail business and will be more so if the organised retail's growth potential is be fully harnessed. At present the credit flow to this segment is low.

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## **A CASE STUDY ON PROMOTIONAL EFFORTS SUPPORTING WOMEN ENTREPRENEURS IN INDIA**

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### *Abstract*

*Women Entrepreneurship refers to increasing the spiritual, political, social or economic strength of Women. It often involves the empowered developing confidence in own capacities. The paper focuses on ways of promoting Women Entrepreneurs in India. The target of this paper is to study the policies, programs, institutional networks and the involvement of support agencies in promoting women's entrepreneurship in India. Women have a unique position in the society. Real development cannot take place if it bypasses women, who not only represent one half of a country's population, but also the kernels around which societal revolution take place. Entrepreneurship enhances financial independence and self-esteem of women. Around 50 percent of India's population is women, yet business spheres such as trade, commerce, and industry is still considered a male preserve.*

**Keywords:** *Entrepreneurship, Economic Strength, Empowerment.*

### **Introduction**

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Government of India has defined women entrepreneurs as an enterprise owned and controlled by a women having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. Like a male entrepreneurs a women entrepreneur has many functions. They should explore the prospects of starting new enterprise; undertake risks, introduction of new innovations, coordination administration and control of business and

providing effective leadership in all aspects of business. Entrepreneurship is the process of creating something new with value and devoting the necessary time and effort and assuming the risk and reward. People who perform these activities are called entrepreneurs.

Entrepreneurs assemble resources including innovations, finance and business acumen in an effort to transform innovations into economic goods. Women entrepreneurship is the function of establishing women enterprises by the women entrepreneurs. "A women entrepreneur can be defined as confident, innovative and creative women capable of achieving self economic

independence individually or in collaboration, generates employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life. In fine, women entrepreneurs are those women who generate business ideas or select the best opportunity, mobilize resources, combine the factors of production, undertake risks and operate the enterprise in the most effective manner with a view to earning profit.

### Women Entrepreneurship in India

Women entrepreneurs have been making a significant impact in all segments of the economy in India, Canada, Great Britain, Germany, Australia and the United States. The areas chosen by women are retail trade, restaurants, hotels, education, cultural, cleaning, insurance and manufacturing. The New Thrust suggests following two factors pulling or pushing women in an entrepreneurship factors leading women to be an entrepreneur:

Women entrepreneurs choose a Women takes up business enterprises to profession as a challenge and an get over financial difficulties and respond- adventure with an urge to do some - visibility is thrust on them due to family thing new, liking for business and circumstances, to have an independent occupation. With the spread of education and new approaches/awareness, women entrepreneurs are achieving higher level of 3E's, namely: (i) Engineering (ii) Electronics (iii) Energy. Though we should not forget certain Psycho-Social Barriers which hinders the growth of women entrepreneurs

### Opportunities:

- Free entry into world trade.
- Improved risk taking ability.
- Governments of nations withdraw some restrictions
- Technology and inventions spread into the world.
- Encouragement to innovations and inventions.
- Promotion of healthy completions among nations
- Consideration increase in government assistance for international trade.
- Establishment of other national and international institutes to support business among nations of the world.
- Benefits of specialization.
- Social and cultural development

### Challenges:

- Problems of raising equity capital

- Difficulty in borrowing fund.
- Thought-cut completions endangered existence of small companies.
- Problems of availing raw-materials.
- Problems of obsolescence of indigenous technology
- Increased pollutions Ecological imbalanced.
- Problems of TRIPS and TRIMS.
- Exploitation of small and poor countries, etc.

Women owned businesses are highly increasing in the economies of almost all countries. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Skill, knowledge and adaptability in business are the main reasons for women to emerge into business ventures.' Women Entrepreneur' is a person who accepts challenging role to meet her personal needs and become economically independent.

A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. With the advent of media, women are aware of their own traits, rights and also the work situations. The glass ceilings are shattered and women are found indulged in every line of business from pepped to power cables.

The challenges and opportunities provided to the women of digital era are growing rapidly that the job seekers are turning into job creators. They are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation. In India, although women constitute the majority of the total population, the entrepreneurial world is still a male dominated one. Women in advanced nations are recognized and are more prominent in the business world. But the Indian women entrepreneurs are facing some major constraints like,

**a) Lack of confidence:** In general, women lack confidence in their strength and competence. The family members and the society are reluctant to stand beside their entrepreneurial growth.

To a certain extent, this situation is changing among Indian women and yet to face a

tremendous change to increase the rate of growth in entrepreneurship.

**b) Socio-cultural barriers:** Women’s family and personal obligations are sometimes a great barrier for succeeding in business career. Only few women are able to manage both home and business efficiently, devoting enough time to perform all their responsibilities in priority.

**c) Market-oriented risks:** Stiff competition in the market and lack of mobility of women make the dependence of women entrepreneurs on middleman indispensable. Many business women find it difficult to capture the market and make their products popular. They are not fully aware of the changing market conditions and hence can effectively utilize the services of media and internet.

**d) Motivational factors:** Self motivation can be realized through a mind set for a successful business, attitude to take up risk and behavior towards the business society by shouldering the social responsibilities. Other factors are family support, Government policies, financial assistance from public and private institutions and also the environment suitable for women to establish business units.

**e) Knowledge in Business Administration:** Women must be educated and trained constantly to acquire the skills and knowledge in all the functional areas of business management. This can facilitate women to excel in decision making process and develop a good business network.

**f) Awareness about the financial assistance:** Various institutions in the financial sector extend their maximum support in the form of incentives, loans, schemes etc. Even then every woman entrepreneur may not be aware of all the assistance provided by the institutions. So the sincere efforts taken towards women entrepreneurs may not reach the entrepreneurs in rural and backward areas.

**g) Exposed to the training programs:** Training programs and workshops for every type of entrepreneur is available through the social and welfare associations, based on duration, skill and the purpose of the training program. Such programs are really useful to new, rural and young entrepreneurs who want to set up a small and medium scale unit on their own.

**Characteristic of Women Entrepreneurs**

Following are main entrepreneurial traits of women entrepreneurs:

**Features/Characteristic of Women Entrepreneurs**

- Persistence
- Analytical Ability of Mind
- Sense of Efficiency
- Stress Takers
- Time Orientation
- Business Communication Skill
- Telescopic Ability
- Leadership
- Determination

- **Persistence:** Women entrepreneurs must have an intention to fulfil their dreams. They have to make a dream translated into an enterprise. Studies show that successful women have worked hard. They persisted in getting loan from financial institutions and other inputs. They have persisted in adverse circumstances and in adversity.
- **Analytical Ability of Mind:** Entrepreneurs are unaffected by personal likes and dislikes. At the time of their need they select experts rather than friends and relatives to assist them. They usually avoid emotional and sensitive attitude towards their business or problem.
- **Sense of Efficiency:** Entrepreneurs are always oriented towards action for accomplishment of their goals being confident of their abilities; they find themselves as problem solvers rather than problem avoiders.
- **Stress Takers:** Entrepreneurs are capable of working for long hours and solving different complexities at the same time. As the captain of an industry or an enterprise, an entrepreneur faces a number of problems and in right moment she takes right decisions which may involve physical as well as mental stress.
- **Time Orientation:** Entrepreneurs anticipate future trends basing upon their past experience and exposure. They stick to the time pragmatically while doing their jobs.
- **Business Communication Skill:** In order to motivate others in the business, entrepreneurs must possess good communication skill. Both written and oral communication skills and necessary for the entrepreneurs for running enterprise efficiently.

- **Telescopic Ability:** Successful entrepreneurs always tend to think ahead. They have got telescopic abilities which make them think for the future.
- **Leadership:** Entrepreneurs should possess the quality of leadership. Leadership is the ability to exert interpersonal influence by means of communication towards the achievement of goals. Entrepreneurs as the leaders should provide the necessary spark to motivation by guiding, inspiring, assisting and directing the members of the group for achievement of unity of action, efforts and purpose.
- **Determination:** Entrepreneur has got the quality of sticking to job she decides to undertake. They work sincerely until the whole project is successfully implemented.

#### **Promotional Efforts Supporting Women Entrepreneurs in India**

Entrepreneurial work has also been predominantly a man's world in India, are women. Among the states, Gujarat, Maharashtra, and Karnataka have more women entrepreneurs. Indian women are in no way inferior to men in all works of life and they can be good entrepreneurs as men in the country. Therefore, it is essential to exploit the potential of Indian women. Women's participation in trade, industry, and commerce, requiring entrepreneurship is still poor, mainly because of the problems associated with their gender roles. Therefore, promotion of entrepreneurship and economic empowerment women poses a challenge to the government, funding agencies, and non-government organizations. It is important for these people on the limitations faced by the women and to plan supporting systems to enhance the women.

#### **Ways of Promoting Women Entrepreneurs in India**

Right efforts on from all areas are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities. Following efforts can be taken into account for effective development of women entrepreneurs:

1. Consider women as specific target group for all development programmers.
2. Better educational facilities and schemes should be extended to women folk from government part.

3. Adequate training programme on management skills to be provided to women community.
4. Vocational training to be extended to women community that enables them to understand the production process and production management.
5. Skill development to be done in women's polytechnics and industrial training institutes. Skills are put to work in training –cum-production workshops.
6. Continuous monitoring and improvement of training programmes.
7. State finance corporations and financing institutions should permit by statute to extend purely trade related finance to women entrepreneurs.
8. The financial institutions should provide more working capital assistance both for small –scale venture and large –scale venture.
9. Programmes for encouraging entrepreneurship among women are to be extended at local level.
10. More governmental schemes to motivate entrepreneurs to engage in small –scale and large –scale business ventures.

#### **Associations Promoting Women Entrepreneurs**

- Self –Help Groups (SHGs)
- Federation of Indian Women Entrepreneurs (FIWE)
- Women's India Trust
- SIDBI (Small Industries Development Organization)
- Consortium of women Entrepreneurs of India (CWEI)
- NABARD (National Bank for Agriculture and Rural Development)
- Central and state Government Schemes-DWCRA-Development of Women and Children in Rural Areas
- Self-Employed Women's Association (SEWA)

#### **Government Schemes to Promote Women Entrepreneurs**

- **Indira Mahila Yojana (IMY):** IMY was development to help women to achieve economic strength through micro-level income generating activities; and to establish convergence of various services such as literacy, health, non-formal education, rural development, water supply, entrepreneurship, etc.



- **Swayamsidha:** Swayamsidha was evaluated by an external agency in 2005. The evaluation report indicated that women in Swayamsidha Blocks have strengthened their social standing in society. Awareness of social evils like alcoholism, dowry and female feticide is visible.
- **Swa-Shakti:** Another similar project implemented by this Ministry from 1999 with funding from the World Bank, International fund for Agricultural Development (IFAD) and Government of India on experimental basis was swa-shakti
- **This Project Was Implemented Through State Women's Development Corporations (WDCs)** :at state level and NGOs at field level .Swa-Shakti showed good progress as it achieved most of its physical targets and has been graded by the World Bank as satisfactory.
- **Support To Training And Employment Programme (STEP) For Women:** The Scheme aims at providing an integrated package of the services to women like up gradation of skills through training, better and sustainable employment opportunities, facilitation of organization of women and support services with the coverage of health check-ups, referral services, mobile crèches and education facilities.
- **SBI Stree Shakti Package:** Under this scheme, Entrepreneurship Development Programmes (EDPs) exclusively designed for women entrepreneurs, are conducted. The programmes are organized with the help of SBI Staff training college and the local branches.

### Conclusion

Today countries throughout the world have realized that women represent a powerful human resource which can be used as a mediator of growth and development. Women entrepreneurship is one way of doing that. Women entrepreneurs not only create new job opportunities but also provide society with different solutions to management, organization and business problems. Independence brought promise of equality of opportunity in all sphere to the Indian women and laws guaranteeing for their equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately, the government sponsored development

activities have benefited only a small section of women. The large majority of them are still unaffected by change and development activities have benefited only a small section of women i.e. the urban middle class women. The large majority of them are still unaffected by change and development. The reasons are well sighted in the discussion part of this article. It is hoped that the suggestions forwarded in the article will help the entrepreneurs in particular and policy-planners in general to look into this problem and develop better schemes, developmental programs and opportunities to the women folk to enter into more entrepreneurial ventures.

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## **A STUDY ON PROBLEMS AND PROSPECTS OF WOMEN ENTREPRENEURS IN SIVAGANGAI DISTRICT**

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### *Abstract*

*Entrepreneurship plays an imperative role in the growth of the society. Development of entrepreneurship culture and qualitative business development services are the major requirements for entrepreneurship emerges from an individuals and create industrial growth. Diverse the schemes for the development of women entrepreneurs are being put into operation by both state and central government .However in reality there are difficulties in getting the advantages and assistance from the government by women. Hence an attempt has been made to analyse the problems faced by women entrepreneurs and prospectus of women entrepreneurs. The place of women entrepreneurs in Tamil Nadu and the study area of Sivagangai have been assessed. The steps taken by various state government of India for the promotion of women entrepreneurs has also been discussed.*

**Keywords:** *Entrepreneurship, Economic Strength, Empowerment.*

### **Introduction**

Entrepreneurship plays an imperative role in the growth of any society. Development of entrepreneurship culture and qualitative business development services are the major requirements for entrepreneurship emerges from an individuals and create industrial growth.

### **Statement of the Problem**

The study attempted to identify the trends of women entrepreneurship in Sivagangai District in terms of community, occupation, economic origins and motivations, the life framework, empowerment and identifies socio –cultural factors that affect the

entrepreneurial process among women. It was found that the problems faced by women entrepreneurs were multi-dimensional, and multi-faceted, they had to encounter additional problems because of womanhood. The aim of this research is to study these challenges and interdisciplinary relationship.

Government gives the support to women entrepreneurship through the medium of the DIC S, MCED, NGO' EDP Cell, MSME scheme and the like. There is need of an enquiry whether the performance of DIC in Sivagangai is improving or not, whether the number of beneficiaries is increasing, or the amount of loan disbursed is growing and so on. Diverse

the schemes for the development of women entrepreneurs are being put into operation by both state and central government. Hence an attempt has been made to analyse the problems faced by women entrepreneurs and prospectus of women entrepreneurs.

**Objectives of the Study**

- To study and analyse the socio economic profiles of women entrepreneurs in Sivagangai District.
- To analyse the economic, psychological, social and financial problems and constraints of entrepreneurship development of women entrepreneurship in Sivagangai District.
- To analyses the challenges being faced by woman entrepreneur in Sivagangai District.
- To offer suitable suggestions on the basis of findings of the study.

**Hypotheses of the Study**

There is no significant relationship between age of workers and the overall opinion on the problems and prospects of women entrepreneurs in Sivagangai.

There is no significant relationship between age of workers and overall level of opinion on the prospects of women entrepreneurs in Sivagangai.

**Methodology**

The validity of research is based on the systematic method of data collection and analysis of the data collected. The data is collected through primary data as well as secondary data. The study is based on the data collected from individual women entrepreneurs in Sivagangai District. The sampling technique followed in this study is non-probability convenient sample techniques are used to select the respondents from the available data base. Accordingly, the researcher has selected 120 respondents in the study area.

**Socio-Economic condition**

Women form a nation’s significant human resource. They should be sued as instruments for the growth and development of economy of each and every state. Women, on the other hand, are willing to take up business and lend their contributions to the growth of the nation. Women are now ready to do all business and enter all professions like trade, industry, engineering etc. The role and participation of women are recognized and steps are being taken for the promotion of women

entrepreneurship, women must be shaped up properly with other entrepreneurial traits and skills to face the challenges of world markets, meet the changes in the trends, be competent enough to sustain and strive for excellence in the entrepreneurial field. A complete entrepreneurial development in a nation can be achieved by the participation of women and therefore the growth and development of women entrepreneurs must be accelerated

**Socio Economic Condition**

Socio-Economic Profile	f	%
Age		
Upto 20 years	40	33.33
30-40 years	28	23.33
Above40 years	52	43.34
Size of the family		
Nuclear family	68	56.66
Joint family	52	43.34
No.of Members in the family		
Upto 2 Members	8	6.66
3 Members	40	33.34
4 Members	66	55.00
Above 4 Members	6	5.00
Educational Qualification		
SSLC	54	45.00
HSC	46	38.33
Graduate	20	16.67
Monthly income		
Rs. 5000 -10000	56	46.66
Rs.1000 -20000	40	33.34
Rs.2000 -30000	22	18.34
Above Rs.30000	2	1.66
Nativity		
Rural	44	36.67
Urban	56	46.66
Semi Urban	20	16.67
Marital status		
Married	70	58.33
Unmarried	50	41.67
Religion		
Hindu	58	48.33
Muslim	22	35.00
Christian	20	16.67

It is found that a high percentage (43.34%) of the women entrepreneurs are in the age group of above 40 years.

- A majority (56.66%) of the women entrepreneurs are from nuclear family.
- It is noted that a majority (55.00%) of the respondents belong to families with 4 members.

- It is inferred that a sizable number (45.00%) of the women entrepreneurs are S.S.L.C.
- It is understood that a considerable number (46.66%) of the respondents have their monthly income between ₹5,000 and ₹ 10,000.
- It is concluded that most (46.66%) of the women entrepreneurs come from urban areas.
- It can be concluded that a majority (58.33%) of the women entrepreneurs are married
- It could be inferred that most (48.33%) of the women entrepreneurs are Hindus.

Enterprise Profile	f	%
Income from business		
Rs. 5000 -10000	44	36.67
Rs. 10000- Rs.15000	56	46.66
Above Rs.15000	20	16.67
Other than business income		
Rs.2000- Rs.5000	60	50.00
Rs. 5000-Rs. 10000	40	33.33
Above 10000	20	16.67
Time spent for business		
Upto 4 hours	2	1.66
4 to 8 hours	22	18.34
8 to 12 hours	42	35.00
Above	54	45.00
Acquired skill		
Though technical course	20	16.66
Though special training	44	36.67
Though employment	54	45.00
Any other specify	2	1.67
Mode of decision making		
Independent decision	56	46.66
Consulting family member	42	35.00
Any other specify	22	18.34
Market Area		
Local Area	58	48.33
Within the district	62	51.67
Mode of sales		
Cash	66	55.00
Both cash and credit	54	45.00
Period of credit		
Upto 15 days	50	41.67
15 to 30 days	20	16.66
30 to 60 days	44	36.67
Above 60 days	6	5.00

- It is inferred that a sizable number (46.66%) of the women entrepreneurs are received income from business between ₹ 10,000 and ₹15,000.

- A majority (50.00%) of the women entrepreneurs are earned other than business income between ₹2,000 and ₹ 5,000.
- It can be concluded that most (45.00%) of the women entrepreneurs have spent time for business of above 12 hours per day.
- Most of the women entrepreneurs (45.00%) have acquired skill through employment.
- This study shows that a sizable portion (46.66%) of the women entrepreneurs have taken decision in their business independently.
- Most (51.67%) of the women entrepreneurs said that their market area is within the district.
- It is indicated that a majority (55.00%) of the women entrepreneurs have made cash sales only in the study area.
- It can be concluded that a sizeable number (41.61%) of the women entrepreneurs are expressed that they allowed credit upto 15 days.

**Reason for Starting Business**

The Garret ranks are calculated by using appropriate Garret ranks, the Garret value is ascertained. The Garret table values and scores of each rank is Table 4.31. Finally by adding each now, total Garret score is obtained.

**Reason for Starting Business– Garret Score**

Reasons	1	2	3	4	5	6	Scores
Earn Income	2772	1386	1430	1104	74	230	6996
Family Situation	462	1512	1430	1288	740	368	5800
Social Status	438	1890	220	920	1110	690	5268
Empowerment of Women	616	1134	660	1380	1184	460	5434
No other Go	3388	630	1320	92	296	736	6462
Lack of Employment	1540	1008	1540	736	1036	276	6136

**Reason for Starting the Business**

Reasons	Score	Average	Rank
Earn Income	6996	58.30	1
Family Situation	5800	53.85	2
Social Status	5268	51.13	3
Empowerment	5434	48.33	4
No other Go	6462	45.28	5
Lack of Employment	6136	43.90	6

It is observed from the Table 3.34 that ‘Earn Income’ has been ranked as the first factor to start the business of women entrepreneurs, ‘Family Situation’ has been ranked second, ‘Social Status’ is in third

position, followed by ‘Empowerment of Women’ the fourth rank, ‘No other Go’ has been ranked fifth and ‘Lack of Employment’ ranked as the sixth to start the business of women entrepreneurs in the study area. It is inferred that according to garret scores to earn more income and the garret score is awarded to social status.

It is concluded and confirmed that there is a significant relationship between age levels with level of satisfaction of sample worker respondents.

**Age and Level of Opinion problem on Women Entrepreneurs**

Age	Level of Opinion			Total
	Low	Medium	High	
< 30 Years	--	18 (15%)	22 (18%)	40 (33%)
> 30 Years	22 (18%)	42 (35%)	16 (13%)	80 (66%)
Total	22 (18%)	60 (50%)	38 (31%)	120 (100%)

It is inferred form Table 3.36 that out of 120 sample respondents, 60 respondents are with medium level opinion, 15.00 per cent of the respondents belong to the age group below 30 years, and 35.00 per cent of them belong to the age group of above 30 years.

Out of 22 respondents having low level opinion, 18.33 per cent belong to the age group of above 30 years.

Out of 38 respondents having with high level opinion, 18.33 per cent belong to the age group of below 30 years and the rest 13.34 per cent of the women entrepreneurs belong to the age group of above 30 years.

To test the relationship between the Age and the opinion of the respondents towards the level of opinion on investment decision of investors, the following null hypothesis is formulated.

*“There is no significant relationship between the age of the respondents and their level of opinion on constrains of Women Entrepreneurs”.*

Since the calculated value of (21.61) is greater than the table value both at five per cent of significance, the null hypothesis is rejected. Hence, it is concluded that there is a significant difference between the age of the respondents and their level of opinion on constrains of women entrepreneurs in the study area.

**Age and Level of Opinion on prospects of Women Entrepreneurs**

Age	Level of Opinion			Total
	Low	Medium	High	
< 30 Years	14 (11%)	16 (13%)	10 (8%)	40 (33%)
> 30 Years	22 (18%)	26 (21%)	32 (26%)	80 (66%)
Total	36 (30%)	42 (35%)	42 (35%)	120 (100%)

It is inferred form Table 3.38 that out of 120 sample women entrepreneurs, 42 respondents with medium level opinion, 13.33 per cent of the women entrepreneurs belong to the age group below 30 years, and 21.67 per cent belong to the age group of above 30 years. Out of 36 respondents having low level opinion, 11.67 per cent belong to the age group of below 30 years and the remaining 18.33 per cent belong to the age group of above 30 years. Out of 42 respondents having with high level opinion, 8.33 per cent belong to the age group of below 30 years and the rest 26.67 per cent belong to the age group of above 30 years.

To test the relationship between the Age and the opinion of the women entrepreneurs towards the level of opinion on problem and prospects in the study area, the following null hypothesis is formulated. *“There is no significant relationship between the age of the respondents and their level of opinion on problems and prospects of Women Entrepreneurs”.*

Since the calculated value of (2.62) is less than the table value both at five per cent of significance, the null hypothesis is accepted. Hence, it is concluded that there is a significant difference between the age and their level of opinion on problems prospects of women entrepreneurs in the study area.

The chi-square test explains that there is a significant difference between the age and the level of opinion on constrains of the women entrepreneurs and there is no significant difference between the age and the level of opinion on problems and prospects of women entrepreneurs in the study area.

**Suggestions**

1. The government should take necessary steps to increase the volume of sales by crossing the border of the state.
2. The Government should offer more financial help to improve the SHG

3. The district administration should take necessary steps to acquire more skills to run the business through technical courses
4. The Government should take necessary decision to construct separate building to run the industry.
5. The district administration should take necessary steps to increase the manufacturing units.
6. It is inferred that according to garret scores to earn more income and the garret score is awarded to social status.

#### **Conclusion**

Days are gone when women in India were confined, within four walls of their homes and their immense strength and potential remained unrecognized and unaccounted for. Today major changes are occurring in the way of the women entrepreneurs who prepare themselves for starting their own venture more formal training, greater economic opportunities and changing social attitudes are all influencing the entrepreneurial environment. The successful women entrepreneurs became the role models to others.

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## THEORY AND PRACTICES OF CONTRACT FARMING IN INDIA

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### Abstract

*The developments in the field of marketing, food habits, technology, and agriculture in the new economic environment have brought about a new arrangement in raw material production and procurement known as contract farming. Under the contract system, a farmer agrees to supply a pre-agreed quantity of a certain quality produce at a pre-agreed price and time, to the processing or marketing firm, which may or may not provide certain facilities like provision of inputs, finance, etc. Contract farming can be defined as a system for the production and supply of agricultural and horticultural produce by farmers/primary producers under advance contracts, the essence of such arrangements being a commitment to provide an agricultural commodity of a type, at a specified time, price, and in specified quantity to a known buyer. In fact, contract farming can be described as a halfway house between independent farm production and corporate/captive farming and can be a case of a step towards complete vertical integration or disintegration depending on the given context. This paper examines the logic of contract farming (section 2), and its practice and implications from the producers' and the local economy's point of view with the help of an exhaustive review of various strands of literature (section 3). It also discusses the Indian experience of contract farming (section 4) and concludes by examining some possible alternative institutional mechanisms to use contracting as a developmental vehicle (sec 5).*

**Keywords:** Contract Farming, Contracts, Growers, Practice, Firm etc.

### Introduction

The developments in the field of marketing, food habits, technology, and agriculture in the new economic environment have brought about a new arrangement in raw material production and procurement known as contract farming. Under the contract system, a farmer agrees to supply a pre-agreed quantity of a certain quality produce at a pre-agreed price and time, to the processing or marketing firm, which may or may not provide certain facilities like provision of inputs, finance, etc. This is

happening as good quality, timely raw material is a pre-requisite for any successful agribusiness firm, whether operating in the domestic or international market. It is important to recognize that this reorganization or restructuring of the agricultural production sector is taking place due to policy and market changes outside the sector i.e. in the industrial and trade sectors, and, these macro-policy changes drive micro-changes like contract farming which have the potential to change the production structure and relations of production

in the agricultural sector. As a part of the internationalization process in agriculture which involves production, capital, and trade, contract farming encompasses all the three dimensions through intervention in input supply and production decisions, supply of capital and finance, and global marketing of agro-products. In fact, it is nothing but an extension of the phenomenon of global sourcing wherein a firm can produce anything anywhere, by sourcing inputs from anywhere, to be sold in any market in the world.

The proponents of agribusiness promotion argue that contract farming leads to big jumps in incomes and employment in agriculturally backward regions and brings a break from low levels of productivity and instability in production, thus putting the local economy on a dynamic path of growth and development. This is possible not only because of the technological and capital resources of these firms, but also because of the international character of agribusiness processes, which gives access to international markets. The agribusiness firms take risk by undertaking new projects in processing and marketing and provide a stream of cash flow to the local economy. This brings not only benefits to the local economy but also helps earn foreign exchange and increase food supply nationally and locally (Williams and Karen, 1985; Leisinger, 1987; Benziger, 1996). Contract farming has also been used to promote new high value crops which are more input intensive, risky, high-tech, and market dependent for profitability, to lower costs either by yield improvement or cutting input costs through better extension, and to raise returns by value addition to primary produce (Benziger, 1996; Singh, 2002). However, it is important to recognise the role of the state in encouraging or discouraging the agribusiness firms and in protecting the producers in contract situations (Asano-Tamanoi, 1988; Christensen, 1992; Grosh, 1994; Benziger, 1996). There is also a need to look at the potential role of agribusiness more specifically for different commodity sectors and regions, and not as a blanket solution since there are certain sectors which may require a more effective public sector or state intervention especially in technology and institutional innovations, instead of a private agribusiness effort (Christensen, 1992). But, looking at agribusiness growth from a different

perspective (political economy) makes it clear that it is nothing but a process of industrialization of agricultural and rural production which takes place through simultaneous processes of appropriations and substitutions. Whereas appropriations operates as a process of exploitation of land and other biological sources of supply by the application of modern and advanced technology to get more and cheaper raw materials, substitutions operates as a process which tries to move industry or agribusiness away from direct and linear dependence on crop and other direct sources of raw materials by way of application of technology to create new products and sources of products. Thus, the two processes are contradictory to each other though they are driven by the same agribusiness sector and forces. Further, the application of biotechnology accelerates these processes and leads to what can be called bio-industrialisation (Goodman et al., 1987). In fact, contract farming directly promotes the process of appropriations. Further, contract farming is more like the practice of subcontracting in the industrial sector where large firms can farm out many production activities to small firms and benefit from lower costs and better skills (Wilson, 1986; Watts, 1992; White, 1997).

Given the failure of government mechanisms to support agriculture, and wide support for contract farming under the Structural Adjustment Programme (SAP) and liberalisation policies everywhere, in the presence of promotion of contract farming by the international development agencies like the World Bank, the USAID, the IFC and the CDC (Little and Watts, 1994; White, 1997), it is inevitable that new forms of contracts will be tried by the agribusiness firms as it is the only way to ensure quality and timely availability of raw material for processing, especially when, in some countries like India, captive farming is not allowed legally under Ceilings on Land Holding Act. Besides, captive farming means putting large resources in raw material production which may not be the best economic option for many agri-business firms especially small scale ones. Since contract farming also leads to changes in the way agricultural production, processing and marketing are organised (White, 1997), it is important to understand its practice and dynamics. This paper examines the logic of contract farming



(section 2), and its practice and implications from the producers' and the local economy's point of view with the help of an exhaustive review of various strands of literature (section 3). It also discusses the Indian experience of contract farming (section 4) and concludes by examining some possible alternative institutional mechanisms to use contracting as a developmental vehicle (section 5).

### **The Logic of Contract Farming**

Contract farming can be defined as a system for the production and supply of agricultural and horticultural produce by farmers/primary producers under advance contracts, the essence of such arrangements being a commitment to provide an agricultural commodity of a type, at a specified time, price, and in specified quantity to a known buyer. In fact, contract farming can be described as a halfway house between independent farm production and corporate/captive farming and can be a case of a step towards complete vertical integration or disintegration depending on the given context. It basically involves four things – pre-agreed price, quality, quantity or acreage (minimum/maximum) and time. From a developmental intervention point of view, it is a situation in which the relationship between the agribusiness firm and the farmers takes the form of an expert endowing the apprentice with resources, knowledge and skills. Or alternatively, it is more a case of bringing the market to the farmers which is navigated by agribusiness firms (Christensen, 1992). Contract farming is known by different variants like centralised model which is company-farmer arrangement, outgrower schemes, which is run by government/public sector/joint venture, nucleus-outgrower scheme involving both captive and contract farming by the contracting agency, multi-partite arrangement involving many types of agencies, intermediary model where middlemen are involved between the company and the farmer, and satel - lite farming referring to any of the above models (Eaton and Shepherd, 2001; GoI, 2003). In fact, contract farming varies depending on the nature and type of contracting agency, technology, nature of crop/produce, and the local and national context. Contracts could be of three types; (i) procurement contracts, under which only sale and purchase conditions are specified; (ii) partial contracts, wherein only some of the inputs are supplied by the

contracting firm and produce is bought at pre-agreed prices; and (iii) total contracts, under which the contracting firm supplies and manages all the inputs on the farm and the farmer becomes just a supplier of land and labour. The relevance and importance of each type varies from product to product and over time these types are not mutually exclusive (Hill and Ingersent, 1987; Key and Runsten, 1999). Whereas the first type is generally referred to as marketing contracts, the other two are types of production contracts (Scott, 1984; Welsh, 1997). But, there is a systematic link between product and factor markets under the contract arrangement, as contracts require definite quality of produce and, therefore, specific inputs (Scott, 1984; Little and Watts, 1994). Also, different types of production contracts allocate production and market risks between the producer and the processor in different ways.

### **Understanding Contracts**

Since the system of contract farming has its influences on the entire local and regional economy, all producers and organisations have to recognize the intervention of such a system and bear the consequences. Even for individual farmers, it is not contract per se but the relationship it represents, which is crucial as the divergence between the two may prove crucial in determining the development of contract farming as an institution (Clapp, 1988; White, 1997). Further, it is the context of the contract which can make a whole lot of difference as there are many actors and factors in the environment which influence the working and outcome of contracts and lead to a culture of contracting which is location and community specific. The way farmers perceive contract farming, i.e., define their relationship with companies, differs in each cultural context (Asano-Tamanoi, 1988; White, 1997). In fact, there is so much diversity in the type of firms, farmers, nature of contracts, crops, and socioeconomic environment that it is better to focus on specific situation than the generic institution of contract farming (Little, 1994; White, 1997). Some others argue that contract farming should be viewed as a cultural and historical phenomenon rather than as an imposed legal category of relationships as these contexts determine the response of the farmers to the new arrangement (Asano-Tamanoi, 1988).

### Nature of Contracts

Contracts differ in their nature and effect due to the variations in the nature of crops, contracting agencies, farmers, crop technology, and the context in which they are practiced. Even within a crop, different companies can have different types of contracts. For example, contract systems adopted by different seed companies in India differ in their provisions as far as relationship with farmer is concerned (Shiva and Crompton, 1998). A review of evidence reveals that farming contracts are generally oral or unwritten, if written then in non-local language, and are quite loose in their specifications. For example, seed companies in India do not have written contracts, and do not even guarantee a price, though the farmer is assured of a profit in terms of seed being bought at a rate higher than the market price of the grain. Some of them do not even assure of the purchase of seed (Shiva and Crompton, 1998). Only a delivery slip or a credit/ seed/seedling slip is the proof of the contract a grower has. Contracts are highly biased against the growers. The company obligations are not specified. The contracting agencies end up rejecting low quality produce without any compensation for the grower, and the defaulters, on the other hand, are expelled from future contracts. Firms favour large farmers for various reasons, discussed in the following paragraphs, and finally large farmers also become dependent on these firms due to large volumes of produce they grow (CDC, 1989; Little and Watts, 1994). In Jamaica, the state Tobacco Industry Control Authority (TICA) guaranteed a minimum price of tobacco before planting, paid for the produce delivered within two weeks, deducted all input costs from the payment for the produce, and distributed bonus as and when warranted, under contracts. On the other hand, the MNC (CCJ) worked with selected growers including former company employees, provided all the inputs, and had total control over farming operations, though it did allow diversified cropping by the growers and ensured farmer participation in management of contracts through grower committees (Lewis, 1985). Plantation contracts are much more stringent in that the quality standards are tough, companies control plantations, and a very early advance notice (three years) is necessary to withdraw from contracting for both the parties. The company

can refuse to procure produce and the growers are not even allowed to grow food crops (Sachikoyne, 1989; Porter and Phillips-Howard, 1995). Generally, grower's fixed price is the price formula followed in most contracts, though there are other possibilities like processor's fixed price, sharing of profits between firm and farmers, and administered prices which are rarely practiced in contract situations (CDC, 1989; Little and Watts, 1994).

### Nature of Contract Growers

Contract farming may involve medium or large capitalist farmers relying on wage labour, small peasant producers who depend, to a larger extent on family labour, and even landless who lease in land for contract production as was the case in Thailand and India (USAID, 1994; Singh, 2002). But, agribusiness corporations tend to prefer large farmers for contract farming because of their capacity to produce better quality crops due to the efficient and business-oriented farming methods, large volumes of produce which reduces the cost of collection for the firm, their capacity to bear risk in case of crop failure, and various services provided by these large producers like transport, storage, etc. (Wilson, 1986; Winson, 1990; Key and Runsten, 1999). This happened in Australia where the MNCs started working with only large producers and rationalized the grower numbers as soon as the government withdrew from contract regulation. Also, the companies resorted to growers groups and group contracts to reduce farmer freedom to hold multiple contracts which was prevalent earlier (Burch and Pritchard, 1996). As a result of contracting, the number of potato growers declined from 7000 in 1950s to just 550 in the 1990s (Fulton and Clark, 1996). On the other hand, small farmers are picked up by firms for contracts only when the area is dominated by them, there is government directive to do so or they are found to be low cost producers in certain areas and crops (CDC, 1989). Further, firms may work with small farmers to make use of the state support (financial and technical) to these producers under various development programmes (Glover and Kusterer, 1990), and to benefit from lower cost production on these farms as these farmers have access to cheaper family labour, and being residual claimants of their labour, work more conscientiously than hired labour (Key and Runsten, 1999). Companies often engage local procurement

agents, NGOs, and state agencies as intermediaries to procure and to enforce contracts respectively (Clapp 1988; and USAID, 1994). In fact, some of them even use large growers, rural elite, and local small processors as sub-contractors to procure from the small growers for the company (Kirk, 1987). The seed companies in India use small companies as sub-contractors to procure seeds produced under contracts (Shiva and Crompton, 1998).

### Conclusions and Policy Suggestions

Given the nature of modern farming involving tremendous amount of technological input and market orientation which require capital resources, it is but inevitable to involve private corporate business interests in agricultural development through contract farming system. The above discussion suggests that it is not the contract per se which spells hardship or doom for small growers as a system, but how it is practised in a given context. In fact, all over the world, contracting of some kind is a necessity for many or most forms of modern commercial agriculture. Though there are some scholars who caution about the widespread applicability of contract farming as a development tool (Glover, 1987), if there are enough mechanisms to monitor and use the contract for developmental purposes, it has the potential to lead to a betterment of all the parties, especially the small and marginal farmers.

The important question is that of the division of value added between the firm and the farmers which is based on the relative bargaining power of the parties involved (White, 1997). Therefore, it is important to examine carefully and design the pricing and other aspects of the contracts. There is a role for the state agencies and the NGOs to intervene in contract situations as intermediaries to protect the farmer and broader local community interests. The NGOs can also play a role in information provision, and in monitoring and regulating the working of contracts. Better co-operation and co-ordination between companies and co-operatives for agricultural development also needs to be encouraged. Further, both companies and state should promote group contracts with the intermediation of local NGOs and other organizations and institutions so that contractual relationships are more durable,

enforceable, and fair. An insurance component in farming interventions is a must to protect the farmer interest and it is noted that some companies are already doing it. But, the most important thing is to ensure market for the farmer produce at better price under these agribusiness projects. What is also required is marketing extension in terms of better product planning at the farmer level, provision of market information, securing/ accessing markets for farmers, provision of alternative markets and market orientation in terms of improved marketing practices at the farmer level (Patnaik, 2003). Government should also play an enabling role by legal provisions and institutional mechanisms, like helping farmer co-operatives and groups, to facilitate smooth functioning of contract system.

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## **SOCIO-ECONOMIC CONDITIONS OF CUSTOMERS AND THEIR SATISFACTION TOWARDS THE SERVICES OF PUBLIC AND PRIVATE SECTOR BANKS IN DINDIGUL DISTRICT**

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### *Abstract*

*The world today is witnessing rapid and revolutionary developments in technology. However, the demands of customer satisfaction lead to improvement in new technological services like Internet Banking, Mobile Banking, ATM services, Debit Card, Credit Card, ECS, NEFT technology and so on. In service sectors like banks, new technological services are linked to customer satisfaction in the matter of improving service quality. Service Quality is all about meeting customers' needs and requirements, and finding out how the service level is commensurate with customer expectations. Service quality in banking implies anticipating and consistently satisfying the needs and expectations of customers. In this article an attempt has been made to do a comparative study of the satisfaction of the customers select from public sector and private sector banks.*

**Keywords:** *Entrepreneurship, Economic Strength, Empowerment.*

### **Introduction**

Banking operations are becoming increasingly customer dictated. The demand for 'banking supermalls' offering one-stop integrated financial services is well on the rise. The ability of banks to offer clients access to several markets for different classes of financial instruments has become a valuable competitive edge. Convergence in the industry to cater to the changing demographic expectations is now more than evident. Bancassurance and other forms of cross selling and strategic alliances will soon alter the business dynamics of banks and fuel the process of consolidation for increased scope of business and revenue. The thrust on farm sector, health sector and services

offers several investment linkages. In short, the domestic economy is an increasing pie which offers extensive economies of scale that only large banks will be in a position to tap. With the phenomenal increase in the country's population and the increased demand for banking services; speed, service quality and customer satisfaction are going to be key differentiators for each bank's future success. Thus it is imperative for banks to get useful feedback on their actual response time and customer service quality aspects of retail banking, which in turn will help them take positive steps to maintain a competitive edge.

The working of the customer's mind is a mystery which is difficult to solve and

understanding the nuances of what customer satisfaction is, a challenging task. This exercise in the context of the banking industry will give us an insight into the parameters of customer satisfaction and their measurement. This vital information will help us to build satisfaction amongst the customers and customer loyalty in the long run which is an integral part of any business. The customer's requirements must be translated and quantified into measurable targets. This provides an easy way to monitor improvements, and deciding upon the attributes that need to be concentrated on in order to improve customer satisfaction.

### **Statement of the Problem**

The banking is a service industry and delivers its service across the counter to the ultimate customer. The activities of banking industry are all about „relationship“. Hence human resource assumes a very important role in the banking industry to provide better services to the customer with a smile in order to cultivate and maintain long lasting relationship with their customers. Since technology is only an aid to human effort and not a substitute of it, banking is primarily a labour intensive service sector and it will not be possible for the banks to sustain its effectiveness unless human resource management is given prime importance.

Human beings live together and work together as a community. Many social organisations are evolved in living together. An organisation is a collection of individuals who strive willingly together for a common goal; working as a group for over a period of time. Among the social organisations, „banks“ deserve the credit of being noteworthy. Banks have become a part and partial of man's life. Ancient man used caves as storehouse of his treasures. The anxiety of a man to preserve his belonging safely for the future is the core idea of the concept of banking.

The present study is aimed at studying the present scenario of marketing strategy and customer satisfaction towards public and private sector banks in Dindigul district. Besides this, it also planned to study the kinds of products provided by banks and to study the perception of the employees and customers towards banking products.

### **Objectives of the Study**

To study the socio-economic profile of the selected customers among the public and

private sector banks.

### **Methodology**

This is an empirical study based on the survey method. Both primary and secondary sources of data have been used in this study. The necessary primary data have been collected from the customers and bank employees from the selected public sector and private sector banks in Dindigul district. Secondary sources have been obtained from the records and annual reports of the selected banks and other journals, published theses and unpublished theses related to this study.

### **Sampling Design**

There are 70 branches of public sector banks and 26 branches of private sector banks are functioning in Dindigul district. For the purpose of primary data collection, ten banks will be selected i.e., five from public sector namely State Bank of India, Indian Overseas Bank, Canara Bank, Indian Bank and Union Bank of India and another five from private sector banks namely, Axis Bank, Industrial Credit and Investment Corporation of India, Tamilnad Mercantile Bank Ltd., Karur Vysya Bank and City Union Bank in Dindigul district.

For the purpose of primary data collection, 600 customers and 100 bank employees were selected. Among 600 customers, 300 each from public and private sector banks respectively were selected on the basis of stratified proportionate random sampling method. Regarding bank employees, 50 each from public and private sector banks were selected respectively on the basis of random sampling method.

### **Collection of Primary Data**

The data required for this study have been obtained from primary and secondary sources. Primary data have been collected through personal interview method with a pre-tested schedule. Two schedules were separately prepared for customers and bank employees. Before taking the main survey a tentative interview schedule was prepared and administered to 20 employees and 20 customers on a pilot basis in order to test the corrections of the interview schedule. It helped the researcher to delete the unwarranted questions and add a few relevant questions and the modified final schedules were prepared and used. The selected employees and customers were contacted in person and the objectives of the study were clearly explained to them, and

their co-operation was secured.

**Secondary Data**

The secondary data were collected from Journals, Books, Reports, RBI Bulletins, Indian Overseas Bank's Annual Credit Plan which is the lead bank of the study area, reports and articles from Indian Banker's Association Bulletin as supportive evidences in the field of study

After completing the data collection a thorough check-up of the data was made and necessary editing was done. A master table was prepared indicating the necessary data for analysis. With the help of the master table the data were transcribed on transcription cards. Then the classification table were prepared for further analysis and interpretation.

**Tools of Analysis**

The processing of data was done by the researcher with the help of the computer. In order to quantify the qualitative statements relating to banking services, scoring technique has been adopted for the present study. In order to exhibit the importance of the variables considered to choose a particular bank for getting services, the mean score of these variables is computed.

To find out the significant differences among the two groups of banks on the basis of public and private sector banks are examined with the help of the t-test. To test the relationship between the customers' profile variables and level of satisfaction towards marketing strategies adopted by the public and private sector banks relating to their services, a Chi-square test has been employed.

Table 1 shows that out of 600 sample respondents, 419 (69.80 per cent) are male and 181 (30.20 per cent) are female. In the case of the public sector banks, out of 300 customers, 200 (66.70 per cent) are male and 100 (33.30 per cent) are female. In the case of private sector banks, out of 300 customers, 219 (73.00 per cent) are male and 81 (27.00 per cent) are female. It is concluded that the majority of the respondents are male customers in the study area among the public and private sector banks.

**Age-Wise classification of the Customers**

Age (in Years)	Public Sector	Private Sector	Total
Below 25	47 (15.70)	66 (22.00)	113 (18.80)

25-45	147 (49.00)	188 (62.70)	335 (55.80)
46-65	97 (32.30)	24 (8.00)	121 (20.20)
Above 65	9 (3.00)	22 (7.30)	31 (5.20)

It is portrayed from Table 2 out of that 600 customers in total, 335 (55.80 per cent) customers are in the age group 25-45 years, followed by 121 (20.20 per cent) in the age group of 46-65 years, 113 (18.80 per cent) in the age group of below 25 years and 31 (5.20 per cent) customers in the age group of above 65 years. In the case of public sector banks, out of 300 customers, 147 (49.00 per cent) customers are in the age group of 25-45 years and nine (3.00 per cent) customers are in the age group of above 65 years. In private sector banks, out of the 300 customers, 188 (62.70 per cent) customers are in the age group 25-45 years and 22 (7.30 per cent) are in the agegroup of above 65 years. From the above survey, it is clear that the majority of the respondents are in the age group between 25-45 years.

**Educational Qualification of the Customers**

Education	Public	Private	Total
Graduate	174 (58.00)	180 (60.00)	354 (59.00)
Post Graduate	78 (26.00)	105 (35.00)	183 (30.50)
Others	48 (16.00)	15 (5.00)	63 (10.50)

From Table 3, it is inferred that out of 600 sample customers, 354 (59.00 per cent) have graduate level education followed by 183 (30.00 per cent) who have post graduate level of education and 63 (10.50 per cent) who have other categories of education. In the case of public sector banks, out of 300 customers 174 (58.00 per cent) customers' educational level is graduation and 48 (16.00 per cent) customers' 145 all under the category of other category. In private sector banks, out of 300 customers 180 (60.00 per cent) are graduates and 15 (5.00 per cent) are under the other category. It is concluded that most of the respondents (88

per cent) in the study areas have graduate level education.

**Profession-wise classification of the Customers**

Occupation	Public Sector	Private Sector	Total
Government Employee	60 (20.00)	44 (14.70)	104 (17.30)
Businessman	25 (8.30)	47 (15.70)	72 (12.00)
Private employee	49 (16.30)	94 (31.30)	143 (23.80)
Housewife	14 (4.70)	12 (4.00)	26 (4.30)
Retired Person	13 (4.30)	4 (1.30)	17 (2.80)
Bank Employee	99 (33.00)	58 (19.33)	157 (26.20)
Doctor	6 (2.00)	2 (0.70)	8 (1.30)
Teacher	20 (6.70)	29 (9.70)	49 (8.20)
Student	14 (4.70)	10 (3.30)	24 (4.00)

It is found from Table 4. out of that 600 sample customers, 157 (26.20 per cent) customers are bank employees followed by 143 (23.80 per cent) customers who are private employee, 104 (17.30 per cent) customers are government employees and 72 (12.00 per cent) customers are businessmen. In the case of the public sector banks, out of 300 customers 99 (33.00 per cent) customers are bank employees and six (2.00 per cent) are doctors. In the case of the private sector banks, out of 300 customers 94 (31.30 per cent) customers are private employees and two (0.70 per cent) customers are doctors. It is concluded that the majority of customers are bank employees among the public sector banks and private employees in the case of private sector banks.

It is noticed from 5 that in public sector and private sector banks, the calculated values are less than the table values. Hence, the null hypothesis is accepted. Therefore, gender does not influence the satisfaction of customers regarding the services of public and private sector banks.

It is seen from Table 6 that in the case of the public sector bank, the calculated value is greater than the table value. Hence, the null hypothesis is rejected. Therefore, it

could be inferred that the age influences the satisfactions of the customers with the services of public sector banks. In the case of the private sector banks, the calculated value is less than the table value, and hence the null hypothesis is accepted. Therefore, it could be understood that the age does not influence the satisfactions of the customers with the services of private sector banks.

**Educational qualifications and level of satisfaction:**

Particulars	Public Sector	Private Sector
Calculated Value	4.3823	3.6982
Table value at 5%	9.488	9.488
Degrees of	4	4
Inference	Not Sig	Not Sig

It is portrayed from Table 7 that in the case of both public and private sector banks, the calculated Chi-Square values are less than the table values. Therefore, the null hypothesis is accepted. Hence, it could be inferred that the educational qualification does not influence the satisfaction of the respondents with the services of public and private sector banks.

**Summary of Findings**

Regarding product strategy, it is observed that the significant difference among the selected public and private sector banks is identified regarding the importance given to the variables namely variety of loans, lesser requirement of margin, quick processing, lesser need for mortgages, various EMI, need based products, transparency in interest calculation and variety in repayment period since the respective „t“ statistics are significant at five per cent level.

Regarding the importance given by the bank employees in respect of pricing strategy, the significant difference among the public and private sector banks is identified in importance given on rate of interest and period of repayment since the respective chi-square statistics are significant at 5 per cent level.

**Conclusion**

The researchers aim throughout the study has been to examine how far the customers are satisfied with the services



provided by both private and public sector banks through marketing strategies adopted by the banks in Dindigul district. Customers are the most important assets of any business. The success or failure of any business depends upon how far it satisfies the expectation of customers. Banks are an important social organization rendering various financial services to customers. Realizing the importance of customer service in banks, recommendations are made by various committees to improve the service quality of banks. The nationalization of major commercial banks led to „Mass banking“ which in turn increased the volume of customers. The increase in the volume of customers automatically led to a deterioration in the quality of customer services.

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## PERFORMANCE OF LIFE INSURANCE CORPORATION OF INDIA

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### Abstract

*Safety and security has become the prime concern of everybody. Even though India has considerably developed economically, a section of people still feel unsafe and insecure. Insurance has come up as a very important financial service in most part of the world. Insurance is considered as one of the important segments in an economy for its growth and development. This industry provides long-term funds that are essential for the development of basic infrastructure. This industry has witnessed many phases of working, from the days when there were many private sector companies initially and then moved to nationalization, and again to the private sector. Life Insurance Corporation of India is a unique institution which provides service catering to the needs of the people in the various strata of the society. In recent years, the Life Insurance Corporation is subject to public criticism since it has failed to achieve the objectives for which it was primarily established. The emergence of public criticism is mainly due to the advent of many insurance schemes like insurance - linked bank deposit, postal insurance and the high rate of interest in the money market.*

**Keywords:** LIC, IRDA, Global Performance, Investment, Privatization etc.,

### Introduction

The service sector remains the principal driver of the Indian economy. In the service sector, insurance is a major contributor to the financial savings of the household sector of the country and further such savings are channelized into various investment avenues. The Life Insurance Corporation India is the Premier life insurer and one of the most stable financial institutions in the country. The LIC has been striving hard to spread the life insurance message to every nook and corner of the country. During the fifty years of its existence, it has managed to grow into a giant. The Indian insurance sector was opened for private players when the Government of India

enacted the Insurance Regulatory and Development Authority Act in 1999. The first private insurance company was registered with the IRDA in October, 2000 and it started operations shortly by closing the 44 years of public sector monopoly. Since then, many more private companies have been registered bringing a total number to thirteen as on March 31, 2004, all of which are joint ventures between major business houses or banks in India and renowned international insurance giants.

Now insurance sector in India is a challenging one. There is a stiff competition among the different insurance players. The LIC of India is also seriously competing with other

private players. In a way private players are trying to capture the market of the LIC of India, which was enjoying a monopoly position for a long period of time.

### **Global Performance of LIC**

As per Swiss Re, global insurance premium in the calendar year 2008 were USD 4270 billion which is slightly higher than the USD 4128 billions in 2007. Life business accounted for USD 2491 billions and non life insurance accounted for the remaining USD 1779 billions. In underwriting results of non-life insurance business remained comfortable, investment income and return on equity fell sharply in both life and non-life insurance. The financial crisis and the economic down turn severely impacted sales of single premium products and unit - linked products. The profitability of life insurers deteriorated in 2008 due to low investment yields, high cost of guarantees and low revenues from asset management fees. Solvency was impacted and access to capital became difficult.

The -3.5 percent fall in global life insurance premium can be attributed to a decline in the industrialized countries (-5.3 percent) and double - digit growth in the emerging markets (+15 percent). Non - life premium declined marginally by -0.8 percent in 2008 due to slower demand for cover and softening premium rates. Premium declined by 1.9 percent in the industrialized countries, but the growth is still positive in the emerging markets (+7.1 percent). Insurance penetration (insurance premium as percent of GDP) measures the level of insurance activity relative to the size of the economy. As GDP per capital rises, it is expected that individuals will purchase more insurance.

### **Performance of LIC of India**

The performance of the insurance sector in the financial year 2008-09 was largely influenced by the sub-prime crisis. As the global economy entered a phase of synchronized recession, the Indian economy experienced a distinct moderation in real GDP growth reflecting a creeping contagion from the global crisis as well as slackness in cyclical growth impulses. In relation to the record average growth of 8.8 percent achieved during 2007-08, 6.7 percent growth in 2008-09 represents a notable deceleration, though in terms of growth performance of major countries around the world, Indian growth remained one

of the highest. India with its huge middle class households, has exhibited growth potential for the insurance industry. Saturation of markets in many developed economies has made the Indian market even more attractive for global insurance major. The insurance market in India has witnessed dynamic changes including entry of a number of global insurers. The growth of the LIC of India can be assessed in terms of number of new policies issued, sum assured, annual premium, productivity of agents, claim settlement, and commission paid.

The LIC is striving hard to increase its new business at a very rapid speed. It receives new business within and outside the country every year. It is ascertained the growth was high in the year 2005-06 (31.75 percent). There was negative growth in the years 2004-05, 2007-08, and 2008-09. In all the other years, growth was high. The compound growth rate of the number of new business policies issued by the LIC of India was 9.25 percent, which shows a good performance. Performance of LIC of India was also assessed in terms of sum assured.

The annual premium collected by LIC of India for new business was fluctuating from the year 1999 - 2000 to 2008 - 2009. There was a rise in premium collection during the year 2001-2002 by 80.85 percent over the previous year. Negative growth was recorded in 2002 - 03 by -21.89 percent, 2004 - 2005 by - 5.42 percent, 2007 - 08 by -0.21 percent, and 2008 - 09 by -14.14 percent. The compound growth rate of annual premium collected for new business was 13.64 percent and it was a remarkable growth performance of the LIC of India. Performance of the LIC of India can also be assessed with the help of the number of active agents from 1999-2000 to 2008-09. Productivity of active agents has been constantly increasing. Sum assured per agent is the ratio between the sum assured for new business and the total number of active agents per annum.

The number of active agents increased from 683190 in the year 1999-2000 to 1275 611 in the year 2008-09. Maximum sum assured per active agent was 3 102471 in the year 2008-09. Sum assured per agent was fluctuating year after year due to the advertising effect, sales promotional strategies followed by agents. The compound growth rate of the number of active agents was 6.47 percent. There was a remarkable growth of agents who are actively

participating in the marketing performance of the LIC of India. Timely payment of claims to claimant is an important activity of the LIC. Efficiency of an insurance company depends upon the settlement of claims. Claim is the return promise against the premium paid to the insurer.

### **Privatization of Life Insurance Sector in India**

Scenario before privatization The Life Insurance Corporation of India was the only player in the field and enjoyed absolute monopoly. It had a vast infrastructure throughout the country. Due to lack of competition, the organization was very complacent. Its product lacked innovatory approach. Mainly money back policies and the policies which generated more commission for the agents were mostly sold. Most of the business was procured by agents who were not professionally trained and lacked knowledge / expertise to propagate the philosophy of life insurance. Due to this handicap, the Life Insurance Corporation of India' policies were perceived by the public as an income than saving instrument. A glance at the business profile reveals that 75 percent of the business was generated in the months of January, February and March while remaining 25 percent of the business was procured in the remaining nine months. Life Insurance Policy was also perceived as an instrument of investment for earning return and was compared with the other financial investment avenues. The real worth of life insurance which included risk coverage was not appreciated. Lack of correct appreciation had been responsible for low response. It will be relegation for many to know that 10 percent of the agents procured 90 percent of the business and the remaining 90 percent of the agents procured the remaining 10 percent of the business. Most of the agents did the job on part time basis and sold the policies to their reference group.

Post privatization scenario the privatization of Insurance sector in 1999 has ushered in dynamism in the field. The Life Insurance Corporation of India has been shaken up from its deep slumber and has been on guard to gear up for competition. This is evident from the policy statement issued by the Chairman of the Life Insurance Corporation and its senior functionaries. Private companies have entered

into the Frey with joint ventures with foreign partners. This has been done to utilize their expertise in the field and give an opportunity to professionally managed companies to win the confidence of the people. The major private player is ICICI Prudential Life and is marketing its product with a slogan 'We cover you at every step in life. "Another player in the field is HDFC Standard Life and this company has joined hands with Standard Life Assurance Company of UK. The company has a catchy ad line – 'Making the life easier for you.' "Max India Limited has joined hands with Max – New York Life in propagating its philosophy with the objective "Your partner for life". Aditya Birla Group has joined hands with Sun Life Financial Company of Canada. The company has carried the slogan "Your dreams, our commitment" to lure prospective customers. These companies have launched a number of innovative products after carrying out deep research on the requirements of the prospective customers. In addition to innovative products, these private companies offer state of the art service, professional administrative backup to provide customer - oriented products and efficient after sales service to the full satisfaction of the customers. The private operators are handicapped by lack of infrastructure and trained work - force. In addition to all these handicaps, the credibility factor is of utmost importance. NBFCs have created such a mess in the financial sector that the investors are disillusioned by the private companies. Since insurance and in, particular life insurance is a long-term contract.

### **Conclusion**

The primary function of insurance, be it life, non life or reinsurance, is providing protection by assessing the risk and sharing the same with many by the process of risk sharing and, thus, minimizing individual risk and its impact. These basic functions are followed by subsidiary responsibilities like efforts for preventing losses and aiding the economic development through the investment of funds. The role of insurance goes beyond its primary purpose of spreading the risk and, thereby, minimizing the loss. The huge fund collected by way of premium from millions of policyholders, and the amount retained by them as solvency funds to meet unforeseen contingencies are invariably invested according to the mandatory or prudential norms approved

by the regulators. Insurance plays a significant role in shaping the economy of a nation.

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## A STUDY ON RECOVERY TRIBUNAL OF SCHEDULE COMMERCIAL BANKS IN INDIA

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### *Abstract*

*In India, NPA's are becoming a major threat, the functionality of the banks depend upon the performance and the level of the NPA. The profitability and the liquidity of the bank are depending upon the NPA. Certain measure has been taken by Narasimham committee for the management of NPA but it was not possible for the committee to minimize the NPA completely. The government of India has set up the recovery tribunals for the NPA. In this paper an attempt has been made to find out whether the recovery tribunals have helped to recover the NPA's or not.*

**Key Words: Recovery Tribunals, DRT'S, NPA, LOK ADALATS.**

### **Introduction**

In India, banking plays a vital role to the society. During the last decade of 18<sup>th</sup> century banking has originated in India. All scheduled commercial banks have occupied a major role in the Indian banking sector. The first bank was Bank of Hindustan and it was established in the year 1770 later it got liquidated. During 1990's accepting deposits and lending money was the major service of banking sector. Presently the various operations of Indian banks merchant banking, leasing, venture capital, mutual funds etc. The banks also provide various services to attract more customers like mobile banking, ATM service, interest free loan, M-pass book etc. The primary goal of every business is to maximize profit but

it is more risky for a bank to make profit as certain factors may lead a profitable business into unprofitable. NPA is a major factor which affects the banks functioning. it is important that the banks should minimize its NPA. The high NPA reflect the performance of the bank and it directly affects the profitability of the concern. There are various factors which will reduce the NPA level likewise there are certain other factors that contribute to the recovery of the NPA. The banks and financial institutions can recover the loan amount through recover tribunals.

### **Non-Performing Asset**

Non-Performing asset can be explained as a type of loan or advances, where will make a default to repay the principal amount and

interest, within 90 days.

#### **Classification of NPA**

- ❖ **SUB -STANDARD ASSET:** A sub-standard asset can be said to be a Non-performing one where the interest/principal amount has overdue for a period not exceeding 1 year
- ❖ **DOUBTFUL ASSET:** The principal amount / interest is overdue for a period of 1 year
- ❖ **LOSS-ASSET:** The principal amount/ interest is considered loss- asset due to under recovery and the amount is not fully written off

#### **Recovery Tribunals**

When non-performing assets turns into doubtful or loss asset, the principal amount and interest can be recovered through following recovery tribunals.

**LOK ADALAT:** The Lok Adalat is a recovery tribunal which was introduced in the year 1987 under the legal service authority Act organized by civil court.under the consultation with RBI all the monetary ceiling cases will come under Lok Adalat. All the cases with 500,000 to 20,00,000 will come under Lok adalat, once the NPA is turned into doubtful or loss asset then the cases could be be filed.

**DRT's:** The Debt Recovery Tribunal Act was passed on 1993 under the recovery of debt and financial institution Act. All the cases with above 10,00,000 can be filed under this Act.

**SARFAESI Act:** Securitization and Reconstruction Of Financial Assets and Enforcement Of Securities Interest Act 2002. The Act was passed under section 10 of SARFAESI Act, 2002. This law is applicable for loans below 100,000

#### **Review of Literature**

Mayur Raoa and Ankita Patel (2015): has studied the management of NPA in scheduled commercial banks in INDIA. The asset quality of private bank and foreign sector banks is having better performance due to various factors.

The study analyzed that from 2009 to

2013 there is no significant difference in gross NPA to gross advances of scheduled commercial banks. Thus the study has been concluded that the management of NPA may vary according to the operation of the concern. Private sector and foreign sector banks are more concern about the management of NPA but public sector bank has to improve its operations.

Dr Prema Dawar and Ms Pooja Sharma (2017) studied Non-performing asset comparison of ICICI bank and HDFC bank. Net NPA ratio of the study has been carried out. From 2010 to 2014 ICICI showed a better performance in the asset quality, whereas HDFC bank showed a fluctuating trend. From 2009 to 2011 HDFC bank showed a better performance in the asset quality of the bank. The hypothesis testing result showed that both the bank has no significant difference in NPA.

Dr. Ujjwal M. Mishra and Jayant R Pawaskar(2017) : has studied the NPA and its impact on banking sector. The study has found out that the for the past four year NPA has been increasing and hence it is important that banks has to follow better credit appraisal system for the management of the NPA. The study has concluded that the problem of NPA can be solved only by taking proper Recovery measures from RBI. It has been recommended that the RBI has to improve the credit appraisal system

#### **Objective of the Study**

To analyze the performance of Recovery tribunals in minimizing NPA's

To understand the importance of Recovery Tribunals with regard to NPA's

#### **Limitation of the Study**

The period is limited to past 5 year from 2012-2017. The study is based on present performance of the NPA and the future performance can't be predicted

#### **Scope of the Study**

This study will help to know the recoveries of NPA in scheduled commercial banks in India. The study helps to know the role of Recovery Tribunals in recovering or

minimizing the NPA's. The study helps to understand to what extent the NPA is recovered

and also the performance of recovery tribunal during the study period.

**NPA recovered through LOK ADALATS (amounts in billion)**

ITEM	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Number of cases referred	840691	1636957	2958313	4456634	2152895
Amount involved	66	232	310	720	1058
Amount recovered	4	14	10	32	38
% of amount Recovered	6.1	6.2	3.2	4.4	3.5

The above table indicates that the number of cases referred has been increased from 2012-2013 to 2015-2016, where it has decreased during the last year of the study. Amount involved shows a steady increase during the period of study. It has been found that during 2012-2013, out of the total amount involved (66 billion), 4 billion has been recovered i.e.

61%.the next year 2013-2014, the percentage of recovery is 6.2%. But in 2014-2016 the percentage has been decreased to 3.2 and in the year 2015-2016 it increased to 4.4% in the last year recovery percentage again decreased to 3.5%. Hence there is fluctuation in percentage of the recoveries during the study period under LokAdalat

**NPA recovered through DRT'S**

ITEM	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Number of Cases referred	13408	28258	22004	24537	28902
Amount Involved	310	553	604	693	671
Amount Recovered	44	53	42	64	164
% of amount recovered	14.1	9.5	6.9	9.2	24.4

The table has shown the recovery of NPA through DRT's. The number of cases involved in the year 2012-2013 to 2016-2017 has been increased. In the year 2012-2013 number of cases involved is 310 and the recovered amount is 44 billion. There has shown an increasing trend during the period of the study.

The percentage of amount recovered in the year 2012-2013 was 14.1% and in the year 2016-2017 total amount involved was 671 and the amount recovered was 164(billion) so the percentage of amount recovered is 24.4 %. Compared to previous year the total percentage has been increased during the period of the study.

**NPA recovered through SARFAESI**

ITEM	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Number of cases referred	190537	194707	175355	173582	80076
Amount Involved	681	953	1568	801	1131
Amount recovered	185	253	256	132	780
% of amount Recovered	27.1	26.5	16.3	16.4	68.9



The table has shown the NPA's recovered through SARFAESI ACT for a period of 2012-2013 to 2016-2017. In the year 2012-2013 total amount involved is 681 out of which the recovered amount is 185(billion) which is 27.1% and the percentage recovered in the year 2013-2014 is 26.5%. In the year 2014-2015 to 2015-2016 the recovered percentage is 16.3% and 16.4%. So from 2012-2013 to 2014-2015 there has been a slight variation in the percentage of amount recovered through SARFAESI ACT. In 2016-2017 the amount recovered was 780 and the percentage was 68.9% hence there is a great major difference in the recovery during the period of the study

### Findings

1. Lok Adalat – The percentage of amount recovered through the recovery tribunal is found to be fluctuating 6.1%,6.2%,3.2%,4.4%,3.5% respectively during the study period
2. Debt Recovery Tribunal – The percentage of amount recovered under this recovery tribunal is found to be in between 6.9% to 14.1% during the first four years. But it is increased to 24.4 % during the year 2016-2017
3. SARFAESI – the percentage of amount recovered in the year 2012-2013 is 27.1% followed by 26.5% .During the year 2013-2014 it was 16.3% and 16.4% in the next two years, 2014-15 and 2015-16 respectively. It is found that there was a great increase in the year 2016-17 indicating a recovery of 68.9%

### Suggestions

The credit monitoring systems should get improved so that the recoveries will be identified and there will be decrease in the number of recoveries. Regular follow-up has to be maintained by bank towards non-payment of loan. The banker has to identify the repayment capacity of the customer before approving loan. Field verification should be processed for the large borrowers. Delay in filing cases against NPA has to be minimized

### Conclusion

All scheduled commercial banks in India is facing NPA problem.it is not possible for a bank to recover all the NPA amounts. The non-performing assets have a direct impact on the profitability of the bank. The government of India has to follow various methods to solve the problem. One of the measures adopted by RBI is recovery tribunals.it is important that the bank has to recover the amounts and it will improve the efficiency of the bank. In this study it has found out that the recovery tribunals are performing well compared to previous years but it is necessary to bring forward all the number of cases referred, So that the number of recoveries will get decreased and the efficiency in the management of NPA will get improved.

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## LISTING OF SMES - A SOLUTION TO THE GORDIAN KNOTS OF THE MSME INDUSTRY

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### Abstract

*This paper seeks to examine the Gordian knots of the Indian MSME sector and address them through the new model of listing of SME via the BSE SME a joint initiative of The SEBI and BSE. Problems of the erstwhile MSMEs that got resolved in the current set up of SME listing has been taken as the criterion. The major ones amongst them are Capital availability, Investor draw, Sub division and consolidation of ownership interest, Business valuation, Distribution of risk, Equity financing through venture capital financing, Premium valuation, Unlocking/ benchmarking value, Good governance, Tax exemptions, Public awareness, Attracting new talents, Credit management, Reputation management, Migration to main board exchange. However, betterment comes at a cost only. Listing entails few procedural compliances and drawbacks as well. This paper also makes an attempt to throw light at the various critical areas and drawbacks of listing end tailing a broader picture of listing of SMEs.*

**Key Words:** SME, MSME, Net worth, Credit funding, RBI, NPAs.

### Introduction

With India becoming a hub for start-ups, the small and medium enterprises or companies have seen a boom in the last few years. To support the growing number of small and medium companies, the government in 2012 initiated the SME exchange platform under the Bombay Stock Exchange along with support from SEBI.

The small and medium enterprises are

said to become the major contributors to the Indian economy over the coming few years. There is no denying that SMEs play a vital role in the growth of an economy both, as a job creator and a contributor to the national income. However, it is often seen that these small companies fail in procuring sufficient funding and technological advancement due to the lack of funds to compete in the market and gain visibility for selling their

products and services. By listing under the small and medium enterprise exchange, a company can ensure better opportunities to allow itself time and convenience to grow. Listing a company on the stock market is one of the best moves in order to raise capital. This is valid for SMEs (Small and Medium Enterprises) and also for start-ups and funds for development are needed all the time.

Running a business on a right scale exploring the right scaling opportunities requires alignment of various business opportunities with various skills and strengths of the business houses. While the law of land bestows certain advantages of taxation, other factors such as scale, information availability, market approach, exit possibilities amongst a lot of others influence the growth and placement of the business house in the market. This further influences the trade and statistics in the economy as a whole by contributing to various factors and indices like employment creation, credit cycles, GDP etc.

It is a fact that the Indian economy has been doing exceptionally well despite the bear trends an depressed world economy only because of the strength and diversification, she has got in the vastly spread MSME sector. Yet the growth potential of the same has not been fully unleashed owing to various shortcomings and inherent lacunae.

This paper seeks to examine the Gordian knots of the Indian MSME sector and address them through the new model of listing of SME via the BSE SME, a joint initiative of The SEBI and BSE. Problems of the erstwhile MSMEs that got resolved in the current set up of SME listing have been taken as the criterion. The major ones amongst them are Capital availability, Investor draw, Sub division and consolidation of ownership interest, Business valuation, Distribution of risk, Equity financing through venture capital financing, Premium valuation, Unlocking/benchmarking value, Good

governance, Tax exemptions, Public awareness, Attracting new talents, Credit management, Reputation management, Migration to main board exchange. However, betterment comes at a cost only. Listing entails few procedural compliances and drawbacks as well. This paper also makes an attempt to throw light at the various critical areas and drawbacks of listing end tailing a broader picture of listing of SMEs.

### **Objective of the Study**

This study mainly focuses on suggesting a solution in listing of SMEs to the various bottlenecks and Gordian knots faced by MSMEs in the Indian economy while critically examining the listing requirements

### **Methodology**

All the information required for this study has been collected and compiled from secondary sources (Registrar of Companies and BSE-SME platform) as the subject matter comprises only listed SME companies. BSE SME is a trading platform floated by The Bombay Stock Exchange under the guidelines of SEBI. Further operation of various frameworks like SEBI guidelines, ROC (Registrar of Companies) filings, application of SCRA (Securities Contracts Regulation Act) Companies Act 2013 etc., make the secondary data most reliable and accurate fit for research purposes.

### **Capital Availability**

The ace problem for any MSME in India is the availability of capital. Traditionally business can be run from two sources of funds – credit and own capital. It is obvious that own sources of capital are negligible effectively explaining the scale of operations. To make it big in the trade or service sector, availability of funds has become a very critical success factor besides having a feasible business idea and opportunity. As own sources are meager, the next go to option left with the sector is to root in for credit funding. But the same has been over years very unattractive and

has high risk profile from the lender’s perspective. The comparison of key statistics related to loans given by Indian Banking industry is presented in Table 1.

**Comparison of Key statistics related to loans to MSME sector by Indian Banking industry**

Criterion	2016-17	2017-18
Loan default margin	8,249 Cr	16,118 Cr
NPAs / Bad loans	82,382 Cr	98,500 Cr
Percentage of total loan defaults	66.61%	65.32%
Outstanding advances to MSME	9,93,655 Cr	10,49,796 Cr

Source – Reserve Bank of India

A careful analysis of the above data shows that the MSME sector has been a bad performing sector for the lender. Hence interest rates (being a risky sector) and collateral requirements are always on the rise.

**Observations in respect of issues related to access to capital by fresh infusion are**

It is a fact that credit availing avenues have been restricted and controlled over years from the organized sector and the semi organized and unorganized sources of credit take away the risk taking flair in conducting business from the entrepreneur’s perspective. Working on the capital building is a more feasible solution than pondering on credit which bears with it a constant risk and requirement of mandatory accumulating cost of funding.

Though capital can be raised even by the unlisted SMEs, believability factor and market appeal go for a toss in respect of the same. Listing provides access to capital by equity infusion which is a direct growth driver.

The funds so raised are company's own and the company is at complete liberty to utilize it for any purpose such as expansion, diversification, acquisition or even loan repayment, all of which leads to

a healthy balance sheet. Once listed, these companies are now well equipped to exploit other avenues of raising capital such as rights issue, preferential issues, qualified institutions placements (QIP) and other international fund-raising instruments, such as FCCBs, ADRs and GDRs etc.

**Investor Draw**

A business can fund its idea and operations from different sources. Majority of them are

- Own capital infusion
- Credit capital
- Government grants and subsidies
- Public issue of shares
- Venture capital financing
- Angel investment
- Business incubators

While traditional business modes like sole proprietor, Hindu Undivided Family (HUF), Partnership firms etc., get access to only three of the above sources and are devoid of availing the other sources of funding and pursuing a business idea.<sup>3</sup> It is noticed that a listed entity either on the SME exchange or on the main platform are monitored by various independent parties/organisations such as Registrar of Companies (ROC), SEBI, Stock Exchange, Independent directors, Statutory auditors etc., revealing trustworthy, reliable and verified information to the market and the prospective investors who are at liberty to explore or study the business models and judge on the future viability of the business as an investment profile, thus attracting more investment in other forms like public deposits, debentures etc., besides issue of shares, venture capital financing, angel investment, business incubators etc. Listing also increases the confidence of investors as they have the liberty to enter and exit the listed company as per their convenience.

**Subdivision and Consolidation of Ownership Interest**

Traditionally, ownership interest is absolute and part exit or realisation is not possible in more traditional business formats like sole proprietor and HUFs. This, added with the legal restriction of

unlimited personal liability to the debts of the business makes risk-taking a caution worthy exercise often leading in to pessimistic attitude towards business with over caution. Also lack of exit possibilities make the presence felt in operational and strategic decision making activities.

It is observed that stock exchange bye-laws provide for explicit rules for sub division and consolidation of securities as desired by the investors. There are special trading sessions in the exchange for conversion of odd lots into market lots arranged by financial and institutional investors. Thus, listing helps to provide flexibility to investors in the subdivision and consolidation of their holdings with speed and earnestness.

### **Business Valuation**

Business valuation in MSME sector has been a major setback in the Indian context. Earlier definition of MSME was on the self declared investment in plant and machinery and business assets by the owner. Though the same is shifted to turnover based definition in the union budget 2018, the self declaration part is still holding well on the flip side. In the existing set up, there are no measures to verify and validate the turnovers as disclosed by the MSME units.

Lack of independent surveillance and exclusive regulatory mechanism with strict annual disclosure requirements have been forcing the market to cross verify information from various allied sources like income tax filing reports, GST filing reports, PF reports etc. Hence due to lack of information, business valuations have been more often restricted to traditional methods based on cost<sup>4</sup>

The observations reveal that listing on the SME platform, the valuation of the company increases as investors are drawn towards listed companies. Also presence of independent regulators, industry watch and market watch provide for the trust factor and oversight which are long overdue and are an immediate necessity.

### **Distribution of Risk**

It is a fact that MSMEs contribute to 6.11% of India's manufacturing GDP<sup>11</sup> and 24.63% of Services GDP in the previous fiscal. Yet they face a plethora of risks both operational, market-driven and informational. More often the risk has to be borne by the promoter on. Scope for diversification on risk and mitigation has been historically very low which explains the shift in entrepreneur mindset to employment mindset.

As per a news article published on May 07 2017 in The Hindu Business Line, 90% of Indian start ups fail<sup>12</sup> because of business associated risks of lack of innovation and allied risks. As per Forbes listing, over 77% of venture capital financiers feel that Indian business models and ideas lack innovation. This can be traced to lack of financial capability to hire quality resources for feasible MSME business ideas.<sup>5</sup>

Hence it can be resolved that listing of SMEs can contribute to an effective method of distribution of risk in the developing capital market. It is an effective system of sustaining capital flow through the investment of excess which can lead to higher payoffs. Sustainable capital flow will ensure capability to hire quality resources, both human and technical, on a steady basis to cater the needs of ever demanding and dynamic global markets thereby optimizing risk appetite of the business models.

### **Equity Financing Through Venture Capital**

Listing provides an incentive for Venture Capital Funds by creating an Exit Route and thus reducing their lock-in period. Thus more venture capital financing may look in to the Indian SME sector which provided shorter investment periods and availability of huge domestic market to cater to unlike the other contemporary investment opportunities.

### **Premium Valuation**

Valuation of a company is

determined by various factors one of which is class of company – listed or closely-held. The value discounting by investors of an unlisted entity can be avoided, if the shares are listed on a nation-wide exchange platform including SME Exchange.

#### **Unlocking / Benchmarking Value**

The fair value of an unlisted company may not be benchmarked appropriately, in absence of a market-driven mechanism. The companies listed on a stock exchange are traded and the market forces are expected to establish their fair value or near-fair value. This leads to unlocking or benchmarking of fair value of the SME businesses.

#### **Good Governance**

Benefits accrue at the time of listing as the companies prepare themselves for this event and also throughout the life of the company. Regulatory supervision and governance controls in the form of routine compliances become a part of the company's day-to-day existence. Timely disclosure of material information not only leads to improved governance but also protects investors' interest.

#### **Tax Exemptions**

The Income Tax Act offers various benefits to companies that are listed on recognized stock exchanges which include the small and medium enterprises. Some of the major tax benefits include

- Depending upon the assessee's income tax slab and applicable tax rate transfer of unlisted shares attracts a tax of 20% on long-term capital gains and tax of up to 30% on short-term capital gains. However, if the company is listed then there is zero tax on long-term capital gains and only 15% tax on short-term capital gains. By listing on SME exchange, a company can avail this tax benefit which ultimately leads to enormous tax savings for the SME entrepreneur or investor.

- Under the Finance Act, fresh equity shares issued by unlisted companies to investors other than registered venture fund incur a tax liability. However, if a company

is listed then no such tax liability is attracted to the shares of the company even while making fresh equity infusions.

- A listed company is also exempted from the imposition of any tax on the acquisition of its distressed assets by a buyer. This motivates buyers to invest in the distressed assets of a listed company.

- Strategic investors are more interested in investing in the market-driven transparent trading platform which provides an easy entry and exit policy.

#### **Public Awareness of the Company**

By being listed on the SME exchange, a company gets more visibility through increased public awareness, research coverage by sector investment analysts, media coverage etc., which help small and medium enterprises to build their own brand.<sup>7</sup>

#### **Attracting New Talents and Motivating Current Employees**

Through a “stock option plan” for employee loyalty the company can take the employees as long-term partners. By offering employees a package of shares, the company offers not only additional motivation but also ensures that they stay in the company.

#### **Better Management of Indebtedness**

Better management of the debt ratio (debt vs. equity) is a crucial aspect. A listed company is more likely to access the required capital without increasing the indebtedness because it can raise capital by issuing new shares or bonds or convert part of the debt into shares (the creditors become shareholders of the company).

#### **Improved Reputation and Prestige**

Companies listed must go through a rigorous process before listing, which leads to increased confidence. Listed companies are considered more transparent and trustworthy than non-listed companies due to reporting requirements and the corporate governance rules they have to comply with.

#### **Migration Provisions**

One of the major attractions for SME IPO remains the provision of

migration to the main exchanges. Any company listed at the SME platform, after crossing the threshold of Rs 10 Cr Capital may migrate to the main exchange and upon crossing the threshold of Rs 25 Cr has to mandatorily migrate to the main exchange.<sup>8</sup>

### **Disadvantages of Listing of MSMES**

#### ***Compliance with the rules and regulations specific to the capital market.***

The process of maintaining good quality relationships with investors requires a great deal of dedication from specially appointed individuals to handle this role.

#### ***Cost Of Listing***

Although the process of listing is not expensive, there must be some human capital involved in the listing process. The company also has to invest in hiring authorized consultants as well as a broker that can assist it in preparing the necessary documentation as well as in finding investors.<sup>9</sup>

#### ***Length Of The Print Preparation Process***

Every company needs training before listing. This involves preparing a company equity story and ensuring that the finances are sound and that the company complies with all the regulatory requirements. But this takes time.

#### ***Periodic Reporting***

Periodic reporting creates special opportunities, but also requires human capital and time dedicated to preparing these reports. Companies listed on the Bucharest Stock Exchange's main stock market must issue quarterly financial reports.

#### ***Great Media Attention To The Company***

When the company records great results, media attention is very welcome. However it is important for it to report less positive news, such as, for example, lower financial results than in the previous period. In this case, the attention of the press and shareholders may not necessarily be welcomed, but it is indispensable for a listed company.

### **Conclusion**

It is evident that quality and improvement come at a cost. Spotting the right trade off between the both is a matter of judgement which is a function of application of logical reasoning and education factored with risk taking abilities and appetite. Though globalization has made inroads in to the Indian economy long before, the key essence is not yet adopted by the most vibrant and vast spread MSME sector. Corporate and listed form of business in the more traditional Indian system still needs to seep in to the value creation chain.

Listing of SMEs aims to inculcate the true corporate culture to the conventional risk averse Indian mind-set. It is an accepted fact that this involves significant compliance as well as quality costs. But if successful, the same has got all the probability of creating greater value to all the stake holders besides generation of global business houses which is the need of the hour in the volatile international trade market scenario. It can be concluded that the presence of huge and sizeable gains easily outweigh the minor drawbacks associated with listed SMEs as a solution to the scaling traditional businesses.

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## **A STUDY ON IMPACT OF SELF HELP GROUPS IN SIVAGANGAI DISTRICT**

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### **Abstract**

*In recent years, Self Help Groups (SHGs) are getting much importance, As they create awareness about Self Employment, savings, education, health and family welfare and thereby make people especially women more empowered. Neutrality pave the way for its healthy growth. The Self Help Group helps people to improve their economic conditions. There is a sign of relief and cheer in the faces of the members of the Self Help Group. Self Help Group concept gains momentum now –a-days because of its many folded effects on the economic empowerment of women. This study is under taken to analyze the structure, Participation of women in self help group activities, impact on domestic issues such as financial decision, enhancing the skills and so on, perception on SHG Training and social empowerments of Sivagangai district. The research had identified that the self help group members are gaining leadership, economy and life style in their lives.*

**Keywords:** Sugarcane, Irrigation, Tropical Region, Production etc.

### **Introduction**

In recent years, Self Help Groups (SHGs) are getting much importance, as they create awareness about self-employment, savings, education, Health and family welfare and thereby make people especially women more empowered. Self Help Groups (SHGs) have been mainly started to boost up their income and standard of living. Throughout history, we read women have collectively struggled against direct and indirect barriers and their social, political and economic

problems. By the end of the 19<sup>th</sup> century, women had begun to organize themselves. Gradually such organizations they took up a number of causes relevant to women such as education, working conditions, health, sanitation, housing and the habit of savings. Women's organizations began struggling for women's right in the early part of the 20<sup>th</sup> century. At present women's movement focuses its attention on equality and Empowerment. One of the programmes of women's movement is the Formation of Women Self Help group.



**Meaning of Self Help Groups**

Self-Help Groups are voluntary groups formed to attain certain Caste or traditional occupations and they come together for a common women monetary and moral support to individual members in times of distress and difficulties. Self –Help Groups as a homogeneous group of the rural area. Poor were Voluntarily formed to save whatever amount they can conveniently save out of their earnings and mutually agree to contribute to a common fund from which to lend members for productive and emergent credit needs. They aim at providing awareness among the poor about the on – going development Self-Help Groups also take up gender - linked like wife battering, child marriages and harassment by employees. It also takes up general community issues.

**Statement of the Problem**

Several studies indicate that self help group program is often in the form of credit or micro credit schemes and saving have succeeded in changing the lives of poor women by making way for enhanced income and increased self team. This is evident from the much booming growth of self help groups in the state. This study is under taken to analyze the structure. Participation of women in self help group activities, impact on domestic issues such as financial decision, enhancing the skills and so on, perception on SHG Training and social empowerments of Sivagangai district

**Objective of the Study**

1. To study the profile of the selected women SHG in the select area.
2. To know the socio-economic status of the self help group in the select area.
3. To identify the future impacts of self help group in the select area.
4. To analyze the impacts by women self help group business in the select Area.
5. To give suggestions based on findings of the study.

**Research Methodology**

The researcher has proposes to adopt convenience sampling method. The

researcher has collected impacts of women Self Help Group of Sivagangai Districts. The study is consisting of both the primary and secondary data.

**Hypothesis of the Study**

There is no significant difference between age and factors influencing financial impacts.

There is no significant difference between monthly income and overall marketing problem.

**SOCIO AND ECONOMIC CONDITIONS OF SHG MEMBERS**

Demographic Factors	F	%
Age		
Below 20 years	8	6.67
21 to 40 years	54	45
40 to 60 years	48	40
above 60 years	10	8.33
Marital status		
Single	8	
Married	94	6.67
Un married	16	78.33
widow	2	13.33
Separated	-	1.67
Educational Qualification		
SSLC	46	38.33
HSC	48	40
Degree	20	16.67
Graduate	6	5
Family Type		
Joint Family	60	50
Nuclear Family	60	50
Number of dependent in the family		
One	18	15
Two	52	44
Three	46	38
Four	4	3
Year of Joined In The Self Help Group Members		
1 Year	20	16.67
1 to 3year	40	33.33
3 to 6 year	40	33.33
6 years abov	20	16.67

Income		
15000	38	31.67
15000 to 25000	40	33.33
25000 to 35000	26	21.67
35000	16	13.33

- ❖ 45 per cent of the respondents are under the age group of 40-60 years.
- ❖ 78.33 Per cent of the respondents are married.
- ❖ 40 per cent of the respondents are having the educational qualification of schooling.
- ❖ 50 per cent of the respondents are getting nuclear.
- ❖ 44 per cent of the respondents are dependents in the family.
- ❖ 33.33 per cent of the respondent's year of joining in self help groups.
- ❖ 33.33 per cent of the respondent are getting annual income less than 15000 to 25000.

**Participation of self - help-group members and their impact on domestic issues:**

Demographic Factors	F	%
Financial Decisions		
Self	26	21.67
Husband	34	28.33
Husband wife	54	45
Money lenders	6	5
Financial Assistance of the Sample Respondents		
Self help group	28	23.33
Bank	50	41.67
Friends & Relatives	36	30
Money lenders	6	5
Benefits enjoyed by the Sample Respondents		
Self help group leader	20	17
self help group members	50	41
Self	36	30
Any other problem	14	12
Taking Financial decisions in Family	36	30
	18	15
	38	31.67

To large extent	28	23.33
To some extent		
Occasionally		
No at all		
Benefits of being members		
Social	38	32
Financial	26	22
Domestic	18	15
All of the above	38	31
Benefits of self help groups		
Self help group leader	32	27
Self help group member	32	27
Official	36	30
Any other	20	16
Improving the skill		
Communicating skill	22	18.33
Management skill	74	61.67
confidence level	10	8.33
All of the above	14	11.67
Awareness of the sample Respondents		
Political	24	20
Social	40	33.33
Administration	30	25
All of the above	26	21.67

- ❖ 45 per cent of the respondents conveyed that the financial decisions are taken by husband and wife.
- ❖ 41.67 per cent of the respondents says that they seek financial assistance from bank.
- ❖ 41 per cent of the respondents achieve the benefits of self help members.
- ❖ 31.67 per cent of the respondent taking financial decisions family of the occasionally.
- ❖ 32 per cent of the respondent benefits feel of social
- ❖ 30 per cent of the respondent are facilities of official .
- ❖ 61.67 per cent of the respondent are management skill.
- ❖ 33.33 per cent of the respondent are awareness of the social.

**Purpose of Joining In SHG**

Reasons	RANK					Garret Total	Garret Mean value	Garret Rank
	1	2	3	4	5			
Improve social status	6,600	1,500	750	150	-	9,000	9,000	1
Promote saving habit	360	720	840	3360	1920	7200	7200	2
Obtain financial report	900	3600	1100	300	100	6000	6000	3
Initiate Group Activities	-	400	640	720	3040	4800	4800	4
Develop leadership quality	200	150	1450	950	250	3000	3000	5
Total	8060	6370	4780	5480	5310	30000		

Table 3.12 shows that garret ranking are calculated by using appropriate garret ranking formula based on the garret ranks, the garret value ascertained, the garret table And scores of each purpose in table 3.17 are multiplied to find out scores in the table 3.17 which are then multiplied to record scores. Finally by adding each row the garret scores have been obtained . Garret score is awarded to each purpose to joining in SHG the highest scores in awarded to “Improve Social status” and the least score is awarded to develop leadership quality.

**Level Of Opnion On Ability On Self Help Groups Decision**

There is no significant relationship between Age and their level opinion on ability of self help group decision.

**Age And Their Level Of Opnion On Ability On Self Help Groups Decision**

CELL	O	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
R <sub>1</sub> C <sub>1</sub>	18	20.53	2.53	6.40	0.3117
R <sub>2</sub> C <sub>1</sub>	10	7.46	2.54	6.45	0.8646
R <sub>1</sub> C <sub>2</sub>	60	54.26	5.74	32.94	0.6070
R <sub>2</sub> C <sub>2</sub>	14	19.73	-5.3	28.09	1.4237
R <sub>1</sub> C <sub>3</sub>	10	13.2	-3.2	10.24	0.7757
R <sub>2</sub> C <sub>3</sub>	8	4.8	3.2	10.24	2.1333
					6.116

Since, the calculated value (6.116) is less than table value of 5 per cent level, the null hypothesis is accepted. Hence , it is

concluded that there is no significant relationship between the age of respondents and their level of opinion on ability of Self Help Groups decision.

**Suggestions**

The self help groups have indeed positively contributed towards the progress of rural masses on the basis of the findings of the study following suggestions have been made which would help to improve the functioning of the self help groups and the members and in turn would help the empowerment of the rural women.

- ❖ The trained members by the mahalir thittam through NGOs must train the other group members in an effective manner.
- ❖ A professionally trained social worker should be employed at the project officer’s level.
- ❖ Course curriculum training venues and duration of training programmes for women can be planned consultation with the women groups.
- ❖ The literacy levels of rural women are low and hence make an efforts to enhance literacy levels in the area should be given priority.
- ❖ Govt. should take necessary steps to attend the Gram Sabha meeting regularly with full attendance.
- ❖ The District Administration should make an effort to develop leadership quality.
- ❖ Orientation must be given to SHG family members to take decision.

**Conclusion**

The present reach is an attempt to study the impacts of Self Help Groups in Sivagangai district. Several development programmes have had their share in

bringing about change and development in the lives of poor women. The study looks at the impact of levels of women at four level is such as Individual, Family member, the self help groups in enterprise at the community level.

The study mechanism of credit coupled with the mobilization and organization of women on the basis of strengthening and collective of action empowers women. In this aspect of the study that brings about welcoming changes in the women's lives to be highlighted.

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